

The influence of boutique store atmosphere on customer satisfaction, store loyalty and repurchase intention

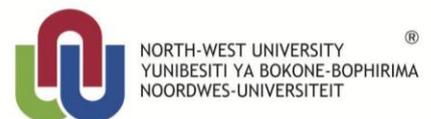
BM van Niekerk
21047634

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Supervisor: Prof DJ Petzer

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It all starts here™



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ABSTRACT

The global fashion retail industry has been characterised by fierce competition for numerous years. Boutiques face increasing pressure to distinctly differentiate themselves from competing retail stores offering fashion merchandise, since customers are becoming ever more demanding as fashion evolves and new trends reach South African retail stores. Accordingly, marketers have to ensure customer satisfaction, build store loyalty, and stimulate repurchase intentions in the fashion retail industry in order to survive and prosper. For marketers to attract and retain customers, they have to adjust their marketing strategies and utilise various elements in the marketing mix to compete for customers' attention, satisfy their retail experience needs, and encourage them to return.

Shopping for clothes forms a significant part of many South African females' lifestyles. Customers to whom fashion is important, have specific needs and wants and desire specific retail experiences. These customers are also becoming increasingly more sophisticated and individualistic, and therefore turn to small, speciality retailers such as boutiques, which they believe can accommodate them by providing unique and tailored retail experiences. Essentially, these customers do not merely purchase the retailer's merchandise; they want to experience the store atmosphere the retailer offers. Therefore, it is important for boutiques to be aware of their store atmosphere which can offer customers a satisfying, consistent and sound retail experience.

Customers who positively experience a retailer's store atmosphere may feel more satisfied with the boutique, and may return to the retail store in the hope of receiving a similar retail experience. Once the customer returns to the same retail store, the possibility arises that the customer may become store loyal. As soon as the customer keeps on returning to the same retail store, the probability of repurchase intentions becomes real. That said, store atmosphere is considered to be a significant marketing tool, given that it provides boutiques with the power to manipulate a customer's retail experience which could ultimately influence, customer satisfaction, store loyalty and repurchase intention.

The primary objective of this research study is to investigate store atmosphere as a second-order construct model comprised from four sub-dimensions (factors) namely the retail store exterior, interior, layout and design and point-of-purchase and décoration in order to determine the interrelationships between these sub-dimensions (factors), customer satisfaction, store loyalty and repurchase intention in the fashion retail industry. In order to address this, a descriptive research design was followed and self-administered questionnaires were fielded

Abstract

amongst females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to-high household income) who have bought items most recently from boutiques in Potchefstroom and Klerksdorp during the past six months. Judgemental, convenience and quota sampling methods were used to select the sampling units and sampling elements. A total of 361 questionnaires were ultimately analysed.

With respect to the empirical results of this research study, respondents agreed the most that the exterior location of the boutique is convenient, the entrance to the boutique is inviting, the interior of the boutique is clean and that the temperature in the boutique is comfortable. Regarding the layout and design of the boutique, respondents agreed the most that the checkout and service points in the boutique are well placed and that all the spaces in the boutique are creatively utilised, as well as that the furnishings in the boutique are attractive. Finally, regarding the point-of-purchase and décoration of the boutique, respondents agreed the most that the pricing of the merchandise in the boutique is clearly visible and that the merchandise is well displayed.

All the measurement scales measuring the sub-dimensions (factors) and constructs of this research study exhibit internal consistency reliability as well as content, construct and criterion validity. The standardised model results indicate that all statements included in the measurement model exhibit significant factor loadings above the recommended cut-off point, exhibiting a large effect in all instances, leading to the retention of all statements for further statistical analysis. With respect to the assessment of the structural model, the fit indices indicate an acceptable model fit.

Based on the empirical results obtained from this research study, it became clear that store atmosphere has a large direct influence on customer satisfaction and store loyalty, albeit with no direct influence on repurchase intention. Both mediation relationships realised a medium indirect effect between store atmosphere and repurchase intention with customer satisfaction and store loyalty as mediators.

The recommendations of this research study mainly focus on strategies to improve the store atmosphere of boutiques, since it positively influences customer satisfaction and store loyalty directly and repurchase intention indirectly. Limitations the researcher encountered were mainly related to budget and time constraints. Recommendations for future research include extending this research study to other Provinces of South Africa in order to determine the status quo in these Provinces and to determine whether statistical significant differences exist between respondents based upon demographic and geographic differences with respect to the constructs of this research study.

UITTREKSEL

Die internasionale kleinhandelmodebedryf word al vir geruime tyd gekenmerk deur strawwe kompetisie. Boetieks staar toenemende druk in die gesig om hulself te onderskei van ander mededingende winkels wat ook mode goedere te koop aanbied, aangesien kliënte besig is om al hoe meer veeleisend te raak soos wat die mode ontwikkel en nuwe tendense Suid-Afrikaanse winkels bereik. Gevolglik moet bemarkers kliënttevredenheid verseker, kliënte se lojaliteit teenoor die winkel behou, en intensies om die kleinhandelmodebedryf te bly ondersteun, stimuleer, ten einde te oorleef en floreer. Vir bemarkers om kliënte te lok en te behou, moet hulle hul bemarkingstrategieë aanpas en verskeie elemente in die bemarkingswêreld aanwend om te kompeteer vir kliënte se aandag, te voldoen aan hul kleinhandel ervaringsbehoefte, en hul aan te moedig om terug te keer.

Om klere aan te koop vorm 'n belangrike deel van baie Suid-Afrikaanse vroue se leefstyle. Kliënte vir wie die mode belangrik is, het spesifieke behoeftes en begeertes en wil spesifieke kleinhandelservarings beleef. Hierdie kliënte word ook toenemend meer gesofistikeerd en individualisties, en daarom draai hulle na spesiale kleinhandelaars soos boetieks, wat hulle glo hulle kan akkommodeer deur die verskaffing van 'n unieke en aangepaste kleinhandelservaring. In werklikheid wil hierdie kliënte nie net die handelaar se goedere koop nie; hulle wil die winkelatmosfeer wat die handelaar bied, ervaar. Daarom is dit belangrik vir boetieks om bewus te wees van hul winkelatmosfeer wat aan kliënte 'n bevredigende, deurlopende en positiewe kleinhandelservaring kan bied.

Kliënte wat 'n handelaar se winkelatmosfeer positief ervaar, sal meer tevrede voel met die boetiek en moontlik terugkeer met die hoop om weer 'n soortgelyke kleinhandelservaring te beleef. Sodra die kliënt terugkeer na dieselfde winkel, ontstaan die moontlikheid dat die kliënt lojaliteit teenoor die winkel kan ontwikkel. Sodra die kliënt aanhou terugkeer na dieselfde winkel, is die waarskynlikheid van heraankoopintensies 'n realiteit. Met dit in gedagte, word winkelatmosfeer beskou as 'n belangrike bemarkingsinstrument, gegewe dat dit boetieks die mag gee om 'n kliënt se kleinhandelservaring uiteindelik te beïnvloed en kliënttevredenheid, lojaliteit teenoor die winkel en heraankoopintensies te bewerkstellig.

Die primêre doel van hierdie navorsingstudie is om winkelatmosfeer te ondersoek as 'n tweede-orde boumodel, bestaande uit vier sub-dimensies (faktore), naamlik die winkel buite, binne, uitleg en ontwerp en punt-van-aankoop en versiering, ten einde die onderlinge verband tussen hierdie sub-dimensies (faktore), die kliënt se tevredenheid, lojaliteit teenoor die winkel en heraankoopintensies in die mode-kleinhandelbedryf te bepaal. Om dit aan te spreek, is 'n

beskrywende navorsingsontwerp gevolg en self-gedadministreerde vraelyste is versprei onder vroue, 18 jaar en ouer, met 'n gemiddelde maandelikse huishoudelike netto inkomste van meer as R14 000 (medium-tot hoë huishoudelike inkomste), wat gedurende die afgelope 6 maande items aangekoop het van boetieks in Potchefstroom en Klerksdorp. Beoordelende, gerief en kwota steekproefnemingsmetodes is gebruik om die eenhede en -elemente te kies. 'n Totaal van 361 vraelyste is uiteindelik ontleed.

Met betrekking tot die resultate van hierdie navorsing, het die respondente meestal saamgestem dat die buitekant van die boetiek gerieflik was, die ingang na die boetiek aanloklik was, die binnekant van die boetiek skoon was en dat die temperatuur in die boetiek gemaklik was. Ten opsigte van die uitleg en ontwerp van die boetiek, het respondente meestal saamgestem dat die diens- en betaalpunte in die boetiek gerieflik geplaas was, dat al die ruimtes in die boetiek kreatief benut was, en ook dat die meubels in die boetiek aantreklik was. Ten slotte, met betrekking tot die punt-van-aankoop en versiering van die boetiek, het respondente meestal saamgestem dat die pryse van die goedere in die boetiek duidelik sigbaar was en dat die goedere goed vertoon is.

Al die metingskale wat die sub-dimensies (faktore) en konstrunkte van hierdie navorsing meet, toon interne konsekwentheid-betroubaarheid sowel as inhoud, bou en maatstaf-geldigheid. Die gestandaardiseerde model resultate dui daarop dat alle verklarings ingesluit in die meting, modebeduidende faktorbeladings bo die aanbevole afsnypunt toon, wat 'n groot effek in alle gevalle het, en wat lei tot die terughouding van alle state vir verdere statistiese analise. Met betrekking tot die assessering van die strukturele model, dui die aanpasindekse op 'n aanvaarbare en geskikte pasmodel.

Gebaseer op die empiriese resultate verkry uit hierdie navorsing, is dit duidelik dat winkelatmosfeer 'n groot direkte invloed het op kliënttevredenheid en lojaliteit teenoor die winkel, al is dit met geen direkte invloed op verdere heraankoopintensies nie. Beide bemiddelings verhoudings het 'n medium indirekte effek tussen winkelatmosfeer en heraankoopintensie met kliënttevredenheid en lojaliteit teenoor die winkel as bemiddelaars teweeggebring.

Die aanbevelings van hierdie navorsingstudie fokus hoofsaaklik op strategieë om die winkelatmosfeer van boetieks te verbeter, aangesien dit kliënttevredenheid en lojaliteit teenoor die winkel direk positief beïnvloed en heraankoopintensies indirek. Beperkings wat die navorser ondervind het was hoofsaaklik verwant aan die begroting en tydsbeperkings. Aanbevelings vir toekomstige navorsing sluit in die uitbreiding van hierdie navorsingstudie na ander provinsies van Suid-Afrika ten einde die status quo in hierdie provinsies te bepaal, en vas te stel of

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beduidende verskille bestaan tussen die respondente, wat gebaseer is op demografiese en geografiese verskille, met betrekking tot die konstrunkte van hierdie navorsingstudie.

LIST OF KEY TERMS

This section presents a list of key terms used in this research study in order to ensure the consistency and clarity throughout this dissertation. These are subsequently listed and defined.

- **Boutique.** A boutique can be described as a small, individually-owned retail store (Stone, 2010:500). Boutiques carry their own label or brand or concentrate on offering narrow merchandise lines (e.g. women or men's clothing, accessories, cosmetics and fragrances or home fashions) or specialise in one or narrow merchandise lines (women clothing) (Stone, 2010:500). Boutiques are relatively unique in nature or form part of a small chain of retail stores with their own store name (Stone, 2010:501; D'Astous & Saint-Louis, 2005:306, 307; Leg Wear Trends and Fashions, 2003:3).
- **Retail store image.** Lindquist (1974-1975:31) and Martineau (1958:47) first defined the retail store image as the manner in which the retail store is labelled in the mind of the customer, to a certain extent by its aura of functional and psychological factors that a customer perceives to be present in the retail store environment. Based on this definition, the retail store image includes a set of feelings customers perceive regarding different underlying dimensions included in the store image of a retailer that customers view as important when choosing a retail store (Janse van Noordwyk, 2002:14).
- **Store atmosphere.** Store atmosphere can be defined as the physical variables including exterior variables, interior, layout and design and point-of-purchase and décor of the retail store designed to create an effect on customers' perceptions, emotional responses and behavioural intentions during the retail experience (Levy *et al.*, 2014:530; Berman & Evans, 2013:491; Perrault *et al.*, 2008:37; Blackwell *et al.*, 2006:165; Turley & Milliman, 2000:193; Kotler, 1973-1974:48).
- **Customer satisfaction.** Customer satisfaction refers to the outcome of the customers' assessment that the chosen retail store meets or exceeds their expectations (Blackwell *et al.*, 2006:42; Grace, 2005:25; Bloemer & De Ruyter, 1998:501, 505). According to Van der Vyver (2008:28), customer satisfaction is a reaction to the emotional expectations, merchandise experience, merchandise performance after the purchase, or the total retail experience. Therefore, customer satisfaction relies on whether customers' prior expectations regarding the retail experience are fulfilled (Van der Vyver, 2008:28).
- **Store loyalty.** Store loyalty refers to a customer's behavioural response, i.e. the revisit expressed over time with a customer's admiration of one retail store when comparing a set

List of key terms

of retail stores (Bloemer & De Ruyter, 1998:500). Store loyalty is a type of situation where customers strongly support a retailer's store and feel emotionally attached to it (Bateson & Hoffman, 2011:383; Palmer, 2011:204).

- **Repurchase intention.** Repurchase intention is defined as the customers' decision to purchase again from the same retailer, taking into account their current retail experience and likely reoccurrence of such a retail experience (Hellier *et al.*, 2003:1764). Repurchase intentions of customers can be regarded as the intention to revisit the retail store. Repeat purchase behaviour is an indication that purchases are made at the same retailer for related merchandise (Osman, 1993:140), or in this case, related retail experiences.

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CHAPTER 1

INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

The global fashion retail industry has been characterised by fierce competition for numerous years (Terblanché & Boshoff, 2006:1; Forbes *et al.*, 2005:280). As a result, retailers are under constant pressure to distinctly differentiate themselves from others (Terblanché & Boshoff, 2006:1; Forbes *et al.*, 2005:280). According to Janse van Noordwyk (2008:ii), the key to survival in retailing is to implement valuable differentiation strategies. To survive and attract customers in this competitive and diverse industry, marketers have to adapt their marketing strategies (Huffman, 2006:1). Therefore, marketers have turned to different elements in their marketing mixes to compete for customers' attention, satisfying their retail experience needs, and encouraging customers to return (Berman & Evans, 2013:4; Zavotka, 2007:1; Koo, 2003:43).

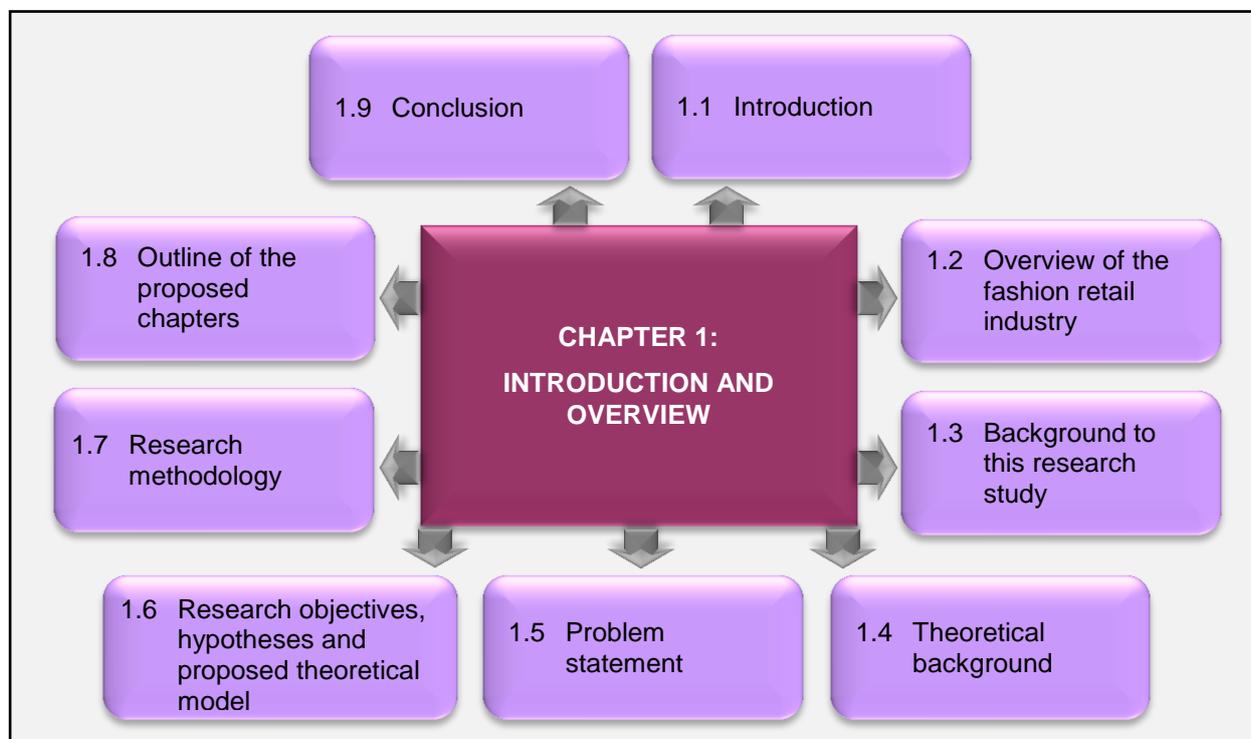
Shopping for clothes forms a significant part of the South African female's lifestyle (Janse van Noordwyk, 2002:13). Yu (2006:1) contends that customers for whom fashion forms a significant part in their everyday life, have certain needs and wants regarding specific retail experiences. Wilson *et al.* (2012:37) and Blackwell *et al.* (2006:389) agree and describe that customers do not merely purchase the retailer's merchandise; they want to experience the atmosphere in the retail store when shopping. Customers are becoming increasingly more sophisticated and individualistic, and as such, many are now turning to small, speciality retailers such as boutiques, which cater for their individual and specific retail experience needs (Lovelock & Wirtz, 2011:276, 280; Yu, 2006:2; Turley & Milliman, 2000:193; Kotler, 1973-1974:48).

A retailer's marketing efforts should, therefore, satisfy the customer's retail experience needs as to ensure survival, competitive advantage and furthermore achieve the retailer's financial goals (Palmer, 2011:338). As a result, retailers have turned their focus towards environmental cues, or the store's atmosphere, as a marketing tool. According to Palmer (2011:338), Berman and Evans (2013:4), Koo (2003:43), as well as Little and Marandi (2003:14, 15), the store atmosphere portrayed by speciality retailers such as boutiques, can satisfy a customer's specific retail experience needs and elicit customer satisfaction, store loyalty and repurchase intention.

Chapter 1 commences with an overview of the fashion retail industry followed with a background to this research study. Furthermore, a theoretical background is provided in order to formulate the problem statement. Henceforth, the research objectives and hypotheses are formulated from which a theoretical model is proposed. The research methodology followed in

this research study is briefly discussed followed by an outline of the chapters involved. Figure 1.1 provides a depiction of the main sections included in this chapter.

Figure 1.1: Chapter outline



Source: Researcher's own construct.

1.2 OVERVIEW OF THE FASHION RETAIL INDUSTRY

The following section provides a brief discussion of the South African fashion retail industry. This section defines the fashion retail industry, followed by a brief industry analysis.

1.2.1 Defining the fashion retail industry

It is important to first differentiate between the terms 'fashion' and 'retail' in order to properly define the fashion retail industry. Retail is defined as business activities which involve the sale of goods and services to customers for the purpose of consumption (Levy *et al.*, 2014:7). The Standard Industrial Classification (SIC) categorises the retail industry according to the business activities involved in the industry. The SIC consists of a clear and consistent classification structure of the economic activities for South African conditions (Bureau of Market Research, 2014:11; Stats SA, 2014:10). That said, the SIC categorises the retail industry into division 47, which entails retail trade, excluding motor vehicles and motors cycles (Bureau of Market Research, 2014:11; Stats SA, 2014:10). In this division 47, the retail industry is classified into a

group referred to as the “retail sale of other goods in specialised stores”. Furthermore, this group is categorised into a class referred to as the “retail sale of clothing, footwear and leather goods in specialised stores” (retailers in men’s, boys, ladies, girls, infants clothing, general outfitters and footwear) (Bureau of Market Research, 2014:11; Stats SA, 2013:10) (Figure 1.2).

Fashion is defined as a modern or popular style of clothing, behaviour, décoration or even the manner in which something is done (casual or formal) (Stone, 2010:25). According to Rogerson (2006:4), fashion is acknowledged as an important contributor to the development of South Africa’s clothing, textiles, footwear and leather goods sector in the retail industry. Just as the retail industry forms a significant part of the South African economy (Berman & Evans, 2013:4-6; Lusch *et al.*, 2011:2), so does fashion and to a great extent it determines what customers purchase. Fashion influences customers’ motivation to replace clothes, cosmetics, furniture, home accessories and automobiles (Stone, 2010:40). Although fashion tends to be associated with only clothing and accessories, fashion, however, processes an extension of merchandise such as shoes, handbags, wallets, toys, electronics, cars, kitchen appliances, music, food, diets, art, architecture, TV shows, as well as business activities (Stone, 2010:40). This means that fashion influences the class, namely “retail sale of clothing, footwear and leather goods in specialised stores”, as well as the “other retailers” in which the retail industry is categorised according to the SIC. The “other retailers” class includes retailing in jewellery, watches and household goods. Therefore retailers selling “textiles, clothing, footwear and leather goods in specialised stores” and “other retailers” form part of the South African fashion retail industry (Stats SA, 2012:1, 2).

From the aforementioned discussion, it becomes clear as to how the fashion retail industry is formed, including both terms ‘fashion’ and ‘retail’ with reference to the Standard Industrial Classification. Therefore, Figure 1.2 illustrates the Standard Industrial Classification (SIC) in which the South African fashion retail industry exists, as proposed in this research study.

Figure 1.2: Standard Industrial Classification (SIC) of the fashion retail industry



Source: Adapted from Stats SA (2014:1).

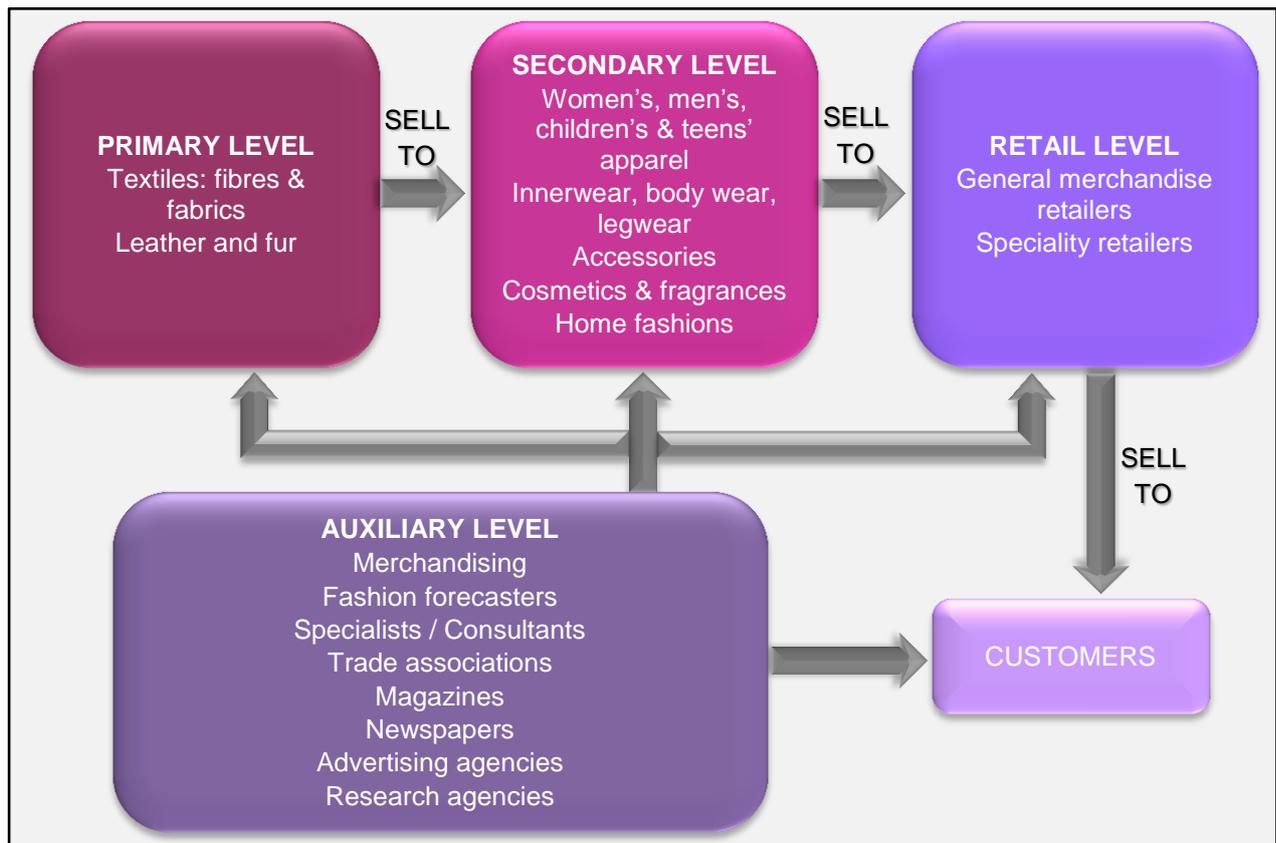
Based upon the abovementioned observations, the following definition of Stone (2010:136) is considered appropriate for the purpose of this research study:

Fashion retail industry
<p>The fashion retail industry encompasses the design, manufacture, distribution, marketing, retailing, promotion and advertising of all kinds of clothing (women, men, children) from the most expensive and exclusive haute couture (high sewing) designer fashions to mass market (ordinary everyday wear).</p>

1.2.1.1 The levels of the fashion retail industry

The South African fashion retail industry is comprised of and driven by various levels working interdependently to provide satisfactory fashion merchandise to customers (Stone, 2010:120). In short, various levels of entities exist in the fashion retail industry, thus making it a very unique industry (Stone, 2010:120). These levels of entities include the primary, secondary, retail and the auxiliary levels, as depicted in Figure 1.3.

Figure 1.3: Fashion retail industry levels



Source: Adapted from Stone (2010:121).

The primary level entails the cultivators of the raw materials of fashion such as the farms and laboratories converting textiles, fibres, fabrics and leather (Stone, 2010:120). The secondary level includes the manufacturers, contractors, wholesales and vendors that produce the semi-finished or finished fashion merchandise obtained from the primary level (Chapter 2, Figure 2.4) (Stone, 2010:121). The retail level, also known as the final distribution level, purchases fashion merchandise from the secondary level and directly sells or supplies to customers (Chapter 2, Figure 2.5) (Stone, 2010:121). It is important to note that this is the level in which speciality retailers such as boutiques are placed – the focus of this research study. Finally, the auxiliary level entails all the support services such as advertising media that constantly work with all the levels simultaneously in order to keep customers aware of the fashion merchandise (Stone, 2010:122).

1.2.2 South African fashion retail industry growth and sales

The retail industry in South Africa has grown over time, supported by an increase in both the supply of retail space and the number of shopping centres in the country (Gauteng Province:

Provincial Treasury, 2012). The GDP growth accelerated in the final quarter of 2014, growing with an annualised and seasonally adjusted 4.10% quarter-on-quarter, which was better than the forecast 3.70% (Stats SA, 2014:2). Manufacturing was regarded as the largest contributor to the GDP growth which contributed 1.20% based on a growth of 9.50% (Stats SA, 2015). The retail industry sales have grown by an annual average of 5.03% in the past ten years. Retail sales in South Africa increased 3.40% in December 2014 over the same month in the previous year (Stats SA, 2014:1). However, longer-term patterns reveal a slowdown in retail sales growth over the last three years (4.50% in 2012, 2.50% in 2013 and 2.40% in 2014) (Stats SA, 2015).

Countries such as Nigeria and South Africa have, to an extent, been able to create a South African fashion retail industry due to quality fashion shows with a high calibre of designers (Onyedimmakachukwu, 2014:1). Retailers selling textiles, clothing, footwear and leather goods are the second largest contributor of the South African retail industry, contributing 3.80% of the industry's annual growth rate. Whereby, "other retailers" contribute around 3.30%. Furthermore, textiles, clothing, footwear and leather goods retailers constitute the largest contributors to retailing's trade sales growth, contributing 0.80 of a percentage point (Stats SA, 2014:1, 2).

Retailers in textiles, clothing, footwear and leather goods further contribute 22% to the total workforce in South Africa (Stats SA, 2009:5). Employment in retailing has, however, decreased since 2009, with additional retrenchment in retailing during 2012 (Stats SA, 2012:1, 2). Nevertheless, South African retailing was expected to grow at around 7% annually until 2014 (RNCOS: Industry Research Solutions, 2012:14).

1.2.3 Speciality retailers in the South African fashion retail industry

Customers who are able to afford luxury merchandises or services 'reward' themselves by purchasing at speciality retailers (Chapter 2, Section 2.3.2) (Huffman, 2006:32). These retailers are becoming increasingly more prominent in the South African fashion retail industry (Quelch & Harding, 1996:102) since speciality retailers focus on smaller, yet higher-end markets (International Trade Centre, 2013:23). Normally, speciality retailers can be classified in a major retail group (e.g. The Queenspark Group) or are individually-owned and managed (International Trade Centre, 2013:23).

A major retail group often deals with designer labels and includes retailers such as Vertigo, Aca Joe, Jenni Button, Bannana Republic and Hilten Weiner (International Trade Centre, 2013:23). Whereas, individually-owned speciality retailers such as boutiques carry their own label or brand or concentrate on offering narrow merchandise lines and categories (e.g. women or men's clothing, accessories, cosmetics and fragrances or home accessories) or specialise in one or a

limited merchandise line (e.g. women clothing) (Chapter 2, Figure 2.4). These retailers generally have only one retail store, or form part of a small chain of retail stores with their own store name. Boutiques target specific market segments, provide smaller volumes, and in turn, differentiate themselves more successfully (International Trade Centre, 2013:23; D'Astous & Saint-Louis, 2005:306, 307; Leg Wear Trends and Fashions, 2003:3) since they are able to provide customers with individuality.

This research study specifically focuses on speciality retailers referred to as boutiques, since boutiques target particular customers in the market who are more individualistic, who require the retail experience to be tailored to their specific retail experience needs, and who are willing to pay a price premium for a specific and more exclusive retail experience (Huff, 2005:3; Sharma, 2001:126). Furthermore, boutiques are able to create a unique, interesting, entertaining and individualistic retail experience for these customers (Gulas, 1994:25). Therefore, boutiques play an important role in the fashion retail industry and will continue to thrive, provided effective marketing strategies are implemented (Whitfield, 2005:23).

1.3 BACKGROUND TO THIS RESEARCH STUDY

Since the origin of the marketing concept in the 1950s, retailers have sought to understand the aspects involved in meeting customers' retail experience wants and needs (Yu, 2006:2). According to Huff (2005:3), customers are motivated to shop for various reasons other than to purchase merchandise. In addition, modern-day customers demand an in-store retail experience that addresses their emotional needs, as well as their retail experience expectations. As a result, the retail experience has become a central part of customers' lives.

Some customers simply enjoy shopping, which makes the retail experience a fundamental aspect to customers when visiting a retailer (Yu, 2006:3). Since fashion continuously changes and forms a prominent part of the South African fashion retail industry, it is complicated to form a retail experience catering for all customers in the market (Huffman, 2006:28). Consequently, market segmentation is an ideal differentiation option, as it enables retailers to target a specific market segment based on similarities and/or differences that influence customers' purchasing behaviours.

Customers within the fashion retail industry are furthermore characterised as being fickle and picky, with purchases only made when merchandise or the retail experience is particularly appealing to them (Janse van Noordwyk, 2008:2; Huffman, 2006:1; Newman & Patel, 2004:770). Market segments are also becoming more fragmented, thus requiring retail

experiences to be tailored to their specific retail experience needs (Huff, 2005:3; Sharma, 2001:126).

As retail stores generally offer undifferentiated retail experiences, they often fail to retain those customers who really want something unique (Blackwell *et al.*, 2006:36). In response, retailers have turned to store atmosphere as a unique marketing tool to enhance the customer's retail experiences (Berman & Evans, 2013:69, 75, 540; Huffman, 2006:1; Yu, 2006:2). Furthermore, Berman and Evans (2013:4), Palmer (2011:338) and Koo (2003:43) propose that a boutique's store atmosphere will not merely satisfy a customer's specific retail experience needs, but also encourage customers to return. Therefore an effective understanding of store atmosphere will assist retailers to make strategic decisions and develop retail marketing strategies pertaining to store atmosphere (Berman & Evans, 2013:4; Koo, 2003:43) and its interrelationship with customer satisfaction, store loyalty and repurchase intention (Wilson *et al.*, 2012:83; Lovelock & Wirtz, 2011:276).

1.4 THEORETICAL BACKGROUND

The theoretical background serves to provide an overview of the extant theoretical foundation on which the proposed research study is based. The theoretical background discusses the constructs of concern in this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention. In addition, it presents the interrelationships between these constructs, formulates the hypotheses, and proposes a theoretical model for this research study.

1.4.1 Retail store image and its underlying dimensions

Retail store image is a significant part of retailing, since it allows retailers to create and convey a retail experience that is appealing to a specific market segment (Berman & Evans, 2013:69, 75, 540; Newman & Patel, 2004:770; Little & Marandi, 2003:14; Kim & Jin, 2001:238, 239; Baker, *et al.*, 1992:445, 446). The retail store image consists of various underlying dimensions, namely store atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel, and service (Chapter 2, Section 2.4.3) (Janse van Noordwyk, 2008:42, 43). These dimensions facilitate customers' favourable retail experiences by providing customers with both tangible or functional, and intangible or psychological factors that customers perceive to be present in the retailer (Lindquist, 1974-1975:31). Accordingly, customers may elicit customer satisfaction, store loyalty and repurchase intention once the retail store image is perceived in a certain way (Janse van Noordwyk, 2008:38; Van der Vyver, 2008:33; Shim & Kotsiopoulos, 1992:48).

1.4.2 Store atmosphere

Store atmosphere forms part of the underlying dimensions of the retail store image (Baker *et al.*, 2002:122; Baker *et al.*, 1992:446). In essence, store atmosphere contributes to the physical environment or “personality” of a retail store that projects a desired image and attracts customers (Berman & Evans, 2013:542). Store atmosphere sub-dimensions and corresponding elements (Chapter 2, Section 2.5.4) significantly influence the customers’ choice of the retail store (Thang & Tan, 2003:195), customers’ shopping enjoyment, merchandise choices, the time customers spend browsing, their willingness to converse with personnel, their tendency to spend more money than originally planned, the way in which they evaluate merchandise information, and their actual purchase behaviour (Berman & Evans, 2013:544; Baker *et al.*, 2002:125).

Furthermore, Berman and Evans (2013:491) recommend that retailers consider certain store atmosphere sub-dimensions, namely exterior, interior, layout and design and point-of-purchase and décoration each with identified elements when designing a suitable store atmosphere to address customers’ retail experience needs (Berman & Evans, 2013:492-503; Terblanché & Boshoff, 2006:1, 2; Turley & Milliman, 2000:194). These sub-dimensions are specifically utilised to enhance customers’ retail experience by creating an overall exciting retail environment (Parsons, 2011:429). Exterior variables include the total physical exterior of the retail store itself. Examples include the retailer’s exterior signs, entrances, display windows, colour of the building, surrounding stores, lawns and gardens, location, architectural style, surrounding area and parking availability (Chapter 2, Section 2.5.4.1) (Berman & Evans, 2013:493; Turley & Milliman, 2000:194). Interior variables refer to the overall interior of the retail store. Examples include flooring, colour, lighting, music, smell, width of the aisle, wall composition, merchandise, temperature and cleanliness (Chapter 2, Section 2.5.4.2) (Berman & Evans, 2013:507; Turley & Milliman, 2000:194). Layout and design variables denote the total amount of floor space allocated to selling, merchandise, personnel and customers. Examples include space design and allocation, placement of merchandise, grouping of merchandise, checkout points, sitting or waiting areas, fitting rooms, racks and cases, waiting queue and furniture (Chapter 2, Section 2.5.4.3) (Berman & Evans, 2013:496; Turley & Milliman, 2000:194). Finally, the point-of-purchase and décoration variables entail the devised signage and wording displays to inform customers about pricing and checkout points. These provide customers with information and operate as a substantial promotional tool. Examples of point-of-purchase and décoration include signs and cards, wall décorations, artwork, merchandise displays and price displays (Chapter 2, Section 2.5.4.4) (Berman & Evans, 2013:500; Turley & Milliman, 2000:194).

1.4.3 Store atmosphere and customers' emotional state

Customers' emotional state is influenced by the physical environment they are exposed to, be it relaxed, pleasant, exciting, arousing or even distressing or unpleasant (Berman & Evans, 2013:515; Clow & Kurtz, 2004:174; Baker *et al.*, 2002:125). As for speciality retailers such as boutiques, store atmosphere is also understood to extract certain customer feelings and emotions when the customer visits the boutique (Clow & Kurtz, 2004:174).

The store atmosphere sub-dimensions and corresponding elements in a boutique should furthermore match or change customers' emotional state when they enter the boutique. When the store atmosphere is formed in such a way that it encourages positive emotions in the customer, the customer will enjoy the retail experience. Therefore, store atmosphere can enhance customers' retail experience by positively influencing a customer's emotional state (Janse van Noordwyk, 2008:51). Tai and Fung (1997:313) propose the S-O-R model which acts as a relevant framework to illustrate the way customers emotionally respond to their environment (Chapter 2, Section 2.5.2; Figure 2.7).

1.4.4 The interrelationships between store atmosphere, customer satisfaction, store loyalty and repurchase intention

As mentioned earlier, store atmosphere does not function in isolation. Store atmosphere does not merely enhance a customer's retail experience, but also plays a key role in shaping customer satisfaction, store loyalty and repurchase intentions of the customer (Wilson *et al.*, 2012:83; Lovelock & Wirtz, 2011:276). These are briefly discussed.

1.4.4.1 Customer satisfaction

A customer's emotional state affects how the customer feels about, perceives and experiences the atmosphere in the retailer (Law *et al.*, 2012:113; Lindquist & Sirgy, 2009:123). Customers have certain expectations regarding the retail experience. Once a retailer meets or exceeds these expectations, satisfaction occurs (Machado & Diggines, 2012:152). Therefore, according to Kim and Jin (2001:239, 241), customers' retail experience – together with the appraisal of store atmosphere – influences customer satisfaction. Customer satisfaction in turn, influences store loyalty (Berman & Evans, 2013:16; Feng & Yanru, 2013:183) and repurchase or revisit intentions (Chapter 3, Section 3.3) (Huang *et al.*, 2014:109; Pappas *et al.*, 2013:188).

1.4.4.2 Store loyalty

The feeling of a positive emotional state indicates that the customer had a positive retail experience (Lindquist & Sirgy, 2009:286). Ray and Chiagouris (2009:11, 13) as well as Ailawadi *et al.* (2008:20) state that, when store atmosphere is positively perceived by a customer, it will result in store loyalty. Therefore, store atmosphere is perceived to have a direct interrelationship with store loyalty (Chapter 3, Section 3.4) (Janse van Noordwyk, 2008:55; D'Astous & Saint-Louis, 2005:316; Koo, 2003:45; Baker *et al.*, 2002:121; Birtwistle & Shearer, 2001:15, 16; Knox & Walker, 2001:111, Bloemer & De Ruyter, 1998:500).

1.4.4.3 Repurchase intention

According to Wilson *et al.* (2012:37, 38), customers' retail experience can be enhanced by creating a pleasant atmosphere or mood through the manipulation of the store's atmosphere. An enhanced retail experience encourages customers to return to the retail store, since customers' assessment of the actual and total retail experience impacts their decisions to repurchase. Therefore, an appealing store atmosphere positively influences customers' repurchase intentions (Chapter 3, Section 3.5) (Van der Vyver, 2008:28, 29; Zavotka, 2007:1; Turley & Milliman, 2000:206; Jacoby & Mazursky, 1984:24).

Therefore, with the increase in competition in the fashion retail industry, understanding store atmosphere could assist retailers in making strategic decisions and developing retailing marketing strategies taking store atmosphere (Berman & Evans, 2013:4; Huffman, 2006:2) and its interrelationship with customer satisfaction, store loyalty and repurchase intention into account.

1.5 PROBLEM STATEMENT

Marketers face the challenge to create customer satisfaction, build store loyalty, and stimulate repurchase intentions in the competitive fashion retail industry where customers can choose between alternative retailers, offering similar merchandise (Miranda *et al.*, 2005:225; Bloemer & De Ruyter, 1998:505). To be competitive in the fashion retail industry, marketers have to accommodate customers by providing them with specific retail experiences (Janse van Noordwyk, 2008:50; North *et al.*, 2003:42, 43).

An important component of a retailer's marketing efforts involves the incorporation of store atmosphere in order to ultimately deliver customers with a satisfying, consistent and sound retail experience (Schlegelmilch & Pollach, 2005:232; Janse van Noordwyk, 2002:12). Knowledge

regarding customer satisfaction, store loyalty and repurchase intention as well as how to manage a store's atmosphere, will enable marketers to develop retail marketing strategies. These retail marketing strategies will address customers' retail experience needs, resulting in creating continuous satisfied customers (Hellier *et al.*, 2003:1764).

Boutiques target particular market segments who are more individualistic and require the retail experience to be tailored to their specific retail experience needs. In addition, these market segments are willing to pay a premium price for it (Huff, 2005:3; Sharma, 2001:126). It is, therefore, in a speciality retailer such as a boutique's best interest to improve their understanding regarding store atmosphere and customers' retail experience needs. An effective understanding will assist boutiques to make strategic decisions regarding the store atmosphere to influence customers' purchasing behaviour.

From the abovementioned, it is evident that store atmosphere is a noteworthy marketing tool, given that it provides marketers with the power to manipulate the effect of a retail experience on customer satisfaction, store loyalty and repurchase intention (Hellier *et al.*, 2003:1764). Finally, although researchers have investigated the interrelationships between the constructs of concern in this research study, a theoretical model such as presented in Figure 1.4 has neither been proposed in general before, nor for boutiques in particular.

For the purpose of this research study, the following research problem is formulated:

Marketers face the challenge to create customer satisfaction, build store loyalty, and stimulate repurchase intentions in the competitive fashion retail industry where customers can choose between alternative retailers offering similar merchandise. Customers to whom fashion is important, have certain needs and wants regarding specific retail experiences. As a result, customers are becoming increasingly more sophisticated and individualistic, and therefore turn to small, speciality retailers such as boutiques, which can accommodate these customers by providing them with specific and individual retail experiences. In order for boutiques to survive in the South African fashion retail industry, they need to accommodate customers' specific retail experience needs. Therefore, it is important for boutiques to be aware of their store atmosphere which can possibly offer customers a satisfying, consistent and sound retail experience. Store atmosphere is also considered a noteworthy marketing tool in this research study, given that it could possibly provide boutique marketers the ability to influence customer satisfaction, store loyalty and repurchase intention.

1.6 RESEARCH OBJECTIVES, HYPOTHESES AND PROPOSED THEORETICAL MODEL

The following primary and secondary objectives, alternative hypotheses, and theoretical model are proposed for this research study.

1.6.1 Primary objective

The primary objective of this research study is to investigate the influence of boutique store atmosphere on customer satisfaction, store loyalty and repurchase intention.

1.6.2 Secondary objectives

Table 1.1 presents the secondary objectives which support the primary objective.

Table 1.1: Secondary objectives of this research study

Secondary objectives	
Secondary objective 1	To theoretically investigate: 1a) the nature of the South African fashion retail industry. 1b) store atmosphere, more specifically its sub-dimensions (factors) and elements. 1c) consumer behaviour. 1d) the other main constructs of this research study, namely, customer satisfaction, store loyalty and repurchase intention. 1e) the interrelationship between the constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention.
Secondary objective 2	To develop a sample profile of boutique customers who participated in this research study.
Secondary objective 3	To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently.
Secondary objective 4	To measure the level of customer satisfaction of respondents towards a boutique they have bought items from most recently.
Secondary objective 5	To measure the level of store loyalty of respondents towards a boutique they have bought items from most recently.
Secondary objective 6	To measure the level of repurchase intention of respondents towards a boutique they have bought items from most recently.
Secondary objective 7	To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention.

1.6.3 Hypotheses

Table 1.2 presents an overview of previous research studies in support of the formulated alternative hypotheses pertaining to the interrelationships between the constructs of this research study.

Table 1.2: Research studies in support of the alternative hypotheses formulated

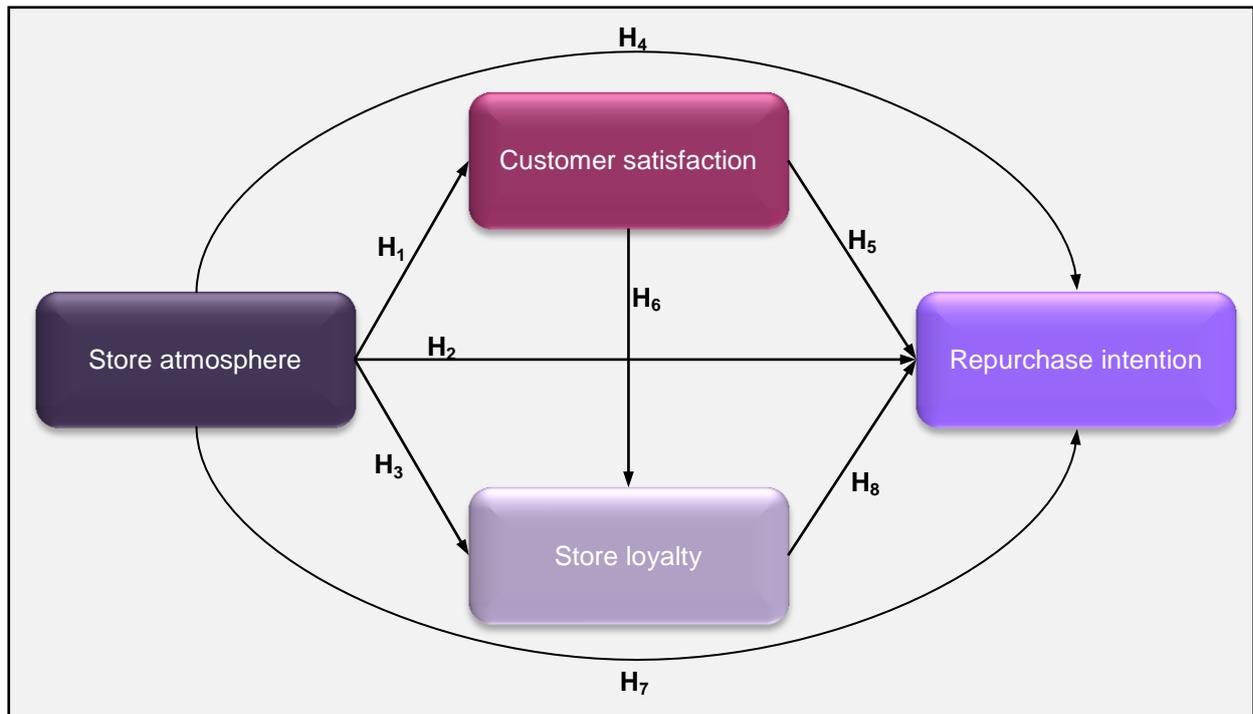
Hypotheses	Authors
H₁: Store atmosphere has a significant and positive influence on customer satisfaction.	Wilson <i>et al.</i> (2012:81), Soars (2009:288), Namkung and Jang (2008:143), Kim and Jin (2001:239), Bloemer and De Ruyter (1998:501), Bitner (1992:61)
H₂: Store atmosphere has a significant and positive influence on repurchase intention.	Zhou <i>et al.</i> (2012:274), Hart <i>et al.</i> (2011:589), Joseph-Mathews <i>et al.</i> (2009:195), Van der Vyver (2008:28), Zavotka (2007:1), Turley and Milliman (2000:206), Jacoby and Mazursky (1984:24)
H₃: Store atmosphere has a significant and positive influence on store loyalty.	Das (2014b:133), Janse van Noordwyk (2008:55), D'Astous and Saint-Louis (2005:316), Koo (2003:45), Baker <i>et al.</i> (2002:121), Birtwistle and Shearer (2001:15), Knox and Walker (2001:111), Bloemer and De Ruyter (1998:500)
H₄: Customer satisfaction mediates the relationship between store atmosphere and repurchase intention.	Tulipa <i>et al.</i> (2014:153), Beneke <i>et al.</i> (2012:36), Wong and Sohal (2003:250), Tian-Cole <i>et al.</i> (2002:10)
H₅: Customer satisfaction has a significant and positive influence on repurchase intention.	Huang <i>et al.</i> (2014:109), Pappas <i>et al.</i> (2013:188), Nsairi (2012:684), Kim <i>et al.</i> (2009:12), Namkung and Jang (2008:143), Khalifa and Liu (2007:780), Chang and Tu (2005:198), Grace and O'Cass (2005:228), Seiders <i>et al.</i> (2005:27)
H₆: Customer satisfaction has a significant and positive influence on store loyalty.	Berman and Evans (2013:16), Feng and Yanru (2013:183), Ray and Chiagouris (2009:11), Ailawadi <i>et al.</i> (2008:19), Wright <i>et al.</i> (2006:925), Miranda <i>et al.</i> (2005:221), Sawmong and Omar (2004:504), Little and Marandi (2003:48)
H₇: Store loyalty mediates the relationship between store atmosphere and repurchase intention.	Alias and Mohd Roslin (2014:2), Tulipa <i>et al.</i> (2014:153), Ballantine <i>et al.</i> (2010:643), Varela-Neira <i>et al.</i> (2010:90), Bodet (2008:158), Donovan and Rossiter (1982:39), Mehrabian and Russell (1974:257)
H₈: Store loyalty has a significant and positive influence on repurchase intention.	Feng and Yanru (2013:181), Palmer (2011:205), Ray and Chiagouris (2009:12), Ailawadi <i>et al.</i> (2008:20), Mattila and Wirtz (2008:562), Solomon <i>et al.</i> (2008), Scarpi (2006:12), Ogle <i>et al.</i> (2004:720), Eroglu <i>et al.</i> (2003:145)

In view of the research objectives and alternative hypotheses formulated, a theoretical model is proposed for this research study.

1.6.4 Proposed theoretical model

Figure 1.4 presents the proposed theoretical model of this research study which reflects the alternative hypothesised interrelationships ($H_1 - H_8$) presented in Table 1.2 between the four constructs of this research study.

Figure 1.4: Proposed theoretical model



This research study specifically focuses on store atmosphere as a second-order construct model comprised of four sub-dimensions (factors), namely the retail store exterior, interior, layout and design and point-of-purchase and décor (Berman & Evan, 2013:492-505; Turley & Milliman, 2000:194) which customers experience at the boutique they indicated as the one they bought items from most recently, selected from a list of pre-identified boutiques in order to determine the interrelationships between these sub-dimensions (factors), customer satisfaction, store loyalty and repurchase intention. Based upon the findings of previous research studies as shown in Table 1.2, it can be argued that a significant and positive influence exists between the constructs of concern in the proposed theoretical model.

Chapter 4 presents a detailed discussion pertaining to the theoretical model conceptualisation and the supporting theoretical background of this research study.

1.6.5 Linkages between secondary objectives, hypotheses and theoretical background chapters

Table 1.3 presents an outline of the linkages between secondary objectives 1 to 7 (considering secondary objective 1a to 1d and 2 to 6 relates to the empirical phase of this research study), hypotheses and relevant theoretical chapters of this research study.

Table 1.3: The linkages between secondary objectives, hypotheses and theoretical background chapters

Secondary objective	Hypothesis	Theoretical background chapter(s)
1a	The theory of Chapter 4 led to the formulation of H ₁ to H ₈ .	Chapter 1: Introduction and overview Section 1.2: Overview of the fashion retail industry
1b		Chapter 2: Retailing, retail store image and store atmosphere Section 2.5: Store atmosphere
1c		Chapter 3: Consumer behaviour, customer satisfaction, store loyalty and repurchase intention Section 3.2: Consumer behaviour
1d		Chapter 3: Consumer behaviour, customer satisfaction, store loyalty and repurchase intention Section 3.3: Customer satisfaction Section 3.4: Store loyalty Section 3.5: Repurchase intention
1e		Chapter 4: Theoretical model conceptualisation
2		Secondary objective 2 relates to the empirical results phase of this research study.
3		Chapter 2: Retailing, retail store image and store atmosphere Section 2.5: Store atmosphere
4		Chapter 3: Consumer behaviour, customer satisfaction, store loyalty and repurchase intention Section 3.3: Customer satisfaction
5		Chapter 3: Consumer behaviour, customer satisfaction, store loyalty and repurchase intention Section 3.4: Store loyalty

Table 1.3: The linkages between secondary objectives, hypotheses and theoretical background chapters (cont.)

Secondary objective	Hypothesis	Theoretical background chapter(s)
6		Chapter 3: Consumer behaviour, customer satisfaction, store loyalty and repurchase intention Section 3.5: Repurchase intention
7	Hypotheses 1 to 8.	Chapter 4: Theoretical model conceptualisation Questionnaire section C: Statements 1 to 36 Questionnaire section D: Statements 1 to 5 Questionnaire section D: Statements 6 to 10 Questionnaire section D: Statements 11 to 15

1.7 RESEARCH METHODOLOGY

This section discusses the research methodology followed in this research study. The discussion provides details regarding the empirical research methods followed. This section commences with a brief discussion pertaining to the theoretical research study, followed by the research design, questionnaire and pretesting, sampling methods, data collection method and the data analysis strategy to be conducted in this research study.

1.7.1 Theoretical research study

Marshall and Rossman (2006:43) explain that theory provides a rational framework for research. The theoretical background of this research study is based upon information acquired from scientific journals, articles, books and research documents (Chapter 5, Section 5.4.2.2).

The following sources, relevant to this research study, were considered:

- SACat: National catalogue of journals and books in South Africa;
- NEXUS: Databases assembled by the NRF of existing and concluded research in South Africa;
- SA ePublications: South African journals;
- EBSCOhost: International journals on Academic Search Premier, Business Source Premier, EconLit and Communication and Mass Media Complete;
- ScienceDirect: International journals;

- Emerald: International journals;
- Business Source Complete: International journals;
- ProQuest: International dissertations in complete text;
- Internet and online scientific search engines: Google Scholar; and
- SAMEDIA: Newspaper articles. Scientific books (e.g. catalogues).

1.7.2 Research design

A descriptive research design is followed to achieve the set research objectives and to describe the specific marketing phenomenon of this research study, namely the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention. Furthermore, descriptive research design is conducted since a detailed problem statement and hypotheses are formulated upon which specific structured and preplanned empirical research information is needed to solve the problem statement (Malhotra, 2010:106). Descriptive research design enables the researcher to obtain a more complete understanding of the current industry situation, draw conclusions from the main findings, and make future recommendations by answering the “who, what, when, where and how” questions (Feinberg *et al.*, 2013:57).

1.7.3 Questionnaire and pretesting

In order to provide the necessary data and information for this research study, a quantitative research approach was followed (Malhotra & Peterson, 2006:84). Quantitative research is generally based on structured questions where all the potential response actions are predetermined by the researcher and entail numerous respondents (Burns & Bush, 2014:146). Accordingly, a self-administered survey research method was applied in the form of questionnaires fielded amongst respondents to collect the data (Chapter 5, Section 5.4.3) (Malhotra, 2010:209; Malhotra & Peterson, 2006:180; McNeill & Chapman, 2005:131). The questionnaire was pretested amongst 30 respondents from the target population by means of a pilot study. After the pilot study was conducted, the researcher considered feedback from respondents upon which a number of changes were made to the questionnaire in order to obtain the final questionnaire (Chapter 5, Section 5.4.3.6, Table 5.6). Table 1.4 presents the sections included in the final questionnaire.

Table 1.4: Sections of the questionnaire

Questionnaire layout	Description
Preface	Explains the aim of this research study and the rights of respondents who participate in this research study.
Screening questions Questions 1 and 2	Ensure that all respondents who participate in this research study bought items from any one of the list of pre-identified boutiques during the past six months and that they all earned a net monthly household income of more than R14 000.
Section A Questions 1 to 5	Determine respondents' demographic information.
Section B Questions 1 to 6	Determine respondents' patronage habits of the boutique they indicated as the one they bought items from most recently, from a list of pre-identified boutiques.
Section C Statements 1 to 36	Determine respondents' perception regarding the store atmosphere of the boutique they bought items from most recently. Section C contains thirty six individual statements measuring four sub-dimensions (factors) of store atmosphere, namely exterior, interior, layout and design and point-of-purchase and décoration.
Section D Customer Satisfaction Statements 1 to 5	Determine respondents' customer satisfaction towards the boutique they bought items from most recently. This section contains five individual statements measuring customer satisfaction.
Store loyalty Statements 6 to 10	Determine respondents' store loyalty towards the boutique they bought items from most recently. This section contains five individual statements measuring store loyalty.
Repurchase intention Statements 11 to 15	Determine respondents' repurchase intention towards the boutique they bought items from most recently. This section contains five individual statements measuring repurchase intention.
Postscript	Consists of a statement thanking respondents for completing the questionnaire.

1.7.4 Sampling design

This research study followed a two-stage sampling procedure. The researcher compiled a list of twenty pre-identified boutiques (sampling units) in Potchefstroom (ten boutiques) and Klerksdorp (ten boutiques) by using a non-probability sampling method, namely judgemental sampling. Boutiques carrying their own labels or brands or that concentrate on offering limited

merchandise lines (e.g. women or men’s clothing, accessories, cosmetics and fragrances or home fashions), or specialise in one or limited merchandise lines (women clothing) (Stone, 2010:500) were pre-identified as sampling units in order to determine the interrelationships between the sub-dimensions (factors), customer satisfaction, store loyalty and repurchase intention. To be included as a sampling unit, the boutique should have been unique (one of a kind), or form part of a small chain of retail stores with their own store name. Boutiques in Potchefstroom and Klerksdorp were chosen since these areas represent a significant share of retail activity in the North-West Province (South African Government Information, 2012:21). Table 1.5 presents the list of pre-identified boutiques as sampling units based upon judgemental sampling.

Table 1.5: Boutiques pre-identified as sampling units

Boutiques – sampling units	
Klerksdorp	Potchefstroom
Chinese Boutique	Andre’s Boutique
Four Seasons Boutique	Bustique Collections
Just for You	De Winkel
Mario Paddi	Elegant Boutique Suits
MCS Creations	Just for You
Me-oh-Boutique	La Boutique
Penny Royal	Leather and Lace
Pramor Outfitters	Ooh-la-la Boutique
Rockabella	Penny Royal
Sweethearts	Secret’s Ladies Boutique

Furthermore, non-probability sampling methods, namely convenience sampling and quota sampling were used by the fieldworkers to select twenty sampling elements (female respondents) who complied with the prespecified criteria (screening questions) from each of the twenty pre-identified boutiques (sampling units) to take part in this research study. Therefore, respondents who were in the same place and time as the researcher or fieldworkers in this instance, had the probability of being selected to take part in this research study (Wiid & Diggines, 2009:200).

The focus of this research study was specifically on females only since shopping for clothes in the fashion retail industry forms a significant part of many South African females’ lifestyles

(Janse van Noordwyk, 2002:13). Additionally, females are more emotionally involved with purchases (Otnes & McGrath, 2001:114) and they tend to be more aware of the store atmosphere than males (Hoyer *et al.*, 2013:348; Minahan & Beverland, 2005:5).

The proposed sample size of respondents for this research study was 400, of whom 370 qualifying respondents returned completed questionnaires for further analysis (Chapter 6, Section 6.2). Nine of the questionnaires, however, were rejected due to response errors, such as uncompleted questions or more than one option selected. A final sample size of 361 was thus realised. The sampling plan followed in this research study is summarised in Table 1.6.

Table 1.6: Sampling plan for this research study

Sampling	Description
Target population	Females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months.
Sampling method	Two-stage sampling which involved non-probability judgemental sampling to select the sampling units and non-probability convenience and quota sampling to select the sampling elements.
Sampling units	10 boutiques in Potchefstroom and 10 boutiques in Klerksdorp (Chapter 5, Table 5.14).
Sampling elements	Females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months.
Sample size	400 respondents (20 sampling units and 20 sampling elements from each sampling unit).
Extent	Potchefstroom and Klerksdorp, North-West Province, South Africa.
Time Period	1 July – 31 August 2013.

1.7.5 Data collection

For the purpose of this research study, ten BCom Honours students specialising in Entrepreneurship and Marketing Management at the North-West University and who were completing a Marketing Research module as part of their studies, were recruited as fieldworkers to select respondents and distribute the self-administered questionnaires to these respondents. Each fieldworker was assigned 40 questionnaires and was personally responsible to select suitable respondents to participate in this research study. The researcher furthermore allocated each fieldworker to an area where the boutiques are situated and where they had to select

respondents. The researcher supervised the fieldwork process and interacted with fieldworkers by means of cell phone and e-mails to guarantee that the correct procedure was followed.

In practice, fieldworkers had to screen respondents before interviewing them by determining whether they had bought items most recently from any one of the list of twenty pre-identified boutiques and earned an average net monthly household income of more than R14 000. This was done in order to ensure that all the prospective respondents complied with the prespecified criteria of the target population. The questionnaires were distributed from 1 July 2013 to 31 August 2013 and collected on 1 September 2013 from respondents by the researcher.

1.7.6 Data analysis

Once data is gathered, captured, edited, coded and stored in the form of a dataset, the data is analysed and interpreted to attain information relating to the research problem (Malhotra, 2010:97; Zikmund *et al.*, 2010:462). Firstly, a data preparation process was undertaken in which the researcher manually checked if the questionnaires were completed, accurate and correctly numbered. Questionnaires with missing values were excluded from this research study as mentioned. Furthermore, the final questionnaires were precoded (see Appendix A), which simplified the data entry process.

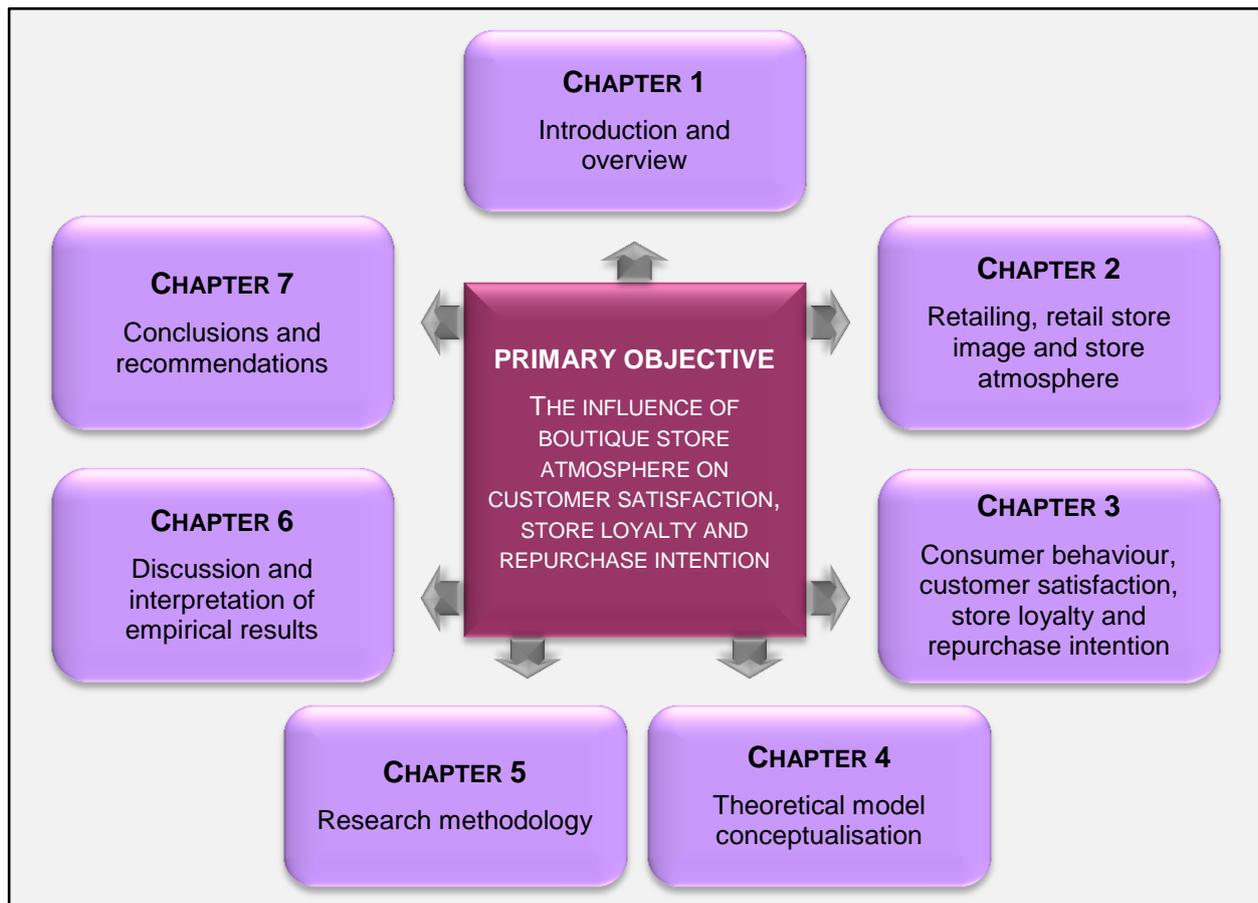
The data was captured using the SPSS statistical program (SPSS Inc, version 21, 2012). Mplus 7.11 software was used to test the proposed theoretical model of this research study. More specifically, Mplus is a statistical modelling program that offers the researcher a flexible tool to analyse observed data. The dataset was further statistically analysed by Dr LT de Beer, a research consultant from the North-West University, Potchefstroom Campus (Appendix E). In order to ensure accurate results from the captured data, the data analyses and interpretation followed in this research study included: (1) determining the reliability and validity of results, (2) factor analysis, (3) mediation analysis, and (4) testing the proposed theoretical model and alternative hypotheses. To conclude, main findings (Chapter 6) are formulated based upon the empirical results from which conclusions and recommendations (Chapter 7) are drawn.

1.8 OUTLINE OF THE PROPOSED CHAPTERS

The purpose of this section is to provide an outline of the expected chapters involved in this research study. Seven chapters are compiled and a brief summary of each chapter is subsequently provided and illustrated in Figure 1.5.

- **Chapter 1.** Provides an introduction and overview of this research study, by presenting an overview of the fashion retail industry, a brief background to this research study and a theoretical background. The problem statement, research objectives, alternative hypotheses and proposed theoretical model are formulated to state the direction of this research study. This chapter includes a brief overview of the research methodology followed to conduct this research study, as well as the outline of the proposed chapters included in this research study.
- **Chapter 2.** Provides a theoretical background of retailing, kinds of retailers, retail store image and store atmosphere. Definitions regarding retailing, retail store image and store atmosphere are formulated and the importance thereof are briefly examined. Furthermore, each store atmosphere sub-dimensions and corresponding elements are briefly explained.
- **Chapter 3.** Provides a theoretical background of consumer behaviour, customer satisfaction, store loyalty and repurchase intention. Definitions pertaining to each are formulated and the importance of each is briefly examined for the purpose of this research study.
- **Chapter 4.** Investigates the interrelationships between the four main constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention. Alternative hypotheses are subsequently formulated and supported by the theoretical background to illustrate the nature of the interrelationships between these constructs. Finally, this chapter proposes a theoretical model for this research study.
- **Chapter 5.** Commences with a definition of marketing research and briefly examines the importance thereof. Each stage of the marketing research process is discussed and insight into the practical execution of each stage is provided.
- **Chapter 6.** Provides the empirical results and findings of this research study. Main findings are subsequently formulated based upon the empirical result.
- **Chapter 7.** Concludes this research study by providing conclusions, recommendations, limitations and recommendations for future research based on the theoretical background and empirical research of this research study.

Figure 1.5: Outline of the proposed chapters



Source: Researcher's own construct.

1.9 CONCLUSION

Chapter 1 provided an introduction and overview of this research study. The following chapter builds on the theoretical background of one of the main constructs of this research study, namely store atmosphere. A theoretical background regarding retailing, retail store image and store atmosphere is examined next.

CHAPTER 2

RETAILING, RETAIL STORE IMAGE AND STORE ATMOSPHERE

2.1 INTRODUCTION

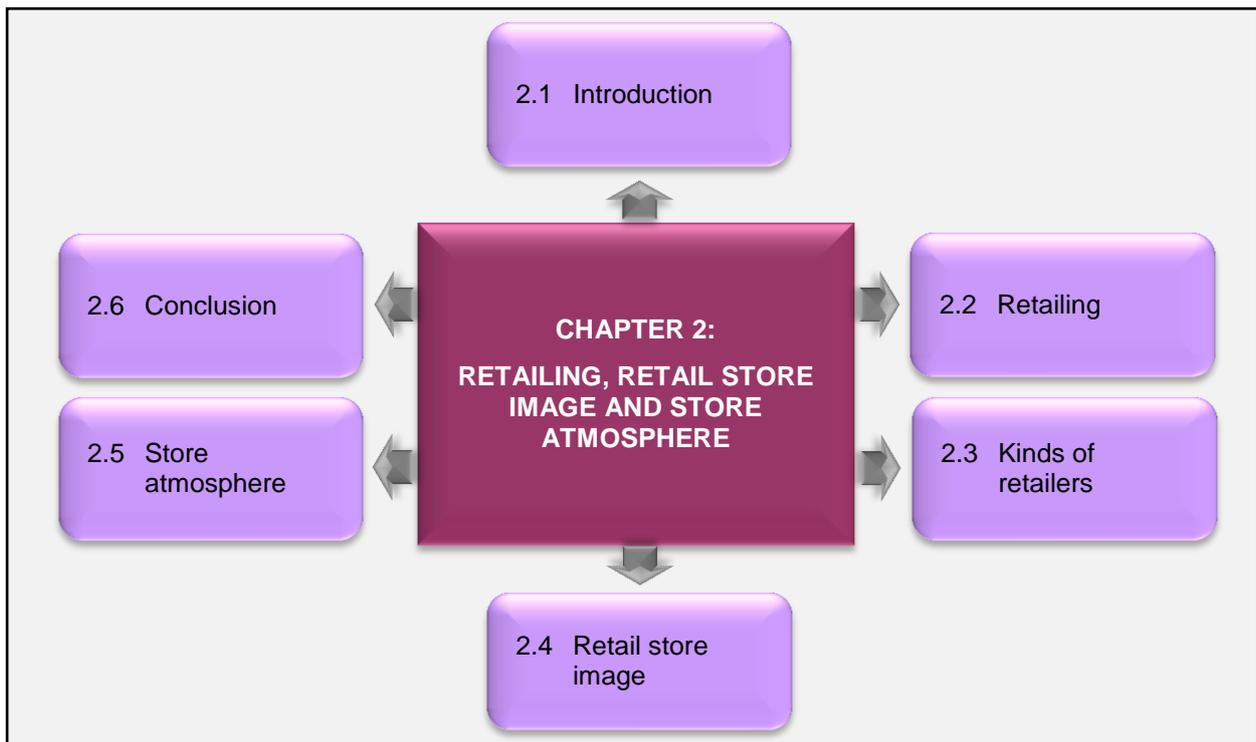
Retailers have the opportunity to tailor a unique retail experience for their customers since retailing makes it possible for customers to feel part of the retail experience from entering the store to leaving it (Kim, 2001:288). Retailers are able to create this experience by providing customers with an assortment of merchandise, convenience and adding value to the customers' retail experience (Levy *et al.*, 2014:7; Lusch *et al.*, 2011:4; Kerin *et al.*, 2009:438).

It should, however, be remembered that customers have unique needs and purchasing expectations regarding a retail experience (Berman & Evans, 2013:43). It is generally accepted that retailers should satisfy these needs and expectations to make the retail experience more enjoyable and to suit customers' preferences. It is believed that customers will enter the retailer with an attractive exterior, stay in the store for longer when the interior is pleasing, interact in the store if the layout and design are to their liking, and ultimately make a purchase. These store image dimensions contribute to the store atmosphere of retailers (Hawkins *et al.*, 2010:609; Jin & Kim, 2003:397; Osman, 1993:133).

Store atmosphere is considered to be the overall exciting surrounding presented to customers in retailers (Parsons, 2011:439). Store atmosphere is, however, often overlooked by retailers as a significant retail marketing tool that can be used to enhance customers' retail experience (Parsons, 2011:429).

This chapter addresses the retailing concept, retail strategies, retail marketing mix, as well as the kinds of retailers. Furthermore, this chapter examines the retail store image and store atmosphere. Figure 2.1 provides a depiction of the main sections included in this chapter.

Figure 2.1: Chapter outline



Source: Researcher’s own construct.

2.2 RETAILING

This section commences by examining various definitions of retailing followed by a definition of retailing proposed for this research study. Additionally, this section provides brief insight into the retailing concept, retail strategy and the retail marketing mix.

2.2.1 Definition of retailing

Table 2.1 provides various definitions of retailing.

Table 2.1: Retailing definitions

Definition	Authors
“Retailing is the set of business activities that adds value to the merchandises and services sold to customers for their personal or family use.”	Levy <i>et al.</i> (2014:7)
“Retailing is the business activities involved in selling goods and services to customers for their personal, family, or household use. It includes every sale to the final customer....last stage in the distribution process.”	Berman and Evans (2013:33)

Table 2.1: Retailing definitions (cont.)

Definition	Authors
<p>“Retailing ensures that the merchandise is available to final customers when and where they require it so as to create convenience and add value to the purchase experience...retailing can take place in a physical store or location, or could occur through direct selling or even through vending machines outside stores.”</p>	<p>Mostert and Du Plessis (2007:203)</p>
<p>“Retailing involves those companies that are engaged primarily in the activity of purchasing merchandise from other organisations with the intent to resell those merchandise to the final customer, generally without transformation and rendering services incidental to the sale of merchandise...retailing is the final step in the distribution of merchandise.”</p>	<p>Zentes <i>et al.</i> (2007:1)</p>

From the definitions presented in Table 2.1, the following observations can be made with regard to retailing:

- Retailing involves a set of business activities with the intention of selling or reselling of merchandise and services to customers for their personal or household use.
- Retailing adds value to the merchandise and services sold, as well as the retail experience.
- Retailing is considered to be the final step or stage in the distribution of merchandise or services offered to customers.
- In addition to selling to customers, retailing takes the form of intermediaries or channel members, companies, businesses or a physical retailers or location.

Based upon these observations, the following definition for retailing is formulated for the purpose of this research study:

Retailing definition
<p>Retailing encompasses business activities involved with the selling and reselling and value-added merchandise, services as well as a retail experience to customers for their personal, family or household use. Retailing involves the final stage in distributing merchandise and services to customers.</p>

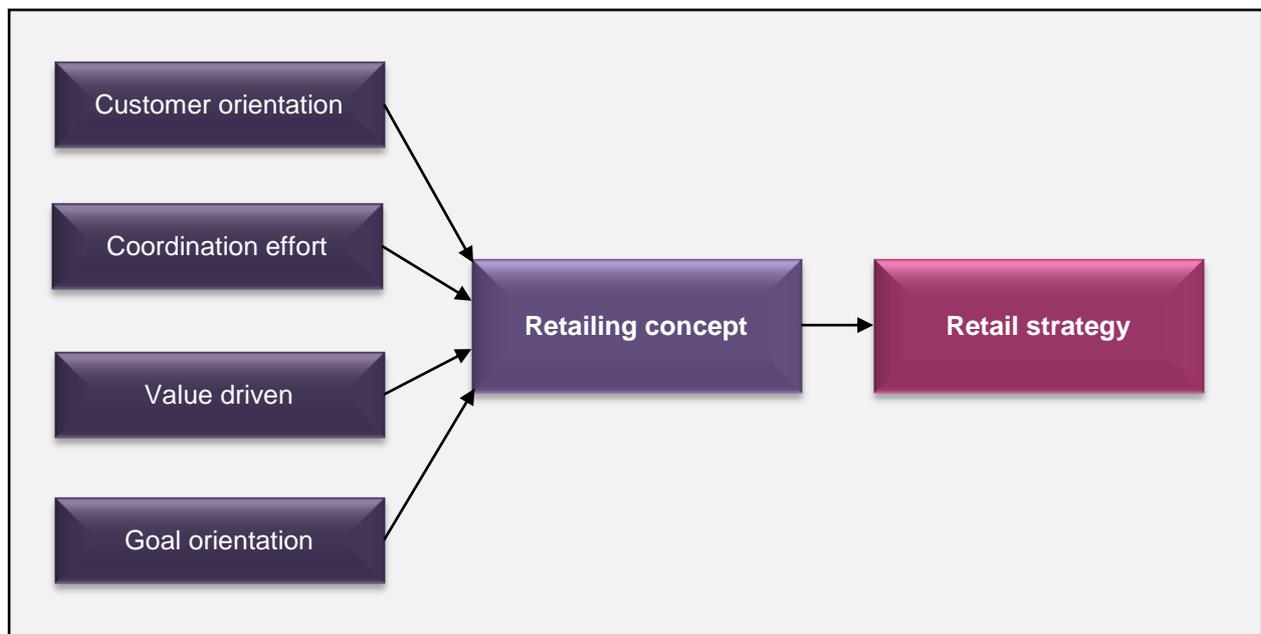
2.2.2 Retailing concept

Levy *et al.* (2014:135) as well as Berman and Evans (2013:43) define the retailing concept as a value driven, customer-centred approach. This approach assists retailers to develop and implement a retail strategy with clear marketing goals (Levy *et al.*, 2014:135). Terblanché (1998:9) adds that not only does the retailing concept assist in strategic planning, but it is generally accepted as the key to the survival of retailers.

Designed to be a useful strategic planning aid, the retailing concept requires retailers to determine the needs and desires of customers (Berman & Evans, 2013:43). Furthermore, the retailing concept involves the development of plans to satisfy customers' needs and preferences more effectively and efficiently than competitors, while simultaneously achieving the retailer's objectives (Cooper, 2010:49; Terblanché, 1998:9). Terblanché (1998:8) adds that if the retailing concept is correctly executed, customers will have an overall pleasant retail experience.

According to Berman and Evans (2013:43) and Wigley and Chiang (2009:252), there are four principles of the retailing concept that retailers ought to consider, namely customer orientation, coordinated effort, value driven and goal oriented concepts. Figure 2.2 illustrates the four principles of the retailing concept, followed by a brief discussion of each.

Figure 2.2: Principles of the retailing concept



Source: Adapted from Berman and Evans (2013:43).

More specifically, the principles of the retailing concept can be described as (Berman & Evans, 2013:43; Wigley & Chiang, 2009:252; Terblanché, 1998:7):

- **Customer orientation.** Retailers identify the needs and attributes of customers' and attempt to satisfy them.
- **Coordinated effort.** Retailers incorporate all their strategic plans and business activities in order to satisfy identified customers' needs and maximise efficiency.
- **Value driven.** Retailers offer good value to customers in the form of either discounted prices or upscale merchandise and services.
- **Goal orientation.** Retailers set goals and use the retail strategy to attain the set goals.

It is furthermore required that retailers examine three additional issues that accompany the development of the retailing concept, namely the overall retail experience, customer service and relationship retailing (Berman & Evans, 2013:43). These are subsequently discussed.

2.2.2.1 Overall retail experience

Berman and Evans (2013:43) as well as Terblanché and Boshoff (2006:37) explain that the overall retail experience entails all the elements that encourage customers' satisfaction when purchasing from retailers. Moreover, the overall retail experience entails either controllable or non-controllable elements, or the store atmosphere sub-dimensions and corresponding elements (Section 2.5.4) (Terblanché & Boshoff, 2006:2). The overall retail experience occurs when retailers purposefully create a memorable purchasing occasion for customers (Terblanché & Boshoff, 2006:37). It is designed to increase purchase frequency and increase the duration of customers' purchasing occasions (Michon *et al.*, 2007:489). In addition, to influence customers' tendency to spend more in retailers (Soars, 2009:287).

Customers furthermore engage with the overall retail experience on an emotional, physical intellectual or even spiritual level (Hawkins & Mothersbaugh, 2013:13). The overall retail experience is particularly significant in fashion retailing, since customers tend to select clothing in order to reflect their self-image (De Nora & Belcher, 2005:82). These customers have certain expectations regarding the overall retail experience which must be fulfilled by retailers (Berman & Evans, 2013:44). Therefore, retailers create an overall retail experience based upon customer expectations. An unsatisfied expectation in the retail experience may result in customers leaving without making a purchase (Berman & Evans, 2013:43; Terblanché & Boshoff, 2006:38).

2.2.2.2 Customer service

Berman and Evans (2013:45) as well as Kerin *et al.* (2009:423) explain that customer service refers to the intangible, but recognisable activities performed by retailers in addition to providing the merchandise. Customer service determines the ease with which customers interact with retailers (Lusch *et al.*, 2011:76). Thus, providing a quality customer service is considered a valued strategic aid to retailers (Sullivan & Adcock, 2002:142). Therefore, customer service ought to be an integral concern for retailers, because it contributes to the retail experience customers expect to receive when purchasing from retailers (Sullivan & Adcock, 2002:4).

2.2.2.3 Relationship retailing

Lusch *et al.* (2011:429) and Terblanché (1998:9) explain that relationship retailing refers to the strategic activities purposefully directed towards attracting, preserving and increasing the long-term relationship between retailers and customers. In fact, relationship retailing aims to create store loyal customers. It entails that retailers focus on the retail experience, but also recognising customers' needs and providing quality customer service to engage in relationship retailing (Berman & Evans, 2013:46). Long-term relationships between retailers and customers comprise an essential part of successful strategic development of retailers (Bagdoniene & Jakstaite, 2007:51).

It is therefore important to emphasise the fact that the retailing concept does not reflect the internal capabilities and strengths of retailers, but rather the identified customer needs and expectations. In addition, the fulfilment of these needs and expectations should be considered as the paramount objective for the successful strategic development of retailers (Terblanché, 1998:9). Once the retailing concept is established, retailers need to develop a retail strategy accordingly.

2.2.3 Retail strategy

A retail strategy is the overall plan or framework that guides retailers' activities and their response to market forces such as competitors and the economy (Berman & Evans, 2013:40, 84; Newman & Cullen, 2002:98). It allows retailers to adapt their resources to the opportunities and threats present in the market (Lusch *et al.*, 2011:42). Ghosh (1990:126) explains that in order to succeed in the market, it is imperative for retailers to develop a suitable retail strategy guided by the retailing concept.

Etzel *et al.* (2007:418) as well as Ogden and Ogden (2005:67), add that the retail strategy assists retailers to determine which merchandise and services to offer in order to satisfy customers' needs. It is important for retailers to develop and implement a retail strategy in order to manage changing needs and preferences of customers (Berman & Evans, 2013:58). However, once retailers are aware of customers' needs and preferences, retailers can develop a retail strategy accordingly (Lusch *et al.*, 2011:40).

2.2.4 Retail marketing mix

The retail marketing mix is defined as a blend of marketing mix elements retailers controls (Wilson *et al.*, 2012:20; Van Waterschoot & Van den Bulte, 1992:84). The retail marketing mix is composed of six major elements, namely the merchandise assortment, location, pricing, communication mix, store design and display, and customer services (Levy *et al.*, 2014:24; Lusch *et al.*, 2011:62; Lamb *et al.*, 2009:377). These elements are combined to communicate with customers, to elicit customers' response and to satisfy customers' needs for certain merchandise and experiences (Wilson *et al.*, 2012:20; Lusch *et al.*, 2011:61). Kotler and Armstrong (2010:279) note that the retail marketing mix contributes to the success of retailers. The elements of the retail marketing mix act as core decision variables to create the retail strategy provided it is closely related to a retailer's retail strategy (Wilson *et al.*, 2012:20). Figure 2.3 illustrates the elements of the retail marketing mix followed by a brief discussion of the elements concerned.

Figure 2.3: Retail marketing mix elements



Source: Adapted from Levy *et al.* (2014:24).

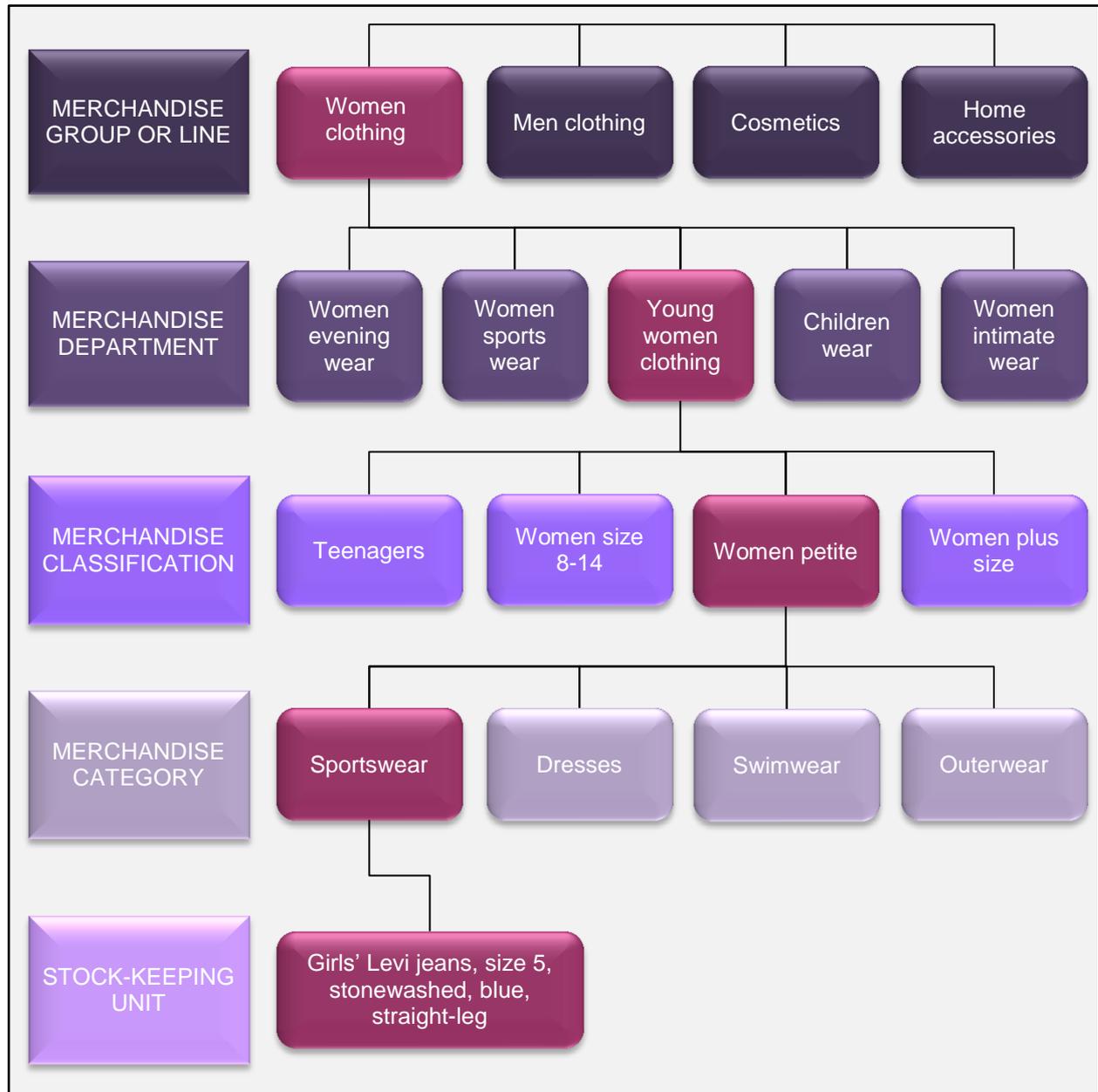
2.2.4.1 Merchandise assortment

Merchandise assortment is defined as the product mix that retailers offer to customers (Lusch *et al.*, 2011:308, 309; Lamb *et al.*, 2009:377). Retailers manage the merchandise assortment through the analysis, practices and decisions related to the width and depth of the product mix. The total assortment of merchandise includes the services mix, merchandise packaging, advertising, warranties, interior ambience, pricing, store images and other attributes that accompany the merchandise assortment (Lamb *et al.*, 2009:377). Although most retailers have their own fairly unique merchandise assortment structures to manage merchandise assortment, a basic merchandise assortment structure has been forthcoming. More specifically in the fashion retail industry, which is the focus of this research study, the merchandise assortment structure includes the following (Levy *et al.*, 2014:319):

- **Merchandise group or line.** A merchandise group refers to the highest level of merchandise arrangement primarily involved in selling clothing of all kinds for personal wear or use. A merchandise group is often referred to as a 'line'. Examples of merchandise groups or lines include a clothing group or line, a cosmetics group or line and a footwear group or line.
- **Merchandise department.** A merchandise department refers to the merchandise arrangement that originates from a merchandise group or line. Retailers arrange its merchandise into departments consisting of the merchandise lines, type and sub-categories. Examples of merchandise departments include clothing (lines), women (type) and evening wear (subcategory).
- **Merchandise classification.** A merchandise classification refers to merchandise that is specifically aimed to satisfy the same type of customers. Merchandise classification includes the class or user of retailers' merchandise. Examples of merchandise classifications include women, men or children's clothing.
- **Merchandise category.** A merchandise category refers to the next lower level in the merchandise classification with a variety of merchandise in each category. Each of the above-mentioned merchandise classifications can be assigned to more than one merchandise category. Examples of merchandise categories include sportswear, evening wear, swimwear, and outerwear.
- **Stock-keeping unit.** A stock-keeping unit refers to the smallest unit of merchandise available in a particular size, colour and style for inventory control. An example of a stock-keeping unit includes a pair of size 5, stonewashed, blue, straight-leg Levi jeans.

Figure 2.4 provides an illustration of the preceding discussion pertaining to the merchandise assortment structure.

Figure 2.4: Merchandise assortment structure



Source: Adapted from Levy *et al.* (2014:319).

2.2.4.2 Location

Levy *et al.* (2014:184) opine that the location, also known as the trade area, describes the geographic area where customers purchase the merchandise offered by retailers. Retailers offering different merchandise often have different retail locations. Retailers normally prefer a

location close to the customers who purchase their merchandise. This, however, exposes them to competition from other retailers that target the same customers (Levy *et al.*, 2014:199; Sevstuk, 2010:11). Therefore, retailers also compete for customers through their location. Furthermore, the location of retailers adds to the total value offering of retailers. Retailers' location could as a result contribute to a differentiated competitive advantage (McDaniel *et al.*, 2013:251).

2.2.4.3 Pricing

Pricing is the total monetary cost customers incur in order to obtain selected merchandise from retailers (Etzel *et al.*, 2007:318; Rix, 2004:293). Pricing can also be described as the quantitative measure regarding the worth of the benefits of owning and using the selected merchandise (Levy *et al.*, 2014:388; Etzel *et al.*, 2007:318; Rix, 2004:293). Customers patronise retailers that offers a retail experience characterised by an attractive merchandise assortment and services that reflect good value for money (Levy *et al.*, 2014:388; Pine & Gilmore, 1998:99). For instance, when retailers offer merchandise at reasonable prices accompanied by desirable customer services in a good location with a pleasant store atmosphere, retailers are able to create a favourable image and reputation amongst customers, which translates into value for customers. Retailers that are not able to offer the above-mentioned to its customers to the same extent, are unable to evoke the same perceptions of value. Therefore, it is essential for retailers to determine a pricing strategy in which they consider the merchandise assortment, competition, customer perceptions as well as services being offered to customers (Armstrong & Kotler, 2013:285; Lamb *et al.*, 2009:381; Hammond, 2007:114).

2.2.4.4 Communication mix

Blackwell *et al.* (2006:163) and Calder and Malthouse (2005:358) state that the communication mix refers to the designed methods used to promote retailers or their merchandise to customers, be it in the form of verbal or non-verbal communication. Furthermore, Armstrong and Kotler (2013:385) suggest that the communication mix entails a specific blend of promotional tools which the retailer uses to persuasively communicate value to customers. The communication mix tools include advertising, sales promotion, personal selling, public relations and direct marketing. These tools are subsequently presented in Table 2.2.

Table 2.2: Communication mix tools

Tool	Description	Example
Advertising	Any remunerated form of impersonal presentation, demonstration and promotion of notions, merchandise or services by a recognised sponsor.	Broadcasts, print, Internet, mobile outdoor.
Sales promotion	All the marketing activities that motivate customers to purchase the retailer's merchandise and that are used to support the other communication mix tools.	Discounts, coupons, displays.
Personal selling	A method of personal presentation by the retailer's sales team for the purpose of creating sales and building customer relationships.	Sales presentations, trade shows, incentive programmes.
Public relations	Building decent relationships with the retailer's different publics by gaining favourable publicity and corporate image, and handling unfavourable rumours, stories and events.	Press releases, sponsorships, events, web pages.
Direct marketing	Direct connections with cautiously targeted individual customers to attain an immediate response and encourage lasting customer relationships.	Catalogues, direct-response TV, kiosks, Internet, mobile marketing.

Source: Adapted from Armstrong and Kotler (2013:385).

Additionally, the communication mix tools consist of various elements which act as an extension in which the communication mix tools can be described in more detail. These include store atmosphere, displays and in-store advertising (Berman & Evans, 2013:533; McDaniel *et al.*, 2013:40; Lindquist, 1974-1975:31). These elements are subsequently discussed:

- **Store atmosphere.** Store atmosphere refers to a combination of elements in the physical appearance of retailers. Store atmosphere includes various sub-dimensions, namely exterior, interior, layout and design as well as the point-of-purchase and décorations, which together create an image in customers' minds. Section 2.5 provides a detailed discussion of store atmosphere's sub-dimensions and corresponding elements, as this is the main focus of this research study.
- **Displays.** Displays refer to the important information that retailers portray to customers before they enter retailers (Van der Vyver, 2008:41; Sen *et al.*, 2002:273). This would include information on window displays, in-store facilities and fixtures display, wall and floor displays, sign displays and mannequin displays. Displays are primarily used to make customers aware of the merchandise assortment offered by retailers (Sen *et al.*, 2002:273).

- **In-store advertising.** In-store advertising refers to any form of personal or impersonal communication in which information about retailers is conveyed or advertised to customers in retailers (Berman & Evans, 2013:510). Furthermore, in-store advertising is used to create favourable impressions amongst customers, highlight features and benefits of the merchandise assortment, and persuade or convince customers to purchase (Martineau, 1958:51).

By combining the communication mix tools and elements, retailers are able to inform, persuade and remind customers about themselves and the merchandise assortment and services they offer (Levy *et al.*, 2014:418; Etzel *et al.*, 2007:475). The communication mix also evokes, manipulates and upholds favourable customers' feelings and perceptions about retailers. It furthermore enables retailers to attract and retain customers (McDaniel *et al.*, 2013:586-587; Blackwell *et al.*, 2006:163; Calder & Malthouse, 2005:358).

2.2.4.5 Store design and display

Store design and display refer to the way in which retailers are presented to customers (Lusch *et al.*, 2011:474). Store design and display include all the elements in the exterior and interior of retailers, namely the way in which space is utilised as well as the layout, lighting, ambiance, fixtures, merchandise presentation and exterior design. Store design and display creates a distinctive and memorable retail store image, as well as positions retailers in customers' minds (Lusch *et al.*, 2011:504; Lamb *et al.*, 2009:381). Therefore, retailers use their store design and display as a means to ensure that customers remain longer in the retail store, to browse and ultimately purchase merchandise (Lusch *et al.*, 2011:475). Store design and display are further discussed in detail in section 2.5.4.3 as layout and design of store atmosphere.

2.2.4.6 Customer service

Customer service refers to organised activities and programmes provided by retailers that influence customers' retail experience (Lusch *et al.*, 2011:432, 433). Retailers typically provide the following customer services to their customers: alterations of merchandise, fitting rooms, layaway, delivery, gift registries, gift wrapping, check cashing, in-home shopping, extended shopping hours, charge accounts, parking and merchandise-return privileges (Lusch *et al.*, 2011:432, 433).

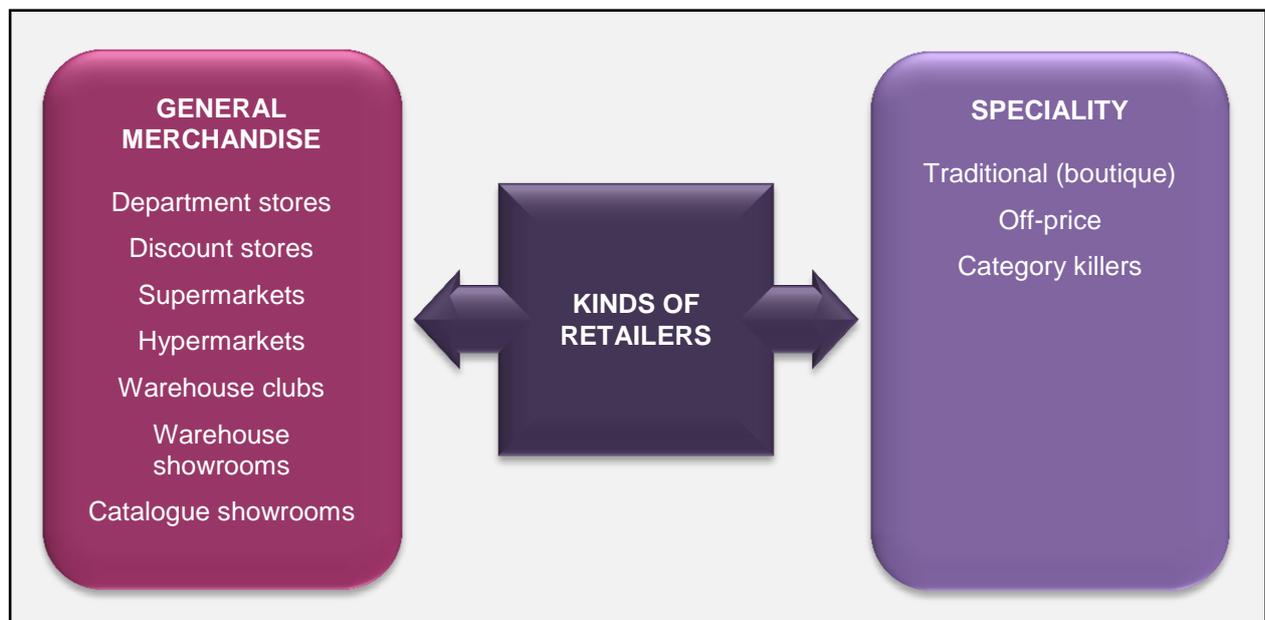
Retailers use customer service to increase the value of the merchandise assortment offered to customers (Levy *et al.*, 2014:537). Fundamentally, customer service typically makes the retail experience more rewarding for customers.

Although the retail marketing mix elements support the success of retailers, they also enable retailers to effectively communicate with customers, create favourable customer feelings and images about retailers, and satisfy customers' needs and preferences (Wilson *et al.*, 2012:20; Lusch *et al.*, 2011:61). Retailers, however, are not able to satisfy all customers' needs and preferences. Different retailers exist to satisfy different customers' needs and preferences. The following section provides insight into the different kinds of retailers.

2.3 KINDS OF RETAILERS

Purchasing merchandise is a complex process for customers, since they have various changing needs and preferences when purchasing merchandise. In response, different kinds of retailers offer different kinds of merchandise and services to customers (Armstrong & Kotler, 2013:354; Mostert & Du Plessis, 2007:204). These retailers are classified according to the amount of services they offer, the breadth and depth of merchandise lines, relative prices and how they are organised (Armstrong & Kotler, 2013:354). Mostert and Du Plessis (2007:204) as well as Ogden and Ogden (2005:97) identify general merchandise retailers and speciality retailers as the two main groups of retailers. Within each of the two main groups of retailers, different retailers can be distinguished. Figure 2.5 illustrates the kinds of retailers, followed by a brief discussion of each.

Figure 2.5: Kinds of retailers



Source: Adapted from Mostert and Du Plessis (2007:204).

2.3.1 General merchandise retailers

General merchandise retailers are described according to how they are designed, organised and operated (Mostert & Du Plessis, 2007:204). General merchandise retailers sell durable and semi-durable merchandise lines and assortments. This allows customers to choose from a wide range of merchandise lines such as cosmetics, clothing and appliances (Gilmour, 2005:85). Seven main kinds of general merchandise retailers exist, namely department stores, discount stores, supermarkets, superstores, hypermarkets, warehouse clubs, warehouse showrooms and catalogue showrooms (Armstrong & Kotler, 2013:354; Gilmour, 2005:85; Ogden & Ogden, 2005:97; Bell & Ternus, 2003:56). These are briefly discussed:

(a) Department stores

Department stores refer to large stores consisting of many different departments. Each department store is categorised to represent a specific merchandise line for example, women's clothing and home accessories. Department stores offer a wide assortment of merchandise to an equally wide range of customers. Examples of clothing retail department stores include Edgars or Foschini.

(b) Discount stores

Discount stores refer to large stores that offer a wide range of merchandise assortment at lower prices than most other retailers. Examples of clothing retail discount stores include Jumbo clothing and footwear stores.

(c) Supermarkets

Supermarkets are self-service retail chain stores that specialise in selling food and general merchandise. Supermarkets allow customers to select their own merchandise. An example of a supermarket is a Shoprite Checkers supermarket.

(d) Superstores

Superstores refer to medium-sized stores that offer a combination of discount stores and supermarkets. Superstores sell merchandise assortments that range from food, hardware, small appliances to clothing. An example of a superstore is a Game store.

(e) Hypermarkets

Hypermarkets refer to a combination of several merchandise lines in one store. Hypermarkets typically sell clothing, health, beauty aids, home furnishings, gardening,

automotive and sporting merchandise. An example of a hypermarket is a Pick n Pay Hypermarket.

(f) Warehouse clubs

Warehouse clubs refer to stores that require the customer to be a member in order to purchase from them. Warehouse clubs provide a variety of merchandise assortment ranging from clothing to groceries to appliances. An example of a warehouse club is Makro.

(g) Warehouse showrooms

Warehouse showrooms refer to stores that are single-line, limited-service retailers that sell high-margin merchandise assortments. Warehouse showrooms sell merchandise such as carpeting, furniture or appliances. An example of a warehouse showroom is a Coricraft store.

(h) Catalogue showrooms

Catalogue showrooms refer to moderately large physical facilities that are typically separated into a showroom and warehouse area. Catalogue showrooms use published catalogues to identify merchandise available in retailers. Retailers selling jewellery, photographic equipment, small appliances and home accessories use catalogues. An example of a catalogue showroom is a Kansai Plascon store for interior and exterior paints.

2.3.2 Speciality retailers

Speciality retailers refer to those retailers that offer a restricted number of merchandise departments or merchandise categories (Bell & Ternus, 2003:57). In addition, they usually have a smaller floor space when compared to other retailers. Speciality retailers' merchandise assortment is specialised and normally caters to a specific type of customers (Bell & Ternus, 2003:57). There are three kinds of speciality retailers, namely traditional stores, off-price stores and category killer stores (Stone, 2010:500, 501; Mostert & Du Plessis, 2007:207; Bell & Ternus, 2003:57). These are subsequently discussed:

(a) Traditional store

Traditional speciality stores, also known as boutiques, refer to small, individually-owned retailers. Boutiques carry their own label or brand and concentrate on offering narrow merchandise lines and categories such as women's clothing categorised into dresses or

outerwear (Figure 2.4). Yet, boutiques do not consist of merely clothing lines; however, they include jewellery, shoes, handbags, home accessories, pet supplies or even event venues such as Chez Charlene. Their appeal lies in their potential to provide customers with individuality and therefore they tend to target specific customers. Normally, boutiques offer customers avant-garde merchandise (beyond the acceptable fashion boundaries) which is too risky for general merchandise retailers and other speciality retailers to carry. However, not all boutiques offer avant-garde merchandise. Therefore, boutiques are relatively unique in nature or form part of a small chain of retailers with their own store name. In addition to boutiques, they provide customers with a more complete fashion look and mood, whilst rewarding customers with a luxurious store atmosphere. Examples of traditional stores in the Potchefstroom and Klerksdorp area are Just for You and Andre's Boutique. This research study specifically focusses on speciality retailers such as boutiques as sampling units.

(b) Off-price store

An off-price store refers to retailers that purchase out-of-season, returned or slightly damaged merchandise from other retailers and then re-sell the merchandise to customers at a lower price. An example of a clothing store considered to be an off-price store is the Meltz clothing store.

(c) Category killer store

A category killer store refers to large speciality retailers that compete by using knowledgeable sales personnel and low prices. This kind of retailer also ensures that merchandise is always available to customers. Examples of category killer stores are Toys R Us and Sportsman Warehouse.

2.4 RETAIL STORE IMAGE

This section commences by examining various definitions of retail store image, and then proposes a definition of retail store image for the purpose of this research study. Following this, the importance of retail store image is briefly discussed. Then, the underlying dimensions of retailers' retail store image are subsequently highlighted.

2.4.1 Definition of retail store image

Table 2.3 provides various definitions of retail store image.

Table 2.3: Retail store image definitions

Definition	Author(s)
“Retail store image refers to how a retailer is perceived by customers and others to elicit positive customers’ responses.”	Berman and Evans (2013:488)
“Retail store image is a complex, multidimensional construct based on the perception of tangible and intangible store attributes associated with eight dimensions, namely atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel and service.”	Janse van Noordwyk (2008:87)
“Retail store image describes not individual traits or qualities, but the total impression an entity makes on the minds of others.”	Dichter (1985:75)
“Retail store image is a set of attributes based upon evaluation of those elements of those store attributes deemed important by customers.”	James <i>et al.</i> (1976:25)
“Retail store image is complex by nature and consists of a combination of tangible or functional factors and intangible or psychological factors that customers’ perceives to be present.”	Lindquist (1974-1975:31)
“Retail store image is the way in which the store is defined in customers’ mind, partly by its functional qualities and partly by an aura of psychological attributes.”	Martineau (1958:47)

From the definitions presented in Table 2.3 the following observations can be made regarding retail store image:

- Retail store image consists of a set of tangible or intangible dimensions or attributes that is present in retailers.
- The retail store image dimensions or attributes are the foundation upon which customers form a total perception about retailers.
- In addition to perceptions formed by customers, the retail store image encourages customers’ behavioural responses.

Based upon these observations, the following definition for retail store image is formulated for the purpose of this research study:

Retail store image definition
Retail store image entails a set of tangible or intangible dimensions present in retailers, involved in creating customers' total perceptions regarding retailers which accordingly encourage customer behavioural responses.

2.4.2 The importance of retail store image to retailers

Retail store image is critical in retailing, since it allows retailers to differentiate themselves from competitors (Delgado-Ballester *et al.*, 2014:2; Du Preez *et al.*, 2008:50). Particularly in fashion retailing, the retail store image can support retailers to achieve a unique position in the market (Sullivan & Adcock, 2002:121; Terblanché, 1998:6). Retailers, however, need to understand the retail store image by considering the importance of the retail store image and the underlying dimensions that constitute the retail store image (Figure 2.6) (Hawkins *et al.*, 2013:609; Jin & Kim, 2003:397; Osman, 1993:133). These are subsequently discussed:

- **Retail store image and the gestalt theory.** Customer perceptions of the retail store image are based upon retailers' responsiveness to their needs and preferences pertaining to convenient store hours, convenient store location, customer service reliability, retailers concern with their status, easy-to-manage credit arrangements, and fashion and technological leadership (Bell & Ternus, 2003:20). Therefore, Thang and Tan (2003:193) believe that customers form an overall perception or feeling about the entire retailer, including its retail store image. Once customers form an overall perception, the retail store image is characterised by the gestalt theory (Du Preez *et al.*, 2008:50). The gestalt theory primarily deals with the concept of perception. The gestalt theory presumes that a customer's eyes and mind describe or perceive visual images as a whole, rather than the sum of individual parts (Rosenau & Wilson, 2006:170). Therefore, the customer's perception of retailers has a profound effect on how they feel about retailers as a whole (Janse van Noordwyk, 2008:87; Rosenau & Wilson, 2006:170).
- **Competitive advantage.** Positioning the retail store image against alternative competitors has become an important issue in retailing (Kumar & Steenkamp, 2007:26). Assael (2004:51) declares that it is important to obtain a good fit between the retail store image and customers' expectations regarding the retail experience. Visser *et al.* (2006:51) support this notion and profess furthermore that the way customers perceive the

underlying dimensions of the retail store image contributes to the retailer's retail store image. If the retail store image is developed according to customers' expectations and perceptions, it can result in increased sales and profits. In addition, a suitable retail store image can strengthen a retailer's ability to differentiate itself from competitors (Delgado-Ballester *et al.*, 2014:2). In due course, this will provide retailers with a differentiated advantage over competitors (Du Preez *et al.*, 2008:50).

- **Retailer as customers' main choice.** Das (2014a:378) and Van der Vyver (2008:16) claim that retailers should develop an appropriate character or personality by means of the retail store image. This includes the retailer's overall theme or way of expressing itself to its customers. A retailer's personality serves as a basis for meaningful and sustainable differentiation (Colucci *et al.*, 2008:132). Without a proper personality, retailers will not be customers' first choice, but rather the alternative choice. This is largely due to the fact that customers associate themselves with retailers' personalities (Triplett, 1994:10). Thus, retailers should form a differentiated retail store image personality to influence customer's perceptions which will ultimately expand their customer base by being customers' first choice (Delgado-Ballester *et al.*, 2014:1; Du Preez *et al.*, 2008:50).

2.4.3 The underlying dimensions of retail store image

The retail store image consists of various underlying dimensions, namely store atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel and service. These underlying dimensions include both tangible or functional and intangible or psychological factors that customers perceive to be present in retailers (Lindquist, 1974-1975:31). Furthermore, research suggests that these underlying dimensions are comprised from various sub-dimensions. For example, the store atmosphere underlying dimension is comprised of four sub-dimensions, namely exterior, interior, layout and design as well as point-of-purchase and décoration (Herstein *et al.*, 2013:334; Du Preez *et al.*, 2008:53). Figure 2.6 illustrates the retail store image with its underlying dimensions and subsequent sub-dimensions.

Figure 2.6: Retail store image and its underlying dimensions



Source: Adapted from and Du Preez *et al.* (2008:53) and Janse van Noordwyk (2008:49).

As mentioned in Section 2.4.2, the retail store image is formed based upon customers' favourable perceptions of the underlying dimensions in a retailer (Jin & Kim, 2003:397). Accordingly, the retailer is provided with a competitive advantage due to unique differentiation and acknowledged as customers' first choice retailer (Delgado-Ballester *et al.*, 2014:1; Du Preez *et al.*, 2008:50). Therefore, central to Figure 2.6, is the interaction between the retail store image, its underlying dimensions (atmosphere, convenience, facilities, institutional, merchandise, promotional, sales personnel and service) and the sub-dimensions in order to craft a competitive retail strategy (Delgado-Ballester *et al.*, 2014:2). Table 2.4 describes the retail store image underlying dimensions and provides a list of each underlying dimensions sub-dimensions as proposed by various authors.

Table 2.4: Retail store image dimensions and sub-dimensions

Dimension	Description	Sub-dimensions	Authors
Store atmosphere	Store atmosphere involves the personality of retailers, which is represented by the physical design, stimuli, features, characteristics, décor and layout, consequently influencing customers' emotions and behaviours.	<ul style="list-style-type: none"> • Exterior • Interior • Layout and design • Point-of-purchase • Décoration 	Jiang and Liu (2014:15), Berman and Evans (2013:492), Terblanché and Boshoff (2006:1)
Convenience	The ease with which customers experience retailers when doing business with retailers.	<ul style="list-style-type: none"> • Checkout points • Location • Surrounding retailers • Parking facilities • Store hours • Public transport • Online ordering 	Janse van Noordwyk (2008:61), Du Preez <i>et al.</i> (2008:52), Visser <i>et al.</i> (2006:50), Jin and Kim (2003:397)
Facilities	The setup or arrangement of amenities created in retailers that improve the comfort with which customers can move around and experience retailers.	<ul style="list-style-type: none"> • Store layout • Aisle placement and width • Fitting rooms • Dressing rooms • Trolleys and baskets • Elevators • Lighting • Cleanliness 	Ballantine <i>et al.</i> (2010:646), Miranda <i>et al.</i> (2005:221), Newman and Patel (2004:772)
Institutional	The phenomenon that retailers is known and recognised in a community as well as the degree to which retailers is being perceived to be part of the community.	<ul style="list-style-type: none"> • Clientele • Store reputation • Store association • Reliability 	Janse van Noordwyk, (2008:24), Van der Vyver (2008:38), Ailawadi and Keller (2004:336)
Merchandise	The product mix that retailers offer to its customers.	<ul style="list-style-type: none"> • Assortment • Style • Price • Quality • Advertised goods available 	Ailawadi and Keller, (2004:334,335), North <i>et al.</i> (2003:44), Thang and Tan (2003:195)
Promotion	Methods used to promote retailers or their merchandise to customers, be it in the form of a verbal or non-verbal communication.	<ul style="list-style-type: none"> • In-store advertising • Displays • Sales incentives • Discounts 	Visser <i>et al.</i> (2006:57), Calder and Malthouse (2005:358), Kliatchko (2005:20), Jin and Kim (2003:398)

Table 2.4: Retail store image dimensions and sub-dimensions (cont.)

Dimension	Description	Sub-dimensions	Authors
Sales personnel	A well organised team of individuals with extensive knowledge regarding retailers' merchandise assortment and services. These individuals attend to customers' needs in retailers.	<ul style="list-style-type: none"> • Appearance • Interaction 	Bearden <i>et al.</i> (2007:446), Hu and Jasper (2006:26), Baker <i>et al.</i> (2002:126)
Service	The intangible and recognisable activities performed by retailers together with the merchandise and services sold.	<ul style="list-style-type: none"> • In-store service • Payment options • Delivery service • Credit policies • After-sale service 	Berman and Evans (2013:45), Kerin <i>et al.</i> (2009:423), Hu and Jasper (2006:28), Newman and Patel (2004:775)

Retailers' retail store image depends on the store atmosphere as an underlying dimension to create and sustain favourable customer perceptions concerned with the retailer (Berman & Evans, 2013:491). Therefore, for the purpose of this research study, store atmosphere is considered to be an influencing dimension and therefore the main focus of this research study. This underlying dimension, however, warrants further discussion. Section 2.5 therefore provides a detailed discussion of the store atmosphere dimension of the retail store image.

2.5 STORE ATMOSPHERE

This section commences by examining various definitions of store atmosphere and then proposes a definition of store atmosphere for the purpose of this research study. Henceforth, the importance of store atmosphere to retailers is explained, followed by a brief discussion of the sub-dimensions and corresponding elements of store atmosphere.

2.5.1 Defining store atmosphere

Table 2.5 provides various definitions of store atmosphere.

Table 2.5: Store atmosphere definitions

Store atmosphere definitions	Author(s)
"Store atmosphere is the store's physical characteristics that project an image and draw customers."	Berman and Evans (2013:91)
"Store atmosphere is the overall impression conveyed by retailers' physical layout, décor and surroundings."	Lamb <i>et al.</i> (2009:381)

Table 2.5: Store atmosphere definitions (cont.)

Store atmosphere definitions	Author(s)
“Store atmosphere is the sum of all the physical features of a retail environment.”	Hawkins <i>et al.</i> (2010:488)
“Store atmosphere is the tailoring of the designed environment to enhance the likelihood of desired effects or outcomes.”	Greenland and McGoldrick (1994:2)
“Store atmosphere is the effort to design purchasing environments to produce specific emotional effects in customers that enhance their purchase probability.”	Kotler (1973-1974:50)
“Store atmosphere is the direct impact of physical stimuli on customers’ emotions and the effect of physical stimuli on a variety of behaviours, such as work performance or social interaction.”	Mehrabian and Russell (1974:257)

From the definitions presented in Table 2.5, the following observations can be made regarding store atmosphere:

- Store atmosphere displays retailers’ personality or overall impression.
- In addition, store atmosphere entails the physical design, stimuli, features, characteristics, décor and layout in retailers.
- Store atmosphere influences certain outcomes in the form of customers’ emotional or behavioural experiences/reactions or responses.

Based upon these observations, the following definition for store atmosphere is formulated for the purpose of this research study:

Store atmosphere definition
Store atmosphere involves the personality of retailers, which is represented by the physical design, stimuli, features, characteristics, décor and layout, consequently influencing customers’ emotions and behaviours.

2.5.2 The importance of store atmosphere to retailers

Bourlakis *et al.* (2005:1) propound that it is imperative that retailers implement store atmosphere, since the number of competitive retailers providing similar or differentiated merchandise, is increasing. Chebat and Michon (2003:530) also explain that the retail store itself can provide customers with a unique store atmosphere that affects customers’ emotions. These emotions can consequently influence customers’ purchasing enjoyment, decision-making

and consumer behaviour (Jiang & Liu, 2014:15). Henceforth, retailers obtain various benefits. As a result, store atmosphere is regarded important, as it provides retailers with numerous benefits such as:

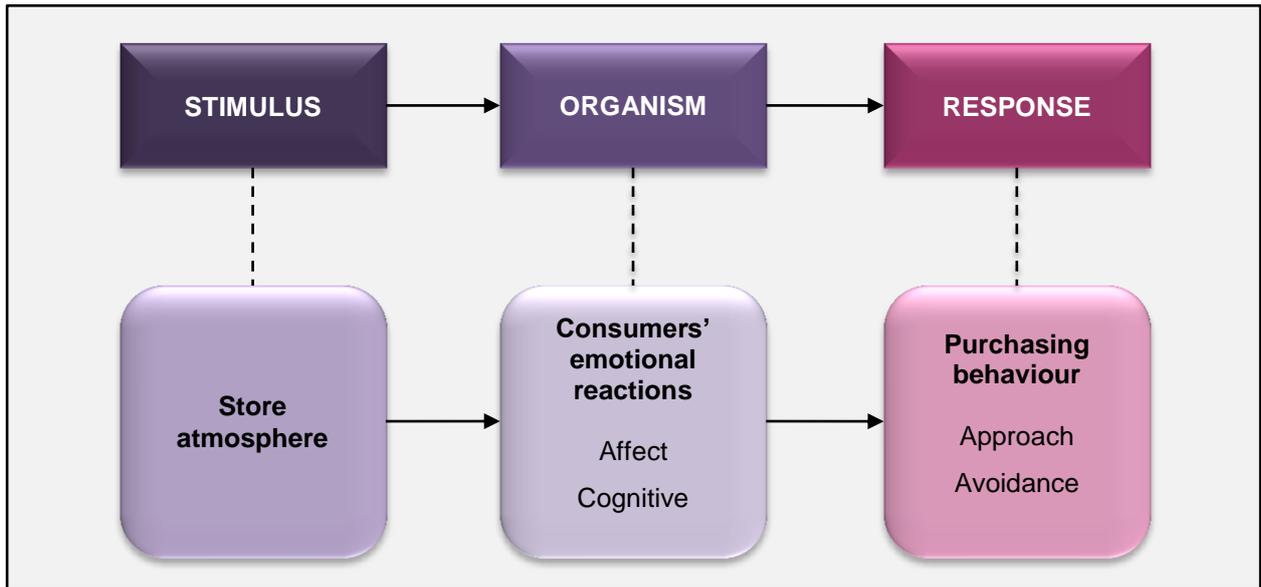
- **Store atmosphere provides an overall perceived offering.** Kotler (1973-1974:50) notes that customers use their senses to experience the store atmosphere. Therefore, store atmosphere is normally described in sensory terms, which entails that customers utilise their main sense organs, namely sight, sound, scent and touch (Berman & Evans, 2013:491; Clarke *et al.*, 2012:496). These sensory channels experience the store atmosphere of retailers and affect customers' emotions in such a way that they find the experience exciting, pleasant and relaxing or unpleasant, distressing or arousing (Donovan & Rossiter, 1982:39). Subsequently, customers form perceptions regarding retailers' retail store image and the quality of the store atmosphere (Thang & Tan, 2003:195). Therefore, store atmosphere is considered to be the overall offering customers perceive to receive from retailers (Parsons, 2011:439; Kotler, 1973-1974:50).
- **Customers purchase pleasing retail experiences.** Although the merchandise in a retailer is important, the retail experience must also be enjoyable (Kusumowidagdo *et al.*, 2012:565). Retailers should be more than just a place where goods are bought. It should transform the retail experience from the typical retailing into "entertailing" (Kim, 2001:288), since customers typically pursue fun, enjoyment and pleasure (Ballantine *et al.*, 2010:643). Retailers should furthermore consider the various purchasing motivations of customers in order to link these with their philosophies and strategies to ultimately create a suitable store atmosphere for customers. Consequently, by facilitating better organisation of retailers and their merchandise, retailers are able to create a pleasing shopping space (Dubey & Uddin, 2012:8). This may encourage customers to relax and enjoy the retail experience (Kusumowidagdo *et al.*, 2012:566), and ultimately leads to a pleasing retail experience for customers to purchase merchandise (Bell & Ternus, 2003:56; Thang & Tan, 2003:195). As a result, customers are certain to purchase more often if new retail experiences are created by retailers (Kusumowidagdo *et al.*, 2012:565). When customers leave the retailer they should feel like they have purchased the retail experience, together with the merchandise (Bell & Ternus, 2003:56).
- **Store atmosphere encourages behavioural responses.** Customers form an overall perception prior to experiencing the retailer's store atmosphere (Berman & Evans, 2013:491; Thang & Tan, 2003:195; Baker *et al.*, 2002:125). Positive perceptions regarding the store atmosphere result in positive consumer behavioural responses or the likelihood of customers returning to the retailer (Berman & Evans, 2013:491). This is especially true

in retail environments where customers purchase merchandise (Kotler, 1973-1974:50). Therefore, store atmosphere is important since it attracts customers, influences their perceptions, and facilitates consumer behaviour or the probability of future patronage (Jiang & Liu, 2014:14; Bashar, 2012:199; Dubey & Uddin, 2012:8).

For the purpose of this research study, it is instrumental in empirically emphasising the importance of store atmosphere as a point of departure in customers' purchasing process and behaviour (Childers *et al.*, 2001:528). Therefore, Tai and Fung (1997:313) propose a stimulus-organism-response (S-O-R) model which acts as a relevant framework to illustrate the way customers respond to the surrounding environment (Jacoby, 2002:51). In this model, the store atmosphere serves as the stimulus (S) to affect customers' emotions (Jacoby, 2002:54; Sherman *et al.*, 1997). This leads to affective or cognitive emotional reactions (O) within customers (Jacoby, 2002:54). The cognitive component refers to customers' knowledge, information and perception in relation to retailers' store atmosphere (Hawkins & Mothersbaugh, 2013:398; Boone & Kurtz, 2012:151). The affective component refers to customers' feelings or emotional reactions. This captures the customers' overall evaluation of retailers (Du Plessis & Rousseau, 2007:196). Accordingly, this results in two contrasting types of purchasing behaviour (R), approach or avoidance behaviour (Eroglu *et al.*, 2003:141).

Approach behaviour involves those customers who visit retailers more often, engage in impulse purchases, and interact with the sales personnel in retailers (Zentes *et al.*, 2007:400). Avoidance behaviour, however, entails that customers lose their interest in or even leave retailers and avoid retailers in the future due to their uncomfortable feelings (Zentes *et al.*, 2007:400; Turley & Milliman, 2000:193). Therefore, customers' emotional states mediate the influence of store atmosphere on customer purchasing behaviour or response (Jacoby, 2002:55). Overall, this manifests that stimulus, organism and response are interrelated in the S-O-R model (Jiang & Liu, 2014:12). It should however, be noted that this model is based upon two assumptions (Tai & Fung, 1997:313). These include, customers' emotions decide what and how they purchase in retailers, and customers adopt different emotions in response to different store atmospheres (Jiang & Liu, 2014:10). The S-O-R model is presented in Figure 2.7.

Figure 2.7: S-O-R model



Source: Adapted from Jiang and Liu (2014:11) and Eroglu *et al.* (2003:142).

2.5.3 Elements of store atmosphere

Different elements of store atmosphere can be identified (Jiang & Liu, 2014:15). Since customers experience the store atmosphere primarily through their senses (Berman & Evans, 2013:491; Clarke *et al.*, 2012:496), the different store atmosphere elements are presented in Table 2.6 according to customers five senses (Zentes *et al.*, 2007:400). Table 2.6 identifies the various elements which may influence any of the five senses during a store atmosphere experience. Table 2.6 is followed by a detailed discussion pertaining to these elements.

Table 2.6: Elements of store atmosphere

Elements	Customers' five senses
Colour, brightness, sizes, shapes of fixtures and merchandise, floors, sales personnel appearance.	Visual sense
Background music, audio advertising, in-store radio, noises from other customers.	Auditory sense
The scent in the store.	Olfactory sense
The material used for floors, the sensation of touching merchandise.	Tactile sense
Food samples.	Gustatory sense

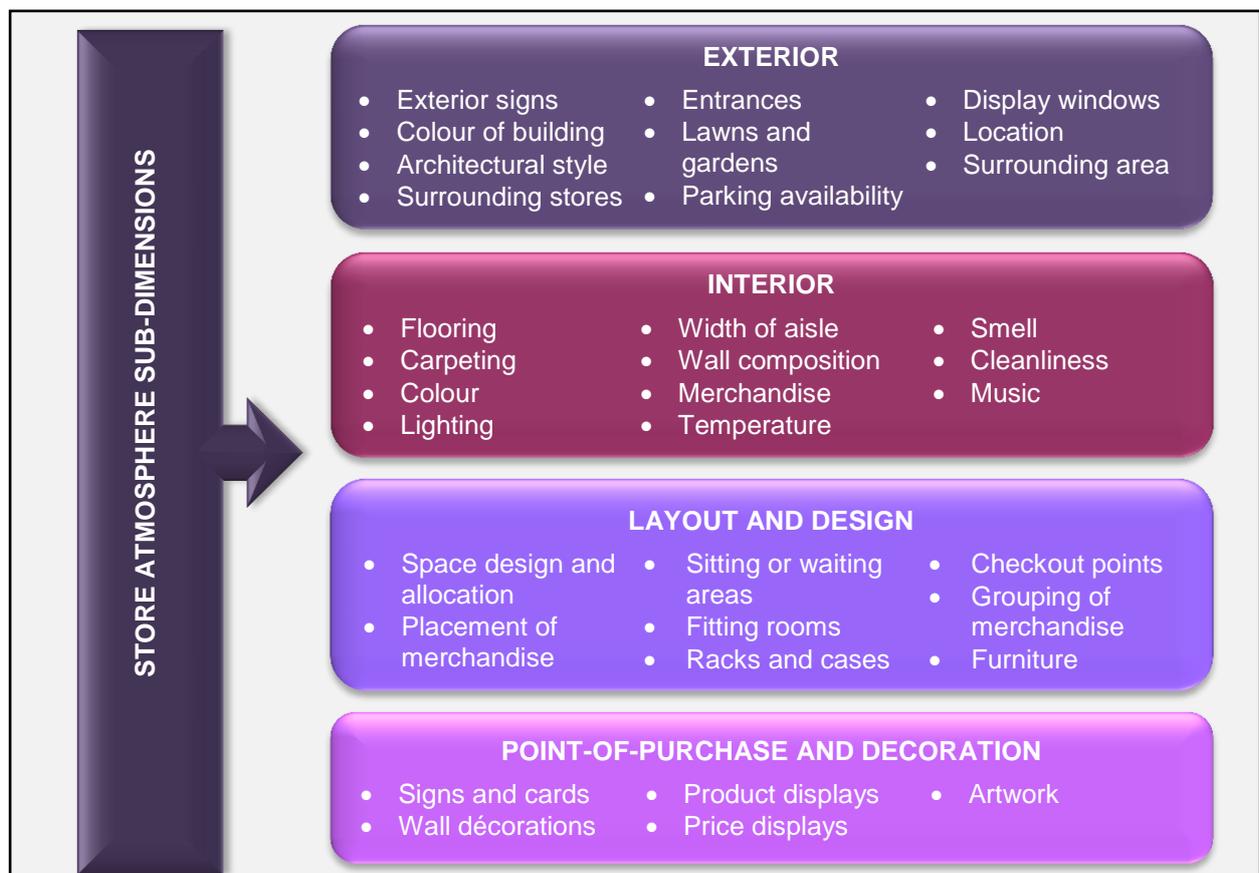
Source: Adapted from Zentes *et al.* (2007:400).

2.5.4 The sub-dimensions of store atmosphere

Berman and Evans (2013:491) recommend that retailers consider certain store atmosphere sub-dimensions when designing the store atmosphere. These include the exterior sub-dimension, interior, layout and design, and point-of-purchase and décoration (Berman & Evans, 2013:492-503; Terblanché & Boshoff, 2006:1, 2; Turley & Milliman, 2000:194). These sub-dimensions are specifically utilised to enhance customers' retail experience by creating an overall exciting retail environment (Parsons, 2011:429). Parasuraman *et al.* (1988:14) furthermore profess that retailers focus on, and include all the sub-dimensions of store atmosphere, as opposed to just one or a few of the sub-dimensions.

The sub-dimensions identified differ across research studies consulted, and each contains various corresponding elements of store atmosphere. For the purpose of this research study, the researcher examines the sub-dimensions and corresponding elements of store atmosphere identified by Berman and Evans (2013:492-503), Ballantine *et al.* (2010:645) as well as Turley and Milliman (2000:194). These are illustrated in Figure 2.8 with a brief explanation of each.

Figure 2.8: Sub-dimensions and elements of store atmosphere



Source: Adapted from Berman and Evans (2013:492), Ballantine *et al.* (2010:645) and Turley and Milliman (2000:194).

2.5.4.1 Exterior

The retailer's exterior usually communicates the name and general nature of the retailer. Furthermore, the exterior also provides customers with suggestions or ideas regarding the merchandise and services delivered inside the retailer (Dunne & Lusch, 2008:434). The exterior is the first set of store atmosphere sub-dimensions customers normally notice. The retailer's exterior must be visible, easily identified and memorable (Lusch *et al.*, 2011:505; Turley & Milliman, 2000:195). Additionally, the exterior should also be considered acceptable by customers before the interior of the retailer is ever experienced (Turley & Milliman, 2000:207). The exterior therefore plays a pivotal role in attracting passing customers (Jiang & Liu, 2014:17). The exterior sub-dimension includes various corresponding elements influencing the way customers perceive the retailer's exterior. The following section provides a brief explanation of each exterior element.

- **Retailers' exterior signs.** These include signage, décor or a marquee used to communicate, draw customers' attention or direct them to enter retailers (Berman & Evans, 2013:482; De Nisco & Warnaby, 2013:656).
- **Entrances.** A point, place, passage or opening for entering retailers (Berman & Evans, 2013:493).
- **Display windows.** A demonstration in retailers' windows in order to reveal merchandise and communicate information before customers enter the retailers (Jiang & Liu, 2014:18; Lusch *et al.*, 2011:505; Van der Vyver, 2008:41; Sen *et al.*, 2002:273).
- **Colour of the building.** The particular colour of retailers' buildings is typically used to identify or differentiate retailers' from surrounding retailers (Berman & Evans, 2013:494; Rosenau & Wilson, 2006:165; Bell & Ternus, 2003:34).
- **Surrounding stores.** The variety of stores surrounding retailers in a business district, shopping centre, mall or free-standing location (Lusch *et al.*, 2011:229, 231, 235).
- **Lawns and gardens.** The urban setting or landscape surrounding retailers (Berman & Evans, 2013:494; Wolf, 2009:35) including the presence of nature or vegetation (Mower *et al.*, 2012:445).
- **Location.** The position, place or setting of retailers in order for customers to acquire, visit and purchase merchandise (Hawkins & Mothersbaugh, 2013:598; Lusch *et al.*, 2011:228).
- **Architectural style.** The size, shape, colour and style of the premises (building) in which retailers are located (Berman & Evans, 2013:493).

- **Surrounding area.** The spaces surrounding or neighbouring (business district, urban or rural area, shopping centre, mall or free-standing area) the location of retailers (Lusch *et al.*, 2011:229, 231, 235; Wolf, 2009:35).
- **Parking availability.** The presence of a suitable parking area where customers can park their motor vehicles. In addition it refers to the distance retailers are located from the parking area (Rikhotso, 2004:55).

2.5.4.2 Interior

The interior of the retailer's store refers to a set of man-made physical cues (Countryman & Jang, 2006:534). Accordingly, these effect the emotions and perceptions of customers (Zinhumwe, 2012:132). Furthermore, the interior of a retailer directs the movement of customers from the exterior to the interior (Zinhumwe, 2012:132). The interior of a retailer mirrors the retail store image and store atmosphere which the retailer may desire (Berman & Evans, 2013:507; Turley & Milliman, 2000:195), expecting to replicate customers' perceptions about the retailer. Customers' perceptions of the interior can influence their consumer behaviour with respect to the amount of time they spend in retailers and the amount of purchases they make (Ballantine *et al.*, 2010:642). Once customers enter the retailer, various elements could possibly affect their perceptions. The interior sub-dimension includes various corresponding elements influencing the way customers perceive the retailer's interior. The following section provides a brief explanation of each interior element.

- **Flooring.** The type of floor covering (cement, wood, carpet, vinyl, ceramic tile, marble, paint, stain or a combination of these) used on the floor of retailers (Berman & Evans, 2013:495; Lusch *et al.*, 2011:505).
- **Colour.** The property (tint, dye or shade) possessed by merchandise or retailers which creates various sensations on the eye (Boone & Kurtz, 2012:149; Stone, 2010:330; Soars, 2009:292).
- **Lighting.** A natural medium that stimulates eyesight and makes things visible. Lighting involves the energy or mood created in the interior of retailers (Soars, 2009:292; Bell & Ternus, 2003:202).
- **Music.** The aesthetic arrangement of three main aspects including the physical aspect (tempo, volume and rhythm), emotional tone and customer-preferred dimension (Zentes *et al.*, 2007:45; Mattila & Wirtz, 2008:563; Turley & Milliman, 2000:195).

- **Smell.** Customers' sensory receptors in which they receive and perceive stimuli inputs in the form of odours or scents (Kim *et al.*, 2009:75; Soars, 2009:292; Sway, 2007:1-2; Orth & Bourrain, 2005:140).
- **Width of aisle.** The size and breadth of aisles in retailers with adequate space to manoeuvre. The width of the aisle should ideally also make provision for disabled customers (Berman & Evans, 2013:496; Ballantine *et al.*, 2010:646).
- **Wall composition.** A merchandise locator tool to direct customers to merchandise assortments (Berman & Evans, 2013:496; Bell & Ternus, 2003:104).
- **Merchandise.** The variety of merchandise assortments and prices relating to styles, sizes and colours offered by retailers (Loudon & Della Bitta; 1993:544) (Section 2.2.4.1).
- **Temperature.** The degree or intensity of sufficient warmth present in retailers (Berman & Evans, 2013:496; Beukes, 2010:42).
- **Cleanliness.** This services or techniques used in order to keep retailers neat and tidy (Berman & Evans, 2013:496; Oppewal & Timmermans, 1999:48).

2.5.4.3 Layout and design

Dubey and Uddin (2012:18) postulate that the layout sub-dimension of a retailer represents the effective utilisation of the interior store arrangement (Turley & Milliman, 2000:197). This includes the space assigned for customers to move in, and the facilities used to display merchandise (Dubey & Uddin, 2012:10). Furthermore, the design sub-dimension entails the overall mood or feeling provided by the store atmosphere (Dubey & Uddin, 2012:4). The layout and design can either consciously or unconsciously direct customers to various important areas in retailers (Ballantine *et al.*, 2010:647; Zentes *et al.*, 2007:330). Therefore, it is instrumental for retailers to be continuously consistent with their layout and design, as this will facilitate customers' understanding and reminisce of where the merchandise is located in retailers (Jiang & Liu, 2014:20). Ballantine *et al.* (2010:647) agree and further state that a pleasant layout and design may lead to positive customers' perceptions regarding the purchasing convenience obtained from retailers. Furthermore, it may also increase the likelihood of impulse buying and contribute to retailers' profits (Ballantine *et al.*, 2010:647; Zentes *et al.*, 2007:330). The layout and design sub-dimension includes various corresponding elements influencing the way customers perceive the retailer's layout and design. The following section provides a brief explanation of each layout and design element.

- **Space design and allocation.** The way retailers arrange the merchandise assortment, signing, props (Bell & Ternus, 2003:33) space and sales personnel in their stores (De Nisco & Warnaby, 2013:656; Bell & Ternus, 2003:33).
- **Placement of merchandise.** The manner in which merchandise is arranged in retailers, from top-line items to lower-line items (Berman & Evans, 2013:496; De Nisco & Warnaby, 2013:656).
- **Grouping of merchandise.** Merchandise is grouped according to similarities in style, size, colour or assortments (Levy *et al.*, 2014:331).
- **Checkout points.** The points where the physical sale of merchandise occurs (Janse van Noordwyk, 2008:61).
- **Sitting or waiting areas.** The availability of comfortable seating or waiting areas in retailers (Janse van Noordwyk, 2008:259).
- **Fitting rooms.** The quantity, privacy, lighting and mirrors of space allocated for customers to try on the clothes they wish to purchase (Janse van Noordwyk, 2008:269).
- **Racks and cases.** The assortment of racks and cases (sliding, expanding, disconnection, lightweight and attractive rack displays) for the presentation of merchandise assortment (Berman & Evans, 2013:500; Bell & Ternus, 2003:70).
- **Waiting queue.** The design of waiting queues in order for customers to wait in a line to reach the checkout points (Turley & Milliman, 2000:197).
- **Furniture.** The equipment, fittings and fixtures in retailers and their ability to facilitate customers' enjoyment (Berman & Evans, 2013:500; De Nisco & Warnaby, 2013:656).

2.5.4.4 Point-of-purchase and décoration

Point-of-purchase and décoration involve signage that generally contains wording which offers customers detailed information regarding specific merchandise in the retailer or the setup of the retailer. Point-of-purchase and décoration act as communication tools to inform customers about the price of the merchandise (Jiang & Liu, 2014:21; Dunne & Lusch, 2008:434). In terms of merchandise arrangement at the point-of-purchase and décoration, Ballantine *et al.* (2010:650) declare that noticeable displays of merchandise can considerably enhance retailers' sales performance, including certain quantities of impulse purchases. The point-of-purchase and décoration sub-dimension includes various corresponding elements influencing the way customers perceive the retailer's point-of-purchase and décoration. The following section provides a brief explanation of each point-of-purchase and décoration element.

- **Signs and cards.** A communication tool in order to attract customers' attention and convey information (Bell & Ternus, 2003:180).
- **Wall décorations.** Wall décorations involve embellishments on the retailer's walls inside the store (Section 2.5.4.2, wall composition).
- **Artwork.** Signage and décor are used in retailers to communicate with customers or portray a sketch, painting or drawing (De Nisco & Warnaby, 2013:656).
- **Merchandise displays.** The way in which merchandise, equipment or furnishings are arranged to attract customers' attention, communicate, fulfil customers enjoyment demand, strengthening the retail store's image, and control the traffic flow in the store (Ballantine *et al.*, 2010:647; Sullivan & Adcock, 2002:146).
- **Price displays.** The signs or symbols used to communicate the price of merchandise to customers (De Nisco & Warnaby, 2013:656).

From the above-mentioned, it is evident that the retailer's store atmosphere is a significant retail marketing tool as it provides retailers with the ability to manipulate the effect of the store environment on customers' retail experience and perceptions.

2.6 CONCLUSION

Chapter 2 commences with a discussion of retailing and the retailing concept, retail strategy and retail marketing mix. Henceforth, a discussion follows regarding the kinds of retailers, namely general merchandise retailers and speciality retailers. Thereafter, the importance of retail store image and its underlying dimensions is identified and discussed. From this, it became evident that store atmosphere as one of these underlying dimensions, is vital since store atmosphere enhances customers' retail experience by creating an overall pleasant retail environment that contributes to customers' perceptions of retailers. A detailed discussion pertaining to the importance of store atmosphere is subsequently presented. This chapter concludes by briefly explaining the elements of store atmosphere according to the various identified store atmosphere sub-dimensions. Chapter 3 commences with a discussion pertaining to consumer behaviour, followed by customer satisfaction, store loyalty and repurchase intention. These are three of the four main constructs contributing to this research study's primary objective – store atmosphere and its interrelationships with customer satisfaction, store loyalty and repurchase intention.

CHAPTER 3

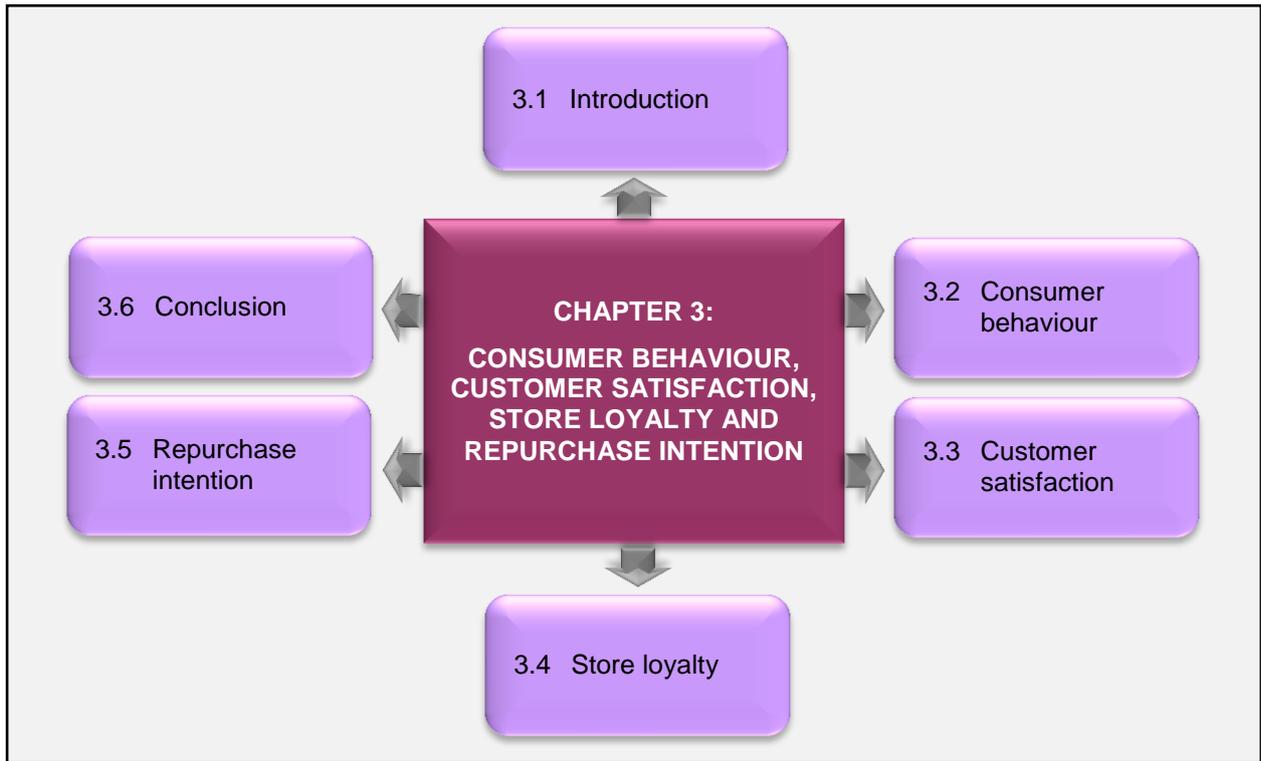
CONSUMER BEHAVIOUR, CUSTOMER SATISFACTION, STORE LOYALTY AND REPURCHASE INTENTION

3.1 INTRODUCTION

Chapter 3 highlights the fact that retailing makes it possible for customers to feel part of, and enjoy the retail experience created by the store atmosphere. Customers do not merely purchase merchandise; they also purchase the benefits (Lindquist & Sirgy, 2009:4) that they obtain from the retailer's store atmosphere (Nsairi, 2012:681). Therefore, retailers need to understand exactly how customers make purchase decisions as well as the variables that influence the consumer decision-making process (Lindquist & Sirgy, 2009:4). Detailed knowledge pertaining to consumer decision-making guides retailers to identify and understand customers' preferences regarding the retail experience. This knowledge is vital since retailers can reap from various benefits of satisfying their customers' needs (Law *et al.*, 2012:115). Satisfied customers will return for the same retail experience and may ultimately become store loyal and continually return to repurchase from the same retail store. Subsequently, retailers can manage and achieve the consumer behaviour they desire, namely customer satisfaction, store loyalty and repurchase intention (Zinhumwe, 2012:131).

This chapter provides an overview of consumer behaviour, customer satisfaction, store loyalty and repurchase intention. Firstly, this chapter discusses consumer behaviour by defining the concept and explaining the importance of consumer behaviour. This is followed by a discussion pertaining to the five stages in the consumer decision-making process as well as the internal and external variables influencing consumer decision-making. Furthermore, this chapter examines customer satisfaction, store loyalty and concludes with repurchase intentions. Figure 3.1 provides a depiction of the main sections included in this chapter.

Figure 3.1: Chapter outline



Source: Researcher’s own construct.

3.2 CONSUMER BEHAVIOUR

This section commences by examining various definitions of consumer behaviour and then proposes a definition of consumer behaviour for the purpose of this research study. This is followed by a discussion pertaining to the importance of consumer behaviour in a retail context and the influence or significant contribution consumer behaviour has on retailers. Following this, the consumer decision-making process is discussed.

3.2.1 Defining consumer behaviour

Table 3.1 provides various definitions of consumer behaviour.

Table 3.1: Consumer behaviour definitions

Definition	Author(s)
“Consumer behaviour is the study of individuals, groups, or organisations and the process they use to select, secure, use, and dispose of merchandise, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the customer and society.”	Hawkins and Mothersbaugh (2013:6)

Table 3.1: Consumer behaviour definitions (cont.)

Definition	Author(s)
“Consumer behaviour entails all customer activities associated with the purchase, use, and disposal of merchandise and services, including the customer’s emotional, mental, and behavioural responses that proceed, determine, or follow these activities.”	Kardes <i>et al.</i> (2011:8)
“Consumer behaviour reflects the totality of customers’ decisions with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units [over time].”	Hawkins <i>et al.</i> (2010:3)
“Consumer behaviour refers to the behaviour that customers display in searching for, purchasing, using, evaluating and disposing of merchandise and services that they expect will satisfy their needs.”	Schiffman and Kanuk (2010:23)
“Consumer behaviour is the reaction of a customer regarding the influence of external factors, which is driven by individual psycho-emotional condition, previous experience and resource-availability.”	Andersone and Gaile-Sarkane (2008:332)
“Consumer behaviour involves the thoughts and feelings of experiences as well as the activities customers perform in consumption processes.”	Paul and Olson (2005:12)
“Consumer behaviour is the study of human responses to merchandise, services, and the marketing of these merchandise and services.”	Kardes (2002:10)

From the definitions presented in Table 3.1 the following observations can be made regarding consumer behaviour:

- Consumer behaviour involves the decisions, activities, experiences, emotions, ideas, feelings and thoughts of customers over time.
- In addition, consumer behaviour occurs during the search for, purchase of, use, evaluating and disposing of merchandise and services.
- Consumer behaviour includes customers’ behavioural responses towards merchandise or services they expect to satisfy their needs.

Based upon these observations, the following definition for consumer behaviour is formulated for the purpose of this research study:

Consumer behaviour definition

Consumer behaviour involves customers' visible decisions, activities, experiences and emotions when they search for, purchase, use, evaluate and dispose of need-satisfying merchandise.

3.2.2 The importance of consumer behaviour in a retail context

Speciality retailers such as boutiques face intense competition from general merchandise retailers in order to attract customers' attention (Bashar, 2012:199). Central to attracting customers' attention, is the retailer's constant understanding of customers' ever changing needs (Taha, 2011:1; Lamb *et al.*, 2010:75). Therefore, in order to address this issue and create an appropriate retail marketing mix for its target market, retailers must have a thorough understanding and knowledge of consumer behaviour (Bashar, 2012:199; Lamb *et al.*, 2010:75). This includes aspects of how customers think, feel, reason and select between various retailers (Bashar, 2012:199), in addition to what, why, when, where and how customers purchase, how the retailer's environment influence customers (Bashar, 2012:199), how often customers use the retailer's merchandise, how customers evaluate the merchandise after the purchase as well as the impact of such evaluations on future purchases (Schiffman & Kanuk, 2010:8).

These aspects contribute to the foundation of retailing and ultimately consumer behaviour (Lovelock & Wirtz, 2011:58). Therefore, Lovelock and Wirtz (2011:58) emphasise the importance of developing an understanding of the consumer behaviour of particular customers (Zinhumwe, 2012:87). Hawkins *et al.* (2010:8) add that retailers make strategic decisions based on knowledge and ideas relating to consumer behaviour. Furthermore, Taha (2011:1) states that a proper understanding of consumer behaviour is crucial to the retailer's success. Solomon and Rabolt (2009:26) agree by declaring that an exchange exists in consumer behaviour, in which retailers and customers give and receive something of value to one another. Therefore, consumer behaviour is considered as an essential part of retailing.

3.2.3 The influence of consumer behaviour on retailers

Understanding the influence of consumer behaviour can assist retailers in identifying the significant contribution it has on the way retailers are managed (Bashar, 2012:199; Taha, 2011:2). Therefore, the influence of consumer behaviour on retailers is subsequently discussed.

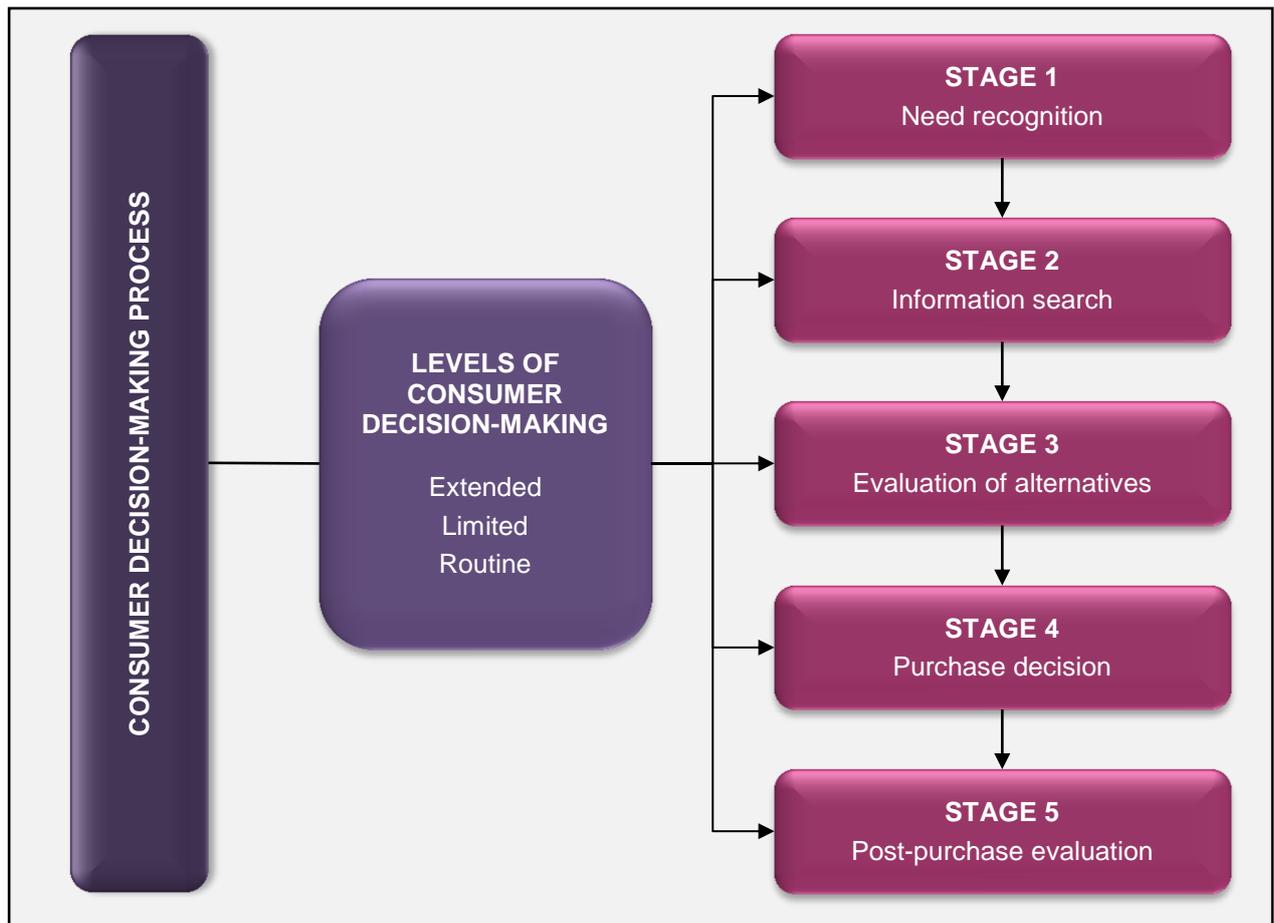
- **Profitability.** Customers' needs and preferences for certain merchandise and services are constantly changing. These include customers' preferences for colour, design and size of merchandise (Taha, 2011:2). Understanding customers' preferences provides retailers with important information. Retailers can use this information to provide customers with constant need-fulfilling merchandise. Finally, this generates profit for retailers (Taha, 2011:2).
- **Retail experience.** Consumer behaviour provides an indication of what customers desire to be present in the retail experience. Hawkins and Mothersbaugh (2013:13) believe that customers engage emotionally and physically with the retail experience. Hence, a pleasant retail experience can influence customers' to return to the same retailer (Soars, 2009:288). Therefore, retailers are strategically aligning their retail experience with their customers' desired retail experience in order to stimulate beneficial consumer behaviour (Hawkins & Mothersbaugh, 2013:13).
- **Market segmentation.** Various customer segments each express unique consumer behaviours. Understanding these differences amongst customer segments allows retailers to effectively segment the market and target particular customer segments of the market (Taha, 2011:2).
- **Improved retail strategies.** Understanding the consumer behaviour of various customer segments in the market allows retailers to make a more informed decision pertaining to the provision of a particular retail experience in order to satisfy a particular customer segment. This, accordingly assists retailers to adapt and improve their retail strategies to more effectively reach or persuade customers through their retail experience (Bashar, 2012:199).
- **Purchasing motivations.** Customers have certain motivations to purchase (Taha, 2011:2; Hawkins & Mothersbaugh, 2013:360). Customers' purchasing motivation is the reason for certain consumer behaviour and consumer decision-making (Hawkins & Mothersbaugh, 2013:360). Therefore, it is important for retailers to understand customers' purchasing motivations in order to provide customers with incentives when they purchase (Taha, 2011:2).

Furthermore, it is important for retailers to understand the various stages customers follow during the consumer decision-making process in order for retailers to make effective retail marketing mix, communication mix and strategic decisions (Blackwell *et al.*, 2006:70; Assael, 2004:31).

3.2.4 The consumer decision-making process

The consumer decision-making process involves all the activities that occur and the stages customers typically follow when making purchase decisions to satisfy their needs (Lamb *et al.*, 2010:76; Blackwell *et al.*, 2006:70). The consumer decision-making process consists of five stages, illustrated in Figure 3.2, which also serves as a framework for the subsequent discussion followed in this section.

Figure 3.2: Consumer decision-making process



Source: Adapted from Babin and Harris (2012:263), Bateson and Hoffman (2011:87) and Kardes *et al.* (2011:71).

3.2.5 Levels of consumer decision-making

Figure 3.2 identifies three levels of consumer decision-making. These levels arise as customers move from a low level of involvement to a high level of purchase involvement. The higher the level of involvement, the more complex the consumer decision-making becomes. The three levels of consumer decision-making are subsequently discussed.

3.2.5.1 Extended decision-making

Extended decision-making occurs when customers do not have established criteria for evaluating retailers or merchandise (Schiffman & Kanuk, 2010:479), or they are confronted by an unknown retailer or merchandise (Kardes *et al.*, 2011:183). Berman and Evans (2013:218) add that customers need a large amount of information to establish a set of criteria on which to evaluate specific retailers and merchandise for decision-making. Customers will therefore gather as much information as possible, from both internal and external sources, and then evaluate each retailer and its merchandise cautiously. This level of decision-making is normally initiated by a customer's need that is fairly significant to the self-concept, with importance and a high degree of risk attached to the decision (Levy *et al.*, 2014:102; Solomon, 2013:323).

3.2.5.2 Limited decision-making

Solomon (2013:323) and Kardes *et al.* (2011:181) state that limited decision-making occurs when customers use simple decision-making guidelines to choose amongst alternatives. Berman and Evans (2013:218) postulate that customers making limited decisions are familiar with the basic criteria for evaluating retailers or merchandise because of previous experience. Blackwell *et al.* (2006:89) argue that customers do not always have adequate time, resources and motivation to engage in extensive decision-making. Therefore, customers somewhat simplify the process by decreasing the number and variety of information searches, criteria and alternatives used for evaluation. Thus, limited decision-making involves customers using cognitive shortcuts as deciding guidelines to aid them in their decision-making (Solomon, 2013:324).

3.2.5.3 Routine decision-making

Routine decision-making occurs when little or no conscious effort is made by customers and when they do not realise they have made the decision until the purchase is made (Solomon, 2013:325). Kardes *et al.* (2011:71) state that in such a situation, the customers are acquainted with retailers or merchandise and relatively little information is needed to make a decision. According to Kardes *et al.* (2011:181), these customers have past experiences with retailers or merchandise and have a set of established criteria in place.

3.2.6 Stages in the consumer decision-making process

As illustrated in Figure 3.2, the consumer decision-making process consists of five stages, namely need recognition, information search, evaluation of alternatives, purchase decision and

post-purchase evaluation (McDaniel *et al.*, 2013:187). These five stages provide a guideline for the general process which moves customers from the need recognition stage of an unsatisfied need to a post-purchase evaluation (Lamb *et al.*, 2010:77). Each stage of the consumer decision-making process is subsequently described.

3.2.6.1 Stage 1: Need recognition

Need recognition is regarded as the first stage of the consumer decision-making process. In brief, need recognition is defined as the result of the inconsistency between customers' desired state (present situation), and their actual state (what customers want). This inconsistency is enough to motivate customers to take action and consequently activate the decision-making process (Armstrong & Kotler, 2013:170; Hoyer & MacInnis, 2010:195; Kerin *et al.*, 2009:116).

A desired state refers to the way customers want to be or feel and may bring forth a purchase decision (Hawkins & Mothersbaugh, 2013:501). A desired state denotes the ideal situation driven by customers' expectations regarding past experiences about merchandise, or the retail experience and how these fulfil the customers' needs. The desired state is influenced by customers' personal circumstances, aspirations, future goals, personal motivations, cultural impacts and reference groups (Hoyer & MacInnis, 2010:195).

In contrast, the actual state is understood as the way customers perceive their present feelings and situation (Hawkins *et al.*, 2010:514; Hoyer & MacInnis, 2010:195). Customers can also identify a need due to their actual state, or perceive a need or problem when merchandise does not perform satisfactorily. This customer's perception is stimulated by a number of aspects, namely physical factors where an unexpected need of merchandise discontinuity impacts the actual state immediately (Hoyer & MacInnis, 2010:197).

Furthermore, Hawkins and Mothersbaugh (2013:501, 502) suggest that the degree of difference between the desired state and the actual state, as well as the importance of the need, is contingent on the level of desire to fulfil a particular need. If there is a substantial difference between the desired and actual state, the need would be recognised by the customers, and the customers will attempt to satisfy the unsatisfied need (Hawkins *et al.*, 2010:502).

3.2.6.2 Stage 2: Information search

According to McDaniel *et al.* (2013:188) and Solomon (2013:297), once customers recognise a need, they require sufficient information to fulfil the need. The information search stage can therefore be defined as the process where customers analyse the environment to identify and

collect information about need satisfying merchandise in order to solve a recognised need and make a reasonable and informed decision (Armstrong & Kotler, 2013:170, 171; Palmer, 2011:154). Information search is also known as the activation of stored knowledge in the customers' memory relating to ways the realised need can be satisfied (Blackwell *et al.*, 2006: 109).

Bateson and Hoffman (2011:89) and Hawkins and Mothersbaugh (2013:518) allude to the fact that two primary types of information searches occur – an internal and an external search - in order to assist customers in making a decision. An internal search involves examining and recovering relevant knowledge from the customers' memory regarding merchandise that could satisfy their needs (Bateson & Hoffman, 2011:89; Schiffman & Kanuk, 2010:485; Blackwell *et al.*, 2006:74). Customers are able to base a decision solely on recollecting internal information; however, if internal search information is insufficient, customers turn to external search information sources (Bateson & Hoffman, 2011:89; Belch & Belch, 2009:118).

An external search involves collecting information from non-marketing and marketing-controlled sources (Lamb *et al.*, 2014:69). Non-marketing controlled sources include public, personal and experiential sources. Public sources comprise mass media, consumer organisations and Internet searches. Personal sources include family, friends or others. Experiential sources are customers handling, examining and trying out the merchandise (Bateson & Hoffman, 2011:89; Kotler & Armstrong, 2010:163). Whereas marketing controlled sources consist of advertising, merchandise labels and packaging, retail displays sales promotion and salespeople (Lamb *et al.*, 2014:69; Bateson & Hoffman, 2011:89).

Solomon and Rabolt (2009:387) furthermore indicate that the typical fashion oriented customers use customers or personal sources for information search, such as family and friends. Whereas fashion leaders who are genuinely interested in fashion for themselves and do not solely wear clothes to established trends, use marketer-dominated sources, such as the media.

Customers' effort to search for information is influenced by various elements (Hawkins & Mothersbaugh, 2013:536). Elements, namely the availability of time, the customers' level of involvement, past experiences, perceived risk related to the purchase, social status, and the discrepancy of information will determine the customers' efforts and degree of information search. If the information is available from internal and external searches and the customers have gathered sufficient information, the customers enter the next stage of the consumer decision-making process, namely evaluation of alternatives.

3.2.6.3 Stage 3: Evaluation of alternatives

During the evaluation of alternatives stage, customers are confronted with the choice between available need satisfying alternatives (Solomon, 1994:229). This process occurs simultaneously with the information search stage where customers compare or relate factors such as merchandise, services, retail outlets and brands (Lindquist & Sirgy, 2009:62) which customers have recognised during their information search (Blythe, 2006:105). Therefore, at this stage, customers possess all the necessary information with regard to the merchandise and service, but should however, use, compile and evaluate that information with a view to make a purchase decision (Lamb *et al.*, 2010:81; Sheth & Mittal, 2004:293).

Once the appropriate information has been gathered to evaluate the possible alternatives (Solomon, 2013:337; Bateson & Hoffman, 2011:90), an evoked set and evaluation criteria consisting of different alternatives, is formed (Schiffman & Kanuk, 2010:488). According to Belch and Belch (2009:116), the evoked set or consideration set is a subgroup of alternatives namely merchandise, retailers and brands of which customers are aware, will evaluate and provide the base for their decisions (Solomon, 2013:337; Lindquist & Sirgy, 2009:64). Customers take these alternatives into account during the evaluation of alternatives stage (Bateson & Hoffman, 2011:90; Lovelock & Wirtz, 2011:59). Peter and Olsen (2010:168), however, describe that, given limited time, energy and cognitive capacity, customers only evaluate those alternatives in the evoked set and therefore cannot consider every choice alternative.

Pride and Ferrell (2010:197) add that once customers are satisfied with their respective evoked sets, their focus turns to the performance of the alternatives based on the evaluative criteria. The evaluative criteria refer to the standards, specifications, features and benefits customers use to compare and evaluate different merchandise and services in response to a particular need (Hawkins *et al.*, 2010:572; Blackwell *et al.*, 2006:80). The features comprised in the evaluative criteria may be functional, symbolic or emotional in nature, and are used to compare the performance of competing alternatives (Elliott & Percy, 2007:7). Two types of evaluative criteria exist, which include tangible features (performance, cost, size, shape and colour) and intangible features (style, taste, feelings, status, and attitude or retail image) (Hawkins & Mothersbaugh, 2013:556; Lindquist & Sirgy, 2009:64). According to Schiffman and Kanuk (2010:490), certain customers may however not feel the need to evaluate all the individual features during purchasing decisions, as they retain long-term overall evaluations in their evoked sets. Therefore, they will simply choose the merchandise with the highest perceived overall rating for purchasing. Once customers have evaluated and selected alternatives, they will move to the purchase decision stage of the consumer decision-making process.

3.2.6.4 Stage 4: Purchase decision

Wright (2006:28) states that after the customers have evaluated the alternatives in the evoked set according to specific evaluative criteria, the customers take action and are ready to purchase the merchandise. Therefore, the fourth stage follows, namely the purchase decision, which involves the final decision to select and purchase the chosen alternative of merchandise (Peter & Olson, 2010:153; Blackwell *et al.*, 2006:150). Peter and Olson (2010:153) as well as Belch and Belch, (2009:120) postulate that the purchase decision and the actual purchase differ. Haugtvedt *et al.* (2008:525), however state that the purchase decision represents the customers' actual purchasing act in consumer behaviour. Nevertheless, customers have to first implement their decision by making the actual purchase (Peter & Olson, 2010:153; Belch & Belch, 2009:120).

Berman and Evans (2013:503) and Hawkins and Mothersbaugh (2013:582) propose that customers go through a process when choosing from which retailers to purchase, as well as the specific merchandise to purchase. Normally, customers follow one of three basic processes when deciding on retailers and merchandise, namely (1) customers select the merchandise first and then the retailers, (2) customers select retailers first and then the merchandise, and (3) customers select retailers and merchandise concurrently (Hawkins & Mothersbaugh, 2013:582).

Belch and Belch (2009:120) and Wang *et al.* (2004:241) believe that additional decisions may influence customers' selection to purchase at certain retailers. For example, customers may develop a purchase intention for certain merchandise and leave retailers with something different from what they actually intended to purchase because of conditions during the purchase decision stage (Hawkins & Mothersbaugh, 2013:589; Van der Vyver, 2008:22). Solomon (2013:328) summarises the above-mentioned facets as situational effects on consumer behaviour. Therefore, customers can still be influenced during the purchase intention formation and the actual purchasing behaviour (Wang *et al.*, 2004:241).

Hawkins and Mothersbaugh (2013:600) as well as Biswas and Biswas (2004:31) declare that a perceived risk component exists during the purchase decision stage due to increased customer uncertainty. In this stage customers' perceived risk influences the kinds of retailers customers select to purchase from, be it general merchandise retailers or speciality retailers (Section 2.3). Du Plessis and Rousseau (2007:176,178) as well as Mowen and Minor (2001:90) identify five types of perceived risks that influence customers purchase decisions namely, financial risk, social risk, psychological risk, performance risk and physical risk. These are subsequently discussed:

- **Financial risk.** A function pertaining to the cost of the merchandise relative to customers' disposable income, in short, whether customers are able to afford the merchandise or monthly instalments when bought on credit.
- **Social risk.** This denotes that a purchase may not meet the criteria of the reference group customers consider to be important.
- **Psychological risk.** Refers to the possibility that the merchandise might not conform to the customer's self-image or particular lifestyle.
- **Performance risk.** This entails the possibility that the merchandise may not meet customers' expected performance requirements or may be damaged.
- **Physical risk.** This signifies the risk that the merchandise performance can cause customers' bodily harm.

Biswas and Biswas (2004:30) add that the overall level of customers' perceived risk also includes a merchandise specific risk and merchandise category risk. These are described as:

- **Merchandise specific risk.** Refers to the overall perceived risk associated with certain merchandise in a merchandise group or line. This occurs when customers perceive some merchandise within a merchandise group or line such as accessories, more or less risky to purchase than others, for instance, clothing (Dowling & Staelin, 1994:120).
- **Merchandise category risk.** Involves a customer's awareness of a risk when purchasing merchandise from a certain merchandise category. Customers view the merchandise category as substitutes for one another (Levy *et al.*, 2014:331, 345). For example, customers to whom fashion is important perceive purchasing most outerwear as a merchandise category risk, since the style of the outerwear may become outdated (Section 2.2.4.1) (Dowling & Staelin, 1994:120).

Solomon (2013:341), East *et al.* (2008:126) as well as Blackwell *et al.* (2006:150) further suggest that once customers purchase merchandise, this can result in a fully planned, partially planned, or an unplanned purchase. Fully planned purchases involve customers deciding exactly which merchandise to purchase. Fully planned purchases, however, are influenced by numerous retailing activities, such as point-of-purchase and décor displays and promotions (East *et al.*, 2008:126; Blackwell *et al.*, 2006:150). A purchase is partially planned if customers have decided on the merchandise, and not exactly on retailers, particular style, colour or size (East *et al.*, 2008:126; Blackwell *et al.*, 2006:150). Finally, purchases are unplanned when

customers decide on merchandise while they purchase from retailers. Unplanned purchasing is also referred to as impulse buying (Solomon & Rabolt, 2009:476; Blackwell *et al.*, 2006:150).

According to Van der Vyver (2008:26), customers engaging in unplanned purchases perceive the value of the merchandise itself as unimportant to the feelings associated with the purchase itself. This suggest that customers might have unknown needs that are activated by aspects such as point-of-purchase and décoration displays (Blackwell *et al.*, 2006:150).

After a purchase decision has been made by the customers and the selected merchandise is purchased, the customers moves into the fifth and final stage of the consumer decision-making process, namely post-purchase evaluation.

3.2.6.5 Stage 5: Post-purchase evaluation

Post-purchase evaluation is the final stage of the consumer decision-making process. Wright (2006:28) notes that post-purchase evaluation is the process which involves customers' evaluation based on the performance standards of their purchase or retailers from which they purchased.

Hoyer and MacInnis (2010:272) and Lamb *et al.* (2010:82) state that customers may initially experience post-purchase dissonance or post-purchase doubt after purchasing merchandise or experiencing retailers. This post-purchase dissonance occurs when the customers develop anxiety or an inner tension once they realise that a contradiction exists between their expectations and actual experience in retailers (Hoyer & MacInnis, 2010:272).

According to Lamb *et al.* (2010:82), customers attempt to confirm their satisfaction with the purchase. Kardes *et al.* (2011:91) add that customers do this by comparing the selected merchandise or retailers with a rejected alternative, ultimately reducing their anxiety towards the purchase. As soon as the customers perceive the selected merchandise superior to a rejected alternative, positive feelings will be fostered and customers experience satisfaction. Bearden *et al.* (2007:98) describe that it is retailers' responsibility to reduce post-purchase dissonance by providing customers with relevant post-purchase alternative information during this stage such as return policies and in-store demonstrations and warranties, so as to reduce anxiety (Lindquist & Sirgy, 2009:98).

Blackwell *et al.* (2006:190) state that the purchase decision and use of the merchandise go hand in hand. For example, customers will decide to purchase while they experience retailers' atmosphere. Once the merchandise is purchased, customers evaluate their experience with the merchandise (Hoyer & MacInnis, 2010:278; Assael, 2004:44).

Customers conduct the post-purchase evaluation based on the purchase decision process itself, post-purchase dissonance, merchandise use, merchandise and/or package nature, the experience with the merchandise and the retailers itself (Hawkins & Mothersbaugh, 2013:633). Armstrong and Kotler (2013:172) and Kerin *et al.* (2009:116) add that customers have expectations of how the above-mentioned should perform, consequently evaluating these. Lindquist and Sirgy (2009:122) support this and state that these expectations are linked with a certain level of performance standards set by the customers, where it can meet, exceed or perform below the level of customers' expectations. Customers' expectations therefore act as a frame of reference to which customers can compare (Oliver, 1980:460) merchandise or retailers' experience.

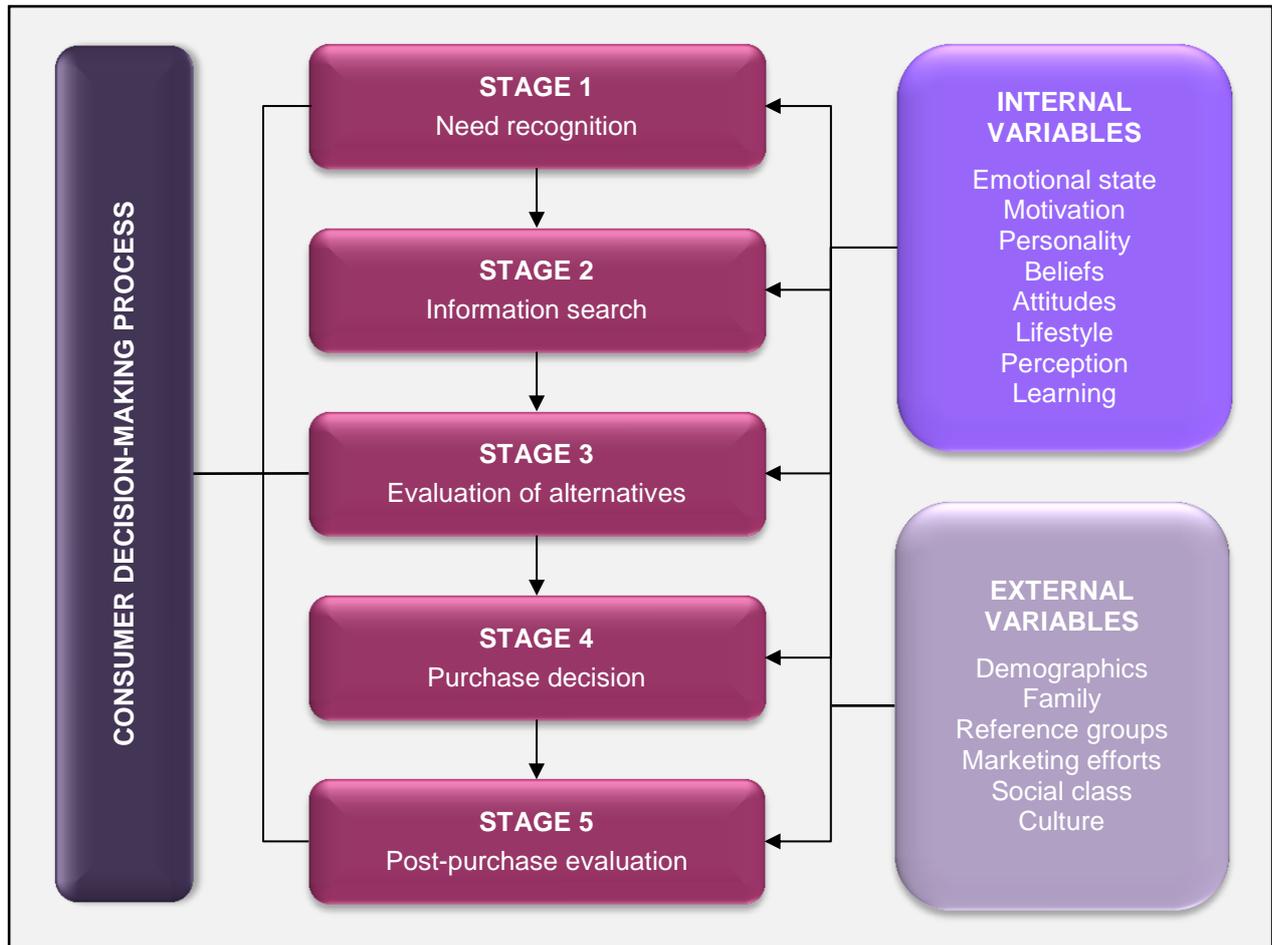
Furthermore, Solomon and Rabolt (2009:479) declare that customers respond to post-purchase evaluation in light of their own expectations. Schiffman and Kanuk (2010:498) suggest three customer responses, namely positive, negative or neutral. Positive customers response results in post-purchase satisfaction. Once the merchandise or retailers experience exceeds the minimum level of performance expectations, customers' satisfaction occurs, leading to repeat purchases, increased use, positive word-of-mouth and store loyalty. Schiffman and Kanuk (2010:498) and Blackwell *et al.* (2006:194) agree and propose that the way customers use merchandise influences their level of satisfaction and likelihood of repeat purchases of particular merchandise. If the merchandise or retailer's experience drops below the minimum level of performance expectations, negative customers responses occur and results in customers' dissatisfaction. Immediately, this merchandise or retailers are ignored and not considered in the future. Finally, a neutral customer's response results due to actual performance meeting customers' expectations (Schiffman & Kanuk, 2010:498).

Assael (2004:45) describes that by meeting customers' expectations, a positive response or behaviour towards retailers is generated. Hence, Blackwell *et al.* (2006:210) add a similar statement for experience, and state that a satisfied customer's experience with the merchandise or retailers will alter their behaviour. Therefore, the nature of the merchandise or retailers use, expectation or experience, will define customers' post-purchase response. Customers' satisfaction and expectations are discussed in more detail in Section 3.3.

3.2.7 Internal and external variables influencing the consumer decision-making process

Various internal and external variables have been identified that influence the consumer decision-making process (Schiffman & Kanuk, 2010:483; Blackwell *et al.*, 2006:236). These are illustrated in Figure 3.3 followed by a brief discussion of each.

Figure 3.3: Internal and external variables influencing the consumer decision-making process



Source: Adapted from Babin and Harris (2012:263), Bateson and Hoffman (2011:87) and Kardes *et al.* (2011:71).

3.2.7.1 Internal variables

Internal variables refer to influences that arise from within customers (Schiffman & Kanuk, 2010:484). These variables differ from customer to customer. The internal variables include customers' emotional state, motivation, personality, beliefs, attitudes, lifestyle, perception and learning (Hawkins & Mothersbaugh, 2013:27; Hoyer & MacInnis, 2010:11). Each of the internal variables is subsequently discussed:

- **Emotional state.** Emotions refer to customers' effective responses that reflect the activation of certain feelings in them (Lindquist & Sirgy, 2009:286; Janse van Noordwyk, 2008:26). Customers purchase and use merchandise to experience a certain emotional state or to attain emotional goals (Lindquist & Sirgy, 2009:286). Therefore, customers perceive their emotions as valuable information and rely on them to support their decision-

making (Ray & Chiagouris, 2009:2). Emotions, however, do not occur merely occasionally. Customers experience some emotional state at all times. An emotional state can be defined as an individual, conscious experience of psychophysiological reactions, expressions and mental states containing three dimensions, namely pleasure, arousal and dominance (Kusumowidagdo *et al.*, 2012:565; Russell & Mehrabian; 1977:274). Pleasure refers to positive feelings that are defined by verbal self-report. Pleasure denotes a continuum ranging from extreme unhappiness or pain to extreme happiness or ecstasy. Arousal is defined as the responsive feelings to all types of stimuli. It ranges from sleep or drowsiness to frantic excitement. Lastly, dominance refers to the strength of the emotional response to all types of stimuli. Dominance is the degree to which a person feels total lack of control, to feeling in control or powerful (Russell & Mehrabian, 1977:274; Mehrabian & Russell, 1974:79). These dimensions specifically describe and determine a customer's emotional state of response (Russell & Mehrabian, 1977:274).

- **Motivation.** According to Hawkins and Mothersbaugh (2013:106) and Joubert (2010:65), motivation is the inner driving force that moves customers to behave in a particular way. Motivation and customer needs are closely related (Joubert, 2010:65). The inner driving force is created by a state of tension that occurs as a result of an unsatisfied need (Schiffman & Kanuk, 2010:106). Lindquist and Sirgy (2009:276), Hudson (2007:41) as well as Blackwell *et al.* (2006:289) explain that customers attempt to reduce this tension through behaviour. Therefore, customers are encouraged to fulfil this unsatisfied need, both physiological and psychological through purchasing merchandise (Hawkins & Mothersbaugh, 2013:360; Mostert & Du Plessis, 2007:92).

As a result, Hilbert and Tagg (2001:341) presume that there is a relation between customers' motivational needs and the shopping experience. Customers' motivation to purchase includes hedonic and utilitarian needs which customers desire in the retail environment (Zinhumwe, 2012:91). Hedonic needs refer to situations where customers purchase for an experience emphasising adventure, fun, fashion, emotional pleasure and sensory stimulation (Nsairi, 2012:677; Srinivasan & Srivastava, 2010:195; Lindquist & Sirgy, 2009:98). Carpenter *et al.* (2005:44) support this and suggest that there is a connection between the hedonic needs desired by customers, and a unique retail experience leading to enjoyment and pleasure. Utilitarian needs refer to the need to accomplish some functional or practical benefit when purchasing merchandise (Jones *et al.*, 2006:976). This may include the benefit to obtain an optimal ratio between the inputs and outputs. Inputs may refer to the costs of purchasing the right merchandise at the right price, whereas outputs entail customers' efforts and resources like time and transport

(Nsairi, 2012:677). Therefore, motivation is the reason for consumer behaviour and consumer decision-making (Hawkins & Mothersbaugh, 2013:360).

- **Personality.** Schiffman and Kanuk (2010:136) as well as Blackwell *et al.* (2006:271) define personality as customers' inner psychological characteristics. These both determine and reflect how customers respond to environmental stimuli. Berman and Evans (2013:207) propose that personality is the total sum of customers' unique psychological make-up and environmental forces. In addition, customers' personality is a function of his/her motivation to purchase and experience the retailer (Evans *et al.*, 2009:135). Teng *et al.* (2007:850) are of the opinion that personality has a major influence on customers' behaviour. Furthermore, Hawkins *et al.* (2010:367) add that customers often use merchandise or patronise a retailer to support a part of their personality, for instance their emotional stability. This is a result of personality's regulating effect of messages and situations on consumer behaviour (Mowen & Minor, 2001:100). According to Solomon and Rabolt (2009:275), customers purchase merchandise, services and patronise retailers that are consistent with their personalities. In other words, two customers may have the same need, but will engage in different consumer behaviours to satisfy their need due to various personalities.
- **Beliefs.** Beliefs are defined as the sum of customers' mental or verbal statements reflecting their knowledge and assessment regarding merchandise or a retailer (Schiffman & Kanuk, 2010:375). In other words, customers' beliefs indicate how they perceive certain merchandise or retailers (Peter & Olson, 2010:145). Customers, furthermore, obtain new information over time, which changes their knowledge regarding certain merchandise and retailers. Therefore, beliefs are not permanent and can change.
- **Attitudes.** Attitudes refer to the overall learned disposition of customers to respond in a consistent favourable or unfavourable way towards a given object, idea, subject or behaviour (Berman & Evans, 2013:207; Kerin *et al.*, 2009:127; Du Plessis & Rousseau, 2007:194). In short, attitudes are customers' long-term positive or negative overall evaluations (Schiffman & Kanuk, 2010:246), emotions or action tendencies towards merchandise or retail environment (Janse van Noordwyk, 2008:25).

Since attitudes constitute the overall evaluation of an object, any attitude is a learned experience (Du Plessis & Rousseau, 2007:194). This implies that customers first experience the merchandise, evaluate it according to available information and their own perception of it, and then form a particular predisposition or attitude towards the merchandise (Schiffman & Kanuk, 2010:246; Du Plessis & Rousseau, 2007:194). Therefore, attitudes are not directly observable (Schiffman & Kanuk, 2010:246).

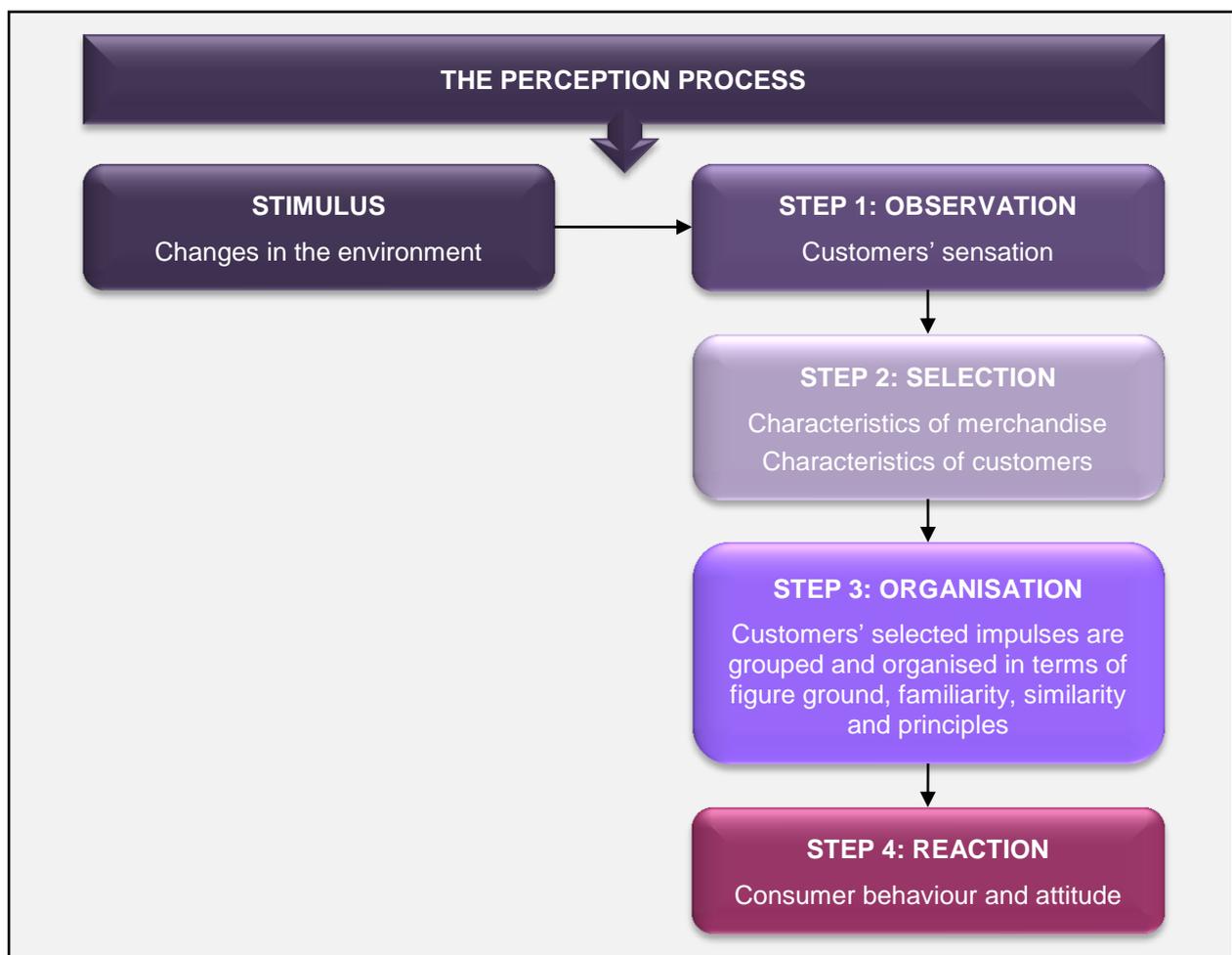
In addition to attitudes being a predisposition, they also exhibit a motivational quality (Schiffman & Kanuk, 2010:246). That is, they might force customers' perceptions towards or away from particular consumer behaviour (Schiffman & Kanuk, 2010:247). Since attitudes form over time through these learned experiences; they become stable and highly resistant to change. Therefore, a new store layout and design, operating hours or new locations can seldom be hard for customers to accept (Boone & Kurtz, 2012:151).

Attitudes are not merely based on customers' feelings and actually consist of cognitive, affective and behavioural components (Du Plessis & Rousseau, 2007:195). The cognitive component refers to customers' knowledge, information and perception about certain merchandise or aspects thereof (Hawkins & Mothersbaugh, 2013:398; Boone & Kurtz, 2012:151). These can be learned by direct experience with the merchandise or other information sources (Du Plessis & Rousseau, 2007:195). This knowledge about the merchandise results in what customers believe about the merchandise (Du Plessis & Rousseau, 2007:196). The affective component refers to customers' feelings or emotional reactions. This captures the customers' overall evaluation of the merchandise (Du Plessis & Rousseau, 2007:196). The behavioural component involves customers' tendency to react in a certain way towards aspects of the merchandise or activities of retailers (Hawkins & Mothersbaugh, 2013:398; Boone & Kurtz, 2012:151). Together, the total evaluation of what customers believe about the merchandise and the conscious evaluation thereof will lead to an overall learned disposition or attitude (Du Plessis & Rousseau, 2007:196).

- **Lifestyle.** Lifestyle refers to customers' way of living, activities and opinions shaped by beliefs, experiences and the environment in general that reflect certain behaviours (Hawkins *et al.*, 2010:28; Kerin *et al.*, 2009:128; Lindquist & Sirgy, 2009:202) and is often referred to as psychographics (Schiffman & Kanuk, 2010:210). According to Lindquist and Sirgy (2009:202) and Blackwell *et al.* (2006:271), customers' lifestyle influences their needs, preferences, attitudes and perceptions regarding the merchandise they purchase and retailers they patronise. Customers make purchase decisions that are consistent with their lifestyle, for instance, customers with active lifestyle purchase sport wear clothing. Customers' lifestyle obligates them to a certain consistency in consumer behaviour. Knowing how customers' behave in one aspect of life enables retailers to predict how they might behave in other areas (Lindquist & Sirgy, 2009:202). Osman (1993:135) and Grossbart *et al.* (1990:227) determined that customers' lifestyles' influenced their responsiveness to and perception of store atmosphere.

- **Perception.** Kotler and Armstrong (2010:159) as well as Lindquist and Sirgy (2009:249) define perception as the process by which customers gather, organise, select and react to environmental stimuli in a meaningful way. In other words, perception refers to whether customers' experiences are favourable or unfavourable (Machado & Diggins, 2012:147). Kotler and Keller (2009:185) highlight that a motivated customer is ready to respond. However, the way in which the customer responds, is influenced by his or her perception of a situation. Furthermore, customers' perception regarding a situation and their subsequent reactions are influenced by a number of dynamic and changing elements, either individually or in combination, and, or when they interact with stimulus in the purchase, use and evaluation of merchandise (Boone & Kurtz, 2012:148; Lindquist & Sirgy, 2009:249; Du Plessis & Rousseau, 2007:160). Thus, these elements affect the perception process (Schiffman & Kanuk, 2010:179; Du Plessis & Rousseau, 2007:160). Figure 3.4 illustrates the important elements in the perception process which are subsequently discussed.

Figure 3.4: The perception process



Source: Adapted from Du Plessis and Rousseau (2007:160) and Assael (2004:159).

Perception occurs when customers are exposed to information, attend to the information, and comprehend it. Therefore, Mowen and Minor (2001:39) consider perception as a factor that influences the way customers process information. Solomon (2013:73) advocates that customers absorb various stimuli in order to understand their surrounding environments, which then induce behaviour or reaction. A stimulus refers to a unit of input to customers' senses (Schiffman & Kanuk, 2010:175). Stimulus input results from the interaction between physical factors and individual factors (Boone & Kurtz, 2012:148). Physical stimulus inputs occur from the retail environment (Mattila & Wirtz, 2008:562), namely merchandise, packaging, advertising and colours, whereas, individual stimulus inputs are personal aspects or feelings of customers, namely noise, hunger, pain, past experience, expectations, motivations and learning (Boone & Kurtz, 2012:148; Mattila & Wirtz, 2008:562; Osman, 1993:135).

Step 1 involves observation and is activated by the stimulus input, which is directed at customers' sensory receptors (Schiffman & Kanuk, 2010:175; Du Plessis & Rousseau, 2007:160). Customers' sensory receptors are able to receive these stimuli inputs, consequently allowing customers to hear, see, taste, smell and touch (Du Plessis & Rousseau, 2007:160; Assael, 2004:159). The stimulus inputs customers receive, give customers the chance to recall certain perceptions regarding past retail experiences with retailers (Osman, 1993:135), and determine customers' preferences (Lindquist & Sirgy, 2009:249).

Step 2 involves customers exercising selective perception. Customers are subconsciously very selective regarding which stimulus input they recognise or perceive (Law *et al.*, 2012:114; Schiffman & Kanuk, 2010:179). In addition to the nature of the stimulus itself, Schiffman and Kanuk (2010:179) opine that customers' past experiences and their current motives to purchase will determine which stimuli they select. They tend to avoid being overwhelmed and attend to only a small fraction of stimulus inputs to which they are exposed (Solomon & Rabolt, 2009:332). Therefore, Pride and Ferrell (2006:242) clarify that retailers cannot control customers' perceptions, but rather influence them by providing sufficient information about the merchandise or retailers. For that reason, selective perceptions include perceptual vigilance and perceptual defence functions. The perceptual vigilance function entails that customers desire to seek and obtain need relevant information, whereas, perceptual defence denotes customers desire to avoid threatening and contradictory information (Solomon & Rabolt, 2009:332; Du Plessis & Rousseau, 2007:160). Customers seek perceptual equilibrium which is consistency between the information they receive and their prior views about retailers (Assael, 2004:161).

Customers experience the stimulus inputs from various sources simultaneously. Therefore, customers tend to organise information into meaningful groups to better understand it (Solomon & Rabolt, 2009:332; Assael, 2004:161). This is known as organisation, and involves step 3 of

the perception process. Once customers understand the stimulus inputs, they interpret it resulting in a perception (Assael, 2004:166).

Hawkins and Mothersbaugh (2013:27) add that customers' perceptions affect their decision-making and therefore perceptions are superior indicators of consumer behaviour in step 4 (Grace & O'Cass, 2005:230). Therefore, providing sufficient information together with stimulus inputs throughout the consumer decision-making process will allow customers to recall and positively perceive retailers for future purchases (Janse van Noordwyk, 2008:3).

- **Learning.** Learning entails a change in customers' knowledge, attitude or behaviour arising from experience (Schiffman & Kanuk, 2010:198; Kerin *et al.*, 2009:126). Du Plessis and Rousseau (2007:186) propose that learning is the result of information processing and changes in memory. Learning and memory are two interrelated concepts. They can, however, be distinguished in the sense that learning involves the acquisition of information, whereas memory is the internal recording of this information or experiences (Evans *et al.*, 2009:90). Learning is a process of constant change and development which customers apply to their future behaviour by gaining knowledge and experience through the use of merchandise and services (Schiffman & Kanuk, 2010:210, 211). Learning, however, can only result if there is a constant interaction between basic elements including repetition, motivation, cues, observation, behaviour, reinforcement and experience (Schiffman & Kanuk, 2010:210, 211). These provide the foundation for future changes in consumer behaviour in similar situations (Schiffman & Kanuk, 2010:210). According to Solomon (2013:82) as well as Schiffman and Kanuk (2010:212), there are two general categories of learning theory, namely the cognitive approach and the behaviouristic approach. Each category offers insights into how retailers can stimulate desired consumer behaviour (Schiffman & Kanuk, 2010:212).

The cognitive approach refers to learning as a mental process that indicates how customers learn information which is passed on to their long-term memory (Schiffman & Kanuk, 2010:213; Engel *et al.*, 1990:396). The behaviouristic approach is concerned with observable changes in behaviour as a response to stimuli (Solomon, 2013:82). Customers memorise the learning experience with retailers and attach a preference to it. This memory and preference are recalled and used during the consumer decision-making process, in which customers then make current and future decisions based on this memory and preference (Schiffman & Kanuk, 2010:212). Therefore, learning can influence permanent changes in consumer behaviour (Solomon, 2013:82). For retailers an understanding of customer learning will assist them to provide customers with appropriate learning information and stimuli that will teach customers about retailers or merchandise,

as well as allow them to experience it and have a great impact on current and future consumer behaviour (Schiffman & Kanuk, 2010:240).

3.2.7.2 External variables

Peter and Olson (2010:264, 247) define external variables as all the outside physical and social influences surrounding customers that impact the consumer decision-making process. Du Plessis and Rousseau (2007:47) furthermore state that external variables are key contributors to consumer decision-making. As illustrated in Figure 3.3, the external variables include demographics, family, reference groups, marketing efforts, social class and culture (Hawkins & Mothersbaugh, 2013:27; Hoyer & MacInnis, 2010:13). These are briefly discussed:

(a) Demographics

According to Hawkins and Mothersbaugh (2013:67), demographics refer to a population's size, structure and distribution. In addition, demographics are a good predictor of how customers will respond to the retailer's retail marketing mix (Lamb *et al.*, 2010:50). In short, demographics are the statistics of customers, namely characteristics such as age, gender, income, occupation and education (Berman & Evans, 2013:204).

- *Age* is defined in terms of three notions, namely chronological age, biological and psychological age (Joubert, 2010:41). Chronological age refers to the time span bygone since a customer's birth. Biological ageing refers to changes proceeding in customer's purposeful capacity over time, affected by lifestyle, diet and health habits. Psychological ageing includes changes in customer's self-perceptions and cognitions. In other words, the way customers view themselves and others (Joubert, 2010:41). Customers of the same age may have similar life experiences, common needs, symbols and memories. This in turn can result in similar purchasing patterns (Hoyer *et al.*, 2013:330). Therefore, age is an important contributor of consumer decision-making and consumer behaviour (Joubert, 2010:41; Seock & Sauls, 2008:475; Hyllegard *et al.*, 2005:358; Janse van Noordwyk, 2002:17).
- *Gender* refers to whether customers are male or female (Joubert, 2010:36; Palan, 2002:2). Men and women differ in relation to needs, attitudes, information processing, store atmosphere processing, purchasing motivations (Hoyer *et al.*, 2013:348; Minahan & Beverland, 2005:5), retail experience (Hart *et al.*, 2011:593; Haytko & Baker, 2004:70; Otnes & McGrath, 2001:114; Campbell, 1997:20), socialisation (Severiens & Ten Dam, 1998:335), involvement with purchases (Otnes & McGrath, 2001:114) and responsibility (Hart *et al.*, 2011:592; Michon *et al.*, 2007:492).

- *Income* is another critical aspect of demographics which retailers need to consider, especially with regards to the distribution of income. Distribution of income refers to customers' disposable income (after paying taxes and purchasing necessities) (Berman & Evans, 2013:204; Lamb *et al.*, 2010:54). Income contributes to customers' price consciousness, purchase orientation and frequency of purchase (Scarpi, 2006:10).
- Customers' *occupations* provide them with income (Joubert, 2010:27). Customers with similar occupations may share similar preferences for merchandise, income, lifestyles, knowledge and values (Hoyer & MacInnis, 2010:330; Van der Vyver, 2008:22). The nature of customers' occupation influences the merchandise they prefer and purchase (Kotler & Armstrong, 2010:156).
- *Education* entails the attempt of others to provide and assist an individual with acquiring desirable knowledge, skills, understanding, interests and attitudes regarding history, geography, arithmetic, languages and sciences (Attah & Ikechukwu, 2013:70, 71). Customer with the same education may share similar expectations, attitudes, preferences and purchasing habits (El-Bassiouny *et al.*, 2011:159; Hoyer & MacInnis, 2010:330). Interest in education is increasing, which influences sustainable consumption patterns of customers (El-Bassiouny *et al.*, 2011:159; Young *et al.*, 2010:20). For example, customers are becoming more educated regarding ethics, resources, and waste, health and community impact implications. Therefore, when customers consider the adoption of the above-mentioned implications, they engage in an increasingly complex decision-making process.

Overall demographics (Berman & Evans, 2013:204; Taha, 2011:2; Gehrt & Yan, 2004:8) are strongly related to consumer decision-making and consequently their consumer behaviour. Gender furthermore affects customers' preferences and is apparent in customers' decision to purchase, which in turn influences consumer behaviour (Hoyer *et al.*, 2013:348; Hart *et al.*, 2011:586, 592; Joubert, 2010:36; Stern, 1999:4). Moreover, knowledge pertaining to customers' income may assist retailers to understand consumer decision-making and the consumer behaviour of various income segments (Hawkins & Mothersbaugh, 2013:67).

(b) Family

According to Schiffman and Kanuk (2010:320), family is defined as two or more individuals related by blood, marriage, or adoption who typically live together. Kotler and Armstrong (2010:154) as well as Du Plessis and Rousseau (2007:72) postulate that

each family member plays a certain role during consumer decision-making. As an example, customers often require social feedback from family members regarding overall appearance when purchasing clothing or merchandise (De Klerk, 1999:126). This indicates that the family is often considered the main decision-making element when purchasing merchandise, since family members are constantly in close contact with each other and will affect the decision-making process (Mostert & Du Plessis, 2007:102; Blackwell *et al.*, 2006:87).

(c) Reference groups

Reference groups refer to formal or informal groups whose opinions are valued by others. These groups may include friends, work colleagues, spouses and celebrities who influence the consumer decision-making process to some extent (Joubert, 2010:23; Peter & Olson, 2010:328; Kerin *et al.*, 2009:132). Reference groups assist customers to attach meaning to merchandise, add to their social reflectiveness, and influence their attitudes and self-concept (Hawkins & Mothersbaugh, 2013:236; Kotler & Armstrong, 2010:153).

Hoyer and MacInnis (2010:395) as well as Jobber and Fahy (2009:70), identify two major reference groups, namely primary and secondary reference groups. Primary reference groups refer to those groups with whom customers have direct contact, whereas secondary reference groups include those groups that indirectly and unconsciously influence customers (Kotler & Armstrong, 2010:154; Du Plessis & Rousseau, 2007:68). Therefore, reference groups are important as they serve as a frame of reference for customers in their decision-making process (Jobber & Fahy, 2009:70).

(d) Marketing efforts

According to Schiffman and Kanuk (2010:483), marketing efforts refer to the retailer's direct attempts to reach, inform and persuade customers to purchase merchandise. This includes in-store advertising, store atmosphere, promotions, personal selling, price policies, distribution channels and the merchandise itself, including packaging, size and guarantees (Grace & O'Cass, 2005:229). Section 2.2.4 identifies the retail marketing mix elements that are used as marketing efforts to communicate with customers, stimulate their response and satisfy their needs for certain merchandise (Lusch *et al.*, 2011:61; Jobber & Fahy, 2009:9; Van Waterschoot & Van den Bulte, 1992:84). Marketing efforts influence customers' decision to purchase or refrain from purchasing a need satisfying merchandise (Beukes, 2010:77).

(e) Social class

Social class is defined as the hierarchic arrangement of individuals with similar status, views, interest and behaviours that range between upper, middle and lower classes (Hawkins & Mothersbaugh, 2013:136; Joubert, 2010:27; Jobber & Fahy, 2009:70). Social class is influenced by physical appearance, social acceptance, social skills, status ambitions, community participation, family history, cultural level and recreational habits (Peter & Olson, 2010:317). Customers in the same social class share distinct preferences for clothing brands, merchandise, home décoration, leisure activities, as well as saving, spending, credit habits, and even consumer behaviour merchandise preferences (Hawkins & Mothersbaugh, 2013:136; Schiffman & Kanuk, 2010:358).

(f) Culture

Lamb *et al.* (2014:84) as well as Berman and Evans (2013:207) define culture as a society's personality encompassing shared meanings, norms, traditions and attitudes. These shape consumer behaviour, which is passed on to generations. Culture involves both tangible and intangible ideals, such as values, beliefs, ethics, clothing, food, art and sports, all which are created and respected by a society (Berman & Evans, 2013:207; Kerin *et al.*, 2009:135). These ideals differ across various cultures. Customers are taught to follow these specific cultural ideals and to avoid unacceptable consumer behaviour. (Schiffman & Kanuk, 2010:366). These ideals influence customers' attitudes and preferences regarding specific situations and merchandise (Schiffman & Kanuk, 2010:368, 387). Therefore, it provides a framework in which customers and their lifestyles develop (Jobber & Fahy, 2009:69). Solomon (2013:526) therefore confirms that culture influences consumer decision-making. Cultural conditions surprisingly hold true with fashion. For example, during the 20th century - particularly the conservative Victorian era – cultural ideals compelled women to cover their bodies in order to show their respectability and femininity. Therefore, preferences rose for straight-laced corsets and hoop skirts with layer upon layer of undergarment clothing. These clothing items were impractical to other cultural groups (Stone, 2010:8).

3.3 CUSTOMER SATISFACTION

This section commences by examining various definitions of customer satisfaction and provides a definition of customer satisfaction for the purpose of this research study. This is followed by a discussion regarding the importance and determinants of customer satisfaction.

3.3.1 Defining customer satisfaction

Table 3.2 provides various definitions of customer satisfaction.

Table 3.2: Customer satisfaction definitions

Definition	Author(s)
“Customer satisfaction is the customer’s fulfilment response, the degree to which the level of fulfilment is pleasant or unpleasant.”	Oliver (2010:28)
“Customer satisfaction is the individual’s perception of the performance of the merchandise or service in relation to his or her expectations.”	Schiffman and Kanuk (2010:29)
“Customer satisfaction is a measure of how well merchandise or services perform compared to customer expectations.”	Lindquist and Sirgy (2009:123)
“Customer satisfaction is some type of affective, cognitive, and/or conative response, based on an evaluation of merchandise-related standards, merchandise consumption experiences, and or purchase-related attributes (e.g. salesperson), expressed before choice, after choice, after consumption, after extended experience, or just about any other time a researcher may query customers about the merchandise or related attributes.”	Giese and Cote (2000:14)
“Customer satisfaction is the customer’s fulfilment response. It is a judgement that a merchandise or service feature, or the merchandise or service itself, provides a pleasurable level of consumption-related fulfilment.”	Oliver (2000:450)
“Customer satisfaction is the outcome of the subjective evaluation that the chosen alternative (retailers) meets or exceeds expectations.”	Bloemer and De Ruyter (1998:501)

From the definitions presented in Table 3.2, the following observations can be made:

- Customer satisfaction involves an emotional response from customers.
- In addition, this response is based on the perceived evaluation of alternatives, including various merchandise standards, experiences and performances.
- Furthermore, customer satisfaction entails whether the level of evaluation meets or exceeds customers’ expectations.

Based on the above observations, the following definition for customer satisfaction is formulated for the purpose of this research study:

Customer satisfaction definition
Customer satisfaction refers to customers' emotional responses regarding the perceived evaluation of merchandise standards, experiences and performances and whether these meet or exceed customers' expectations.

3.3.2 Importance of customer satisfaction

Customers purchase in order to satisfy a certain need (McDaniel *et al.*, 2013:194; Assael, 2004:31). Once customers are pleased with the retailer's value offering, they may return and remain at the specific retailer in the future (Ailawadi *et al.*, 2008:19; Martin *et al.*, 2008:224; Raab *et al.*, 2008:64). This demonstrates customers' satisfaction with the retailer's merchandise offering (Namkung & Jang, 2008:143). Customer satisfaction, however, simply occurs when retailers fulfil customers' actual and emotional needs, as well as meet or exceed their expectations (Martin *et al.*, 2008:224). Customer satisfaction accordingly results in favourable consumer behaviour towards retailers. This is briefly explained by the S-O-R model in Section 2.5.2 (Law *et al.*, 2012:115; Wright *et al.*, 2006:926). Thus, customer satisfaction is important and provides retailers with numerous benefits such as, it:

- **Leads to differentiation.** Customer satisfaction differentiates retailers from competitors by fulfilling customers' actual and emotional needs (Martin *et al.*, 2008:224).
- **Develops store loyalty and repurchase intention.** Customers who are satisfied with retailers generally tend to be loyal to a particular retailer. Once customers are loyal and return to the same retailer, repurchase intention occurs (Oliver, 2010:5; Ailawadi *et al.*, 2008:19; Miranda *et al.*, 2005:222; Seiders *et al.*, 2005:26; Bloemer & De Ruyter, 1998:499). Customer satisfaction increases repurchase intention as well as the purchase of other merchandise at the same retailer (Chang & Tu, 2005:198).
- **Ensures positive word-of-mouth.** Satisfied customers can communicate positive word-of-mouth to prospective customers regarding retailers (Raab *et al.*, 2008:64).
- **Enhances the reputation of retailers.** If retailers continuously satisfy customers, negative word-of-mouth is reduced. Accordingly, the beliefs and opinions customers have regarding retailers positively enhance and subsequently attract more customers (Machado & Diggines, 2012:150; Chatura & Jaideep, 2003:85).

- **Retains customers and profits.** Satisfied customers return to purchase from certain retailers. Accordingly, continued profits are generated (Egan, 2011:127). In addition, it is cheaper for retailers to retain current customers than acquire new ones (Ray & Chiagouris, 2009:1). Therefore, retailers should aim to retain satisfied customers for an extended period, since creating customer satisfaction may secure retailers a long-term goal of future profits (Van der Vyver, 2008:28).

3.3.3 Determinants of customer satisfaction

The following determinants of customer satisfaction in a retail context provide valuable information to understand which retail strategies retailers need to implement in order to achieve customer satisfaction.

3.3.3.1 Overall retail experience

According to Osman (1993:144), customers are satisfied by more than simply the merchandise retailer's offer. They have developed a need towards an in-store retail experience when purchasing merchandise. Customers compare their previous experiences or current expectations with their perceptions of the merchandise (Machado & Diggins, 2012:152). This comparison determines the level of customer satisfaction with the core merchandise they purchase (Mackay, 2012:82).

3.3.3.2 Customers' feelings

Customers' feelings are influenced when interacting with retailers (Lindquist & Sirgy, 2009:123). The way customers feel, reflects their level of satisfaction with retailers, since customer interactions shapes customer expectations (Schiffman & Kanuk, 2010:29). Therefore, providing customers with appropriate social interaction and special treatment will improve their feelings and experience with retailers, resulting in higher levels of customer satisfaction (Egan, 2011:129; Hennig-Thurau *et al.*, 2002:234).

3.3.3.3 Customer expectations and perceptions

Machado and Diggins (2012:139) as well as Du Plessis and Rousseau (2007:159) define customer expectations as the pre-purchase beliefs or desires regarding the purchase's potential performance. Normally, customers purchase merchandise with the expectation that it will fulfil their needs, provide pleasure, eliminate pain, or in the least meet their requirements. Pappas *et al.* (2013:193) and Kardes *et al.* (2011:91) believe that the level of customer satisfaction

depends on the pre-purchase expectations as compared to the perceived post-purchase merchandise performance. Thus, the customer's overall performance perception will determine the extent to which these expectations are satisfied (Schiffman & Kanuk, 2010:30). This comparison of customers' expectations and perceptions is generally referred to as the Expectancy Disconfirmation of Satisfaction (Pappas *et al.*, 2013:193; Poister & Thomas, 2011:601).

Expectancy Disconfirmation denotes that satisfaction is evaluated by the difference between expectations and perceptions. Schiffman and Kanuk (2010:498) are of the opinion that when customers evaluate merchandise performance against their expectations, three likely outcomes may occur: performance meets expectations (confirmed expectations), performance exceeds expectations (positive disconfirmation) or performance falls below expectations (negative disconfirmation) (Assael, 2004:45). Therefore, customers' expectations are considered to be the driving force behind customers' initial perception of satisfaction (Oliver, 2000:248; Sheth & Sisodia, 1999:80). For that reason, customers' expectations and perceptions can be regarded as a determinant of customer satisfaction (Du Plessis & Rousseau, 2011:160; Oliver, 1980:461).

It is clear that customers tend to evaluate retailers based on their pre-formed expectations and the perceptions experienced. Retailers should, therefore, incorporate efficient retail strategies in order to identify customer expectations and perceptions in an attempt to create satisfied customers. Hawkins and Mothersbaugh (2013:644) conclude that being able to create customer satisfaction whilst exceeding customers' expectations, can result in store loyal customers.

3.4 STORE LOYALTY

Once customer satisfaction is reached, the next step is to ensure that customers remain satisfied, return to retailers, and become store loyal (Wilson *et al.*, 2012:41; Wright *et al.*, 2006:925). Building store loyalty is often viewed as the most important aspect in a retailing strategy that consequently results in successful retailers (Carter, 2008:21; Pan & Zinkhan, 2006a:332; Omar, 1999:222). Therefore, this section commences by examining various definitions of store loyalty and presents a definition of store loyalty for the purpose of this research study. This is followed by a discussion regarding the importance and determinants of store loyalty.

3.4.1 Defining store loyalty

Table 3.3 provides various definitions of store loyalty.

Table 3.3: Store loyalty definitions

Store loyalty definition	Author(s)
“Store loyalty is reflected by the customer’s share of wallet for a particular store.”	Koschate-Fischer <i>et al.</i> (2014:71)
“Store loyalty is customers’ willingness to revisit the store and to express commitment to the store.”	Ray and Chiagouris (2009:3)
“Store loyalty is the customers’ loyalty to particular retailers.”	Ailawadi <i>et al.</i> (2008:19)
“Store loyalty is the willingness to purchase in the same store and to avoid the risk of purchasing in new stores.”	Assael (2004:81)
“Store loyalty is the biased (i.e. non-random) behavioural response (i.e. revisit), expressed over time, by some decision-making unit with respect to one store out of a set of stores, which is a function of psychological (i.e. decision-making and evaluative) processes resulting in (store) commitment.”	Bloemer and De Ruyter (1998:500)
“Store loyalty is the repeat purchase behaviour at a particular store for either the same merchandise or and other merchandise.”	Osman (1993:135)

From the definitions presented in Table 3.3 the following observations regarding store loyalty can be made:

- Store loyalty involves biased behavioural responses, revisits or repurchases.
- In addition, customers’ willingness to patronage the same store or a particular store out of a set of stores.
- Store loyalty is expressed over time (continuously) by means of customers’ commitment or share of wallet.

Based upon these observations, the following definition for store loyalty is formulated for the purpose of this research study:

Store loyalty definition
Store loyalty refers to customers’ commitment to continuously revisit or repurchase from the same store (retailer) over time.

3.4.2 Importance of store loyalty

Customers are continuously exposed to alternative offerings from competing retailers (Miranda *et al.*, 2005:221; Osman, 1993:135). However, once customers are loyal to a particular retail store, the majority of their purchasing activities will occur at that particular retail store (Rhee & Bell, 2002:225). Accordingly, these customers will spend a large portion of their available resources (time and money) at that retail store (Ailawadi *et al.*, 2008:19). The ideal is to have long-term store loyal customers unwilling to purchase from competing retailers due to an emotional bond with the retail store (Ray & Chiagouris, 2009:13; Van der Vyver, 2008:27).

Therefore, retailers should regard store loyalty as important consumer behaviour with numerous benefits, and should consequently aim to build and maintain store loyalty amongst customers (Ray & Chiagouris, 2009:2; Miranda *et al.*, 2005:222). These benefits include:

- **They ensure positive word-of-mouth.** Store loyal customers prefer particular retail stores from a set of competing retailers (Ailawadi *et al.*, 2008:20; Bloemer & Odekerken-Schroder, 2002:70). As a result, these store loyal customers will spread positive word-of-mouth about the retail store, or recommend the particular retail store to family and friends. Consequently, word-of-mouth builds customers' awareness regarding the retail store (Ray & Chiagouris, 2009:7).
- **Customers are willing to pay higher prices.** Customers have complete control over whether they want to purchase, who to repurchase from, or whether to agree to pay higher prices at retailers (Selnes, 1998:1306). Store loyal customers are, however, committed to purchase from a particular retail store and will remain at that retailer, whatever the price may be. Therefore, the willingness to pay higher prices at particular retailers indicates a strong sense of customers' commitment to retailers (Chaudhuri & Ray, 2003:140).
- **They generate profits.** As mentioned, store loyal customers normally have a particular retail store that receives the majority of their purchasing activities (Rhee & Bell, 2002:225). In that view, retailers may generate profits from store loyal customers due to their reluctance to purchase from competing retailers (Ray & Chiagouris, 2009:11, 13).
- **Customers are willing to repurchase.** Ray and Chiagouris (2009:12) and Ailawadi *et al.* (2008:20) propose that store loyal customers are expected to revisit or repurchase merchandise from the same retail store.

3.4.3 Determinants of store loyalty

The following determinants of store loyalty provide valuable information in order to understand and measure the strength of customers' store loyalty towards retailers (Sirohi *et al.*, 1998:223; Osman, 1993:137).

3.4.3.1 Purchase volume

This involves the volume or capacity of purchases customers engage in at a particular retailer (Seock, 2009:331; Mägi, 2003:99; Scarpi, 2006:12). Once the customer's purchase volume corresponds with his/her visits, this may illustrate that the customer is store loyal.

3.4.3.2 Purchase frequency

This entails how often customers purchase from particular retailers during a certain period of time (Ray & Chiagouris, 2009:13; Pan & Zinkhan, 2006b:230; Scarpi, 2006:11). As soon as the customers' purchase frequency corresponds with their visits at a particular retailer, this may illustrate that the customers are store loyal.

3.4.3.3 Ranking ratio

This is the degree of importance customers place on various competing retailers (Miranda *et al.*, 2005:221). Once the customer becomes reluctant to purchase from competing retailers, this may illustrate that the customer is store loyal (Ray & Chiagouris, 2009:11).

3.4.3.4 Tendency for future purchases

This involves the tendency to purchase from particular retailers in the future (Seock, 2009:331; Osman, 1993:137). When customer satisfaction occurs, the customer may provoke the tendency to return, revisit or repurchase, thus illustrating that the customer is store loyal (Feng & Yanru, 2013:183).

3.4.3.5 Recommendation willingness

This involves the degree of customers' willingness to recommend particular retailers to their friends or family (Ray & Chiagouris, 2009:1; Seock, 2009:331; Sirohi *et al.*, 1998:224). Once this occurs, the customer may be inclined to be store loyal.

The determinants of store loyalty are reliable predictors of customers' repurchase intentions (Mattila & Wirtz, 2008:562; Ogle *et al.*, 2004:720; Eroglu *et al.*, 2003:145; Olsen, 2002:240). The following section provides a detailed explanation of repurchase intention.

3.5 REPURCHASE INTENTION

This section commences by examining various definitions of repurchase intention and then proposes a definition of repurchase intention for the purpose of this research study. This is followed by a discussion of the importance of repurchase intention and the factors that influence it.

3.5.1 Defining repurchase intention

Table 3.4 provides various definitions of repurchase intention.

Table 3.4: Repurchase intention definitions

Definition	Authors
"Repurchase intention entails that if customers are satisfied, they are more likely to have the willingness to purchase again, namely repeating the purchase or recommending others to purchase."	Feng and Yanru (2013:181)
"Repurchase intention is not only the possible inclination of purchasing merchandise, but may also include the intention to recommend it to relatives and friends."	Collier and Bienstock (2006:261)
"Repurchase intention represents customers' self-reported likelihood of engaging in future repurchase behaviour, whereas repurchase behaviour is the objectively observed level of repurchase activity."	Seiders <i>et al.</i> (2005:27)
"Repurchase intention refers to an individual's judgement about purchasing again designated services from the same retailer, taking into account his other current situation and likely circumstances."	Hellier <i>et al.</i> (2003:1764)
"Repurchase intention refers to psychological commitment toward the merchandise or service that arises after using them, resulting in the idea for consumption again."	Cronin and Taylor (1992:56)

The following observations regarding repurchase intentions can be made from the definitions presented in Table 3.4:

- Repurchase intention is the emotional commitment, willingness or preference to purchase merchandise or services.

- Repurchase intention furthermore includes the intention to recommend the retailer, merchandise or services to others.
- In addition, repurchase intention arises after the purchase and use of a retailer's merchandise.
- Repurchase intention is customers' self-assured possibility of engaging in future repurchase behaviour from the same retailer.

Based upon these observations, the following definition for repurchase intention is formulated for the purpose of this research study:

Repurchase intention definition
Repurchase intention refers to customers' self-assured willingness of possibly engaging in future repurchase behaviour from the same retailer, or recommending the retailer to others which consequently arises after the purchase and use of the retailer's merchandise.

3.5.2 Importance of repurchase intention

Customers with the intention to repurchase are committed to engage in future purchases with retailers (Seiders *et al.*, 2005:27). In order to guarantee this repurchase intention of customers, retailers need to be value oriented. This means delivering something of value to customers. In addition, regarding customers as a valuable asset to benefit from, namely to encourage repeat visit or repurchases at retailers (Grace & O'Cass, 2005:228). The importance of repurchase intention is further emphasised by explaining the benefits that customers' repurchase intention hold for retailers. These benefits include:

- **They contributes to the retailer's reputation.** Customers with favourable perceptions about a particular retailer and who are store loyal will be reluctant to purchase from competing retailers (Ailawadi *et al.*, 2008:20). Therefore, these customers will normally recommend the retailer to others (Feng & Yanru, 2013:181). Consequently, this contributes to retailers' reputation.
- **This leads to continued profits.** Schiffman and Kanuk (2010:497) propose that a purchase is either a trial or long-term commitment with retailers. If the retail experience is satisfactory and better than alternatives, customers are likely to repurchase. This may ensure that retailers establish a long-term commitment with customers. Accordingly, this

contributes to the continued retailers' profits (Huang *et al.*, 2014:108; Lee *et al.*, 2009:7849).

3.5.3 Factors influencing repurchase intention

Customers' evaluation of retailers, over and above the evaluation of the actual merchandise purchased, is a complex process. Examining the factors that influence customers' repurchase intention, may assist retailers to further understand how customers formulate decisions resulting in repurchase intention (Grace & O'Cass, 2004:227).

3.5.3.1 Convenience of remaining at the same retailer to avoid switching costs

Intending to repurchase from particular retailers is considered to be a convenience for customers. Customers, however, experience inconvenient switching costs, namely time, effort and money when switching to another retailer (Seiders *et al.*, 2005:37; Burnham *et al.*, 2003:110; Hellier *et al.*, 2003:1765). Therefore, the convenience of customers to retain at the same retailer, encourages repurchase intentions and allows them to avoid the expected switching costs (Seiders *et al.*, 2005:37).

3.5.3.2 Customer satisfaction

Once customers experience customer satisfaction in the form of overall pleasure from retailers that fulfil their desires, expectations and needs, repurchase intentions occur (Hellier *et al.*, 2003:1765; Cronin & Taylor, 1992:560). While Taher *et al.* (1996:218) disagree with this statement and propose that being satisfaction with retailers is not enough to ensure repeat intention or purchases. Grace and O'Cass (2005:228) declare that satisfactory customer retail experiences increase the possibility of repurchase intention. Therefore, customer satisfaction is a reliable factor influencing repurchase intention (Seiders *et al.*, 2005:26).

3.5.3.3 Perceived value

Customers' perceived value is the overall evaluation of the retailer's net worth based on the benefits they received and the cost or sacrifice in purchasing from and utilising the retailer (Hellier *et al.*, 2003:1765). Customers are continuously seeking something of value from retailers. They perceive retailers as a value provider (Grace & O'Cass, 2004:227). If customers, however, perceive retailers to provide high value, repurchase intentions increase (Feng & Yanru, 2013:182).

3.6 CONCLUSION

Chapter 3 commences with an overview of consumer behaviour by defining the concept and explaining the importance thereof. This is followed by a discussion pertaining to the five stages in the consumer decision-making process, as well as the internal and external variables influencing consumer decision-making. This chapter concludes by formulating definitions, examining the importance of, and briefly discussing the determinants of customer satisfaction, store loyalty and repurchase intention, since these are also main constructs of this research study. Chapter 4 investigates the interrelationships between the four main constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention.

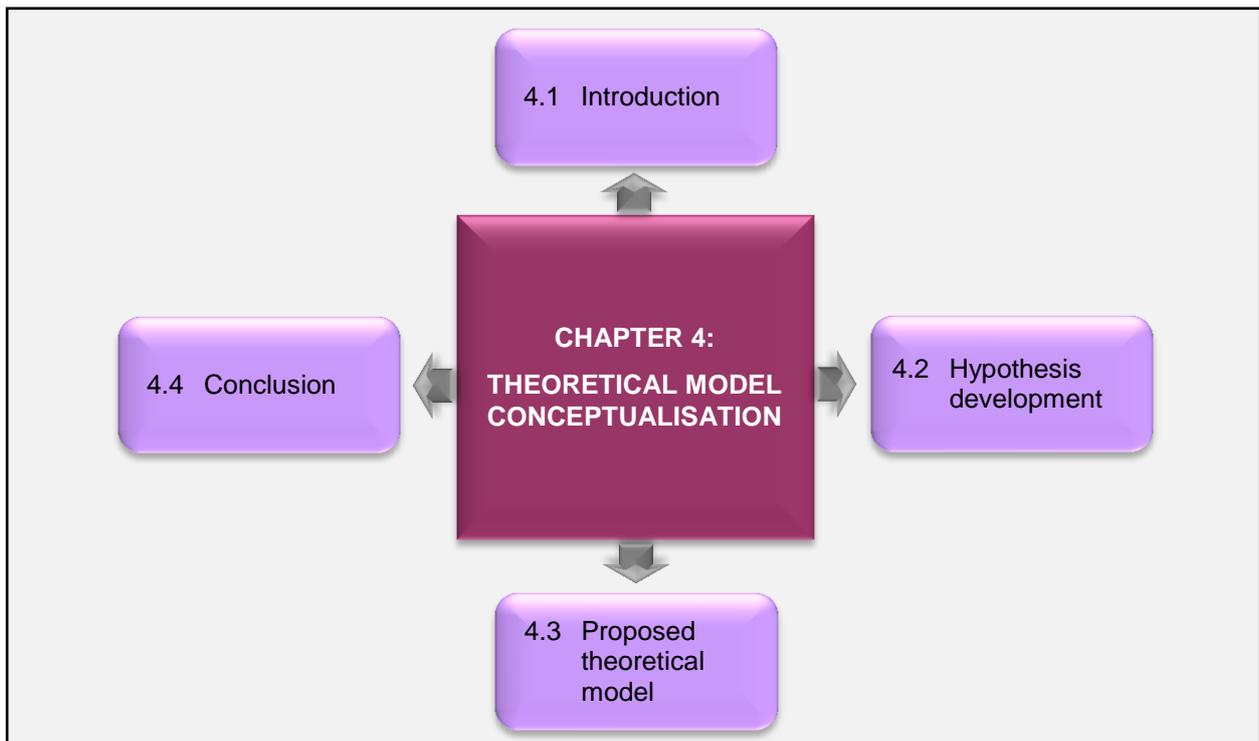
CHAPTER 4

THEORETICAL MODEL CONCEPTUALISATION

4.1 INTRODUCTION

From the discussion in Chapter 2 regarding retailers' store atmosphere, it becomes clear that customers perceive the store atmosphere as a key factor during their purchases and evaluations of merchandise. Subsequently, Chapter 3 presents an overview concerning consumer behaviour in which the consumer decision-making process as well as the internal and external influencing variables are examined. In addition, customer satisfaction, store loyalty and repurchase intention are discussed, since these are also main constructs of this research study in addition to store atmosphere (Chapter 2, Section 2.5). For the purpose of this research study, this chapter investigates the interrelationships between the main constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention. Based upon the theoretical background, alternative hypotheses are formulated to hypothesise the interrelationships between these constructs. Finally, a proposed theoretical model for this research study and a summary of the alternative hypotheses are presented. Figure 4.1 provides a depiction of the main sections included in this chapter.

Figure 4.1: Chapter outline



Source: Researcher's own construct.

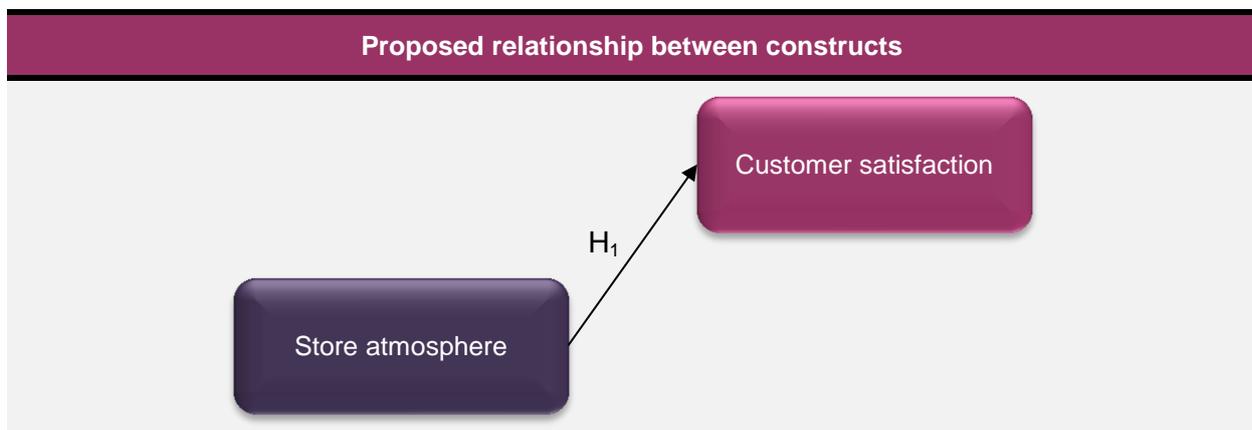
4.2 HYPOTHESIS DEVELOPMENT

An overview of existing literature supporting each of the alternative hypotheses formulated for the purpose of this study is subsequently provided in table format and briefly discussed.

4.2.1 Hypothesis 1

The proposed relationship between the constructs store atmosphere and customer satisfaction is illustrated in Table 4.1.

Table 4.1: Proposed relationship between store atmosphere and customer satisfaction



Source: Researcher's own construct.

When customers purchase at retailers they engage emotionally and physically with the retail experience offered by retailers (Hawkins & Mothersbaugh, 2013:13). Therefore, the entire period customers spend inside or with retailers, they experience some form of emotional state (Chapter 3, Section 3.2.7.1). This emotional state accordingly influences their satisfaction with- and perception of- the store atmosphere presented in retailers (Law *et al.*, 2012:113; Lindquist & Sirgy, 2009:123). For example, a pleasant store atmosphere will result in customer satisfaction with the overall retail experience in the retail store (Soars, 2009:288). It is, however, important to remember that customers compare their previous experiences or current expectations with their perceptions of the merchandise performance or retail experience of the same retail store (Law *et al.*, 2012:115; Machado & Diggines, 2012:152). As a result, customer satisfaction only occurs once retailers meet or exceed customers' expectations regarding the merchandise performance (Machado & Diggines, 2012:139; Lindquist & Sirgy, 2009:123). Therefore, customers' retail experience – together with the appraisal of store atmosphere – elicits a response consequently influencing customer satisfaction (Wilson *et al.*, 2012:81; Namkung & Jang, 2008:143; Kim & Jin, 2001:239, 241; Bloemer & De Ruyter, 1998:501; Bitner,

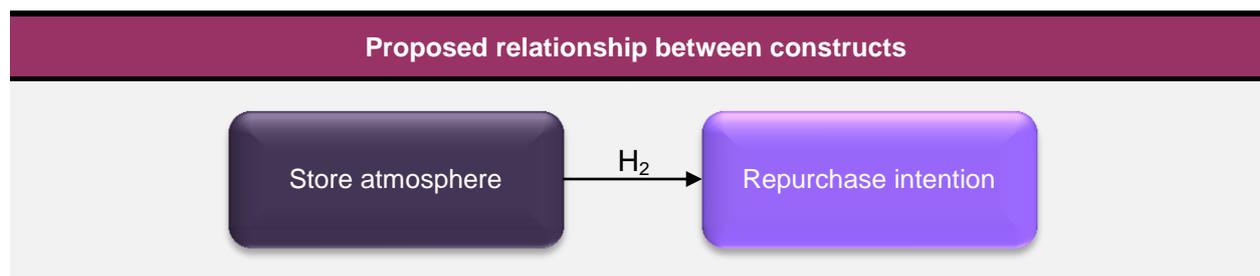
1992:61). Based on the findings of previous research, it can be argued that store atmosphere has a positive influence on customer satisfaction. Subsequently, alternative Hypothesis 1 is formulated based on the prior discussion regarding the relationship between the constructs store atmosphere and customer satisfaction.

Hypothesis 1
Store atmosphere has a significant and positive influence on customer satisfaction.

4.2.2 Hypothesis 2

The proposed relationship between the constructs store atmosphere and repurchase intention is illustrated in Table 4.2 and subsequently discussed.

Table 4.2: Proposed relationship between store atmosphere and repurchase intention



Source: Researcher's own construct.

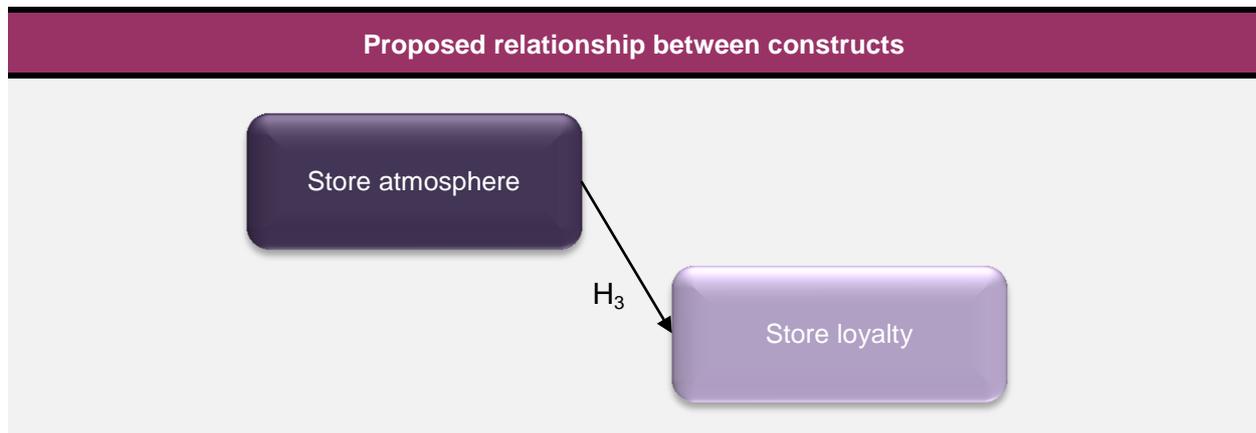
Experiencing a pleasant store atmosphere increases customers' intention to return to the retailer, since customers' assessment of the actual and overall retail experience influences their decision to repurchase (Wilson *et al.*, 2012:37, 38). In addition, this motivates customers to repurchase from the retail store providing that store atmosphere (Zhou *et al.*, 2012:274). Therefore, based on the findings of previous research, it can be argued that positive store atmosphere has a positive influence on repurchase intention (Hart *et al.*, 2011:589; Joseph-Mathews *et al.*, 2009:195; Van der Vyver, 2008:28, 29; Zavotka, 2007:1; Turley & Milliman, 2000:206; Jacoby & Mazursky, 1984:24). Subsequently, alternative Hypothesis 2 is formulated based on the prior discussion regarding the relationship between the constructs store atmosphere and repurchase intention.

Hypothesis 2
Store atmosphere has a significant and positive influence on repurchase intention.

4.2.3 Hypothesis 3

The proposed relationship between the constructs store atmosphere and store loyalty is illustrated in Table 4.3 and subsequently discussed.

Table 4.3: Proposed relationship between store atmosphere and store loyalty



Source: Researcher’s own construct.

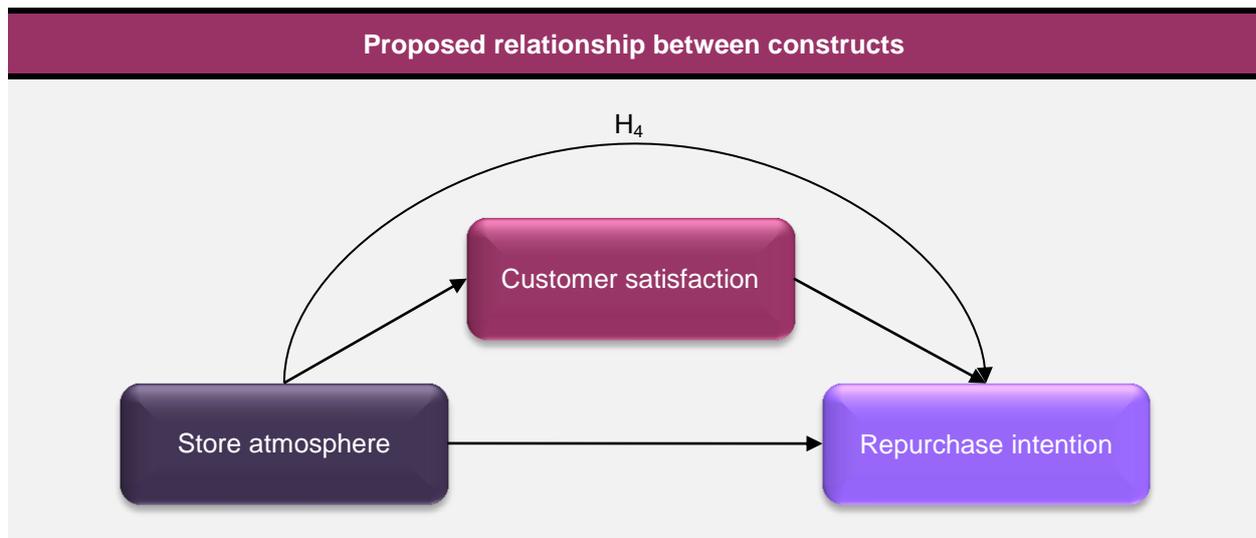
Kotler (1973-1974:50) declares that customers use their senses to experience the store atmosphere. Chebat and Michon (2003:530) as well as Donovan and Rossiter (1982:39) add and explain that customers’ senses affect their emotions in such a way that they find their experience with the store atmosphere to be exciting, pleasant, relaxing or unpleasant, distressing or arousing (Donovan & Rossiter, 1982:39). In relation to their experience, customers form perceptions regarding a particular retailer’s store atmosphere (Thang & Tan, 2003:195). Birtwistle and Shearer (2001:9, 10) further suggest that, when the retailer’s store atmosphere is positively perceived by customers, customers would want to experience that particular store atmosphere again, return and be reluctant to purchase from competing retailers (Ray & Chiagouris, 2009:11, 13; Ailawadi *et al.*, 2008:20). Consequently, a positively perceived store atmosphere results in store loyalty. Based on findings of previous research, it can be argued that store atmosphere has a positive influence on store loyalty (Janse van Noordwyk, 2008:55; D’Astous & Saint-Louis, 2005:316; Koo, 2003:45; Baker *et al.*, 2002:121; Birtwistle & Shearer, 2001:15, 16; Knox & Walker, 2001:111; Bloemer & De Ruyter, 1998:500). Subsequently, alternative Hypothesis 3 is formulated based on the prior discussion regarding the relationship between the constructs store atmosphere and store loyalty.

Hypothesis 3
Store atmosphere has a significant and positive influence on store loyalty.

4.2.4 Hypothesis 4

The mediating effect of customer satisfaction on the relationship between store atmosphere and repurchase intention is illustrated in Table 4.4 and subsequently discussed.

Table 4.4: Proposed relationship between store atmosphere, customer satisfaction and repurchase intention



Source: Researcher’s own construct.

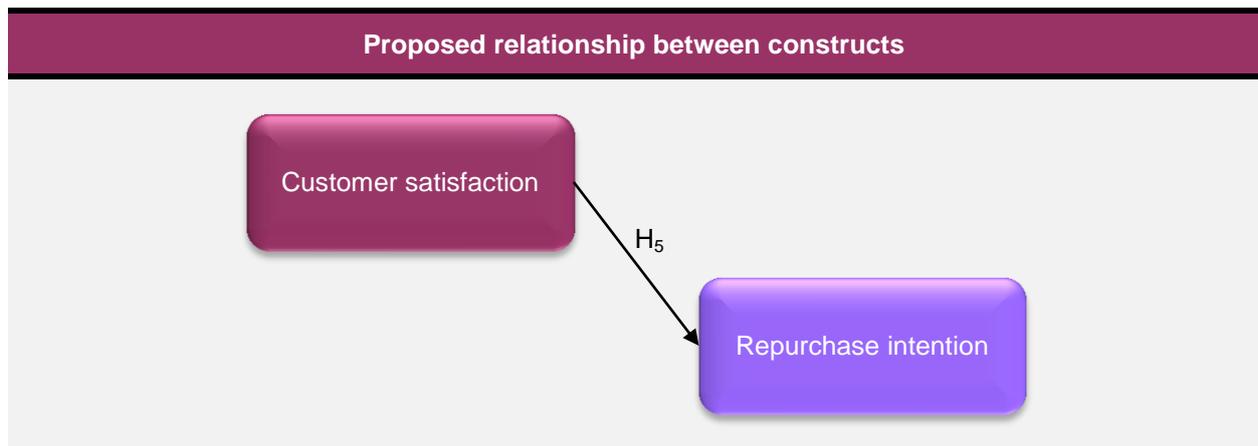
As mentioned previously, store atmosphere influences customers’ repurchase intention. This relationship, however, only occurs if retailers provide customers a satisfactory shopping experience created by a pleasant store atmosphere. This in turn will encourage customers to return (Tian-Cole *et al.*, 2002:10) and consequently repurchase (Tulipa *et al.*, 2014:153, 155). The higher customers’ satisfaction with the store atmosphere, the more customers’ will want to return to the retail store (Wong & Sohal, 2003:250). Therefore, based on the findings of previous research, it can be argued that the relationship between store atmosphere and repurchase intention is mediated by customer satisfaction with the retailer’s store atmosphere (Beneke *et al.*, 2012:36). Subsequently, alternative Hypothesis 4 is formulated based on the prior discussion regarding the relationship between the constructs store atmosphere, customer satisfaction and repurchase intention.

Hypothesis 4
Customer satisfaction mediates the relationship between store atmosphere and repurchase intention.

4.2.5 Hypothesis 5

The proposed relationship between the constructs customer satisfaction and repurchase intention is illustrated in Table 4.5 and subsequently discussed.

Table 4.5: Proposed relationship between customer satisfaction and repurchase intention



Source: Researcher's own construct.

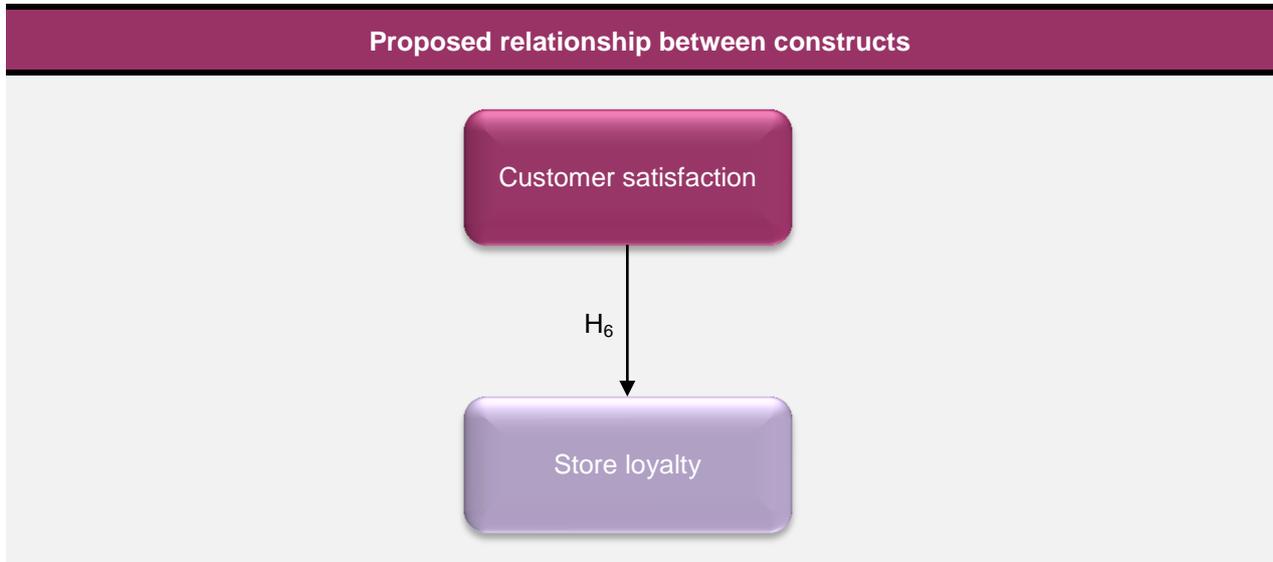
Customer satisfaction simply occurs when retailers fulfil customers' actual and emotional needs as well as meet or exceed their expectations (Martin *et al.*, 2008:224). Accordingly, satisfied customers generally tend to be loyal to a particular retailer and in turn, elicit favourable consumer behaviour towards that retailer (Ailawadi *et al.*, 2008:19). This may be that customers satisfied with a retailer want to return to that particular retailer (Seiders *et al.*, 2005:26). Once customers return they may engage in impulse or unplanned purchases from that retailer (Egan, 2011:127). Therefore, Grace and O'Cass (2005:228) declare that customer satisfaction with the retail experience increases positive emotions in customers, which leads to customers intentions to repurchase (Seiders *et al.*, 2005:27). Therefore, based on the findings of previous research, it can be argued that customer satisfaction is a reliable indicator of repurchase intention (Huang *et al.*, 2014:109; Pappas *et al.*, 2013:188; Nsairi, 2012:684; Kim *et al.*, 2009:12; Namkung & Jang, 2008:143; Chang & Tu, 2005:198; Seiders *et al.*, 2005:26). Subsequently, alternative Hypothesis 5 is formulated based on the prior discussion regarding the relationship between the constructs customer satisfaction and repurchase intention.

Hypothesis 5
Customer satisfaction has a significant and positive influence on repurchase intention.

4.2.6 Hypothesis 6

The proposed relationship between the constructs customer satisfaction and store loyalty is presented in Table 4.6 and subsequently discussed.

Table 4.6: Proposed relationship between customer satisfaction and store loyalty



Source: Researcher's own construct.

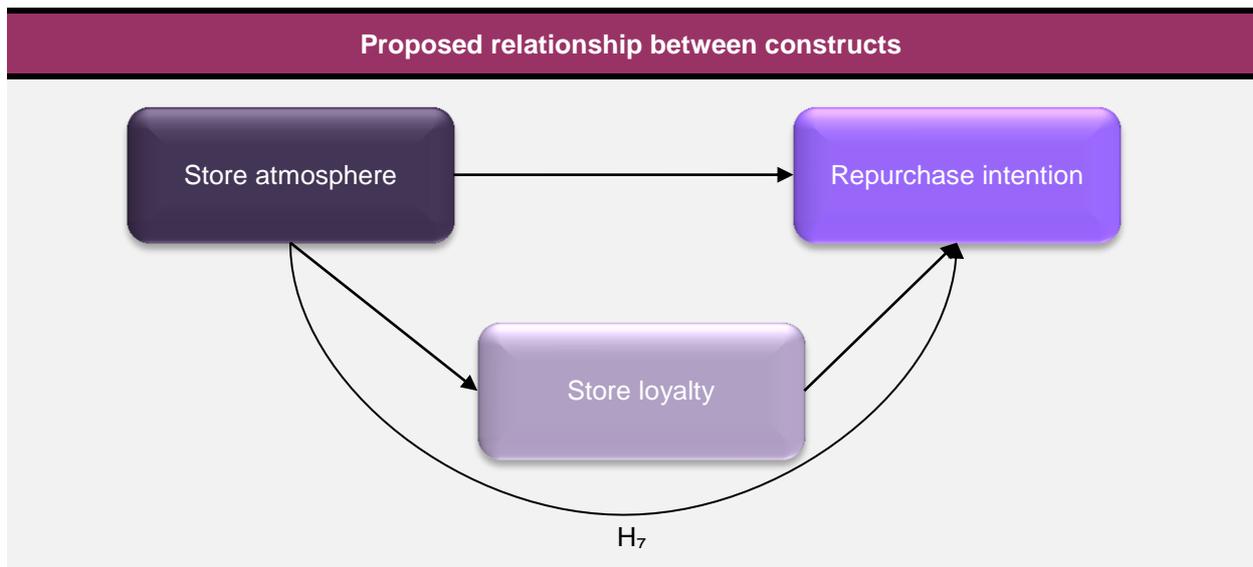
Rhee and Bell (2002:226) believe that customers patronise many retail stores. Yet, they have a primary affiliation towards a particular retailer that receives the majority of their purchases. Customers who demonstrate satisfaction with such a retail store's merchandise performance, (Wright *et al.*, 2006:925) will however be reluctant to purchase from competing retailers (Ray & Chiagouris, 2009:11,13; Ailawadi *et al.*, 2008:20). This results in customers continuously returning to the same retail store, ultimately ensuring store loyalty to that particular retail store (Feng & Yanru, 2013:183; Ailawadi *et al.*, 2008:20; Wright *et al.*, 2006:925; Miranda *et al.*, 2005:221; Sawmong & Omar, 2004:504). Therefore, customer satisfaction in turn, influences store loyalty (Berman & Evans, 2013:16; Little & Marandi, 2003:48). Based on the findings of previous research, it can be argued that customer satisfaction has a positive influence on store loyalty. Subsequently, alternative Hypothesis 6 is formulated based on the prior discussion regarding the relationship between the constructs customer satisfaction and store loyalty.

Hypothesis 6
Customer satisfaction has a significant and positive influence on store loyalty.

4.2.7 Hypothesis 7

The mediating effect of store loyalty on the relationship between store atmosphere and repurchase intention is illustrated in Table 4.7 and subsequently discussed.

Table 4.7: Proposed relationship between store atmosphere, store loyalty and repurchase intention



Source: Researcher’s own construct.

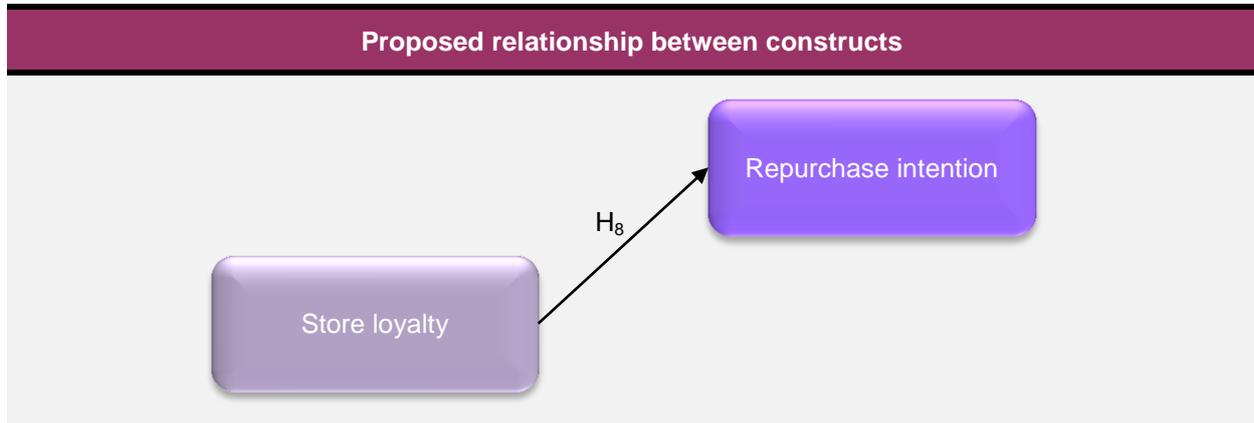
As mentioned previously, store atmosphere influences customers’ repurchase intention. Birtwistle and Shearer (2001:9, 10) explain this and state that, when the retailer’s store atmosphere is positively perceived by customers, customers are more likely to return more than once (Alias & Mohd Roslin, 2014:2; Ray & Chiagouris, 2009:11,13; Ailawadi *et al.*, 2008:20) which facilitates the repurchase process of customers (Ballantine *et al.*, 2010:643; Varela-Neira *et al.*, 2010:90; Bodet, 2008:158; Donovan & Rossiter, 1982:39). Moreover, once customers are pleased with the store atmosphere, store loyalty becomes a critical behavioural response which encourages customers to revisit and repurchase at the retail store. Therefore, based on the findings of previous research, it can be argued that store loyalty mediates the relationship between store atmosphere and repurchase intention (Tulipa *et al.*, 2014:153; Mehrabian & Russell, 1974:257). Subsequently, alternative Hypothesis 7 is formulated based on the prior discussion regarding the relationship between the constructs store atmosphere, store loyalty and repurchase intention.

Hypothesis 7
Store loyalty mediates the relationship between store atmosphere and repurchase intention.

4.2.8 Hypothesis 8

The proposed relationship between the constructs store loyalty and repurchase intention is presented in Table 4.8 and subsequently discussed.

Table 4.8: Proposed relationship between store loyalty and repurchase intention



Source: Researcher's own construct.

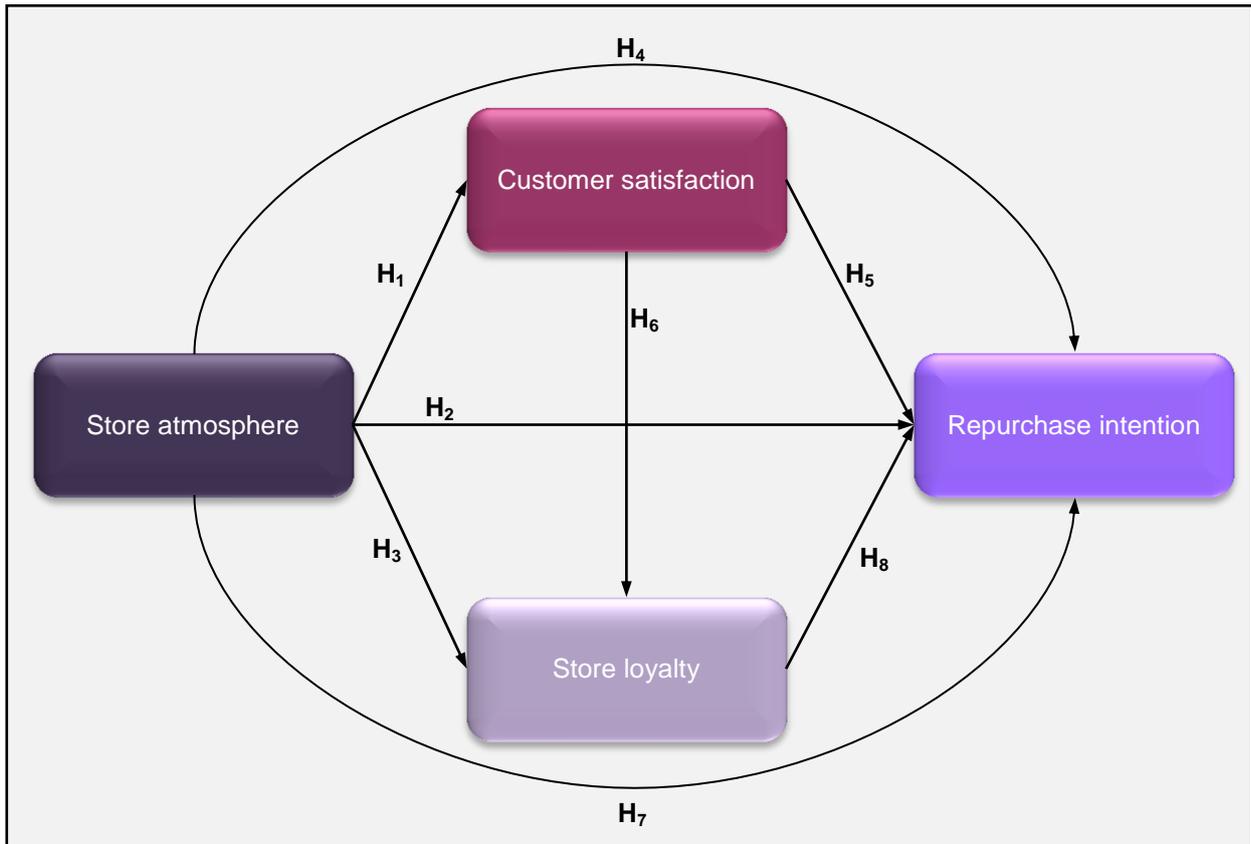
Once customers perceive the retail experience in the retailer appealing, repurchase or revisit intentions occur. Therefore, store loyal customers are expected to revisit or repurchase merchandise from the same retailer (Palmer, 2011:205; Ray & Chiagouris, 2009:12; Ailawadi *et al.*, 2008:20). This indicates that store loyalty is a reliable predictor of repurchase intention (Feng & Yanru, 2013:181; Mattila & Wirtz, 2008:562; Scarpi, 2006:12; Ogle *et al.*, 2004:720; Eroglu *et al.*, 2003:145). Based on the findings of previous research, it can be argued that store loyalty has a positive influence on repurchase intention. Subsequently, alternative Hypothesis 8 is formulated based on the prior discussion regarding the relationship between the constructs store loyalty and repurchase intention.

Hypothesis 8
Store loyalty has a significant and positive influence on repurchase intention.

4.3 PROPOSED THEORETICAL MODEL

The theoretical model for this research study is depicted in Figure 4.2. The figure reflects the alternative hypothesised interrelationships between the four constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention. The alternative hypotheses formulated for this research study and the relevant supporting theoretical background are subsequently presented.

Figure 4.2: Proposed theoretical model



The following alternative hypotheses are formulated for this research study:

- H₁:** Store atmosphere has a significant and positive influence on customer satisfaction.
- H₂:** Store atmosphere has a significant and positive influence on repurchase intention.
- H₃** Store atmosphere has a significant and positive influence on store loyalty.
- H₄:** Customer satisfaction mediates the relationship between store atmosphere and repurchase intention.
- H₅:** Customer satisfaction has a significant and positive influence on repurchase intention.
- H₆:** Customer satisfaction has a significant and positive influence on store loyalty.
- H₇:** Store loyalty mediates the relationship between store atmosphere and repurchase intention.
- H₈:** Store loyalty has a significant and positive influence on repurchase intention.

4.4 CONCLUSION

This chapter provides theoretical support for the development of the proposed theoretical model and hypotheses for this research study. Therefore, the next step is to determine suitable methods that can be used to achieve the research objectives and to test the alternative hypotheses formulated for this research study. Chapter 5 therefore presents the research methodology followed in this research study.

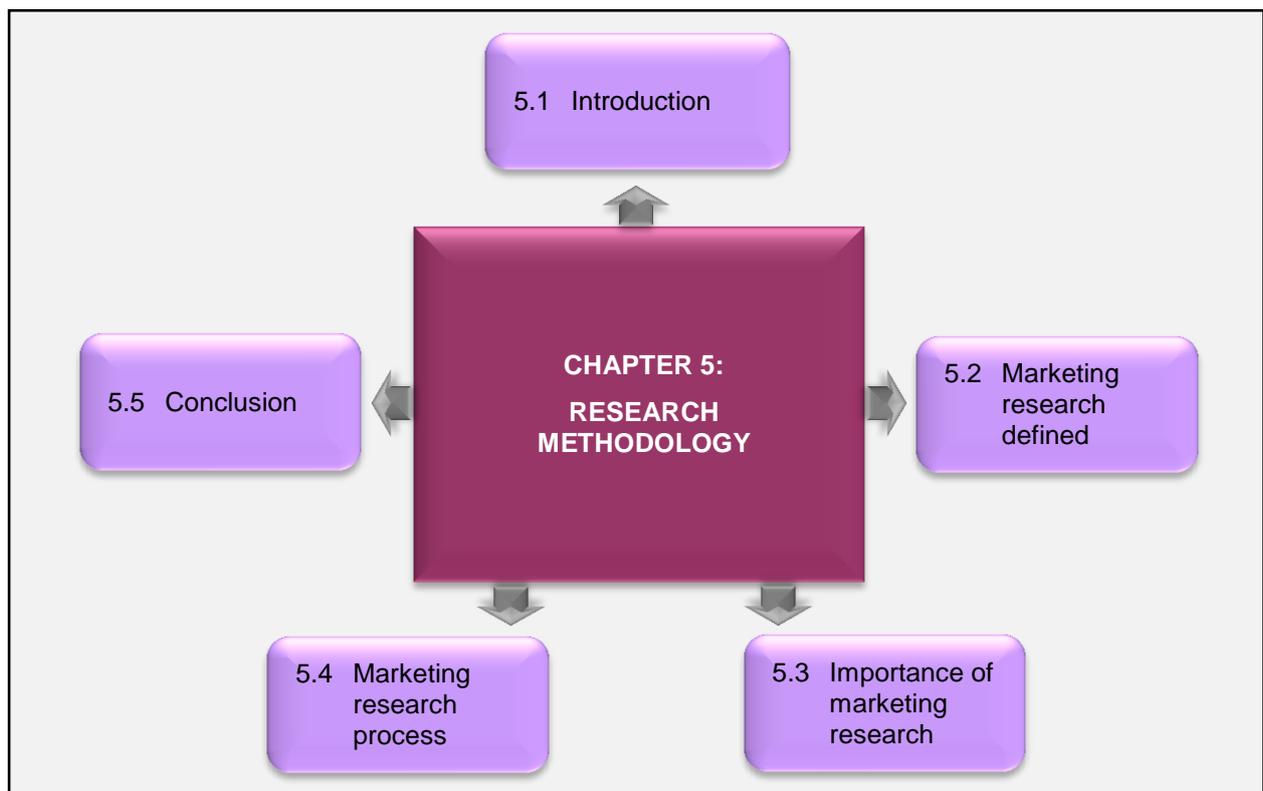
CHAPTER 5

RESEARCH METHODOLOGY

5.1 INTRODUCTION

Chapters 2 and 3 provide the theoretical background of this research study focusing on retailing, retail store image, store atmosphere, consumer behaviour, customer satisfaction, store loyalty and repurchase intention. This supports the proposed theoretical model conceptualisation in Chapter 4. Therefore, Chapter 5 provides insight into the research methodology followed in the main findings phase (Chapter 6) of this research study. Chapter 5 commences with a definition of marketing research and briefly examines the importance thereof. Thereafter, each stage of the marketing research process is discussed and insight into the practical execution of each stage is provided. Figure 5.1 provides a depiction of the main sections included in this chapter.

Figure 5.1: Chapter outline



Source: Researcher's own construct.

5.2 MARKETING RESEARCH DEFINED

This section commences by examining various definitions of marketing research and then proposes a definition of marketing research for the purpose of this research study. This is followed by a discussion pertaining to the importance of marketing research.

5.2.1 Defining marketing research

Table 5.1 provides various definitions of marketing research.

Table 5.1: Marketing research definitions

Definition	Authors
“Marketing research is the process of designing, gathering, analysing, and reporting information that may be used to solve a specific marketing problem.”	Burns and Bush (2014:34)
“Marketing research is the functions that link the consumer, customer, and public to the marketer through information used to identify and define marketing opportunities and problems, generate, refine, and evaluate marketing actions, monitor marketing performance, and improve the understanding of marketing as a process.”	AMA (2012)
“Marketing research is the application of the scientific method in searching for the truth about marketing phenomena. These include defining marketing opportunities and problems, generating and evaluating marketing ideas, monitoring performance, and understanding the marketing process.”	Zikmund and Babin (2012:5)
“Marketing research is the systematic and objective collection, analysis and interpretation of information for decision-making on marketing problems of all kinds by recognised, scientific methods.”	Tustin <i>et al.</i> (2005:7)

From the definitions presented in Table 5.1 the following observations can be made:

- Marketing research involves the systematic and objective collection, searching or gathering of information.
- In addition, marketing research implicates to analyse, generate, refine or evaluate information.
- Marketing research is the process that involves the interpretation or reporting of information by means of scientific methods.
- Furthermore, marketing research is done to solve specific marketing opportunities or problems.

Based upon these observations, the following definition for marketing research is formulated for the purpose of this research study:

Marketing research definition
Marketing research is the process of planning, collecting, evaluating, and reporting information by means of scientific methods in order to solve a specific marketing problem.

5.3 IMPORTANCE OF MARKETING RESEARCH

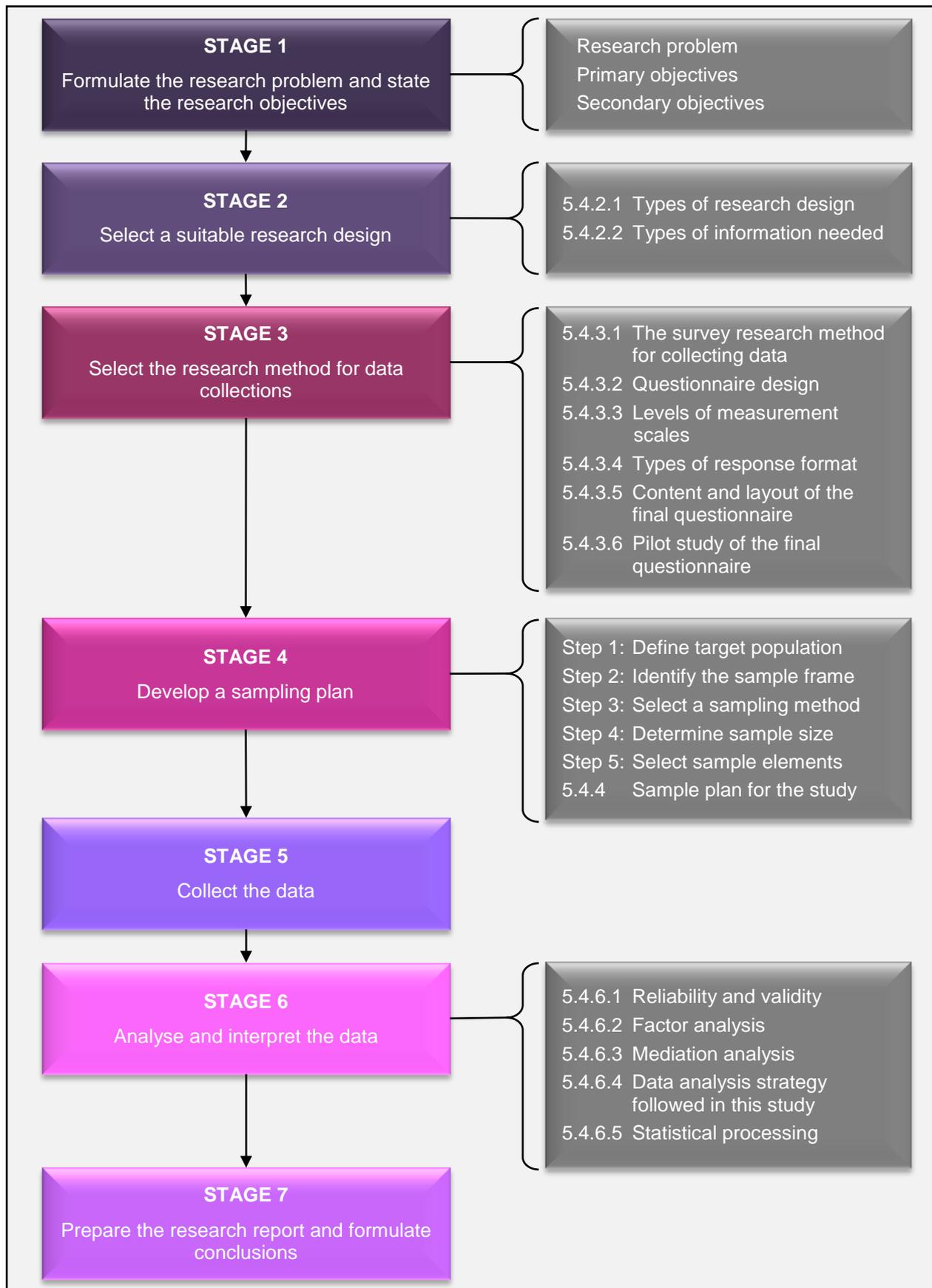
The purpose of marketing research is to link the consumer, the customer and the public to the retailer by means of gathered information, which in turn can be used for marketing decision-making (Proctor, 2005:4). This gathered information is used to assist the retailer to define and distinguish retailing opportunities or threats, to respond, and also to monitor their performance (Zikmund & Babin, 2012:12; Proctor, 2005:4). Furthermore, McDaniel and Gates (2013:5) recommend that marketing research information allows retailers to gain an understanding of what customers perceive as important, which is central to develop customer satisfaction. Wiid and Diggins (2009:2) emphasise that marketing research information is vital for retailers attempting to keep abreast of an increasingly changing external environment. As a result, marketing research can provide retailers with a competitive advantage (Burns & Bush, 2014:35, 36).

5.4 MARKETING RESEARCH PROCESS

Shiu *et al.* (2009:46) describe the marketing research process as systematic stages of gathering, analysing, interpreting and transforming data structures and results into marketing decision-making information. These stages furthermore outline the tasks that need to be accomplished when undertaking a marketing research study (Malhotra & Peterson, 2006:9). The stages of the marketing research process are also interconnected. The complexity of the research problem will, however, determine the stages involved, and in which order these stages will be executed (Hair *et al.*, 2000:32).

For the purpose of this research study, the marketing research process consists of seven stages, illustrated in Figure 5.2 which also provides a detailed depiction of the main sections included in this chapter.

Figure 5.2: The marketing research process



Source: Adapted from McDaniel and Gates (2013:42) and Wiid and Diggins (2009:32).

5.4.1 Stage 1: Formulate the research problem and state the research objectives

The first step in the marketing research process is to formulate the research problem. This is an important stage in the marketing research process as it indicates the purpose of this research study and provides the necessary direction to conduct research (Malhotra & Peterson, 2006:33). The research problem identifies the information needed in order to solve it, as well as how that information can be obtained and be carefully and accurately examined (Tustin *et al.*, 2005:78). Welman *et al.* (2005:13) declare that the research problem can only be defined when the research objectives are stated in terms of the precise information necessary to address the research problem. Tustin *et al.* (2005:80) agree and add that the research problem must be narrowly defined and research-specific. This is done by indicating specific areas or gaps that entail further investigation (Iacobucci & Churchill, 2010:29). The researcher identified gaps in the theoretical background as well as opportunities in the fashion retail industry pertaining to store atmosphere (Chapter 1, Section 1.2; Section 1.3). Commencing from this, the research problem of this research study is identified and discussed in Chapter 1 (Section 1.5). Accordingly, Table 5.2 highlights the research problem of this research study, followed by a brief explanation.

Table 5.2: Research problem of this research study

Research problem
<p>Marketers face the challenge to create customer satisfaction, build store loyalty, and stimulate repurchase intentions in the competitive fashion retail industry where customers can choose between alternative retailers offering similar merchandise. Customers to whom fashion is important, have certain needs and wants regarding specific retail experiences. As a result, customers are becoming increasingly more sophisticated and individualistic, and therefore turn to small, speciality retailers such as boutiques, which can accommodate these customers by providing them with specific and individual retail experiences. In order for boutiques to survive in the South African fashion retail industry, they need to accommodate customers' specific retail experience needs. Therefore, it is important for boutiques to be aware of their store atmosphere which can possibly offer customers a satisfying, consistent and sound retail experience. Store atmosphere is also considered a noteworthy marketing tool in this research study, given that it could possibly provide boutique marketers the ability to influence customer satisfaction, store loyalty and repurchase intention.</p>

As can be seen from the above-mentioned research problem in Table 5.2, this research study specifically focuses on store atmosphere as a second-order construct model comprised of four sub-dimensions (factors), namely the retail store exterior, interior, layout and design and point-of-purchase and décoration which customers experience at the boutique they indicated as the one they bought items from most recently, selected from a list of pre-identified boutiques in order to determine the interrelationships between these sub-dimensions (factors), customer satisfaction, store loyalty and repurchase intention. Therefore, the **primary objective** of this

research study is to investigate the influence of boutique store atmosphere on customer satisfaction, store loyalty and repurchase intention (Chapter 1, Section 1.6.1) The primary objective is supported by the following **secondary objectives** (Chapter 1, Section 1.6.2):

1. To theoretically investigate:
 - a) the nature of the South African fashion retail industry.
 - b) store atmosphere, more specifically its sub-dimensions (factors) and elements.
 - c) an overview of consumer behaviour.
 - d) an overview of the other main constructs of this research study, namely, customer satisfaction, store loyalty and repurchase intention.
 - e) the interrelationship between the constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention.
2. To develop a sample profile of boutique customers who participated in this research study.
3. To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently.
4. To measure the level of customer satisfaction of respondents towards a boutique they have bought items from most recently.
5. To measure the level of store loyalty of respondents towards a boutique they have bought items from most recently.
6. To measure the level of repurchase intention of respondents towards a boutique they have bought items from most recently.
7. To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention.

5.4.2 Stage 2: Select a suitable research design

Once the research problem and objectives have been formulated, it is important to identify which type of research design is required to achieve the objectives of the research study (Wiid & Diggines, 2009:53). The research design is described as a basic outline or structure for undertaking the research study and solving the research problem (Iacobucci & Churchill, 2010:58). The research design ensures that a detailed plan and structure of the research study are provided in order to increase the ultimate validity of the empirical research findings and results (Wiid & Diggines, 2009:33). Iacobucci and Churchill (2010:58-59) advocate that a proper

research design guides the research study in attaining the set objectives. The various types of research designs and information needed are subsequently discussed.

5.4.2.1 Types of research designs

The three general types of research design include descriptive research, exploratory research and causal research (Iacobucci & Churchill, 2010:58-59). These three research designs differ considerably with respect to the purpose of the research study, as well as the data collection methods used (Aaker *et al.*, 2013:74-75). Selecting the correct research design depends on the information available pertaining to the research problem, as well as the research objectives (Burns & Bush, 2014:74). Each type of research design is subsequently discussed:

- **Exploratory research design.** Burns and Bush (2014:101) profess that exploratory research aims to investigate a relatively unknown situation with a view to gain background information, define terms and clarify research problems and hypotheses. Exploratory research is unstructured (Shiu *et al.*, 2009:61) and generally has no formal set of objectives, sample plan or does not make use of a questionnaire (Burns & Bush, 2014:101). Furthermore, Zikmund and Babin (2012:42) highlight that exploratory research provides an understanding of the basic research problem, rather than conclusions and accurate results. Moreover, researchers are observant to new insights and ideas as they proceed. An exploratory approach may cause the focus of the research to change frequently, as new insights are discovered while the research process occurs (Iacobucci & Churchill, 2010:58).
- **Descriptive research design.** Aaker *et al.* (2013:74-75) and Malhotra (2010:106) propose that the purpose of descriptive research is primarily to accurately describe a phenomenon or area of research – normally market functions or characteristics. Furthermore, descriptive research is used to identify relationships between variables by showing that two variables are associated or related. Descriptive research is also used to determine whether differences between groups exist (Aaker *et al.*, 2013:75; Hair *et al.*, 2013:108). Descriptive research uses problem-solving analysis to describe market segments, as well as determine the reasons relating to customers' emotional state and beliefs with regard to competing merchandise. This type of research usually involves the use of surveys.
- **Causal research design.** Zikmund and Babin (2012:53-54) state that causal research aims to illustrate that one variable causes or determines the value of other variables. That is, the cause-and-effect or causal relationship between the dependent and independent variables is determined (Tustin *et al.*, 2005:87). It is, however, necessary to have

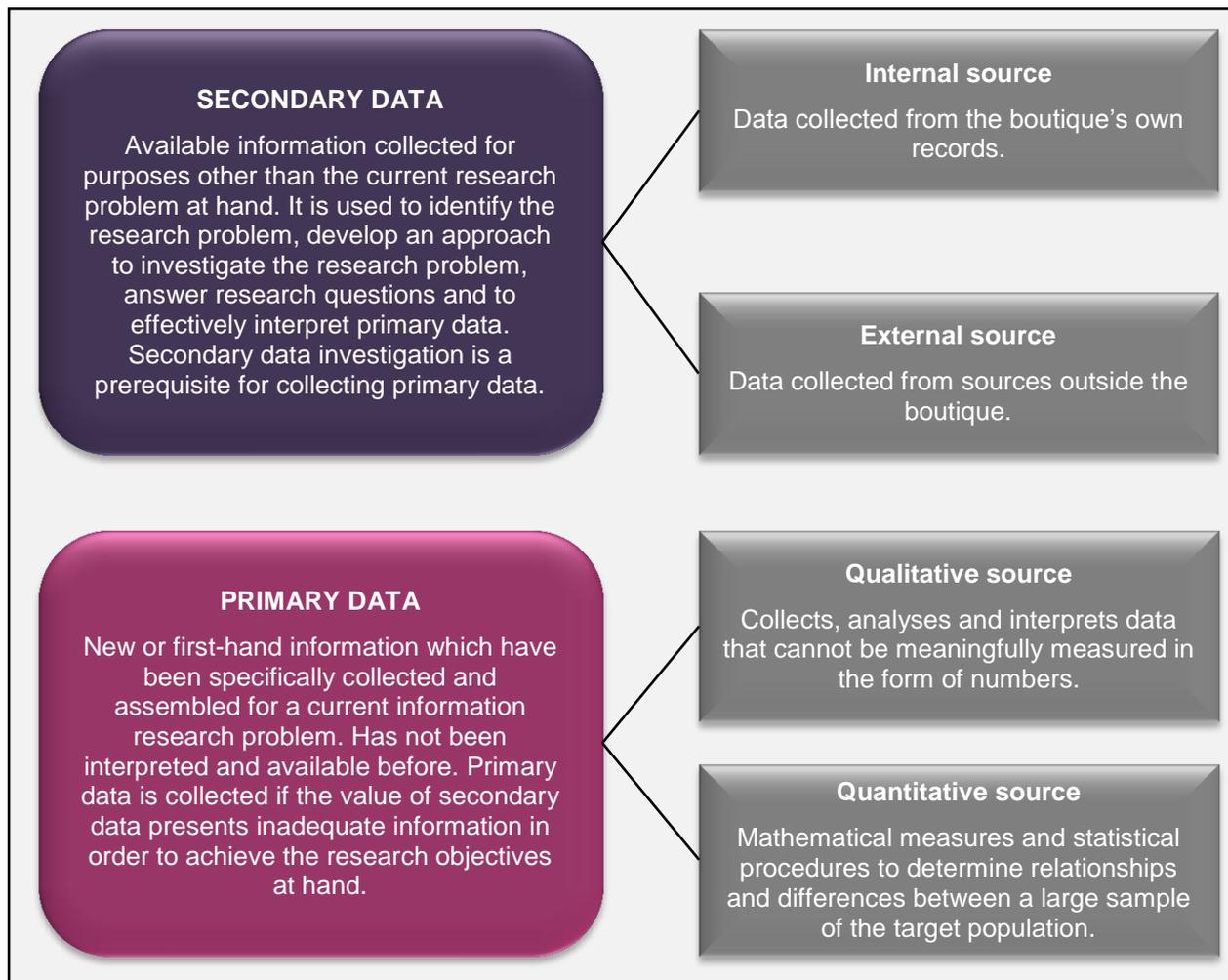
reasonable evidence that one variable preceded the other, and that no intervening factors were responsible for the relationship of the variables (Zikmund & Babin, 2012:53-54). Burns and Bush (2014:107) add that experiments determine cause-and-effect relationships. Malhotra *et al.* (2012:97), however, declare that experiential variables are only manipulated if controlled by the researcher in order to observe the matching changes in the proposed effect.

For the purpose of this research study, a descriptive research design is appropriate to measure the interrelationships between the constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention of customers amongst boutiques within the South African fashion retail industry. It is evident from the above-mentioned that structured and preplanned research should be undertaken for the purpose of this research study (Malhotra, 2010:106) and that this research study aims to investigate boutique store atmosphere and reveal customer satisfaction, store loyalty and repurchase intention. Furthermore, this research study makes use of the descriptive research design as this will enable the researcher to obtain a more complete understanding of the current industry situation, draw conclusions from the main findings, and make future recommendations by answering the “who, what, when, where and how” questions (Feinberg *et al.*, 2013:57). Surveying females, 18 years and older (who) in Potchefstroom and Klerksdorp (where) who have bought items most recently from the list of pre-identified retailers – boutique (what) – during the past six months (when) with an average monthly household net income of more than R14 000 (how).

5.4.2.2 Types of information needed

The researcher should furthermore identify and specify the required information in order to provide the necessary data for the selection of the research design (Malhotra & Peterson, 2006:84). Henceforth, the researcher must decide how and where the data can be obtained (Struwig & Stead, 2007:41). Parasuraman *et al.* (2007:34) add that the simplicity or difficulty of obtaining the data depends on the nature of the information required. In order to obtain the data, the researcher distinguished between two types of data, namely secondary data and primary data, each with various sources (Malhotra, 2010:132). These types of data are briefly depicted in Figure 5.3, followed by a brief explanation regarding the types of data used for this research study.

Figure 5.3: Types of data



Source: Adapted from Iacobucci and Churchill (2010:142), Zikmund and Babin (2012:163) and Malhotra (2010:133).

Primary data and quantitative research are normally used in a descriptive research design, as the research methods of data collection associated with this type of research design are structured and quantitative in nature (Tustin *et al.*, 2005:86). **For the purpose of this research study**, secondary data was collected to conduct the theoretical background to this research study (Chapter 1, Section 1.3), to assist in formulating the research problem statement (Chapter 1, Section 1.5), research objectives, alternative hypotheses and proposed theoretical model (Chapter 1, Section, 1.6), and to provide the theoretical background (Chapters 2 and 3) for this research study. The secondary data is based upon information acquired from NEXUS databases, SA ePublications, EBSCOhost international journals, ScienceDirect international journals, Internet and online scientific search engines (Google Scholar) and SAMEDIA scientific books and catalogues. Primary data was furthermore collected by means of surveys (questionnaire) to achieve the research objectives of this research study.

5.4.3 Stage 3: Select the research method for data collection

After a suitable research design has been selected, the next stage is to choose a research method to gather data (McDaniel & Gates, 2013:44). The two basic methods to collect quantitative, primary data in a descriptive research design are through observation and surveys research methods (Malhotra, 2010:210). The observation research method entails recording respondents' behaviour or actions while avoiding direct contact with them (McDaniel & Gates, 2013:44). The survey research method involves a structured questionnaire which is designed to draw specific information from respondents in a sample population (Malhotra, 2010:211). Survey research methods often include asking respondents structured verbal or written questions regarding what they feel, think or do, rather than observing their actions or behavioural patterns (Malhotra, 2010:211; Shiu *et al.*, 2009:226).

For the purpose of this research study, a survey research method was used to collect quantitative data from large groups of individuals. In order to gather information regarding respondents' behaviour and determine the interrelationship between the constructs of this research study, the following section provides a discussion regarding the survey research method used for this research study.

5.4.3.1 The survey research method

The survey research method entails the collection of data from a large sample of respondents by means of structured questionnaires (Shiu *et al.*, 2009:226; Cant *et al.*, 2008:89). The questionnaire is designed to obtain specific information from respondents (Bush & Burns, 2014:172). Such information is normally collected from respondents by completing a question-and-answer format questionnaire, answered verbally or in written form (Malhotra *et al.*, 2012:452) and the responses are recorded in a structured manner (Cant *et al.*, 2008:89). Wiid and Diggins (2009:108) emphasise that the survey research method involves interviewer-respondent interaction that enables all the required information to be obtained. In addition, Malhotra (2010:211) opines that the survey research method includes several advantages namely:

- The questionnaire is easily managed.
- The data collected is reliable since the options provided for response are limited.
- The use of fixed and structured response questions decreases the inconsistency in results caused by different interviewers.
- The coding, analysis and interpretation of the data collected are easier.

Three distinct categories of the survey research methods exist based upon the mode of administration namely, personal-administered surveys, telephone-administered surveys and self-administered surveys (Wiid & Diggines, 2009:112). Personal-administered surveys involve face-to-face contact between a trained interviewer and the respondents. Telephone-administered surveys involve the exchange of a question-and-answer interview conducted over the telephone with a sample of respondents (Shiu *et al.*, 2009:238). A self-administered survey is defined as a method in which a structured questionnaire is completed by respondents in the absence of a trained interviewer (Mitchell & Jolley, 2010:263).

For the purpose of this research study, a self-administered survey research method was applied to collect data. This survey research method was selected because it is suitable for the collection of required data from large groups of respondents in order to eliminate interviewer bias and to achieve targeted quotas (Shiu *et al.*, 2009:226). Zikmund and Babin (2012:223) indicate that self-administered surveys are less expensive than interviews. Respondents, however, are responsible for reading and answering the questions, which means that their responses greatly depend on the respondents' clarity and comprehension regarding the written words (McDaniel & Gates, 2013:44). Self-administered research method were furthermore used to obtain a lower cost per survey (Shiu *et al.*, 2009:247), guarantee comparability of the data, accuracy and speed of recording data, and it ultimately facilitates data analysis and processing (Malhotra, 2010:334; Kent, 2007:152). This type of method for collecting data has a substantial influence on the questionnaire design, which is used to collect the data required from respondents (Malhotra & Peterson, 2006:290). The following section provides a brief explanation regarding the questionnaire design of this research study.

5.4.3.2 Questionnaire design

A questionnaire refers to a formal structure comprising of a set of questions and scales aimed to obtain primary data from respondents, necessary to achieve research objectives (Aaker *et al.*, 2013:233; McDaniel & Gates, 2013:299). Therefore, the purpose of a questionnaire is to design questions in such a way that respondents can and will answer, motivate respondents' involvement with the research study, and decrease response error (Malhotra, 2010:299).

Proctor (2005:193) suggests that substantial thought is therefore required in the process of designing a questionnaire. The designing process of a questionnaire entails taking established sets of measurement scales and structuring them into a complete instrument in order to communicate with and collect raw data from respondents (Shiu *et al.*, 2009:440). Furthermore, Aaker *et al.* (2013:239) highlight that the researcher should carefully formulate the wording and order of questions in the questionnaire to obtain the required information. In addition, the

authors suggest that the researcher should also configure the layout of the questionnaire, test the questionnaire for insignificances or errors, and correct the apparent problems. Therefore, the questionnaire designed for this research study was short with clear statements to obtain question clarity (McDaniel & Gates, 2013:293). With a view to construct and examine the clarity of the words used in the self-administered questionnaire the researcher executed a pilot study to test the questionnaire in advance (Section 5.4.3.6)

For the purpose of this research study, the questionnaire was developed by considering the secondary data needs of this research study and by considering existing measurement scales measuring the key constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention.

The following section describes the levels of measurement scales contained in the questionnaire, followed by the type of response format used, the layout of the final questionnaire, the pilot study used to test the questionnaire followed by Table 5.6 which presents the changes made to the questionnaire in response to the pilot study as well as the content of the final questionnaire.

5.4.3.3 Levels of measurement scales

It is essential to briefly consider the levels of measurement scales contained in the questionnaire to measure constructs in marketing research. Four levels of measurement scales are used in order to produce the preferred information for a research study (McDaniel & Gates, 2013:210) and to determine which statistical analysis methods may be used for the observed data (Burns & Bush, 2014:205). The levels of measurement scales contained in the questionnaire for this research study include nominal, ordinal, interval and ratio scales. These are briefly presented in Table 5.3.

Table 5.3: Levels of measurement scales

Level	Basic description	Example
Nominal	A nominal scale makes use of letters or number to identify or describe objects, individuals, groups or events.	Screening questions 1 and 2 Section A, questions 1, 4 and 5 Section B, questions 1 and 4
Ordinal	An ordinal scale assigns numbers to an object, event or individual in order to determine its relative position without specifying the difference or magnitude between the object, event or individual (this is a pure ranking scale).	Section A, questions 2 and 3 Section B, questions 5 and 6

Table 5.3: Levels of measurement scales (cont.)

Level	Basic description	Example
Interval	An interval scale measures the overall difference between two scale points with equal intervals between consecutive points.	Section C Section D
Ratio	Ratio scales provide the absolute differences between every scale point as well as absolute comparisons between responses obtained, since it contains an absolute zero point.	Section B, questions 2 and 3

Source: Adapted from Burns and Bush (2014:205) and McDaniel and Gates (2013:210).

5.4.3.4 Type of response formats

The type of response format is a vital consideration during questionnaire design since the required information needs to be transformed into appropriate questions by means of measurement scales in order to ensure the best response format (Malhotra & Peterson, 2006:251). Furthermore, the researcher must consider respondents' possible answers or reactions to the questions (Wiid & Diggines, 2009:117). Questions may be open-ended or closed-ended (Proctor, 2005:199). Open-ended questions are unstructured questions to which the respondent answers in her/his own words and are generally used in qualitative interviewing (Babbie, 2013:255). This research study makes use of quantitative research methods and therefore, an excessive use of open-ended questions is not ideal for the purpose of this research study. Closed-ended questions, however, are structured questions that specify the set of response format or alternatives and entail the respondent is compelled to select from a list of answers (McDaniel & Gates, 2013:297). Table 5.4 presents the different response formats of closed-ended questions available to a researcher.

Table 5.4: Response formats

Response formats	
Forms of closed-ended questions	Description
Dichotomous questions	Question with two possible options or answers.
Multiple choice questions	Question with more than two options of answers.

Table 5.4: Response formats (cont.)

Forms of closed-ended questions	Description
Scales	<p>Questions with response options to determine respondents' feeling intensity which is normally measured on an interval or ratio scale. Various response formats exist, namely multi-item scales.</p> <p>Multi-item scales consist of multiple items in which an item represents a single question or statement for evaluation.</p> <ul style="list-style-type: none"> • Unlabelled multi-item Likert-type scale: a statement where the respondent illustrates his/her degree of agreement or disagreement. • Importance scale: a scale that measures the importance of a factor by rating it. • Intention to buy scale: a scale that measures customers' intention to purchase merchandise. • Rating scale: a scale that measures various attributes from poor to excellent. • Semantic differential scale: a scale linking two bipolar words. Respondents select the point of the scale which imitates their opinion.

Source: Adapted from Malhotra (2010:316, 343, 344) and Panda (2007:119).

For the purpose of this research study, the questionnaire consists of closed-ended questions utilising three response formats, namely dichotomous, multiple-choice and unlabelled multi-item Likert scales. The researcher specifically chose closed-ended questions since they are easy to use, appropriate to obtain the required information from respondents, decrease the bias displayed by respondents in answering questions, decrease interviewer bias, and simplify and assist coding and tabulation (Aaker *et al.*, 2013:293; McDaniel & Gates, 2013:297).

5.4.3.5 Layout of the final questionnaire

Once the questions are formulated, the following step is to consider the questionnaire layout (McDaniel & Gates, 2013:244). The questionnaire's physical appearance can influence respondents' willingness to complete the questionnaire (Malhotra, 2010:317). Parasuraman *et al.* (2007:302) support this view and add that the questionnaire's layout concerning the questions, can affect the degree of respondent cooperation and the quality of the data collected. Each section must be logically positioned (McDaniel & Gates, 2013:244) to ensure that respondents understand the questions and that the required data is collected (Cant *et al.*, 2008:156). Table 5.3 provides a summary of the measurement scales contained in the questionnaire.

For the purpose of this research study, the questionnaire layout is subsequently provided in Table 5.5. The questionnaire used in this research study is contained in Appendix A.

Table 5.5: Questionnaire layout

Questionnaire layout	Description
Preface	Explains the aim of this research study and the rights of respondents who participate in this research study.
Screening questions Questions 1 and 2	Ensure that all respondents who participate in this research study bought items from any one of the list of pre-identified boutiques during the past six months and that they all earned a net monthly household income of more than R14 000.
Section A Questions 1 to 5	Determine respondents' demographic information.
Section B Questions 1 to 6	Determine respondents' patronage habits of the boutique they indicated as the one they bought items from most recently, from a list of pre-identified boutiques.
Section C Statements 1 to 36	Determine respondents' perception regarding the store atmosphere of the boutique they bought items from most recently.
Section D Customer satisfaction Statements 1 to 5	Determine respondents' customer satisfaction towards the boutique they bought items from most recently. This section contains five individual statements measuring customer satisfaction.
Store loyalty Statements 6 to 10	Determine respondents' store loyalty towards the boutique they bought items from most recently. This section contains five individual statements measuring store loyalty.
Repurchase intention Statements 11 to 15	Determine respondents' repurchase intention towards the boutique they bought items from most recently. This section contains five individual statements measuring repurchase intention.
Postscript	Consists of a statement thanking respondents for completing the questionnaire.

5.4.3.6 Pilot study of the final questionnaire

A pilot study is defined as a small-scale research study conducted to collect data from respondents (Zikmund & Babin, 2012:61) and examine respondents' reaction to the questionnaire (McDaniel & Gates, 2013:263). A pilot study is important since it tests the feasibility and understanding of the questions amongst respondents (Cant *et al.*, 2008:156). A pilot study also assists in identifying possible problem areas in the questionnaire (Cant *et al.*, 2008:156). Executing the pilot study is normally undertaken amongst a limited number of respondents (Parasuraman *et al.*, 2007:303).

For the purpose of this research study, a pilot study was conducted amongst 30 respondents from the target population. The question content, form and layout, sequence, wording, question difficulty and instructions for each section were tested by letting respondents taking part in the pilot study complete the self-administered questionnaire. Face-to-face interviews were conducted by the researcher with these respondents after they had completed the questionnaire (Malhotra, 2010:354). This made it easy to identify problem areas and topics of confusion in the questionnaire. As a result, the following changes, as presented in Table 5.6, were made to the final questionnaire. The pilot questionnaire used in this study is included in Appendix B.

Table 5.6: Changes made to the questionnaire

Section	Initial question	Final question
Screening question Question 1	Have you bought items from the boutique you have just exited during the past six months?	Have you bought items from any ONE of the boutiques listed below during the past six months?
Section A Question 3		Added the “some primary school” and “postgraduate degree” options to the question determining respondents’ highest level of education.
Section B Question 1		Added the question “At which ONE of the following boutiques have you bought items most recently?” to the question determining the various boutiques respondents have bought items from most recently.
Section B Question 3	What is the average amount you spend per month when shopping at <u>this boutique?</u>	“What is the average amount you spend per month when shopping at <u>the boutique</u> you have indicated above as the one you have bought items from most recently?”
Section B Question 4		Added the “home accessories” option to the question determining the items respondents normally buy from boutiques.
Section C Statement 3	The window displays of the boutique are artful.	The window displays of the boutique are attractive.
Section C Statement 15	The music in the boutique is appropriate.	The background music in the boutique is acceptable.
Section C Statement 19	The ceiling of the boutique is visually appealing	Removed this statement
Section C Statement 27	The waiting areas in the boutique are comfortable.	The sitting / waiting areas in the boutique are comfortable.

5.4.3.7 Content of the final questionnaire

Subsequently the content of the final questionnaire is provided and briefly discussed.

(a) Preface

The preface of the questionnaire explains that the aim of the study is to obtain feedback regarding respondents' opinions of the boutique's atmosphere, satisfaction, store loyalty and repurchase intention. The preface ensures respondents that the survey is voluntary and anonymous. Furthermore, it states that the questionnaire consists of four sections, should not take more than 15 minutes, and also explains how respondents should complete the questionnaire. It concludes with a "Thank you for taking the time to complete this questionnaire" and provides the researcher's contact details.

(b) Screening questions

The questionnaire contains two screening questions. The screening questions ensure that all respondents who participated in this research study bought items most recently from one of the list of pre-identified boutiques during the past six months and earn a net monthly household income of more than R14 000 in order to determine the interrelationship between the factors, customer satisfaction, store loyalty and repurchase intention. Table 5.7 presents the screening questions included in the questionnaire with the chosen response formats, levels of measurement scales contained in the questionnaire, and the sources of the questions.

Table 5.7: Screening questions

Number	Question	Response format	Level of measurement scale	Source
1	Have you bought items from any ONE of the boutiques listed below during the past six months?	Dichotomous	Nominal	Self-generated
2	Is your average net monthly household income more than R14 000?	Dichotomous	Nominal	Self-generated based upon income statistics obtained from Bizcommunity (2012:1)

(c) Section A – Demographic information

The purpose of section A is to determine a sample profile of respondents who participated in this research study with respect to their gender, age, education, home

language and employment status. Table 5.8 summarises section A of the questionnaire with the chosen response formats, levels of measurement scales contained in the questionnaire and the sources of the questions.

Table 5.8: Section A – Demographic information

Number	Question	Response format	Level of measurement scale	Source
1	What is your gender?	Dichotomous	Nominal	Self-generated
2	How old are you?	Multiple-choice	Ordinal	Self-generated
3	What is your highest level of education?	Multiple-choice	Ordinal	Self-generated
4	What is your home language?	Multiple-choice	Nominal	Self-generated
5	What is your employment status?	Multiple-choice	Nominal	Self-generated

(d) Section B – Patronage habits

The purpose of section B is to determine respondents' boutique patronage habits considering the boutique respondents indicated as the one at which they have bought items from most recently. Section B consisted of six questions. Table 5.9 summarises the questions included in section B of the questionnaire with the chosen response formats, levels of measurement scales contained in the questionnaire and the sources of the questions.

Table 5.9: Section B – Patronage habits

Number	Question	Response format	Level of measurement scale	Source
1	At which ONE of the following boutiques have you bought items most recently?	Multiple-choice	Nominal	Self-generated
2	What is the average amount you spend per month when shopping at boutiques?	Likert-scale	Ratio scale	Self-generated

Table 5.9: Section B – Patronage habits (cont.)

Number	Question	Response format	Level of measurement scale	Source
3	What is the average amount you spend per month when shopping at the boutique you have indicated above as the one you have bought items from most recently?	Likert-scale	Ratio scale	Self-generated
4	What items do you normally buy from boutiques (you may select more than one)?	Multiple-choice	Nominal	Self-generated
5	How often do you shop from items at boutiques in general?	Multiple-choice	Ordinal	Self-generated
6	How often do you shop for items at the boutique you have indicated above as the one you have bought items from most recently?	Multiple-choice	Ordinal	Self-generated

(e) Section C – Perceived store atmosphere

The purpose of section C is to measure the perceived store atmosphere respondents hold towards the boutique they indicated as the one they bought items from most recently (from the list of pre-identified boutiques). The section aims to measure store atmosphere as a second-order construct, comprised of four sub-dimensions (factors), namely the store exterior, interior, layout and design, and point of purchase and décor which customers experience at the boutique they indicated as the one they bought items from most recently, selected from a list of pre-identified boutiques in order to determine the interrelationships between these sub-dimensions (factors), customers satisfaction, store loyalty and repurchase intentions. A total of 36 statements regarding the boutique store atmosphere are included in the questionnaire. All statements are measured on a five-point unlabelled multi-item Likert-type scale, where 1 = strongly disagree and 5 = strongly agree. Table 5.10 presents the statements used in section C of the questionnaire with the chosen response formats, levels of measurement scales contained in the questionnaire and sources of the statements.

Table 5.10: Section C – Store atmosphere

Number	Statement	Response format	Level of measurement scale	Source(s)
Exterior				
1	The exterior of the boutique has eye-catching signs	Likert-scale	Interval	Adapted from Spies <i>et al.</i> (1997:10)
2	The entrance to the boutique is inviting	Likert-scale	Interval	Adapted from Countryman and Jang (2006:538)
3	The window displays of the boutique are attractive	Likert-scale	Interval	Adapted from Countryman and Jang (2006:538)
4	The colour of the building is welcoming	Likert-scale	Interval	Adapted from Ballantine <i>et al.</i> (2010:645)
5	There is a variety of alluring stores located near the boutique	Likert-scale	Interval	Adapted from Spies <i>et al.</i> (1997:10)
6	The boutique is located in an attractive surrounding	Likert-scale	Interval	Adapted from Berman and Evans (2013:491)
7	The location of the boutique is convenient	Likert-scale	Interval	Adapted from Lee <i>et al.</i> (2008:59)
8	The architectural style of the boutique is attractive	Likert-scale	Interval	Adapted from Berman and Evans (2013:491)
9	The area surrounding the boutique is to my liking	Likert-scale	Interval	Adapted from Kim and Jin (2001:239, 241)
10	The boutique has good parking facilities	Likert-scale	Interval	Lee <i>et al.</i> (2008:59), Kim and Jin (2001:239, 241)
Interior				
11	The floor of the boutique directs the movement in a sensible manner	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20), Ballantine <i>et al.</i> (2010:645)
12	The flooring of the boutique is visually appealing	Likert-scale	Interval	Adapted from Berman and Evans (2013:495), Lusch <i>et al.</i> (2011:505)
13	The boutique has a pleasant colour scheme	Likert-scale	Interval	Adapted from Ballantine <i>et al.</i> (2010:645)
14	The lighting in the boutique creates an atmosphere one would expect from a boutique	Likert-scale	Interval	Adapted from Namkung and Jang (2008:149)

Table 5.10: Section C – Store atmosphere (cont.)

Number	Statement	Response format	Level of measurement scale	Source(s)
15	The background music in the boutique is acceptable	Likert-scale	Interval	Adapted from Ha and Jang (2010:524), Namkung and Jang (2008:149)
16	The smell in the boutique is pleasing	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20)
17	The layout of the boutique works well	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20)
18	The walls in the boutique are visually appealing	Likert-scale	Interval	Adapted from Namkung and Jang (2008:149)
19	The merchandise in the boutique is well displayed	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20)
20	The temperature in the boutique is comfortable	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20), Kim and Jin (2001:241)
21	The interior of the boutique is clean	Likert-scale	Interval	Adapted from Ryu <i>et al.</i> (2011:208), Lee <i>et al.</i> (2008:59)
Layout and design				
22	All spaces in the boutique are creatively utilised	Likert-scale	Interval	Adapted from Ryu <i>et al.</i> (2011:208)
23	The layout of the boutique is well designed	Likert-scale	Interval	Adapted from Ha and Jang (2010:524)
24	It is easy to find what I am looking for in the boutique	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20), Ballantine <i>et al.</i> (2010:645)
25	The merchandise in the boutique is well organised	Likert-scale	Interval	Adapted from Baker <i>et al.</i> (2002:125)
26	The checkout and service points in the boutique are well placed	Likert-scale	Interval	Adapted from Baker <i>et al.</i> (2002:125)
27	The sitting / waiting areas in the boutique are comfortable	Likert-scale	Interval	Adapted from Jiang and Liu (2014:20), Countryman and Jang (2006:538)
28	The fitting rooms are what one would expect from a boutique	Likert-scale	Interval	Adapted from Countryman and Jang (2006:538)

Table 5.10: Section C – Store atmosphere (cont.)

Number	Statement	Response format	Level of measurement scale	Source(s)
29	The clothing racks, shelves and display cases in the boutique are well arranged	Likert-scale	Interval	Adapted from Jang and Namkung (2008:149), Koo (2003:45)
30	The boutique is not overcrowded	Likert-scale	Interval	Adapted from Kim and Jin (2001:75)
31	The furnishings in the boutique are attractive	Likert-scale	Interval	Adapted from Ha and Jang (2010:524), Countryman and Jang (2006:538)
Point-of-purchase and décoration				
32	The signage inside the boutique is visually appropriate	Likert-scale	Interval	Adapted from Countryman and Jang (2006:538)
33	The wall décorations in the boutique are appealing	Likert-scale	Interval	Adapted from Countryman and Jang (2006:538)
34	The artwork in the boutique is suitable	Likert-scale	Interval	Adapted from Jang <i>et al.</i> (2011:671), Countryman and Jang (2006:538)
35	The merchandise is well displayed	Likert-scale	Interval	Adapted from Jang <i>et al.</i> (2011:671)
36	The pricing of the merchandise in the boutique is clearly visible	Likert-scale	Interval	Adapted from Countryman and Jang (2006:538)

(f) Section D – Customer satisfaction, store loyalty and repurchase intention

The purpose of section D is to measure the level of customer satisfaction, store loyalty and repurchase intention of respondents towards the boutique they indicated as the one they bought items from most recently (from the list of pre-identified boutiques). Section D includes three sections measuring customer satisfaction, store loyalty and repurchase intention of respondents towards the indicated boutique respectively. All statements were measured on a five-point unlabelled multi-item Likert-type scale where 1 = strongly disagree and 5 = strongly agree. Table 5.11 summarises the statements used in section D of the questionnaire with the chosen response formats, levels of measurement scales contained in the questionnaire and the sources of the statements.

Table 5.11: Section D – Customer satisfaction, store loyalty and repurchase intention

Number	Statement	Response format	Level of measurement scale	Source(s)
Customer satisfaction				
1	I am satisfied with my decision to shop at this boutique	Likert-scale	Interval	Adopted from Lee <i>et al.</i> (2008:59), Dagger and Sweeney (2006:11)
2	I feel I did the right thing to shop at this boutique	Likert-scale	Interval	Adopted from Ryu <i>et al.</i> (2011:208), Ha and Jang (2010:524), Lee <i>et al.</i> (2008:59)
3	My choice to shop at this boutique was a wise one	Likert-scale	Interval	Adopted from Huang <i>et al.</i> (2014:112), Koo (2003:45)
4	I am confident to shop at this boutique	Likert-scale	Interval	Adopted from Ryu <i>et al.</i> (2011:208), Lee <i>et al.</i> (2008:59)
5	I have truly enjoyed shopping at this boutique	Likert-scale	Interval	Adopted from Huang <i>et al.</i> (2014:112), Ha and Jang (2010:524)
Store loyalty				
6	I consider myself a loyal customer to this boutique	Likert-scale	Interval	Adopted from Balabanis <i>et al.</i> (2006:218)
7	I am willing to make an effort to shop at this boutique	Likert-scale	Interval	Adopted from Dagger and Sweeney (2006:11), Koo (2003:45)
8	I am committed to this boutique	Likert-scale	Interval	Adopted from Dagger and Sweeney (2006:11), Koo (2003:45)
9	I would recommend this boutique to my friends and family	Likert-scale	Interval	Adopted from Jang <i>et al.</i> (2011:671), Ha and Jang (2010:524)
10	I would say positive things about this boutique to others	Likert-scale	Interval	Adopted from Jiang and Liu (2014:20), Jang <i>et al.</i> (2011:671)
Repurchase intention				
11	I intend to purchase from this boutique again in the near future	Likert-scale	Interval	Adopted from Huang <i>et al.</i> (2014:114); Ha and Jang (2010:524)
12	I intend to return to this boutique	Likert-scale	Interval	Adopted from Dagger and Sweeney (2006:11); Koo (2003:45)

Table 5.11: Section D – Customer satisfaction, store loyalty and repurchase intention (cont.)

Number	Statement	Response format	Level of measurement scale	Source(s)
13	I would consider purchasing again from this boutique	Likert-scale	Interval	Adopted from Jang <i>et al.</i> (2011:671); Koo (2003:45)
14	I like the idea of purchasing at this boutique	Likert-scale	Interval	Adopted from Koo (2003:45)
15	Whenever possible, I would purchase at this boutique	Likert-scale	Interval	Adopted from Huang <i>et al.</i> (2014:114); Koo (2003:45)

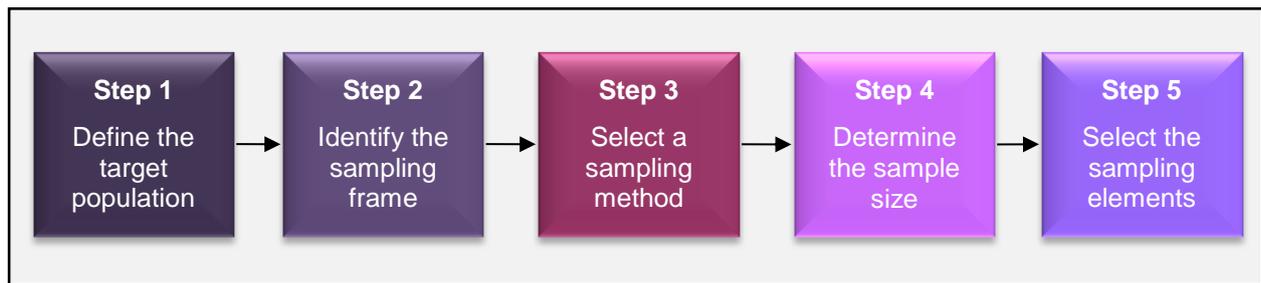
(g) Postscript

Finally, the questionnaire concludes with the postscript comprising of “Thank you for taking the time to complete this questionnaire” statement. This conveys the gratitude of the researcher towards those respondents who took the time and made the effort to complete the questionnaire.

5.4.4 Stage 4: Develop a sampling plan

After selecting the research method for collecting the data, the next step in the marketing research process entails developing a sample plan in order to draw the sample necessary to select respondents to take part in the research study (Parasuraman *et al.*, 2007:37). The main objective for conducting a research study is to obtain information regarding the parameters of the population (Zikmund & Babin, 2012:63). This is done by utilising a sample from the population in order to make conclusions based on observed data regarding the entire population (Zikmund & Babin, 2012:63). A sample is defined as a subset of all members in the population (McDaniel & Gates, 2013:357). Zikmund and Babin (2012:58) add that the population is known as any group that, in its total, shares related behavioural or preferential characteristics. A sampling plan is used as an attempt to ensure that the observed data is a representative of the population which the researcher aims to target. The process to develop a sampling plan involves five steps. These steps are illustrated in Figure 5.4 and subsequently discussed.

Figure 5.4: Developing a sampling plan



Source: Adapted from McDaniel and Gates (2013:328) and Malhotra (2010:336).

5.4.4.1 Step 1: Define the target population

Before the population is defined, Shiu *et al.* (2009:450) explain that the researcher seeks information from a population which is defined in terms of elements and sampling units (Malhotra, 2010:336). An element (respondents) is defined as the subjects who are of interest to the researcher and from whom the researcher will obtain usable information (Malhotra, 2010:336). The sampling unit refers to the object that contains the various population elements (respondents) (Malhotra, 2010:336) (Table 5.15). The first step when drawing a sample of elements (respondents) from the sampling unit is to define the target population. Henn *et al.* (2009:153) describe the target population as an entire set of possible respondents with a common set of characteristics determined by the problem statement from which inferences can be drawn for the research study. A target population which is clearly defined will facilitate the identification of an accurate sample for collecting data (Shiu *et al.*, 2009:485).

For the purpose of this research study, the target population includes females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) (Bizcommunity, 2012:1) who have bought items most recently from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months.

5.4.4.2 Step 2: Identify the sampling frame

After defining the target population, a sampling frame is typically identified which includes a list of all possible sampling units (Shiu *et al.*, 2009:451). Burns and Bush (2014:240) describe the sampling frame as the main list consisting of sampling units which contains the target population elements (respondents). It is this listing of the target population elements (respondents) from which the sample units are identified (Parasuraman *et al.*, 2007:333). It is, however, important to note that difficulty may arise in obtaining accurate, existing and descriptive sampling frames.

Accordingly, no sampling frame is perfect (Shiu *et al.*, 2009:452; Proctor, 2005:110). Malhotra and Peterson (2006:327) stress that in some cases, the inconsistency between the target population elements (respondents) and the sampling frame is small enough to ignore. Yet, it is important to identify and address the sampling frame error in most cases. Tustin *et al.* (2005:78) describe the sampling frame error as the degree to which the sampling frame fails to describe the entire population. Malhotra (2010:373) recommend that one way to account for the sampling frame error is appropriate screening questions. Thereby excluding the inappropriate sampling units that the sampling frame contains (Malhotra, 2010:373). Since a comprehensive list of boutiques in the North-West Province area of South Africa could not be obtained, a suitable sampling frame was not available for this research study.

5.4.4.3 Step 3: Select a sampling method

The following step in developing a sampling plan is to select a suitable sampling method. McDaniel and Gates (2013:282) declare that the sampling method depends on the research study objectives, the availability of financial resources, and the nature of the research problem. Iacobucci and Churchill (2010:285) propound that a sampling method is broadly classified and described as either probability sampling or non-probability sampling. Furthermore, a researcher has a variety of probability and non-probability sampling methods to choose from (Wiid & Diggins, 2009:199). Each method is briefly discussed next.

(a) Probability sampling

Probability sampling involves an objective procedure in which all the sampling elements (respondents) have an identical probability of being included into the sample (Aaker *et al.*, 2013:360; Malhotra, 2010:341; Proctor, 2005:111). However, probability sampling methods entail an accurate definition of the target population and the existence of a sampling frame before it can be utilised (Malhotra, 2010:340). Subsequently, Table 5.12 presents the various probability sampling methods.

Table 5.12: Probability sampling methods

Sampling methods	Description
Simple random sampling	Each population element has an equal and known probability of being selected as part of the sample.
Systematic sampling	Random selection of a starting point and then elements of the sampling frame are taken at equal predetermined intervals. The sampling interval, (i), is identified by dividing the population size (N) with the sample size (n) and rounding it off to the nearest integer.

Table 5.12: Probability sampling methods (cont.)

Sampling methods	Description
Stratified sampling	The heterogeneous population is divided into homogeneous sub-groups that are mutually exclusive and comprehensive and a sample of elements is independently selected from each sub-group.
Cluster sampling	The population is divided into equally exclusive and collectively complete subgroups and a simple random sample of clusters is selected from each subgroup.

Source: Adapted from Silver *et al.* (2013:155).

(b) Non-probability sampling

Non-probability sampling involves sampling methods where the sample elements (respondents) have an unknown chance of being included in the sample of the selection procedures. The sampling rather depends to a large extent on the personal discretion of the researcher to choose sample elements (Malhotra, 2010:341). Accordingly, there is no way of guaranteeing that the sample is a representation of the target population (McDaniel & Gates, 2013:282). Non-probability sampling can be used if, however, the target population and sampling frame requirements cannot be met (Zikmund & Babin, 2012:312). The non-probability sampling methods are subsequently presented in Table 5.13, followed by a brief explanation of the sampling methods used in this research study.

Table 5.13: Non-probability sampling methods

Sampling methods	Description
Convenience sampling	The sample is drawn from a section of the target population that is readily accessible or available to the researcher.
Judgemental sampling	The researcher selects elements (respondents) according to the researcher's beliefs that they will meet the requirements of the research study.
Quota sampling	The selection of prospective elements (respondents) according to prior specified quotas regarding demographic characteristics, knowledge, attitudes or behaviours. Quota categories normally involve age, gender and occupation.
Snowball sampling	The researcher identifies a set of elements (respondents) who can support the researcher to identify additional respondents (elements) for inclusion in the research study.

Source: Adapted from Silver *et al.* (2013:155).

For the purpose of this research study, a two-stage sampling procedure was followed. The researcher pre-identified twenty boutiques (sampling units) in Potchefstroom (ten boutiques) and Klerksdorp (ten boutiques), using a non-probability judgemental sampling method. Boutiques in these two areas were chosen since they represent a significant share of retail activity within the North-West Province (South African Government Information, 2012:21). Table 5.14 presents the boutiques pre-identified as sampling units based on judgemental sampling.

Table 5.14: Boutiques pre-identified based upon judgement as sampling units

Sampling units	
Just for You (Potchefstroom)	Just for You (Klerksdorp)
Andre’s Boutique (Potchefstroom)	Sweethearts (Klerksdorp)
Leather and Lace (Potchefstroom)	Penny Royal (Klerksdorp)
Ooh-la-la Boutique (Potchefstroom)	MCS Creations (Klerksdorp)
De Winkel (Potchefstroom)	Mario Paddi (Klerksdorp)
Penny Royal (Potchefstroom)	Chinese Boutique (Klerksdorp)
Secret’s Ladies Boutique (Potchefstroom)	Four Seasons Boutique (Klerksdorp)
La Boutique (Potchefstroom)	Rockabella (Klerksdorp)
Bustique Collections (Potchefstroom)	Me-oh-Boutique (Klerksdorp)
Elegant Boutique Suits (Potchefstroom)	Pramor Outfitters (Klerksdorp)

Using the non-probability sampling methods, namely convenience sampling and quota sampling, fieldworkers selected twenty sampling elements (respondents) who complied with the prespecified criteria (screening questions) from each of the pre-identified boutiques (sampling units) to take part in this research study. Therefore, respondents who were in the same place and time as the researcher or fieldworkers in this instance, had the probability of being selected to take part in this research study (Wiid & Diggines, 2009:200).

5.4.4.4 Step 4: Determine the sample size

The fourth step in developing the sample plan entails determining the sample size. Malhotra (2010:374) declares that the sample size denotes the number of sample elements (respondents) comprised in the research study. This is a significant step, since the sample size influences the reliability and validity of the research findings (Cant *et al.*, 2008:177). The size of the sample must be large enough to produce relatively accurate estimates of the population

(Wiid & Diggines, 2009:210). The sample size is often based on the researcher’s individual judgement which in turn is based on elements such as intuition, industry standards, experience, the number of available resources and previous research studies (Wiid & Diggines, 2009:210). The average samples sizes in previous studies influence the sample size, which can also serve as guidelines in non-probability sampling methods (Malhotra, 2010:374). Within non-probability samples, sample size formulas cannot be used and the sample size decision is rather subjective and intuitive since it is based on previous studies and industry standards (Hair *et al.*, 2013:149). This research study can be classified as a problem-solving research by nature, which entails a total number of suitable respondents ranging from 300 to 500 (Malhotra, 2010:375).

For the purpose of this research study, the researcher reviewed similar research studies sample sizes and acquired information necessary in order to decide on a sample size (Table 1.2). Consequently, a sample size of 400 respondents was considered adequate, practical and economical to produce relatively accurate estimates of the target population (Wiid & Diggines, 2009:210).

5.4.4.5 Step 5: Select the sampling elements

The final step in developing the sampling plan requires selecting numerous sampling elements (respondents). **For the purpose of this research study**, females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought items most recently from any one of a number of pre-identified boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months were identified as sampling elements. The focus of this research study was specifically on females only since shopping for clothes in the fashion retail industry forms a significant part of many South African females’ lifestyles (Janse van Noordwyk, 2002:13). Additionally, females are more emotionally involved with purchases (Otnes & McGrath, 2001:114) and they tend to be more aware of the store atmosphere than males (Hoyer *et al.*, 2013:348; Minahan & Beverland, 2005:5). Table 5.15 provides a summary of the sampling plan followed in this research study.

Table 5.15: Sampling plan for this research study

Sampling	Description
Target population	Females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought items most recently from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months.

Table 5.15: Sampling plan for this research study (cont.)

Sampling	Description
Sampling method	Two-stage sampling which involved non-probability judgemental sampling to select the sampling units and non-probability convenience and quota sampling to select the sampling elements.
Sampling units	10 boutiques in Potchefstroom and 10 boutiques in Klerksdorp (Table 5.14).
Sampling elements	Females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought items most recently from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months.
Sample size	400 respondents (20 sampling units and 20 sampling elements from each sampling unit).
Extent	Potchefstroom and Klerksdorp, North-West Province, South Africa.
Time Period	1 July – 31 August 2013.

5.4.5 Stage 5: Collect the data

Once the questionnaire is designed and the sampling plan is established, the following step is to collect the data from the identified sample elements (respondents) (Zikmund & Babin, 2012:64). Fieldworkers are allocated to administer the interviews with respondents and complete questionnaires which are necessary to collect the primary data (Tustin *et al.*, 2005:425). According to Zikmund and Babin (2012:64), fieldworkers should be appropriately selected, trained, supervised and evaluated, to ensure that they have adequate knowledge regarding the questions included in the questionnaire as well as the area of research.

For the purpose of this research study, ten BCom Honours students specialising in Entrepreneurship and Marketing Management at the North-West University and who were completing a Marketing research module as part of their studies, were recruited as fieldworkers to select respondents, to distribute, and to collect the self-administered questionnaires. Fieldworkers were provided with a fielding information document in which clear instructions indicating this research study's requirements, information about each section of the questionnaire, fieldworkers' remuneration per fully completed questionnaire, as well as the date when questionnaires should be distributed and completed ones collected (Appendix C).

Each fieldworker was furthermore assigned 40 questionnaires and was personally responsible to select suitable respondents to participate in this research study. The researcher furthermore

allocated each fieldworker to an area where the boutiques are situated, and where they had to select respondents. The researcher supervised the fieldwork process and interacted with fieldworkers by means of cell phone and e-mails to guarantee that the correct procedure was followed.

In practice, fieldworkers had to screen respondents before interviewing them by determining whether respondents had bought items most recently from any one of the list of twenty pre-identified boutiques and earned an average net monthly household income of more than R14 000. This was done in order to ensure that all the potential interviewed respondents did comply with the criteria of the target population. Furthermore, the researcher received ethical approval from WorkWell, for the dissertation, and ensured that the rights of the respondents were not violated in the execution of this research study (Appendix D). The questionnaires were distributed from 1 July 2013 to 31 August 2013 and collected on 1 September 2013 from respondents by the researcher.

5.4.6 Stage 6: Analyse and interpret the data

The purpose of data analysis is to prepare, understand and draw conclusions from the primary data collected from the respondents (Tustin *et al.*, 2005:102). Iacobucci and Churchill (2010:32) highlight that data obtained from the completed questionnaires is insignificant and must be properly analysed and interpreted with reference to the research problem in order to make the data manageable and interpretable.

For the purpose of this research study, the researcher manually checked if every questionnaire was completed and correctly numbered. Questionnaires with missing values were excluded from this research study. This was done in order to increase the quality of the data and obtain a full understanding of each respondent. Furthermore, the questionnaires were pre-coded (see Appendix A) which simplified the data entry process. The data was captured and analysed using the SPSS statistical program (SPSS Inc., version 21; 2012). Mplus which is a statistical modelling program offers the researcher a flexible tool to analyse observed data. Mplus was also used for analysis of the data. Mplus 7.11 software offers a wide range of models, processes, and estimators in a program (Muthén & Muthén, 2014:1). Additionally, Mplus allows the researcher to examine both cross-sectional, single-level data, longitudinal data, multilevel data, data that contains missing values, as well as data that comes from various populations with either unobserved or observed heterogeneity (Muthén & Muthén, 2014:1). Furthermore, Mplus 7.11 software as a modelling framework was selected because of its distinctive ability to identify categorical and/or continuous latent variables in data analysis (De Beer *et al.*, 2014:6; Muthén & Muthén, 2014:1). Latent variables normally represent factors that

are estimated based on the observed variables (i.e. the items of the questionnaire) in the Confirmatory Factor Analysis (CFA) framework. The data set was statistically analysed by Dr LT de Beer, a research consultant from the North-West University, Potchefstroom Campus (Appendix E).

5.4.6.1 Reliability and validity

Before data is analysed and interpreted, it is imperative to assess the reliability and validity of the measurement scales contained in the questionnaire of the research study (Malhotra, 2010:317). Hair *et al.* (2013:165) emphasise that the reliability of the measurement scales contained in the questionnaire refers to the consistency of producing identical or similar results if the study is repeated. Therefore, reliability denotes the degree to which a measure is free from random error, thus providing consistency of the data collected (McDaniel & Gates, 2013:215). Furthermore, consistency is the key principal regarding reliability (Zikmund & Babin, 2012:248). Malhotra (2010:318) identifies three approaches to assess reliability, namely test-retest, equivalent forms and internal consistency reliability. These are subsequently discussed:

- **Test-retest reliability.** This entails that if respondents respond to the same measurement scale contained in the questionnaire at two different periods under administered conditions that are the same, the results will correspond. Therefore, by correlating the results of respondents' first test with the results from the second test, the reliability of the measurement scale is determined (Kent, 2007:142).
- **Equivalent forms reliability.** This entails that the same respondents are to complete two questionnaires at different times, however, these questionnaires are equivalent in nature. The researcher then correlates the results to gain a reliability measure of the measurement scales (Silver *et al.*, 2013:104; Malhotra, 2010:319).
- **Internal consistency reliability.** Assesses the consistency or correlations of results obtained between different items in a measurement scale (Stevens *et al.*, 2006:83). Each item in the questionnaire is correlated with the other items. From this, an average correlation measure is calculated to indicate the reliability of this research study (Kent, 2007:143). Cronbach's alpha (α) coefficient value is considered as the general technique used to evaluate internal consistency (Malhotra, 2010:319; Shiu *et al.*, 2009:403). Zikmund and Babin (2012:249) demonstrate that the Cronbach's alpha (α) coefficient value is the average of all the potential split-half coefficients which results from a selection of ways to split the measurement scale items. Shiu *et al.* (2009:403) describe that Cronbach's alpha (α) coefficient values normally report each composite measure included in a research study, which range between 0 and 1; where 1 signifies perfect reliability and

0 signifies no reliability (Kent, 2007:144). According to Malhotra (2010:319) a Cronbach's alpha (α) coefficient value between 0.80 and 0.96 indicates very good reliability of the scale, a coefficient value between 0.70 and 0.80 indicates good reliability and a coefficient value lower than 0.60 indicate poor reliability (Yuksel *et al.*, 2006:18). Therefore, the correlation measure calculated by means of internal consistency can be applied by making use of the Cronbach's alpha (α) coefficient value, which indicates the extent to which all the items in a measurement scale measure the same construct (Cooper & Schindler, 2011:353). Furthermore, if the measurement scale can be considered reliable, the overall mean score of the construct can be calculated (Pallant, 2010:5).

For the purpose of this research study, the internal consistency reliability of the measurement scales were determined. Internal consistency reliability measures the reliability of the results obtained from the different items for measurement scales present in the questionnaire (Zikmund & Babin, 2012:334). To this end, the Cronbach's alpha (α) method (Cronbach's alpha value ≥ 0.80) is used in order to determine the internal consistency of the scales (Shiu *et al.*, 2009:403).

Another important aspect is to determine the validity of the measurement scales. Validity is defined as the degree to which a measuring scale truthfully represents a concept, theory or model (Zikmund & Babin, 2012:335). In other words, if the questionnaire does indeed measure what it is supposed to measure, it is considered valid (Iacobucci & Churchill, 2010:256). Therefore, three approaches is identified to assess validity, namely content, construct and criterion validity. These are subsequently discussed:

- **Content validity.** Content validity subjectively assesses the extent to which the questionnaire adequately covers the aims and objectives of this research study (Malhotra, 2010:320; Cooper & Schindler, 2011:349). Due to its subjective nature, content validity on its own is not a sufficient measure of validity.
- **Construct validity.** This assesses whether the questionnaire actually measured and truthfully represents what it was intended to measure (Zikmund & Babin, 2012:250). A CFA is used to determine construct validity (Bagozzi, 1994:342-344).
- **Criterion validity.** This measures whether the questionnaire performs as expected in relation to other identified variables chosen as a meaningful criteria (Malhotra, 2010:320).

For the purpose of this research study, content, construct and criterion validity were assessed. Content validity was assessed by the researcher examining the measurement scales contained in the questionnaire. Concerning construct validity, a CFA was performed on the

measurement scales measuring the main constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention (Bagozzi, 1994:342-344). The criterion validity of the measurement scales measuring the alternative hypothesised relationships between the main constructs of this research study, was measured. Therefore, the validity of the measurement scales was determined through a CFA in a structural equation modelling (SEM) framework, i.e. if the corresponding items' load on the factor. Confirmatory factor analysis is discussed in more detail in the next section.

5.4.6.2 Factor analysis

Factor analysis is defined as the set of methods primarily used to summarise and reduce data, where interrelationships are detected amongst a set of variables and characterised in terms of a few underlying factors (Iacobucci & Churchill, 2013:568; Malhotra, 2010:636). In addition, Pallant (2010:181) notes that factor analysis is applied to measure the statistical significance of the alternative hypotheses. Factor analysis can be classified into two groups, exploratory factor analysis (EFA) and Confirmatory factor analysis (CFA). EFA is used for examining purposes in order to substitute a large set of variables with a smaller number of factors when one is unsure of the underlying factor structure. CFA however tests the degree to which an alternative hypothesised factor structure is supported by the observed data (Kent, 2007:421). When the researcher has strong theoretical expectations regarding the alternative hypothesised factor structure before any analysis is executed, a CFA is conducted (Pallant, 2010:181).

Factor loadings are considered where numerical results from a factor research study display correlation coefficient values between the factor and the variables. This refers to the strength of the correlation between a measured factor and variable (Malhotra, 2010:638; Zikmund & Babin, 2010:626). A factor loading can vary between 0 and 1 but should, however, be at least 0.3 or greater to be considered, and 0.6 or higher to obtain a high factor loading (Foster *et al.*, 2006:75). The higher the correlation coefficient loading, the stronger the influence of the variable will be in order to define a certain factor (Cooper & Schindler, 2011:547).

For the purpose of this research study, the CFA was conducted to confirm the researcher's theoretical expectations regarding what the factor structure should consist of, and to determine whether the underlying theory of the factor structure fits the observations of this research study (Zikmund & Babin, 2010:625). Accordingly, the factors were extracted, named and used for further statistical analysis of this research study.

5.4.6.3 Mediation analysis

Mediation analysis considers variables in a study in order to explain how or why two concepts are related (MacKinnon, 2008:23), i.e. if there is an intervening variable that can explain the relationship between a predictor and outcome variable. In this research study, the proposed variable model containing store atmosphere is postulated to exert an effect on repurchase intention through two intervening variables – customer satisfaction and store loyalty (Hayes, 2009:408).

The purpose of mediation analysis is to measure the indirect effect of a proposed cause on a particular outcome by means of a recommended mediator (Preacher & Hayes, 2004:717). In other words, the proposed cause of store atmosphere on repurchase intention through customer satisfaction and store loyalty. Mediation analysis is useful due to its ability to go beyond simply descriptive research to a more functional understanding of the relationships among these variables. A deeper understanding of the research study is obtained once the process that produces the effects, is recognised. However, an essential component regarding mediation is the practically and statistically significant indirect effect (Preacher & Hayes, 2004:717). Significant indirect effects can occur with the lack of a significant total or direct effects (Rucker *et al.*, 2011:362). In order to investigate the significance of Hypothesis 4 and 7 (indirect effects), the model indirect function of Mplus was used with the bootstrapping analysis option enabled (De Beer *et al.*, 2012:537). Bootstrapping is a non-parametric test that does not require the normality assumption to be met and is effectively utilised with smaller sample sizes. Bootstrapping involves repetitively random sampling observations with the replacement from the data set to calculate the desired statistics in each resample (Preacher & Hayes, 2004:717). This method was used since it provides point estimates and confidence intervals in order to assess the significance or non-significance of the mediation effect (Hayes, 2009:408).

For the purpose of this research study, it is useful to know whether store atmosphere leads to an increase in repurchase intention by affecting customer satisfaction and store loyalty. In this research study, customer satisfaction and store loyalty are potential mediators of the relationship between store atmosphere and repurchase intention. The significant effect size of store atmosphere on repurchase intention decreases to zero with the presence of the mediating variables (customer satisfaction and store loyalty). Therefore, perfect or full mediation has occurred. This implies that an underlying process can completely account for the store atmosphere – repurchase intention relationship (Rucker *et al.*, 2011:366). Once the effect of store atmosphere on repurchase intention decreases by a non-trivial amount, but not to zero, partial mediation has occurred (Preacher & Hayes, 2004:717). This implies that an underlying process cannot account for the store atmosphere –repurchase intention relationship. Using the

term 'partial' and 'full' helps convey the significant effect size or practical significance of the mediating process. Accordingly, a partial mediation effect may be viewed as less important than a full mediation effect (Rucker *et al.*, 2011:366). However, there must be no measurement error in the mediating variables - customer satisfaction and store loyalty. In addition, repurchase intention must not determine customer satisfaction (Preacher & Hayes, 2004:717). The total effect on repurchase intention is represented as a path coefficient from structural equation modelling (Hayes, 2009:408).

5.4.6.4 Data analysis strategy followed in this research study

For the purpose of this research study, data analysis was performed subsequent to the data preparation in order to deal with the quantitative data and questionnaires. Gravetter (2011:600) states that data analysis is done to collect, analyse, interpret and present a multitude of statistical data.

Data analysis is classified into descriptive analysis and inferential analysis (Burns & Bush, 2014:317). Hair *et al.* (2013:257) define descriptive statistics as a method used to describe or summarise the variables (question responses) in a data matrix comprising of all the respondents' answers. Descriptive statistics make use of tabulation or graphs that take raw scores summarising them into a manageable form, thus allowing to view the entire set of scores (Gravetter & Wallnau, 2009:6). Accordingly, descriptive statistics are the most efficient way of summarising the characteristics of large sets of data (McDaniel & Gates, 2013:406). That is, because the researcher is allowed to determine developments and properties of the data by means of analysing one variable (univariate analysis), two variables (bivariate analysis), or more than two variables (multivariate analysis) (Zikmund & Babin, 2012:325). According to Burns and Bush (2014:317, 318), descriptive analysis methods develop the foundation for subsequent inferential analysis. Zikmund and Babin (2012:364) assert that the purpose of this is to make conclusions about characteristics of the entire target population or the basic composition of the collected data. This includes methods of simplifying, assessing or predicting the characteristics of the target population based on a sample (Burns & Bush, 2014:318).

For the purpose of this research study, the following descriptive statistical measures presented in Table 5.16 were employed.

Table 5.16: Descriptive statistical methods

Descriptive statistical measure	Definition
Frequency distribution	The number of times each particular value (responses) appears in a specific set of values.
Percentage distribution	A frequency distribution expressed as the per cent of respondents who responded to a question in a specific way.
Mean	The average value describing a set of numbers.
Standard deviation	The degree of variation from the average data value regarding the population.

Source: Adapted from Burns and Bush (2014:317, 320, 321).

For the purpose of this research study, percentages were calculated to determine the sample realisation rate, sample profile and boutique patronage habits of respondents. Frequency and percentage distributions were calculated for section A and section B in the questionnaire in order to create the sample profile of respondents who participated in this research study. Furthermore, the means and standard deviations (SDs) were calculated for each of the statements used to measure the main constructs of this research study (store atmosphere, customer satisfaction, store loyalty and repurchase intention). It is, however, important to note that for modelling purposes, Mplus standardises the means and standard deviations (SDs) of the latent variables to respectively 0 and 1.

5.4.6.5 Testing the proposed theoretical model and hypotheses

Structural Equation Modelling (SEM) analysis was used to test the proposed theoretical model and alternative hypotheses formulated for this research study. SEM analysis is a sophisticated method for demonstrating, estimating, and testing a network of relationships between observed constructs and latent constructs in the questionnaire (Suhr, 2006:1). SEM consequently permits the researcher to test various models regarding the interrelationships between a set of constructs (Pallant, 2010:105). Zikmund and Babin (2012:428) furthermore declare that SEM evaluates the importance of each construct in the model and determines the overall fit of the proposed theoretical model and the collected data. In other words, SEM determines if the proposed theoretical model is supported by the collected data (Schreiber, 2008:84).

For the purpose of this research study, the four-factor model comprising of exterior, interior, layout and design and point-of-purchase was used. Furthermore, a second-order construct was created, called store atmosphere, which captures the shared variance of all four first-order latent

factors for further analyses. Therefore, a second-order construct, store atmosphere, as well as the relationship between store atmosphere, customer satisfaction, store loyalty and repurchase intention could be examined through SEM analysis.

In consumer behaviour, response variables are frequently non-continuous and consequently psychological constructs are measured on Likert scales. For alternative hypotheses testing, the default estimator for theoretical models that include categorical data or outcomes in Mplus is the mean and variance adjusted weight least-squares method (WLSMV) (Muthén & Muthén, 2012:4, 5), and was used in the analysis. Newsom (2012:1) state that there is growing consensus that categorical variables have to be analysed with the weighted least squares approach. The input type to the estimation was the covariance matrix. Item parcelling methods were not implemented, implying that the observed variables were the items in the survey. The items were used to create latent variables in the measurement model and a higher order latent variable was then created from the first-order latent variables. When performing structural equation modelling, it is important to consider the fit of the specified models with the data through fit indices. Fit indices denote the degree to which an arrangement of fixed and free parameters identified in the model illustrates consistency with the arrangement of variances and covariances from the observed data (Suhr, 2006:3). A variety of fit indices is presented in Table 5.17 in order to report the main findings (Blunch, 2011:117; Yuan, 2005:115). These fit indices in the Mplus 7.11 software package, are provided with the rationale and philosophy to deliver one well performing fit statistic from a number of different families of fit statistics, rather than various fit statistics from one family (Table 5.17) (Muthén, 2009; Hu & Bentler, 1998). Furthermore, a standardised model (Chapter 6, Table 6.12) and a correlation coefficient matrix (Chapter 6, Table 6.13) for the latent variables is also included for further analyses and discussion.

For the purpose of this research study, latent variable modelling through SEM methods was applied by Mplus 7.11 software (Muthén & Muthén, 2014:1) to investigate the alternative hypothesis of this research study. In order to evaluate how well the collected data fits the proposed theoretical model, multiple fit indices are reported (Blunch, 2011:117). Bowen and Guo (2012:145) suggest that to report multiple fit indices is good practice. Furthermore, Comparative Fit Index (CFI), Tucker Lewis Index (TLI), and Root Mean Square Error of Approximation (RMSEA) are used as model fit indices. Table 5.17 presents the model fit indices and their respective cut-off points used in the SEM analysis.

Table 5.17: Model fit indices

Model fit indices	Description	Recommended cut-off points
CFI	When examining baseline comparison models, the CFI depends to a great extent on the average size of the correlations in the collected data. If the average correlation between variables is not high, then the CFI will consequently not be very high (Bagozzi & Yi, 2012:28).	≥ 0.95 or ≥ 0.90 = acceptable fit (Blunch, 2011:115, Hair <i>et al.</i> , 2010:664)
TLI	TLI denotes a comparative index concerning null proposed and null models accustomed for degrees of freedom. TLI is a highly suggested fit index of choice (Cullinane, 2011:484).	≥ 0.95 or ≥ 0.90 = acceptable fit (Blunch, 2011:115, Hair <i>et al.</i> , 2010:664)
RMSEA	RMSEA avoids issues of sample size by evaluating the discrepancy between the proposed theoretical model, with optimally selected parameter estimates, as well as the population covariance matrix (Bagozzi & Yi, 2012:34).	≤ 0.05 = good fit ≤ 0.08 = acceptable fit ≤ 0.10 = average fit (Hoe, 2008:78, Meyers <i>et al.</i> , 2006:608)

5.4.7 Stage 7: Prepare the research report and formulate conclusions

The final stage in the marketing research process denotes understanding the research results, describing the implications and formulating appropriate conclusions for decisions-making (Malhotra, 2010:11). Chapter 6 presents a summary of the main findings of this research study. Chapter 7 provides a number of conclusions and recommendations regarding the obtained empirical results.

5.5 CONCLUSION

In this chapter, marketing research is defined and the importance thereof is briefly discussed. Furthermore, the research problem and objectives of this research study are clarified. From then on, the seven steps in the marketing research process are discussed and applied to this particular research study. In addition, the statistics followed in this research study are presented. Chapter 6 provides a discussion and interpretation of the empirical results and main findings of this research study.

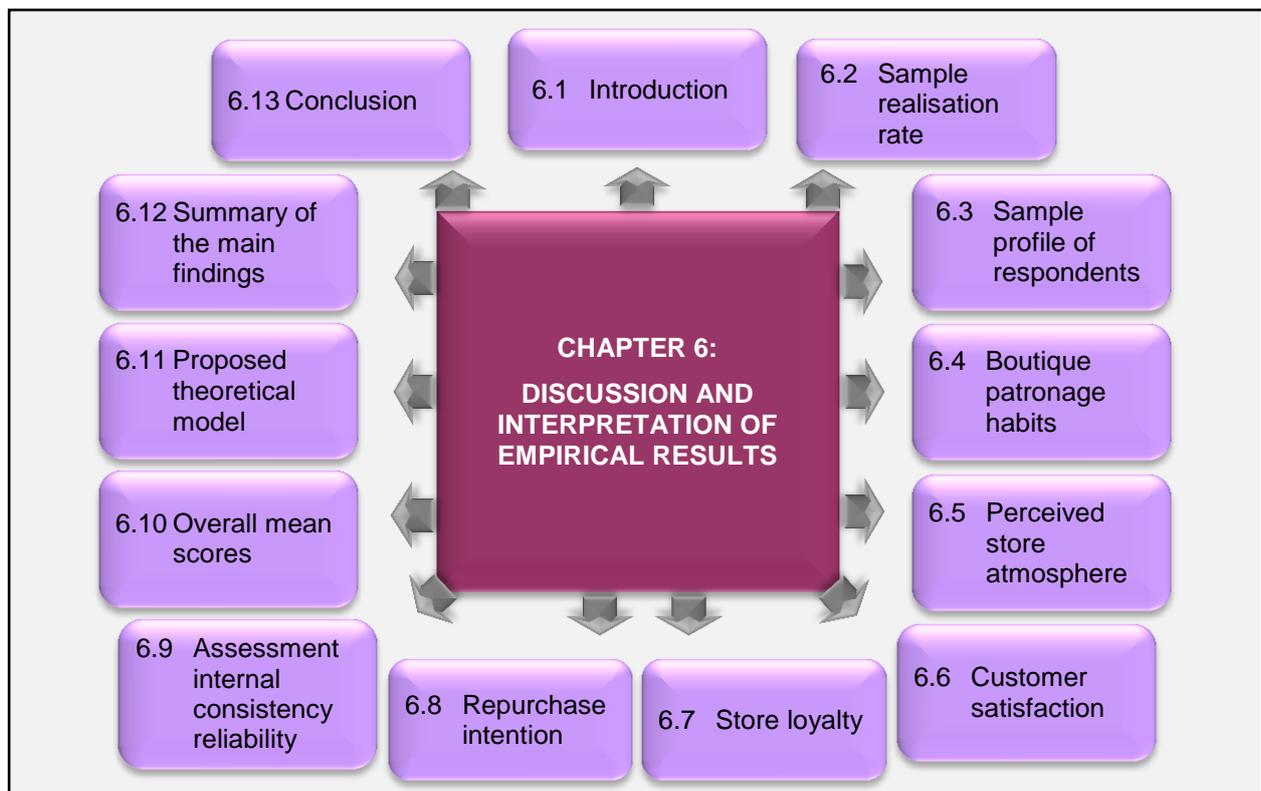
CHAPTER 6

DISCUSSION AND INTERPRETATION OF EMPIRICAL RESULTS

6.1 INTRODUCTION

Chapter 6 provides a discussion of the empirical results obtained for this study. This chapter commences with a discussion of the sample realisation rate and presents a sample profile of respondents who took part in this study. This is followed by a discussion of respondents' boutique patronage habits, their perceived store atmosphere of the boutique they bought items from most recently, as well as their level of customer satisfaction, store loyalty and repurchase intention towards the boutique they bought items from most recently. The remainder of the chapter addresses the internal consistency reliability as well as content, construct and criterion validity of the measurement scales measuring the constructs of this research study, presents the overall mean scores of the constructs and the results with respect to testing the proposed theoretical model and the related alternative hypotheses formulated for this research study. Finally, a number of main findings are formulated based upon the empirical results. Figure 6.1 provides a depiction of the main sections included in this chapter.

Figure 6.1: Chapter outline



Source: Researcher's own construct.

6.2 SAMPLE REALISATION RATE

The proposed sample size of respondents for this research study was 400 of whom 370 qualifying respondents returned completed questionnaires to the fieldworkers for further analysis (Chapter 5, Section 5.4.4.4). Nine of the questionnaires, however, were rejected due to response errors, such as uncompleted questions or more than one option selected. A final sample size of 361 was thus realised. Fieldworkers observed potential respondents in compliance with the screening questions to ensure that all respondents who participated in this research study were female, bought items most recently from any one of the pre-identified boutiques during the past six months, and that they all earned a net monthly household income of more than R14 000 per month. Furthermore, these respondents were selected from the target population by means of quota and convenience sampling. Quota sampling was implemented with the aim to attain twenty respondents at each of the twenty pre-identified boutiques. The quota per boutique was not realised in all instances due to collection period time constraints and a limited number of respondents visiting some of the boutiques during the time the data was collected. Table 6.1 provides insight into the proposed and actual sample sizes as well as the sample realisation rates.

Table 6.1: Sample realisation rate

Sample unit	Proposed sample size	Actual sample size	Sample realisation rate
Just for You (Potchefstroom)	20	68	340%
Penny Royal (Potchefstroom)	20	49	245%
Leather and Lace (Potchefstroom)	20	47	235%
Ooh-la-la Boutique (Potchefstroom)	20	31	155%
Just for You (Klerksdorp)	20	29	145%
Andre's Boutique (Potchefstroom)	20	28	140%
De Winkel (Potchefstroom)	20	21	105%
La Boutique (Potchefstroom)	20	13	65%
Rockabella (Klerksdorp)	20	10	50%
Sweethearts (Klerksdorp)	20	10	50%
MCS Creations (Klerksdorp)	20	9	45%
Penny Royal (Klerksdorp)	20	8	40%
Me-oh-Boutique (Klerksdorp)	20	7	35%

Table 6.1: Sample realisation rate (cont.)

Sample unit	Proposed sample size	Actual sample size	Sample realisation rate
Bustique Collections (Potchefstroom)	20	6	30%
Chinese Boutique (Klerksdorp)	20	6	30%
Four Seasons (Klerksdorp)	20	6	30%
Mario Paddi (Klerksdorp)	20	4	20%
Elegant Boutique Suits (Potchefstroom)	20	3	15%
Pramor Outfitters (Klerksdorp)	20	3	15%
Secret's Ladies Boutique (Potchefstroom)	20	3	15%
Target population	Total		
Females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought items most recently from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months.	400	361	90.25%

It is evident from Table 6.1 that Just for You in Potchefstroom had the highest sample realisation rate of 340% followed by Penny Royal in Potchefstroom with a realisation rate of 245%. Pramor Outfitters in Klerksdorp and Secret's Ladies Boutique in Potchefstroom had the lowest realisation rate of 15% each. With regard to the total sample realisation rate, overall a sample realisation rate of 90.25% was achieved for this research study.

6.3 SAMPLE PROFILE OF RESPONDENTS

A sample profile of respondents is presented to provide insight into the respondents who took part in this research study and it contributes to a better understanding of the respondents who participated in this research study. The sample profile of these respondents was determined by section A of the questionnaire and reflects respondents' gender, age, education, home language and employment status. Table 6.2 provides a summary of the results reflecting the frequencies (F) and percentages (%) for all categories concerned.

Table 6.2: Sample profile of respondents

Demographic variables		F	%
Gender	Female	361	100.0
Age	27 years or younger	110	30.5
	28 – 36 years	82	22.7
	37 – 48 years	89	24.7
	49 – 67 years	63	17.5
	68 years or older	17	4.6
Highest level of education	Some primary school	1	0.3
	Primary school completed	1	0.3
	Some high school	7	1.9
	Matric / Grade 12	117	32.4
	Diploma	94	26.0
	Degree	102	28.3
	Postgraduate degree	39	10.8
Home language	Afrikaans	283	78.4
	English	61	16.9
	Nguni (Zulu, Xhosa, Swati, Ndebele)	6	1.7
	Sotho (Sepedi, Sesotho, Tswana)	10	2.7
	Venda / Tsonga	1	0.3
	Other	0	0.0
Employment status	Full-time employed	190	52.6
	Part-time employed	42	11.6
	Self-employed	32	8.9
	Student	55	15.2
	Housewife	23	6.4
	Retired	16	4.4
	Unemployed	1	0.3
	Other	2	0.6

It is evident from Table 6.2 that the majority of female respondents who took part in this research study were between the ages of 27 years or younger (30.5%) and 37 to 48 years old (24.7%). In terms of highest level of education, the majority of respondents has a Matric or Grade 12 education (32.4%), followed by a Degree (28.3%). In addition, only 2.2% (0.3% + 1.9%) of respondents do not have secondary education. The majority of respondents' home language is Afrikaans (78.4%), followed by English (16.9%) and Sotho (Sepedi, Sesotho, Tswana) (2.7%). Regarding employment status, 52.6% of respondents are full-time employed and 15.2% are students. Subsequently, the sample profile of respondents who participated in this research study is formulated based on the prior discussion regarding the results.

The sample profile of the typical respondent who participated in this research study

A female who is 27 years or younger with a Matric or Grade 12 qualification, who speaks Afrikaans and is full-time employed.

6.4 BOUTIQUE PATRONAGE HABITS

The empirical results for section B of the questionnaire focus on respondents' boutique patronage habits. Table 6.3 provides the frequencies (F), percentages (%) as well as the means and standard deviations (SD) where applicable.

Table 6.3: Boutique patronage habits

At which ONE of the following boutiques have you bought items from most recently?	F	%
Just for You (Potchefstroom)	68	18.8
Penny Royal (Potchefstroom)	49	13.6
Leather and Lace (Potchefstroom)	47	13.0
Ooh-la-la Boutique (Potchefstroom)	31	8.6
Just for You (Klerksdorp)	29	8.0
Andre's Boutique (Potchefstroom)	28	7.8
De Winkel (Potchefstroom)	21	5.8
La Boutique (Potchefstroom)	13	3.6
Rockabella (Klerksdorp)	10	2.8

Table 6.3: Boutique patronage habits (cont.)

At which ONE of the following boutiques have you bought items from most recently?	F	%
Sweethearts (Klerksdorp)	10	2.8
MCS Creations (Klerksdorp)	9	2.5
Penny Royal (Klerksdorp)	8	2.2
Me-oh-Boutique (Klerksdorp)	7	1.9
Bustique Collections (Potchefstroom)	6	1.7
Chinese Boutique (Klerksdorp)	6	1.7
Four Seasons (Klerksdorp)	6	1.7
Mario Paddi (Klerksdorp)	4	1.1
Elegant Boutique Suits (Potchefstroom)	3	0.8
Pramor Outfitters (Klerksdorp)	3	0.8
Secret's Ladies boutique (Potchefstroom)	3	0.8
What is the average amount you spend per month when shopping at boutiques?	Mean	SD
Average amount	R1 281.02	R1 415.66
What items do you normally buy from boutiques (you may select more than one)?	F	%
Clothing	255	70.6
Jewellery	151	41.8
Shoes	82	22.7
Handbags	78	21.6
Scarfs	74	20.5
Home accessories	68	18.8
Wallets	12	3.3
Other	12	3.3

Table 6.3: Boutique patronage habits (cont.)

How often do you shop for items at boutiques in general?	F	%
Once a month	121	33.5
Once every two months	70	19.4
Once every six months	62	17.2
Once every three months	47	13.0
Once every two weeks	30	8.3
Once a week	22	6.1
Every second day	5	1.4
Daily	2	0.6
Twice a week	2	0.6

As indicated in Table 6.3, 18.8% of the respondents bought items most recently from Just for You (Potchefstroom), followed by 13.6% respondents who have bought most recently from Penny Royal (Potchefstroom). Furthermore, it is evident from Table 6.3 that respondents' monthly estimate average boutique expenditure is R1 281.02 with a standard deviation of R1 415.66. The majority of respondents (70.6%) normally buy clothing items, followed by jewellery items (41.8%) from boutiques. Wallets and other items (3.3%) turned out to be the items respondents normally buy the least from boutiques. When asked "how often do you shop for items at boutiques in general?", the majority of respondents (33.5%) indicated that they shop at boutiques once a month, followed by 19.4% of respondents who shop at boutiques once every two months.

The following main finding can be reported relating to the boutique patronage habits of respondents who participated in this research study.

Main finding 1

The majority of respondents bought clothing items most recently from Just for You (Potchefstroom) and Penny Royal (Potchefstroom) with a monthly average boutique expenditure of R1 281.02. The majority of respondents shop for items once a month at boutiques in general.

6.5 PERCEIVED STORE ATMOSPHERE

The empirical results for section C of the questionnaire focus on respondents' perception regarding the store atmosphere of the boutique they bought items from most recently. Section C contains thirty six individual statements measuring four sub-dimensions (factors) of store atmosphere, namely exterior, interior, layout and design and point-of-purchase and décoration (Chapter 5, Table 5.5, and Table 5.10). Table 6.4 presents the mean and standard deviation (SD) for each statement as measured on a five-point unlabelled multi-item Likert scale where 1 = strongly disagree and 5 = strongly agree.

Table 6.4: Perceived store atmosphere

Number	Statement	Mean	SD
Exterior			
1	The exterior of the boutique has eye-catching signs	3.98	0.928
2	The entrance to the boutique is inviting	4.07	0.879
3	The window displays of the boutique are attractive	3.98	0.919
4	The colour of the building is welcoming	3.84	0.910
5	There is a variety of alluring stores located near the boutique	3.85	1.000
6	The boutique is located in an attractive surrounding	4.02	0.834
7	The location of the boutique is convenient	4.18	0.795
8	The architectural style of the boutique is attractive	3.87	0.933
9	The area surrounding the boutique is to my liking	4.03	0.852
10	The boutique has good parking facilities	3.77	1.064
Interior			
11	The floor of the boutique directs the movement in a sensible manner	3.87	0.908
12	The flooring of the boutique is visually appealing	3.86	0.889
13	The boutique has a pleasant colour scheme	4.06	0.856
15	The background music in the boutique is acceptable	3.82	0.956
16	The smell in the boutique is pleasing	4.10	0.812
17	The layout of the boutique works well	3.97	0.881

Table 6.4: Perceived store atmosphere (cont.)

Number	Statement	Mean	SD
Interior			
18	The walls in the boutique are visually appealing	3.95	0.891
19	The merchandise in the boutique is well displayed	4.07	0.830
20	The temperature in the boutique is comfortable	4.16	0.763
21	The interior of the boutique is clean	4.29	0.754
Layout and design			
22	All spaces in the boutique are creatively utilised	4.04	0.868
23	The layout of the boutique is well designed	3.93	9.922
24	It is easy to find what I am looking for in the boutique	3.98	0.856
25	The merchandise in the boutique is well organised	4.01	0.877
26	The checkout and service points in the boutique are well placed	4.16	0.784
27	The sitting / waiting areas in the boutique are comfortable	3.77	1.202
28	The fitting rooms are what one would expect from a boutique	3.79	1.032
29	The clothing racks, shelves and display cases in the boutique are well arranged	3.93	0.899
30	The boutique is not overcrowded	3.86	1.020
31	The furnishings in the boutique are attractive	4.04	0.889
Point-of-purchase and décoration			
32	The signage inside the boutique is visually appropriate	3.96	0.900
33	The wall décorations in the boutique are appealing	3.99	0.935
34	The artwork in the boutique is suitable	3.96	0.929
35	The merchandise is well displayed	4.05	0.873
36	The pricing of the merchandise in the boutique is clearly visible	4.07	0.904

Regarding the exterior sub-dimension of store atmosphere, respondents agree the most with statement 7, 'The location of the boutique is convenient' (mean = 4.18; SD = 0.795) and statement 2, 'The entrance to the boutique is inviting' (mean = 4.07; SD = 0.879). The store atmosphere exterior statements with which respondents agree the least include statement 10,

'The boutique has good parking facilities' (mean = 3.77; SD = 1.064) and statement 4, 'The colour of the building is welcoming' (mean = 3.84; SD = 0.910).

As for the interior sub-dimension of store atmosphere, respondents agree the most with statement 21, 'The interior of the boutique is clean' (mean = 4.29; SD = 0.754) and statement 20, 'The temperature in the boutique is comfortable' (mean = 4.16; SD = 0.763). The store atmosphere interior statements with which respondents agree the least include statement 15, 'The background music in the boutique is acceptable' (mean = 3.82; SD = 0.956) and statement 12, 'The flooring of the boutique is visually appealing' (mean = 3.86; SD = 0.889).

Pertaining to the layout and design sub-dimension of store atmosphere, respondents agree the most with statement 26, 'The checkout and service points in the boutique are well placed' (mean = 4.16; SD = 0.784) and statement 22, 'All spaces in the boutique are creatively utilised' (mean = 4.04; SD = 0.868) as well as statement 31, 'The furnishings in the boutique are attractive' (mean = 4.04; SD = 0.889). The store atmosphere layout and design statements with which respondents agree the least include statement 27, 'The sitting / waiting areas in the boutique are comfortable' (mean = 3.77; SD = 1.202) and statement 28, 'The fitting rooms are what one would expect from a boutique' (mean = 3.79; SD = 1.032).

Lastly, regarding the point-of-purchase and décoration sub-dimension of store atmosphere, respondents agree the most with statement 36, 'The pricing of the merchandise in the boutique is clearly visible' (mean = 4.07; SD = 0.904) and statement 35, 'The merchandise is well displayed' (mean = 4.05; SD = 0.873). The store atmosphere point-of-purchase and décoration statements with which respondents agree the least include statement 32, 'The signage inside the boutique is visually appropriate' (mean = 3.96; SD = 0.900) and statement 34, 'The artwork in the boutique is suitable' (mean = 3.96; SD = 0.929).

The following main findings can be reported relating to the perceived store atmosphere of respondents who participated in this research study.

Main finding 2

Regarding the exterior of the boutique, respondents agreed the most that the location of the boutique is convenient and that the entrance to the boutique is inviting. Respondents agreed the least that the boutique has good parking facilities and that the colour of the building is welcoming.

Main finding 3

Regarding the interior of the boutique, respondents agreed most that the interior of the boutique is clean and that the temperature in the boutique is comfortable. Respondents agreed the least that the background music in the boutique is acceptable and that the flooring of the boutique is visually appealing.

Main finding 4

Regarding the layout and design of the boutique, respondents agreed the most that the checkout and service points in the boutique are well placed and that all the spaces in the boutique are creatively utilised as well as that the furnishings in the boutique are attractive. Respondents agreed the least that the sitting or waiting areas in the boutique are comfortable and that the fitting rooms are what one would expect from a boutique.

Main finding 5

Regarding the point-of-purchase and décoration of the boutique, respondents agreed the most that the pricing of the merchandise in the boutique is clearly visible and that the merchandise is well displayed. Respondents agreed the least that the signage inside the boutique is visually appropriate and that the artwork in the boutique is suitable.

6.6 CUSTOMER SATISFACTION

The empirical results for section D of the questionnaire focus on respondents' customer satisfaction towards the boutique they bought items from most recently. It is important to note that section D includes three sections measuring customer satisfaction, store loyalty and repurchase intentions. The section measuring customer satisfaction contains five individual statements measuring customer satisfaction (Chapter 5, Table 5.11). Table 6.5 presents the mean and standard deviation (SD) for each statement as measured on a five-point unlabelled multi-item Likert scale where 1 = strongly disagree and 5 = strongly agree.

Table 6.5: Customer satisfaction

Number	Statement	Mean	SD
1	I am satisfied with my decision to shop at this boutique	4.28	0.768
2	I feel I did the right thing to shop at this boutique	4.23	0.793
3	My choice to shop at this boutique was a wise one	4.24	0.791
4	I am confident to shop at this boutique	4.27	0.804
5	I have truly enjoyed shopping at this boutique	4.25	0.824

As can be seen in Table 6.5, respondents agreed the most with statement 1, 'I am satisfied with my decision to shop at this boutique' (mean = 4.28; SD = 0.768) and statement 4, 'I am confident to shop at this boutique' (mean = 4.27; SD = 0.804). In comparison, respondents agreed the least with statement 2, 'I feel I did the right thing to shop at this boutique' (mean = 4.23; SD = 0.793) and statement 3, 'My choice to shop at this boutique was a wise one' (mean = 4.24; SD = 0.791).

The following main finding can be reported relating to the customer satisfaction of respondents who participated in this research study.

Main finding 6

Regarding the level of customer satisfaction experienced with the boutique, respondents agreed the most that they are satisfied with their decision to shop at the boutique and that they are confident to shop at the boutique. Respondents agreed the least that they did the right thing to shop at the boutique and that their choice to shop at the boutique was a wise one.

6.7 STORE LOYALTY

The empirical results for section D of the questionnaire focussing on respondents' store loyalty towards the boutique they bought items from most recently. This contains five individual statements measuring store loyalty (Chapter 5, Table 5.11). Table 6.6 presents the mean and standard deviation (SD) for each statement as measured on a five-point unlabelled multi-item Likert scale where 1 = strongly disagree and 5 = strongly agree.

Table 6.6: Store loyalty

Number	Statement	Mean	SD
6	I consider myself a loyal customer to this boutique	3.62	1.141
7	I am willing to make an effort to shop at this boutique	3.80	1.096
8	I am committed to this boutique	3.60	1.186
9	I would recommend this boutique to my friends and family	4.11	0.974
10	I would say positive things about this boutique to others	4.20	0.893

It is evident from Table 6.6 that respondents agreed the most with statement 10, 'I would say positive things about this boutique to others' (mean = 4.20; SD = 0.893) and statement 9, 'I would recommend this boutique to my friends and family' (mean = 4.11; SD = 0.974). Respondents' lowest level of agreement was with statement 8, 'I am committed to this boutique' (mean = 3.60; SD = 1.186) and statement 6, 'I consider myself a loyal customer to this boutique' (mean = 3.62; SD = 1.141).

The following main finding can be reported relating to the store loyalty of respondents who participated in this research study.

Main finding 7

Regarding the level of store loyalty with the boutique, respondents agreed the most that they would say positive things about the boutique to others and that they would recommend the boutique to their friends and family. Respondents agreed the least that they are committed to the boutique and that they consider themselves a loyal customer to the boutique.

6.8 REPURCHASE INTENTION

The empirical results for section D of the questionnaire focussing on respondents' repurchase intention towards the boutique they bought items from most recently. This contains five individual statements measuring repurchase intention (Chapter 5, Table 5.11). Table 6.7 presents the mean and standard deviation (SD) for each statement as measured on a five-point unlabelled multi-item Likert scale where 1 = strongly disagree and 5 = strongly agree.

Table 6.7: Repurchase intention

Number	Statement	Mean	SD
11	I intend to purchase from this boutique again in the near future	4.07	0.907
12	I intend to return to this boutique	4.13	0.875
13	I would consider purchasing again from this boutique	4.10	0.930
14	I like the idea of purchasing at this boutique	4.12	0.906
15	Whenever possible, I would purchase at this boutique	3.95	1.094

Respondents indicated that they agreed the most with statement 12, 'I intend to return to this boutique' (mean = 4.13; SD = 0.875) and statement 14, 'I like the idea of purchasing at this boutique' (mean = 4.12; SD = 0.906). Respondents' lowest level of agreement was with statement 15, 'Whenever possible, I would purchase at this boutique' (mean = 3.95; SD = 1.094) and statement 11, 'I intend to purchase from this boutique again in the near future' (mean = 4.07; SD = 0.907).

The following main finding can be reported relating to the repurchase intention of respondents who participated in this research study.

Main finding 8

Regarding the level of repurchase intention experienced with the boutique, respondents agreed the most that they intend to return to the boutique and that they like the idea of purchasing at the boutique. Respondents agreed the least that whenever possible, they would purchase at the boutique and that they intend to purchase from the boutique again in the near future.

6.9 ASSESSMENT OF INTERNAL CONSISTENCY RELIABILITY

Before overall means scores can be calculated for the sub-dimensions (factors) and constructs of this research study, it is first important to assess internal consistency reliability of the sub-dimensions (factors) and constructs (Pallant, 2010:5). Table 6.8 presents the Cronbach's alpha coefficient values for the sub-dimensions (factors) of store atmosphere and the constructs store atmosphere, customer satisfaction, store loyalty and repurchase intention.

Table 6.8: Cronbach's alpha coefficients

Constructs and sub-dimensions (factors)	Cronbach's alpha coefficient
Store atmosphere	0.96
Exterior	0.91
Interior	0.92
Layout and design	0.91
Point-of-purchase and décoration	0.90
Customer satisfaction	0.96
Store loyalty	0.94
Repurchase intention	0.93

It is evident in Table 6.8 that the Cronbach's alpha coefficient values for the measurement scales measuring the sub-dimensions (factors) and constructs of this research study are larger than 0.80, which indicates very good internal consistency reliability (Malhotra, 2010:319; Yuksel *et al.*, 2006:18).

The following main finding can be reported relating to the Cronbach's alpha coefficient values for the individual measurement scales measuring the reliability of each sub-dimension (factor) and construct.

Main finding 9

All the measurement scales measuring the sub-dimensions (factors) and constructs of this research study can be considered reliable, since they exhibit very good internal consistency reliability.

6.10 OVERALL MEAN SCORES

Once the internal consistency reliability of the measurement scales has been assessed, the overall mean score of the sub-dimensions (factors) and constructs can be calculated (Pallant, 2010:5). Table 6.9 indicates the overall mean scores of the sub-dimensions (factors) and constructs measured in this research study.

Table 6.9: Overall mean scores

Constructs and sub-dimensions (factors)		Overall mean score
Store atmosphere	Statements 1 – 36	3.98
Exterior	Statements 1 – 10	3.96
Interior	Statements 11 – 21	4.03
Layout and design	Statements 22 – 31	3.95
Point-of-purchase and décoration	Statements 32 – 36	4.01
Customer satisfaction	Statements 1 – 5	4.25
Store loyalty	Statements 6 – 10	3.87
Repurchase intention	Statements 11 - 15	4.08

The overall mean scores for all constructs including the store atmosphere sub-dimensions (factors) are fairly positive since the overall mean scores range between 3.87 and 4.25, considering the measurement scales measured each statement on a five-point unlabelled multi-item Likert scale where 1 = strongly disagree and 5 = strongly agree. Therefore, the following main findings can be reported relating to the overall mean scores of the constructs.

Main finding 10

The overall mean score for the store atmosphere construct is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's store atmosphere.

Main finding 11

The overall mean score for the exterior sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's exterior.

Main finding 12

The overall mean score for the interior sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's interior.

Main finding 13

The overall mean score for the layout and design sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's layout and design.

Main finding 14

The overall mean score for the point-of-purchase and décoration sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's point-of-purchase and décoration.

Main finding 15

The overall mean score for the customer satisfaction construct is above the mid-point of the measurement scale, indicating respondents' overall customer satisfaction with the boutique.

Main finding 16

The overall mean score for the store loyalty construct is above the mid-point of the measurement scale, indicating respondents' overall store loyalty to the boutique.

Main finding 17

The overall mean score for the repurchase intention construct is above the mid-point of the measurement scale, indicating respondents' overall repurchase intention to the boutique.

6.11 PROPOSED THEORETICAL MODEL OF THIS RESEARCH STUDY

As explained in Chapter 5 (Section 5.4.6.5), latent variable modelling through Structural Equation Modelling (SEM) methods was applied using Mplus 7.11 software (Muthén & Muthén, 2014:1). This method was followed to investigate the interrelationships between the different sub-dimensions (factors) and constructs of this research study, to determine the relative importance of each of these in the model, and the overall fit between the observed data and proposed theoretical model of this research study (Shook *et al.*, 2004:397). Furthermore, SEM determines if the proposed theoretical model is supported by the observed data using SEM methods applied by Mplus 7.11 software with maximum likelihood estimates of the model parameters (Schreiber, 2008:84), subsequently testing alternative hypotheses 1 to 8 (H_1 to H_8) of this research study (Chapter 1, Section 1.6.3). Subsequently, this section presents the results for SEM as well as the main findings with respect to the alternative hypotheses formulated for this research study. The proposed theoretical model for this research study (Chapter 4, Section 4.3) is illustrated in Figure 6.2.

Figure 6.2: Proposed theoretical model

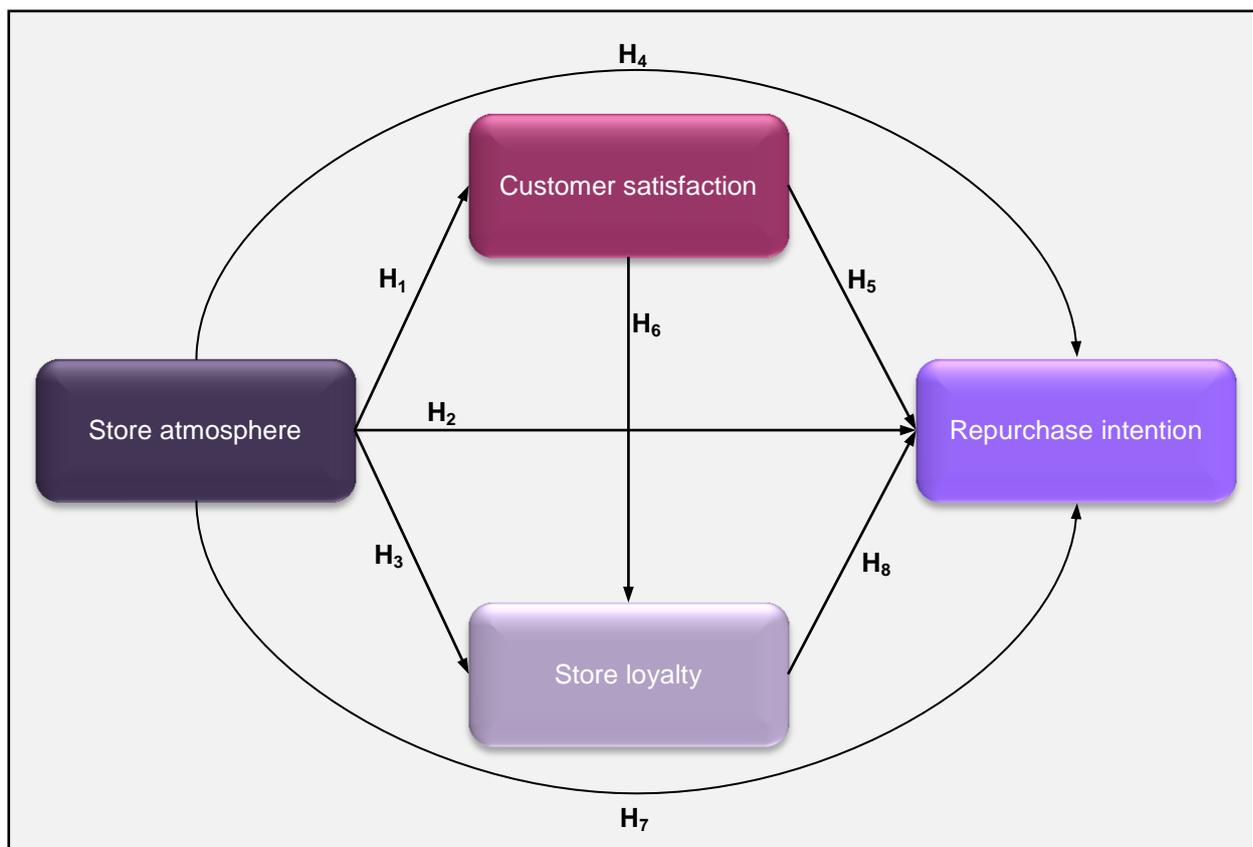


Table 6.10 presents the alternative hypotheses formulated for this research study as indicated in Figure 6.2 (Chapter 1, Section 1.6.3).

Table 6.10: Hypotheses

Hypotheses for SEM	
H ₁	Store atmosphere has a significant and positive influence on customer satisfaction.
H ₂	Store atmosphere has a significant and positive influence on repurchase intention.
H ₃	Store atmosphere has a significant and positive influence on store loyalty.
H ₄	Customer satisfaction mediates the relationship between store atmosphere and repurchase intention.
H ₅	Customer satisfaction has a significant and positive influence on repurchase intention.
H ₆	Customer satisfaction has a significant and positive influence on store loyalty.
H ₇	Store loyalty mediates the relationship between store atmosphere and repurchase intention.
H ₈	Store loyalty has a significant and positive influence on repurchase intention.

6.11.1 Assessment of the measurement model

Confirmatory Factor Analysis (CFA) was conducted for a four-construct measurement model (store atmosphere, customer satisfaction, store loyalty and repurchase intention) where store atmosphere was considered as a higher order factor model comprised of four sub-dimensions (factors), namely exterior, interior, layout and design and point-of-purchase. The CFA was undertaken to explore and test the measurement model properties with regard to the four constructs of the proposed theoretical model. Furthermore, CFA tests the degree to which the alternative hypotheses suggested in the proposed theoretical model are supported by the observed data (Kent, 2007:421).

In order to evaluate how well the observed data fits the proposed theoretical model, multiple fit indices are reported (Blunch, 2011:117). Bowen and Guo (2012:145) suggest that to report multiple fit indices, is good practice. Therefore, the fit indices used include CFI and TLI as incremental fit indices. The RMSEA is used as an absolute fit index for the measurement model. Table 6.11 presents the measurement model fit indices, recommended cut-off points for each fit index used in the SEM, as well as the fit indices values.

Table 6.11: Measurement model fit indices

Model fit indices	Recommended cut-off points	Fit indices value
CFI	≥ 0.95 or ≥ 0.90 = acceptable fit (Blunch, 2011:115, Hair <i>et al.</i> , 2010:664)	0.958
TLI	≥ 0.95 or ≥ 0.90 = acceptable fit (Blunch, 2011:115, Hair <i>et al.</i> , 2010:664)	0.956
RMSEA	< 0.05 = good fit ≤ 0.08 = acceptable fit ≤ 0.10 = average fit (Hoe, 2008:78, Meyers <i>et al.</i> , 2006:608)	0.048

* The fit indices represent the overall model fit for this research study's data.

From Table 6.11 it is evident that the CFI (0.958) and the TLI (0.956) both exceed the recommended cut-off points of 0.95 indicating an acceptable measurement model fit (De Beer *et al.*, 2013:5; Blunch, 2011:115). Furthermore, the RMSEA of 0.048 is lower than the recommended cut-off point of 0.05, which confirms a good model fit (Moutinho & Hutcheson, 2011:307). As a result, the assessment of the measurement model confirms an acceptable model fit with the exception of the RMSEA indicating a good model fit. It can therefore be concluded, that based upon the assessment of the measurement model, the measurement model was found to fit the observed data taking the recommended cut-off points into account (Hair *et al.*, 2010:644-670). The following main finding can therefore be reported relating to the assessment of the measurement model.

Main finding 18

Regarding the CFA used to investigate the measurement properties of the proposed theoretical model, the fit indices indicate a good to acceptable model fit.

Table 6.12 presents the standardised factor loadings, specifically the factor loading (estimate), standard error (SE) of the effect sizes, and p-value for each statement included in the measurement model tested. The standardised model results assist in evaluating the strength of each of the items on the constructs and sub-dimensions (factors) in the measurement model.

Table 6.12: Standardised model results

Construct	Factor	Statement	Factor loading (Estimate)	SE	p-value
STORE ATMOSPHERE	Exterior	The exterior of the boutique has eye-catching signs	0.829	0.023	<0.001
		The entrance to the boutique is inviting	0.867	0.020	<0.001
		The window displays of the boutique are attractive	0.808	0.029	<0.001
		The colour of the building is welcoming	0.811	0.026	<0.001
		There is a variety of alluring stores located near the boutique	0.613	0.038	<0.001
		The boutique is located in an attractive surrounding	0.741	0.030	<0.001
		The location of the boutique is convenient	0.787	0.029	<0.001
		The architectural style of the boutique is attractive	0.810	0.025	<0.001
		The area surrounding the boutique is to my liking	0.776	0.027	<0.001
		The boutique has good parking facilities	0.753	0.031	<0.001
	Interior	The floor of the boutique directs the movement in a sensible manner	0.784	0.024	<0.001
		The flooring of the boutique is visually appealing	0.793	0.020	<0.001
		The boutique has a pleasant colour scheme	0.840	0.018	<0.001
		The lighting in the boutique creates an atmosphere one would expect	0.793	0.021	<0.001
		The background music in the boutique is acceptable	0.678	0.028	<0.001
		The smell in the boutique is pleasing	0.770	0.024	<0.001
		The layout of the boutique works well	0.847	0.016	<0.001
		The walls in the boutique are visually appealing	0.828	0.020	<0.001
		The merchandise in the boutique is well displayed	0.784	0.022	<0.001
The temperature in the boutique is comfortable	0.749	0.025	<0.001		
The interior of the boutique is clean	0.743	0.028	<0.001		

Table 6.12: Standardised model results (cont.)

Construct	Factor	Statement	Factor loading (Estimate)	SE	p-value
STORE ATMOSPHERE	Layout and design	All spaces in the boutique are creatively utilised	0.847	0.018	<0.001
		The layout of the boutique is well designed	0.854	0.018	<0.001
		It is easy to find what I am looking for in the boutique	0.808	0.021	<0.001
		The merchandise in the boutique is well organised	0.820	0.022	<0.001
		The checkout and service points in the boutique are well placed	0.781	0.024	<0.001
		The sitting / waiting areas in the boutique are comfortable	0.749	0.026	<0.001
		The fitting rooms are what one would expect from a boutique	0.732	0.027	<0.001
		The clothing racks, shelves and display cases in the boutique are well arranged	0.822	0.021	<0.001
		The boutique is not overcrowded	0.582	0.034	<0.001
		The furnishings in the boutique are attractive	0.828	0.022	<0.001
	Point-of-purchase and decoration	The signage inside the boutique is visually appropriate	0.882	0.018	<0.001
		The wall décorations in the boutique are appealing	0.909	0.013	<0.001
		The artwork in the boutique is suitable	0.884	0.017	<0.001
		The merchandise is well displayed	0.869	0.018	<0.001
		The pricing of the merchandise in the boutique is clearly visible	0.779	0.028	<0.001
CUSTOMER SATISFACTION	I am satisfied with my decision to shop here	0.931	0.011	<0.001	
	I feel I did the right thing to shop here	0.960	0.009	<0.001	
	My choice to shop at this boutique was a wise one	0.980	0.009	<0.001	
	I am confident to shop at this boutique	0.962	0.008	<0.001	
	I have truly enjoyed shopping at this boutique	0.979	0.007	<0.001	

Table 6.12: Standardised model results (cont.)

Construct Factor	Statement	Factor loading (Estimate)	SE	p-value
STORE LOYALTY	I consider myself a loyal customer to this boutique	0.917	0.011	<0.001
	I am willing to make an effort to shop at this boutique	0.928	0.010	<0.001
	I am committed to this boutique	0.940	0.009	<0.001
	I would recommend this boutique to my friends and family	0.957	0.009	<0.001
	I would say positive things about this boutique to others	0.949	0.010	<0.001
REPURCHASE INTENTION	I intend to purchase from this boutique again in the near future	0.958	0.009	<0.001
	I intend to return to this boutique	0.945	0.008	<0.001
	I would consider purchasing again from this boutique	0.843	0.020	<0.001
	I like the idea of purchasing at this boutique	0.933	0.011	<0.001
	Whenever possible, I would purchase at this boutique	0.871	0.015	<0.001

* Standardised regression weights with <0.10 values indicate small affect, values around 0.30 indicate a medium effect, and ≥ 0.50 values indicate a large effect (Suhr, 2006:5; Cohen, 1988:284, 285).

Upon examining the factor loadings and corresponding statistical significance of the statements included in the measurement model in Table 6.12, it is evident that all statements exhibit factor loadings above the recommended minimum value of 0.5 (Mpinganjira *et al.*, 2014:7), indicating a large effect (Suhr, 2006:5). Furthermore, all the statements were retained since the factor loadings were all statistically significant (p -value < 0.05). Therefore, the following main finding can be reported relating to the standardised model results.

Main finding 19

The standardised model results indicate that all statements included in the measurement model exhibit significant factor loadings above the recommended cut-off point, exhibiting a large effect in all instances, leading to the retention of all statements for further statistical analysis.

6.11.2 Correlation analysis

A correlation analysis was furthermore conducted in order to measure the strength of the linear relationship between the latent variables (Aaker *et al.*, 2013:509). The correlation analysis technique used for this research study was the Pearson's product moment correlation technique. Table 6.13 presents the Pearson correlation coefficient matrix of the latent variables considered in the structural model (Pallant, 2010:123).

Table 6.13: Correlation coefficient matrix of the latent variables

Variable	Exterior	Interior	Layout and design	Point-of-purchase and décoration	Customer satisfaction	Store layout	Repurchase intention	Store atmosphere
Exterior	1.000							
Interior	0.761	1.000						
Layout and design	0.746	0.894	1.000					
Point-of-purchase and décoration	0.707	0.847	0.830	1.000				
Customer satisfaction	0.617	0.740	0.725	0.687	1.000			
Store layout	0.579	0.694	0.680	0.645	0.782	1.000		
Repurchase intention	0.569	0.681	0.667	0.633	0.795	0.873	1.000	
Store atmosphere	0.797	0.955	0.936	0.887	0.774	0.727	0.713	1.000

* Correlation is significant at the 0.01 level; * Correlation is practically significant when $r > 0.10$ (small effect), $r > 0.30$ (medium effect) and $r > 0.50$ (large effect) (Cohen, 1988:284, 285).

It is evident from Table 6.13 that:

- The exterior sub-dimension correlates practically and statistically significant with the interior sub-dimension (large effect; $r = 0.761$), layout and design sub-dimension (large effect; $r = 0.746$), point-of-purchase and décoration sub-dimension (large effect; $r = 0.707$), customer satisfaction construct (large effect; $r = 0.617$), store loyalty construct (large effect; $r = 0.579$) and repurchase intention construct (large effect; $r = 0.569$).

- The interior sub-dimension of store atmosphere correlates practically and statistically significant with the layout and design sub-dimension (large effect; $r = 0.894$), point-of-purchase and décoration sub-dimension (large effect; $r = 0.847$), customer satisfaction construct (large effect; $r = 0.740$), store loyalty construct (large effect; $r = 0.694$) and repurchase intention construct (large effect; $r = 0.681$).
- The layout and design sub-dimension of store atmosphere correlates practically and statistically significant with the point-of-purchase and décoration sub-dimension (large effect; $r = 0.830$), customer satisfaction construct (large effect; $r = 0.725$), store loyalty construct (large effect; $r = 0.680$) and repurchase intention construct (large effect; $r = 0.667$).
- The point-of-purchase and décoration sub-dimension of store atmosphere correlates practically and statistically significant with customer satisfaction construct (large effect; $r = 0.687$), store loyalty construct (large effect; $r = 0.645$) and repurchase intention construct (large effect; $r = 0.633$).
- Customer satisfaction construct correlates practically and statistically significant with the store loyalty construct (large effect; $r = 0.782$), repurchase intention construct (large effect; $r = 0.795$) and store atmosphere construct (large effect; $r = 0.774$).
- Store loyalty construct correlates practically and statistically significant with the repurchase intention construct (large effect; $r = 0.873$) and store atmosphere construct (large effect; $r = 0.727$).
- Repurchase intention construct correlates practically and statistically significant with the store atmosphere construct (large effect; $r = 0.713$).

Therefore, the following main finding can be reported relating to the correlation analysis results.

Main finding 20

The latent variables considered in the proposed model, correlate practically and statistically significant with one another, exhibiting a large effect in all instances.

6.11.3 Assessment of validity

For the purpose of this research study, content, construct and criterion validity were assessed to confirm that the measurement scales contained in the questionnaire to measure the constructs of concern in this research study, measured what they were supposed to measure (Chapter 5,

Section 5.4.6.1) (Pallant, 2010:7). Content validity was assessed by the researcher examining the measurement scales contained in the questionnaire. The researcher is of the opinion that the measurement scales adequately measure the constructs of this research study. A CFA (Chapter 5, Section 5.4.6.1) was conducted on the 36 statements in section C of the questionnaire used to measure customers' perceived store atmosphere, as well as the 15 statements included in section D of the questionnaire to measure customer satisfaction, store loyalty and repurchase intention. Statements in section C and D of the questionnaire can be grouped according to the sub-dimensions (factors) that have been identified in the theoretical background of this research study (Chapter 2 and 3) (Yuksel *et al.*, 2006:17). It is evident from the results presented in Section 6.11.2 that the main constructs of this research study exhibit construct validity. Lastly, the alternative hypothesised relationships between the main constructs of this research study were practically and statistically significant, and therefore the researcher confirmed the criterion validity of the measurement scales (Section 6.11.2). Therefore, the following main finding can be reported relating to the validity of the measurement model.

Main finding 21

All the measurement scales measuring the sub-dimensions (factors) and constructs of this research study can be considered valid since they all exhibit content, construct and criterion validity.

6.11.4 Assessment of the structural model

The assessment of the structural model's fit with the observed data was also undertaken by means of SEM using the Mplus 7.11 software (Muthén & Muthén, 2014:1). In order to evaluate how well the observed data and measurement model fit the structural model, multiple fit indices are reported (Blunch, 2011:117). The fit indices enable researchers to assess which of the models best represent the observed data (Bagozzi & Yi, 2012:15). Therefore, the fit indices used include CFI and TLI as incremental fit indices. The RMSEA is used as an absolute fit index to assess the structural model. Table 6.14 presents the model fit indices, recommended cut-off points for each fit index used in the SEM, as well as the fit indices values that were uncovered.

Table 6.14: Results of the Structural Equation Modelling (SEM) analysis

Model fit indices	Recommended cut-off points	Fit indices value
CFI	≥ 0.95 or ≥ 0.90 = acceptable fit (Blunch, 2011:115; Hair <i>et al.</i> , 2010:664)	0.964
TLI	≥ 0.95 or ≥ 0.90 = acceptable fit (Blunch, 2011:115; Hair <i>et al.</i> , 2010:664)	0.962
RMSEA	< 0.05 = good fit ≤ 0.08 = acceptable fit ≤ 0.10 = average fit (Hoe, 2008:78; Meyers <i>et al.</i> , 2006:608)	0.056

* The fit indices represent the overall model fit for this research study's data.

From Table 6.14 it is evident that the CFI (0.964) and the TLI (0.962) both exceed the recommended cut-off points of 0.95, which indicate an acceptable fit for the structural model (Blunch, 2011:115). The fit indices are both slightly higher than those of the measurement model CFI (0.958) and TLI (0.956). Therefore, both the CFI and TLI of the structural model indicate a better model fit than the measurement model (De Beer *et al.*, 2013:5). Furthermore, the RMSEA (0.056) is higher than the recommended cut-off point of 0.05, which confirms an acceptable model fit (Moutinho & Hutcheson, 2011:307). This is slightly lower than the measurement model RMSEA (0.048) which confirms a good model fit. As a result, the structural model shows an acceptable model fit. Therefore, the structural model was found to fit the observed data adequately, taking all of the recommended cut-off points into account (Hair *et al.*, 2010:644-670). The following main finding can therefore be reported relating to the assessment of the structural model.

Main finding 22

Regarding the assessment of the structural model, the fit indices indicate an acceptable model fit.

6.11.5 Hypothesis testing

Table 6.12 indicates statistically significant factor loadings for all statements above the recommended cut-off points in the evaluation of the relationships between the various sub-dimensions (factors) and constructs in the measurement model. It is therefore important to illustrate the strength of the alternative hypothesised relationships between the constructs by referring to the standardised regression weights of the structural model (Hoe, 2008:79). Table

6.15 indicates the alternative hypothesised relationships (H_1 , H_2 , H_3 , H_5 , H_6 , and H_8) with the relevant beta coefficient (β weight) (which specifies the strength of the relationship), the standard error (SE), statistical significance and the size of the direct effect of the relationships between the constructs in the specified structural model. Table 6.15 is followed by Table 6.16 which indicates the size of the indirect effects regarding the mediating alternative hypothesised relationships (H_4 and H_7) between the constructs of this research study. A discussion proceeds after Table 6.16 regarding the alternative hypotheses testing of this research study.

Table 6.15: Hypotheses testing the direct effects

Hypothesis	Relationship	β weight	SE	p -value	Size of effect
H_1	Store atmosphere \rightarrow Customer satisfaction	0.761	0.027	0.001	Large
H_2	Store atmosphere \rightarrow Repurchase intention	0.045	0.048	0.350	No effect
H_3	Store atmosphere \rightarrow Store loyalty	0.271	0.050	0.001	Small
H_5	Customer satisfaction \rightarrow Repurchase intention	0.275	0.050	0.001	Small
H_6	Customer satisfaction \rightarrow Store loyalty	0.541	0.052	0.001	Large
H_8	Store loyalty \rightarrow Repurchase intention	0.606	0.039	0.001	Large

β weight = Standardised regression weight; SE = Standard error; p = p -value ≤ 0.05 statistical significance; * Relationship is statistically and practically significant when $r > 0.30$ (medium effect) and $r > 0.50$ (large effect).

Table 6.16: Mediating hypothesis testing the indirect effects

Mediating Hypothesis	Relationship	β weight	Confidence interval (95%)		kappa-squared (k^2)	Size of indirect effect
			Lower	Upper		
H_4	Customer satisfaction mediates the relationship between store atmosphere and repurchase intention	0.256	0.153	0.356	0.190	Medium
H_7	Store loyalty mediates the relationship between store atmosphere and repurchase intention	0.201	0.118	0.279	0.167	Medium

β weight = Standardised regression weight; * Relationship is statistically significant when indirect effect small sizes are 0.01, medium sizes are 0.09 and large sizes are 0.25 respectively (Preacher & Kelly, 2011:94; Cohen, 1988:284, 285).

Table 6.15 indicates that all the standardised regression weights of the alternative hypothesised relationships between the constructs are positive ranging between 0.045 and 0.761. The alternative hypothesised relationships (H₁ and H₃ to H₈) are statistically significant with the exception of H₁ (store atmosphere – customer satisfaction, 0.761), H₆ (customer satisfaction – store loyalty, 0.541) and H₈ (store loyalty – repurchase intention, 0.606) which realised large direct effect sizes for the relationships between the constructs concerned (Suhr, 2006:5). Both mediation alternative hypotheses, presented in Table 6.16, namely H₄ and H₇ realised a medium indirect effect for the relationships between the constructs concerned. Hypothesis H₃ (store atmosphere – store loyalty, 0.271) and H₅ (customer satisfaction – repurchase intentions, 0.275) realised small direct effect sizes for the construct relationships. Since the relationship proposed in hypothesis H₂ (store atmosphere – repurchase intention, 0.045) was not significant, no direct effect for the relationship between these two constructs can be reported. Figure 6.3 presents the structural model for this research study

Figure 6.3: Structural model

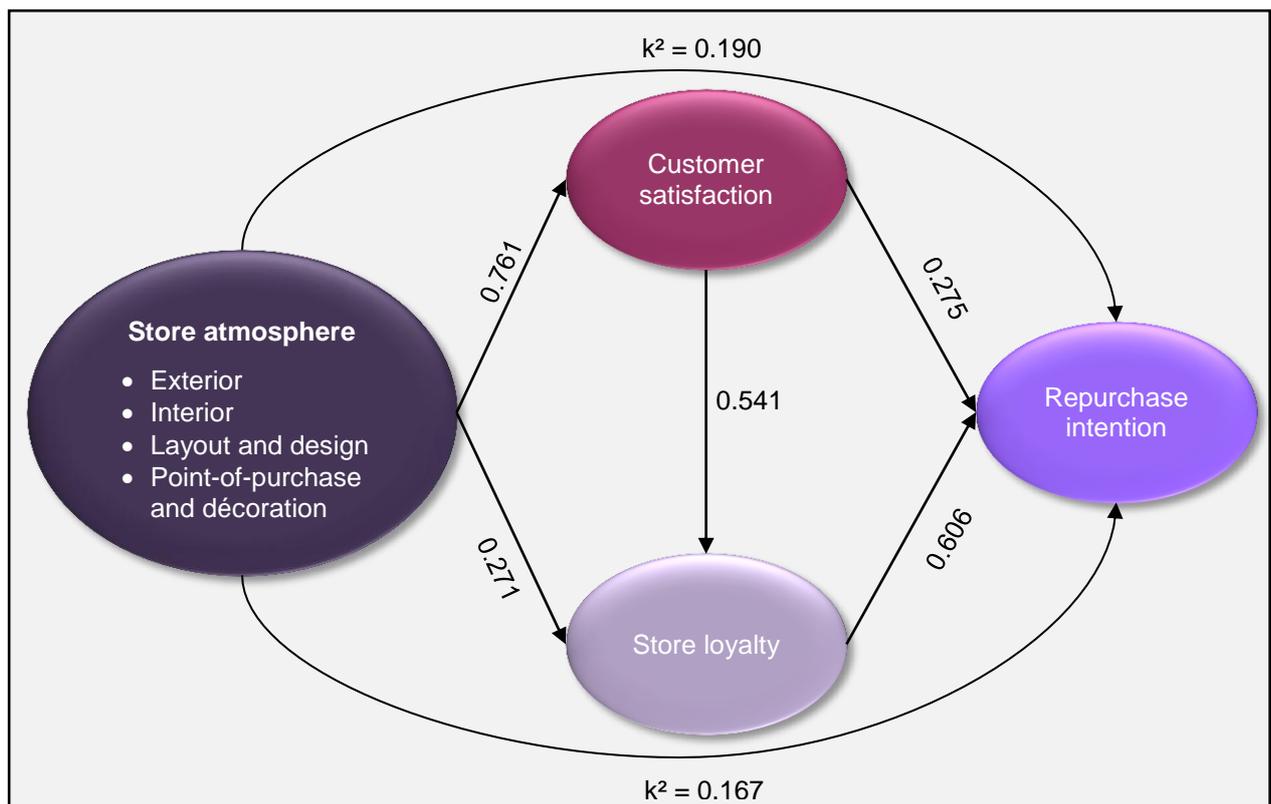


Table 6.17 presents a summary of the main findings which can be reported relating to the alternative hypotheses for the correlation analysis.

Table 6.17: Summary of findings with respect to the hypotheses

Hypothesis		Finding
H ₁	Store atmosphere has a significant and positive influence on customer satisfaction.	Do not reject
H ₂	Store atmosphere has a significant and positive influence on repurchase intention.	Reject
H ₃	Store atmosphere has a significant and positive influence on store loyalty.	Do not reject
H ₄	Customer satisfaction mediates the relationship between store atmosphere and repurchase intention.	Do not reject
H ₅	Customer satisfaction has a significant and positive influence on repurchase intention.	Do not reject
H ₆	Customer satisfaction has a significant and positive influence on store loyalty.	Do not reject
H ₇	Store loyalty mediates the relationship between store atmosphere and repurchase intention.	Do not reject
H ₈	Store loyalty has a significant and positive influence on repurchase intention.	Do not reject

The following main findings can therefore be reported in relation to the alternative hypotheses formulated for this research study.

Main finding 23

Store atmosphere has a significant and large positive influence on customer satisfaction.

Main finding 24

Store atmosphere does not have a significant and positive influence on repurchase intention.

Main finding 25

Store atmosphere has a significant and small positive influence on store loyalty.

Main finding 26

Customer satisfaction mediates the relationship between store atmosphere and repurchase intention (medium effect).

Main finding 27

Customer satisfaction has a significant and small positive influence on repurchase intention.

Main finding 28

Customer satisfaction has a significant and large positive influence on store loyalty.

Main finding 29

Store loyalty mediates the relationship between store atmosphere and repurchase intention (medium effect).

Main finding 30

Store loyalty has a significant and large positive influence on repurchase intention.

6.12 SUMMARY OF MAIN FINDINGS

This section provides a summary of all the main empirical research findings formulated in this chapter.

6.12.1 Main findings according to research objectives

The summary of all the main empirical research findings is structured according to the secondary objectives set out for the purpose of this research study (Chapter 5, Section 5.4.1). It is important to note that secondary objective 1 was accomplished with the theoretical background investigation in Chapters 2, 3 and 4 (Table 1.3). Therefore, the summary in Table 6.18 commences with the main findings relating to secondary objective 2.

Table 6.18: Summary of main empirical research findings according to the secondary objectives

Secondary objective 2: To develop a sample profile of boutique customers who participated in this research study	
A female who is 27 years or younger with a Matric or Grade 12 qualification, who speaks Afrikaans and is full-time employed.	
Main finding 1	The majority of respondents bought clothing items most recently from Just for You (Potchefstroom) and Penny Royal (Potchefstroom) with a monthly average boutique expenditure of R1 281.02. The majority of respondents shop for items once a month at boutiques in general.
Main finding 2	Regarding the exterior of the boutique, respondents agreed the most that the location of the boutique is convenient and that the entrance to the boutique is inviting. Respondents agreed the least that the boutique has good parking facilities and that the colour of the building is welcoming.
Main finding 3	Regarding the interior of the boutique, respondents agreed most that the interior of the boutique is clean and that the temperature in the boutique is comfortable. Respondents agreed the least that the background music in the boutique is acceptable and that the flooring of the boutique is visually appealing.
Main finding 4	Regarding the layout and design of the boutique, respondents agreed the most that the checkout and service points in the boutique are well placed and that all the spaces in the boutique are creatively utilised as well as that the furnishings in the boutique are attractive. Respondents agreed the least that the sitting or waiting areas in the boutique are comfortable and that the fitting rooms are what one would expect from a boutique.
Main finding 5	Regarding the point-of-purchase and décor of the boutique, respondents agreed the most that the pricing of the merchandise in the boutique is clearly visible and that the merchandise is well displayed. Respondents agreed the least that the signage inside the boutique is visually appropriate and that the artwork in the boutique is suitable.
Secondary objective 4: To measure the level of customer satisfaction of respondents towards a boutique they bought items from most recently	
Main finding 6	Regarding the level of customer satisfaction experienced with the boutique, respondents agreed the most that they are satisfied with their decision to shop at the boutique and that they are confident to shop at the boutique. Respondents agreed the least that they did the right thing to shop at the boutique and that their choice to shop at the boutique was a wise one.
Secondary objective 5: To measure the level of store loyalty of respondents towards a boutique they bought items from most recently	
Main finding 7	Regarding the level of store loyalty with the boutique, respondents agreed the most that they would say positive things about the boutique to others and that they would recommend the boutique to their friends and family. Respondents agreed the least that they are committed to the boutique and that they consider themselves a loyal customer to the boutique.

Table 6.18: Summary of main empirical research findings according to the secondary objectives (cont.)

Secondary objective 6: To measure the level of repurchase intention of respondents towards a boutique they bought items from most recently	
Main finding 8	Regarding the level of repurchase intention experienced with the boutique, respondents agreed the most that they intend to return to the boutique and that they like the idea of purchasing at the boutique. Respondents agreed the least that whenever possible, they would purchase at the boutique and that they intend to purchase from the boutique again in the near future.
Secondary objective 7: To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention	
Main finding 9	All the measurement scales measuring the sub-dimensions (factors) and constructs of this research study can be considered reliable, since they exhibit very good internal consistency reliability.
Main finding 10	The overall mean score for the store atmosphere construct is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's store atmosphere.
Main finding 11	The overall mean score for the exterior sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's exterior.
Main finding 12	The overall mean score for the interior sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's interior.
Main finding 13	The overall mean score for the layout and design sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's layout and design.
Main finding 14	The overall mean score for the point-of-purchase and décoration sub-dimension (factor) of store atmosphere is above the mid-point of the measurement scale, indicating respondents have an overall positive perception of the boutique's point-of-purchase and décoration.
Main finding 15	The overall mean score for the customer satisfaction construct is above the mid-point of the measurement scale, indicating respondents' overall customer satisfaction with the boutique.
Main finding 16	The overall mean score for the store loyalty construct is above the mid-point of the measurement scale, indicating respondents' overall store loyalty to the boutique.
Main finding 17	The overall mean score for the repurchase intention construct is above the mid-point of the measurement scale indicating respondents' overall repurchase intention to the boutique.
Main finding 18	Regarding the CFA used to investigate the measurement properties of the proposed theoretical model, the fit indices indicate a good to acceptable model fit.
Main finding 19	The standardised model results indicate that all statements included in the measurement model exhibit significant factor loadings above the recommended cut-off point, exhibiting a large effect in all instances, leading to the retention of all statements for further statistical analysis.

Table 6.18: Summary of main empirical research findings according to the secondary objectives (cont.)

Secondary objective 7: To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention	
Main finding 20	The latent variables considered in the proposed model, correlate practically and statistically significant with one another, exhibiting a large effect in all instances.
Main finding 21	All the measurement scales measuring the sub-dimensions (factors) and constructs of this research study can be considered valid since they all exhibit content, construct and criterion validity.
Main finding 22	Regarding the assessment of the structural model, the fit indices indicate an acceptable model fit.
Hypothesis 1	
Main finding 23	Store atmosphere has a significant and large positive influence on customer satisfaction.
Hypothesis 2	
Main finding 24	Store atmosphere does not have a significant and positive influence on repurchase intention.
Hypothesis 3	
Main finding 25	Store atmosphere has a significant and small positive influence on store loyalty.
Hypothesis 4	
Main finding 26	Customer satisfaction mediates the relationship between store atmosphere and repurchase intention (medium effect).
Hypothesis 5	
Main finding 27	Customer satisfaction has a significant and small positive influence on repurchase intention
Hypothesis 6	
Main finding 28	Customer satisfaction has a significant and large positive influence on store loyalty.
Hypothesis 7	
Main finding 29	Store loyalty mediates the relationship between store atmosphere and repurchase intention (medium effect).
Hypothesis 8	
Main finding 30	Store loyalty has a significant and large positive influence on repurchase intention.

6.13 CONCLUSION

This chapter interprets and discusses the empirical research results of this research study. This chapter commences by presenting the sample realisation rate, followed by the sample profile of respondents who participated in this research study. Respondents' boutique patronage habits are furthermore discussed, followed by the empirical results obtained from the remaining sections of the questionnaire relating to respondents' perceived store atmosphere, customer satisfaction, store loyalty and repurchase intention. Statistical analyses results reported in this chapter include frequencies and percentages, means and standard deviations, internal consistency reliability through Cronbach's alpha coefficients, overall mean scores, factor loadings, content, construct and criterion validity through CFA, correlation analyses and effect sizes of direct and indirect effects. A structural equation model was furthermore tested in order to compare the proposed theoretical model with the observed data. In conclusion, a summary of the main findings of this research study is presented according to the secondary objectives formulated for this research study. Chapter 7 concludes this research study and provides conclusions and recommendations for this research study.

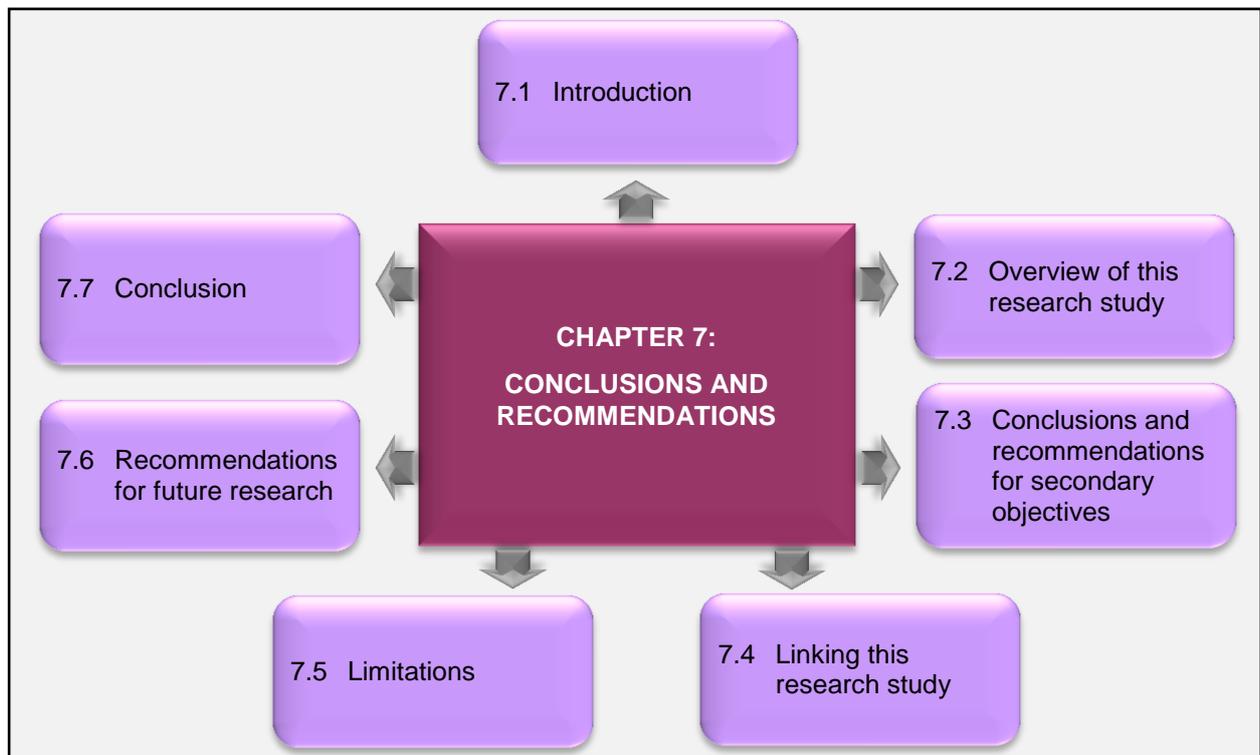
CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

Chapter 7 completes this research study by drawing various conclusions from the main findings in Chapter 6 as well as the preceding theoretical background presented in Chapters 2, 3 and 4. Furthermore, this chapter proposes recommendations based upon the conclusions drawn. The chapter commences with an outline of this research study, after which conclusions and recommendations for the secondary objectives are presented. Henceforth, a table is provided with the aim of linking the research objectives, theoretical background chapters, the sections in the questionnaire, hypotheses, main findings, conclusions and recommendations of this research study. The limitations of this research study are also presented and the chapter concludes with the recommendations for future research. Figure 7.1 provides a depiction of the main sections included in this chapter.

Figure 7.1: Chapter outline



Source: Researcher's own construct.

7.2 OVERVIEW OF THIS RESEARCH STUDY

The global fashion retail industry has been characterised by fierce competition for numerous years (Terblanché & Boshoff, 2006:1; Forbes *et al.*, 2005:280). Given the way fashion trends evolve, it influences customers' motivations to replace clothes, cosmetics, furniture, home accessories and motor vehicles (Stone, 2010:40). The reason being that fashion determines what customers purchase, as well as what their needs and wants regarding certain retail experiences are (Yu, 2006:1). As a result, retailers are under constant pressure to differentiate themselves from alternative retail stores offering similar merchandise (Terblanché & Boshoff, 2006:1; Forbes *et al.*, 2005:280), since shopping has become a significant part of the South African female's lifestyle (Janse van Noordwyk, 2002:13).

Customers are becoming increasingly more sophisticated and individualistic, and therefore many are now turning to small, speciality retailers such as boutiques, which cater for their individual and specific shopping needs (Lovelock & Wirtz, 2011:276, 280; Yu, 2006:2; Turley & Milliman, 2000:193; Kotler, 1973-1974:48). According to Wilson *et al.* (2012:37) and Blackwell *et al.* (2006:389), these customers do not merely purchase from a retailer; they prefer to experience the atmosphere in the retail store when shopping. Therefore, Berman and Evans (2013:491) recommend that retailers consider certain store atmosphere sub-dimensions, namely exterior, interior, layout and design, and point-of-purchase and décoration when designing a suitable store atmosphere to address customers' retail experience needs (Berman & Evans, 2013:492-503; Terblanché & Boshoff, 2006:1, 2; Turley & Milliman, 2000:194). These sub-dimensions are specifically utilised to enhance customers' retail experience by creating an overall exciting retail environment (Parsons, 2011:429).

Furthermore, Berman and Evans (2013:4), Palmer (2011:338) and Koo (2003:43) propose that the boutique's store atmosphere will not merely satisfy a customer's specific retail experience needs, but also encourage customers to return. Therefore an effective understanding of store atmosphere will assist marketers to make strategic decisions and develop retail marketing strategies pertaining to store atmosphere (Berman & Evans, 2013:4; Koo, 2003:43) in order to influence customer satisfaction, store loyalty and repurchase intention.

Chapter 1 of this research study provides an introduction and overview for this study and propounds that store atmosphere is a noteworthy marketing tool, given that it provides marketers the power to manipulate the effect of a retail experience on consumer behaviour (Hellier *et al.*, 2003:1764). The chapter contends that, although researchers have investigated the interrelationships between the constructs of concern in this research study, a theoretical

model such as presented in Figure 4.1 (Chapter 1) has neither been proposed in general before, nor for boutiques in particular.

For the purpose of this research study, a research problem was subsequently formulated. The research problem contends that marketers face the challenge to create customer satisfaction, build store loyalty, and stimulate repurchase intentions in the competitive fashion retail industry where customers can choose between alternative retailers offering similar merchandise. Customers to whom fashion is important, have certain needs and wants regarding specific retail experiences. As a result, customers are becoming increasingly more sophisticated and individualistic, and therefore turn to small, speciality retailers such as boutiques, which can accommodate these customers by providing them with specific and individual retail experiences. In order for boutiques to survive in the South African fashion retail industry, they need to accommodate customers' specific retail experience needs. Therefore, it is important for boutiques to be aware of their store atmosphere which can possibly offer customers a satisfying, consistent and sound retail experience. Store atmosphere is also considered a noteworthy marketing tool in this research study, given that it could possibly provide boutique marketers the ability to influence customer satisfaction, store loyalty and repurchase intention.

Subsequently, this research study specifically focuses on store atmosphere as a second-order construct model comprised of four sub-dimensions, namely store exterior, interior, layout and design and point-of-purchase and décoration which customers experience at the boutique they indicated as the one they bought items from most recently, selected from a list of pre-identified boutiques in order to determine the interrelationships between these sub-dimensions (factors), customer satisfaction, store loyalty and repurchase intention. Therefore, the primary objective of this research study is to investigate the influence of boutique store atmosphere on customer satisfaction, store loyalty and repurchase intention (Chapter 1, Section 1.6.1). The primary objective is further supported by several secondary objectives (Chapter 1, Section 1.6.2).

Chapter 2 of this research study presents a theoretical background and investigates the retailing concept which assists retailers in strategic planning, and is generally accepted as the key to the survival for retailers (Terblanché, 1998:9). Furthermore, this chapter discusses the retail marketing mix which highlights that customers do not merely purchase the retailer's merchandise; customers prefer to experience the atmosphere in the retail store when shopping (Nsairi, 2012:681; Wilson *et al.*, 2012:37; Blackwell *et al.*, 2006:389). Retailing and the retail marketing mix makes it possible for customers to feel part of, and enjoy the retail experience (Levy *et al.*, 2014:7). In addition, the different kinds of retailers are illustrated and explained in order to provide insight into the sampling units (boutiques) the researcher pre-identified to

determine the interrelationships between the sub-dimensions (factors), customer satisfaction, store loyalty and repurchase intention during the empirical results phase of this research study.

It further became evident in Chapter 2 that store image is comprised of various underlying dimensions that each constitute a number of sub-dimensions. Store atmosphere represents one of these dimensions of store image. Henceforth, a definition, the importance of, as well as the sub-dimensions and corresponding elements of store atmosphere are examined in this chapter since store atmosphere represents one of the four main constructs of this research study.

The chapter furthermore addresses the sub-dimensions of store atmosphere, namely the exterior, interior, layout and design, as well as point-of-purchase and décoration (Berman & Evans, 2013:492-503; Terblanché & Boshoff, 2006:1, 2; Turley & Milliman, 2000:194). Finally, the chapter contends that customers will enter a retailer exhibiting an attractive exterior, stay in the retail store for longer when the interior is pleasing, interact with the sales personnel and merchandise in the retail store if the layout and design are to their liking, and ultimately make a purchase (Hawkins *et al.*, 2010:609; Jin & Kim, 2003:397; Osman, 1993:133).

Chapter 3 highlights the fact that retailers need to understand how customers make purchase decisions, as well as the variables that influence the consumer decision-making process (Lindquist & Sirgy, 2009:4). The chapter discusses consumer behaviour by defining the concept and explaining the importance of consumer behaviour. A detailed discussion pertaining to the five stages of the consumer decision-making process as well as the internal and external variables, are provided in order to guide retailers to identify and understand customers' preferences in relation to the retail experience. It furthermore became evident that retailers may reap various benefits from satisfying their customers' retail experience needs (Law *et al.*, 2012:115). Satisfied customers will return to experience a similar retail experience and may ultimately become store loyal and continue to repurchase from the retail store in the future (Jiang & Liu, 2014:14; Ailawadi *et al.*, 2008:19). Henceforth, the chapter highlights the definitions, the importance and determinants of the remaining constructs of this research study, namely customer satisfaction (Chapter 3, Section 3.3), store loyalty (Chapter 3, Section 3.4) and repurchase intention (Chapter 3, Section 3.5).

Chapter 4 investigates the interrelationships between the four main constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention. Alternative hypotheses, supported by the theoretical background, are subsequently formulated to illustrate the nature of the interrelationships between these constructs. Finally, this chapter proposes a theoretical model for the study and presents a summary of the hypotheses.

Chapter 5 presents the research methodology followed in this research study. A descriptive research design was followed and the self-administered survey research method was applied in the form of questionnaires fielded. Fieldworkers distributed the questionnaires amongst the target population which included females, 18 years and older with an average monthly household net income of more than R14 000 (medium-to high household income) who have bought items most recently from any one of a number of pre-identified retailers – boutiques (sampling units) in Potchefstroom and Klerksdorp during the past six months. This research study followed a two-stage sampling procedure to select respondents to complete the questionnaires. The researcher pre-identified twenty boutiques (sampling units) in Potchefstroom (ten boutiques) and Klerksdorp (ten boutiques) using a non-probability sampling method, namely judgemental sampling. Furthermore, convenience sampling and quota sampling were followed by the fieldworkers who aimed at selecting twenty sampling elements (respondents) who complied with the prespecified criteria (screening questions) from each of the pre-identified boutiques (sampling units) to take part in this research study. A final sample size of 361 respondents was realised. Finally, the data was captured, edited and analysed using the SPSS statistical programme (SPSS Inc., version 21; 2012). Mplus 7.11 software was furthermore used to test the proposed theoretical model of this research study.

Chapter 6 presents a discussion and interpretations of the main empirical results based upon the questionnaires that were fielded. Various statistical analyses were performed in order to obtain the empirical results and formulate the main findings pertaining to the sample profile of respondents participating in this research study (Chapter 6, Section 6.3), perceived store atmosphere (Chapter 6, Section 6.5), customer satisfaction (Chapter 6, Section 6.6), store loyalty (Chapter 6, Section 6.7) and repurchase intention (Chapter 6, Section 6.8). All the measurement scales measuring the sub-dimensions (factors) and constructs of this research study can be considered reliable, since they exhibit very good internal consistency reliability (Chapter 6, Section 6.9). The standardised model results indicate that all the statements included in the measurement model exhibit significant factor loadings above the recommended cut-off point, thus all statements were retained for further statistical analysis (Chapter 6, Section 6.11.1). The latent variables considered in the model proposed for this research study, correlate practically and statistically significant with one another, exhibiting a large effect in all instances (Chapter 6, Section 6.11.2). Finally, regarding the assessment of the structural model, the fit indices indicate an acceptable model fit (Chapter 6, Figure 6.3).

7.3 CONCLUSIONS AND RECOMMENDATIONS FOR SECONDARY OBJECTIVES

The primary objective of this research study is to investigate the influence of boutique store atmosphere on customer satisfaction, store loyalty and repurchase intention. Secondary objectives were subsequently formulated to achieve this primary objective (Chapter 1, Section 1.6.1). By means of these secondary objectives, the conclusions and recommendations resulting from the preceding theoretical background (Chapters 2, 3 and 4) and the empirical results (Chapter 6) obtained are accordingly presented.

7.3.1 Secondary objectives 1a to 1e

Table 7.1 presents secondary objectives 1a to 1e.

Table 7.1: Secondary objective 1

Secondary objective 1
<p>To theoretically investigate:</p> <ul style="list-style-type: none"> 1a) the nature of the South African fashion retail industry. 1b) store atmosphere, more specifically its sub-dimensions (factors) and elements. 1c) an overview of consumer behaviour. 1d) an overview of the other main constructs of this research study, namely, customer satisfaction, store loyalty and repurchase intention. 1e) the interrelationship between the constructs of this research study, namely store atmosphere, customer satisfaction, store loyalty and repurchase intention.

Secondary objectives 1a to 1e of this research study were achieved as follows:

- Secondary objective 1a relating to the nature of the South African fashion retail industry is addressed in chapter 1 (Section 1.2).
- Secondary objective 1b relating to store atmosphere and its sub-dimensions and corresponding elements is covered in chapter 2 (Section 2.5).
- Chapter 3, (Section 3.2) serves as the theoretical background of consumer behaviour for the empirical part of this research study, addressing secondary objective 1c.
- Secondary objective 1d pertaining to an overview of the main constructs of this research study, namely customer satisfaction (Section 3.3), store loyalty (Section 3.4) and repurchase intention (Section 3.5), is achieved in chapter 3.

- Secondary objective 1e relating to the interrelationships between the constructs of this research study is addressed in chapter 4 where the proposed theoretical model is conceptualised.

While no main findings were formulated for the above-mentioned secondary objectives, the insights obtained from achieving these secondary objectives serve to assist in developing the conclusions and recommendations of the remaining secondary objectives.

7.3.2 Secondary objective 2: To develop a sample profile of boutique customers who participated in this research study

In order to develop a sample profile of boutique customers who participated in this research study and accordingly achieve secondary objective 2, demographic information was obtained from section A of the questionnaire and reflects the gender, age, education, home language and employment status of a typical respondent.

The empirical results of this research study indicate that respondents were 27 years of age or younger, with a Matric or Grade 12 qualification, who speak Afrikaans, are full-time employed and had bought clothing items most recently from the boutique Just for You (Potchefstroom) and Penny Royal (Potchefstroom). Respondents indicated their monthly average boutique expenditure as R1 281.02. Respondents in general shop for items once a month at boutiques. Table 7.2 presents the conclusions and recommendations formulated for secondary objective 2.

Table 7.2: Secondary objective 2: conclusions and recommendations

Secondary objective 2: To develop a sample profile of boutique customers who participated in this research study	
Conclusion 1	It can be concluded that the typical respondent who participated in this research study is relatively young, does not have a tertiary education qualification, speaks Afrikaans and has a full-time occupation.
Recommendation 1	A boutique should determine whom they want to target and who their customers are. Based upon this, a suitable marketing strategy including store atmosphere strategies can be developed to attract and retain the boutique's target market.
Conclusion 2	It can be concluded that respondents who participated in this research study do spend a considerable amount of money per month, mostly on clothes and normally purchase once a month from boutiques.
Recommendation 2	A boutique should encourage customers to purchase other items than merely clothing. Based upon this, a boutique can offer incentives such as buying two for the price of one campaigns, end-of-season discounts on selected merchandise, and quick wins of various items.

Table 7.2: Secondary objective 2: conclusions and recommendations (cont.)

Secondary objective 2: To develop a sample profile of boutique customers who participated in this research study	
Recommendation 3	A boutique should encourage customers to visit more than once a month. Based upon this, a boutique can contact customers who have not returned in a while by text messaging or emailing customers regarding new merchandise, campaigns or promotions in the boutique, and by creating the appropriate exterior in terms of display windows, used colours, entrances and signage's which catch the customers' attention and make them aware of the boutique's merchandise offerings.

7.3.3 Secondary objective 3: To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently

According to Berman and Evans (2013:492-503) as well as Turley and Milliman (2000:194), store atmosphere includes various sub-dimensions, namely exterior, interior, layout and design, and point-of-purchase and décorations. Within each sub-dimension several corresponding elements are incorporated (Chapter 2, Section 2.5.4). Kotler (1973-1974:50) notes that customers use their senses to experience these sub-dimensions in a retailer (Clarke *et al.*, 2012:496). Henceforth, customers' senses affect their emotions in such a way that they find the experience in the retailer exciting, pleasant, relaxing or unpleasant, distressing or arousing (Jiang & Liu, 2014:15; Donovan & Rossiter, 1982:39). Customers thus form perceptions of the quality of the retailer's store atmosphere (Thang & Tan, 2003:195). The aforementioned authors agree that customers perceive all the store atmosphere sub-dimensions, as opposed to just one (Parsons, 2011:439; Parasuraman *et al.*, 1988:14; Kotler, 1973-1974:50).

With respect to secondary objective 3, each store atmosphere sub-dimensions (factors) (Chapter 2, Section 2.5.4) was measured in the questionnaire. Accordingly, the main findings 2, 3, 4 and 5 were formulated based upon the empirical results of this research study, which reveals the perceived store atmosphere respondents have regarding the boutique they bought items from most recently.

Dunne and Lusch (2008:434) state that the exterior store atmosphere sub-dimension provides customers with an idea of the merchandise and services the retailer offers by visually communicating the retailer's name and general nature. The main findings of this research study indicate that the respondents who participated in this research study agreed the most that they found the location of the boutique to be convenient and that the boutique's entrance is inviting. Respondents, however, agreed least that the boutique has good parking facilities and that the colour of the building was welcoming (main finding 2).

Countryman and Jang (2006:534) highlight the fact that not only does the interior of the retailer direct customers' movement from the exterior to the interior, but the interior also affects customers' perceptions of the retailer. With respect to the empirical results of this research study, it was found that respondents agreed most that the boutique's interior was clean with comfortable temperature. Respondents, however, agreed the least that the boutique had acceptable background music and that the flooring of the boutique was visually appealing (main finding 3).

Dubey and Uddin (2012:18) emphasise that the layout and design sub-dimension contributes to the effective utilisation of the interior arrangements in the retail store. This sub-dimension has to be present, since it directs customers into various important areas (Ballantine *et al.*, 2010:647) in the store and influences their mood or feelings (Dubey & Uddin, 2012:4). The main findings of this study indicate that respondents agreed the most that the checkout and service point in the boutique are well placed and that all the spaces in the boutique are creatively utilised, as well as that the furnishings in the boutique are attractive. Respondents, however, agreed least that the sitting or waiting areas in the boutique are comfortable and that the fitting rooms are what one would expect from a boutique (main finding 4).

Jiang and Liu (2014:21) emphasise that the point-of-purchase and décoration sub-dimension provides customers with detailed information relating to specific merchandise the retailer offers, and contributes to the entire set-up of the retailer. Ballantine *et al.* (2010:650) stress the importance of this sub-dimension and explain that it should be noticeable for customers. The main findings of this research study indicate that respondents agreed the most that the merchandise pricing inside the boutique was clearly visible and well displayed. Furthermore, respondents agreed the least that the signage inside the boutique was visually appropriate and that the boutique has suitable artwork (main finding 5). Table 7.3 presents the conclusions and recommendations formulated for secondary objective 3.

Table 7.3: Secondary objective 3: conclusions and recommendations

Secondary objective 3: To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently	
Conclusions and recommendations pertaining to the <i>exterior</i> store atmosphere	
Conclusion 3	It can be concluded that the locations of the boutiques were convenient.
Recommendation 4	Ensure the boutique is located close to similar stores. The location should furthermore be easy to find and be accessible for customers.
Conclusion 4	It can be concluded that the entrances to the boutiques were inviting.

Table 7.3: Secondary objective 3: conclusions and recommendations (cont.)

Secondary objective 3: To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently	
Recommendation 5	A boutique should always provide an inviting and welcoming entrance. The goal is to differentiate the boutique from other boutiques. Based upon this, visible and attractive signage can be developed. Additionally, the exterior of the boutique's entrance can be designed in such a way that it draws customers into the boutique by placing attractive objects close to the entrance.
Conclusion 5	It can be concluded that parking at the boutiques was not rated as favourable when compared to other statements measuring the exterior store atmosphere.
Recommendation 6	When possible a boutique should select a location offering adequate, convenient and safe parking.
Conclusion 6	It can be concluded that the colour of the building in which boutiques are located were not rated as favourable when compared to other statements measuring the exterior store atmosphere.
Recommendation 7	Where the choice of the exterior colour of the building is in the control of a boutique, a colour scheme customers consider attractive should be considered.
Conclusions and recommendations pertaining to the <i>interior</i> store atmosphere	
Conclusion 7	It can be concluded that respondents considered the boutiques as clean.
Recommendation 8	A boutique should use cleaning services in order to ensure that the boutique is always clean, neat and tidy.
Conclusion 8	It can be concluded that the temperature in the boutiques was comfortable.
Recommendation 9	A boutique should ensure that the ambient temperature is comfortable through the efficient and effective use of climate control systems.
Conclusion 9	It can be concluded that the music played in boutiques was not rated as favourable when compared to other statements measuring the interior store atmosphere.
Recommendation 10	A boutique should play suitable background music which is appropriate according to the taste of the customers they target.
Conclusion 10	It can be concluded that the flooring in boutiques was not rated as favourable when compared to other statements measuring the interior store atmosphere.
Recommendation 11	Ensure an attractive, contemporary and suitable floorcovering is present that is congruent with other design elements used in the interior of the boutique.
Conclusions and recommendations pertaining to the <i>layout and design</i> of store atmosphere	
Conclusion 11	It can be concluded that the checkout and service points in the boutiques were well placed.
Recommendation 12	A boutique should have the layout and design of its checkout and service points professionally presented in order to have a master plan in place that guides all customers' decisions regarding the merchandise they wish to purchase.

Table 7.3: Secondary objective 3: conclusions and recommendations (cont.)

Secondary objective 3: To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently	
Recommendation 13	A boutique should always place their checkout and service points in a suitable location close to an entrance.
Conclusion 12	It can be concluded that the space design and space allocation of the boutiques were creatively utilised.
Recommendation 14	A boutique should ensure it considers various space design options such as a free-flow layout, a grid layout, a loop layout or a spine layout in order to properly allocate the boutique's merchandise (Lee <i>et al.</i> , 2011:135).
Conclusion 13	It can be concluded that the furnishings in the boutiques were attractive.
Recommendation 15	A boutique should ensure that the furnishings (equipment, fittings and fixtures) are placed and arranged in such a way that it facilitates the customer's movement through the boutique. A boutique can get the assistance from an interior designer.
Conclusion 14	It can be concluded that the sitting or waiting areas in the boutiques were not rated as favourable when compared to other statements measuring the layout and design of store atmosphere.
Recommendation 16	Ensure that enough space is allocated for comfortable couches and/or chairs, and that these furnishings are indeed comfortable.
Conclusion 15	It can be concluded that the fitting rooms in the boutiques were not rated as favourable when compared to other statements measuring the layout and design of store atmosphere.
Recommendation 17	A boutique should provide customers with fitting rooms characterised by a spacious private area, large mirrors and adequate lighting where customers can try on clothes (Janse van Noordwyk, 2008:269).
Conclusions and recommendations pertaining to the <i>point-of-purchase and décoration</i> of store atmosphere	
Conclusion 16	It can be concluded that the prices of the merchandise in the boutiques were clearly visible.
Recommendation 18	A boutique should ensure that the prices of merchandise are placed and arranged according to the boutique's theme and personality in such a way that it is easily visible to customers and draws their attention (Colucci <i>et al.</i> , 2008:132).
Conclusion 17	It can be concluded that the merchandise in the boutiques was well displayed.
Recommendation 19	A boutiques should make use of stylish and eye-catching displays to exhibit their merchandise. This can be done by hanging, shelving, pegging, folding and stacking clothing, scarfs, wallets, jewellery, shoes and home accessories (Clarke <i>et al.</i> , 2012:501-503).
Conclusion 18	It can be concluded that the signage inside the boutiques was not rated as favourable when compared to other statements measuring the point-of-purchase and décoration of store atmosphere.

Table 7.3: Secondary objective 3: conclusions and recommendations (cont.)

Secondary objective 3: To measure the perceived store atmosphere respondents have towards a boutique they have bought items from most recently	
Recommendation 20	A boutique should install visible and understandable signage inside the boutique to provide customers with information regarding the boutique and its merchandise (Bell & Ternus, 2003:180).
Conclusion 19	It can be concluded that the artwork in the boutiques was not rated as favourable when compared to other statements measuring the point-of-purchase and décoration of store atmosphere.
Recommendation 21	A theme should be chosen for the boutique and the artwork displayed should match this theme in line with customer expectations (Das, 2014a:378).

7.3.4 Secondary objective 4: To measure the level of customer satisfaction of respondents towards a boutique they have bought items from most recently

When customers purchase at a retailer, they engage emotionally and physically (Hawkins & Mothersbaugh, 2013:13). The way customers feel reflect their level of satisfaction with the retailer, since customer interactions shape customer expectations (Schiffman & Kanuk, 2010:29; Egan, 2011:129). Customer satisfaction, however, only occurs if the retailer meets customers' expectations regarding the retail experience (Machado & Diggines, 2012:139; Lindquist & Sirgy, 2009:123). Once this occurs, customer satisfaction can provide retailers with numerous benefits (Chapter 3, Section 3.3.2). With respect to the empirical results of this research study, it was found that respondents agreed the most that they made a satisfactory decision to purchase at the boutique and that they are self-assured to purchase at the boutique. Respondents however agreed the least that they did the right thing to purchase at the boutique and that their decision to purchase at the boutique was a wise one (main finding 6). Table 7.4 presents the conclusions and recommendations for secondary objective 4.

Table 7.4: Secondary objective 4: conclusions and recommendations

Secondary objective 4: To measure the level of customer satisfaction of respondents towards a boutique they have bought items from most recently	
Conclusion 20	It can be concluded that respondents exhibit positive levels of customer satisfaction towards the boutiques, since they were satisfied and confident with their decision to purchase at the boutiques.
Recommendation 22	A boutique should assess their customer satisfaction levels on a continuous basis by measuring customer experiences in comparison with their expectations regarding the store atmosphere, merchandise and services. Furthermore, a boutique should hire professional and well trained sales personnel who can ask customers to provide them with feedback regarding their current retail experience with the boutique.

Table 7.4: Secondary objective 4: conclusions and recommendations (cont.)

Secondary objective 4: To measure the level of customer satisfaction of respondents towards a boutique they have bought items from most recently	
Conclusion 21	It can be concluded that customers did not feel completely satisfied with their choice to shop at the boutiques when compared to the other statements measuring customer satisfaction.
Recommendation 23	A boutique can measure customer satisfaction levels with respect to store atmosphere, merchandise and services, as well as other aspects influencing customer satisfaction. Based upon this, areas where customer satisfaction is not optimal can be identified and marketing strategies can be developed to improve on these aspects.

7.3.5 Secondary objective 5: To measure the level of store loyalty of respondents towards a boutique they have bought items from most recently

Customers who demonstrate satisfaction with a retail store's merchandise performance (Wright *et al.*, 2006:925) will, however, be reluctant to purchase from competing retailers (Ray & Chiagouris, 2009:11,13; Ailawadi *et al.*, 2008:20). Accordingly, customers may continuously return to the same retail store since customers would want to receive that satisfaction once more (Tian-Cole *et al.*, 2002:10). This, ultimately ensures store loyalty to that particular retail store (Feng & Yanru, 2013:183; Ailawadi *et al.*, 2008:20; Wright *et al.*, 2006:925; Miranda *et al.*, 2005:221; Sawmong & Omar, 2004:504). With respect to the empirical results of this research study, it was found that respondents agree the most that they would say positive things about the boutique to others, as well as recommend the boutique to their friends and family. Furthermore, respondents agreed that they are committed to the boutique and consider themselves loyal to the boutique (main finding 7). Table 7.5 presents the conclusions and recommendations formulated for secondary objective 5.

Table 7.5: Secondary objective 5: conclusions and recommendations

Secondary objective 5: To measure the level of store loyalty of respondents towards a boutique they have bought items from most recently	
Conclusion 22	It can be concluded that respondents exhibit positive levels of store loyalty towards the boutiques, since they would not only say positive things about the boutiques to others, but also recommend the boutiques to friends and family.
Recommendation 24	A boutique should assess the store loyalty levels of customers on a continuous basis by evaluating customers' purchase volume, frequency, ranking ratio amongst alternative boutiques, tendency for future purchases, and willingness to recommend the boutique to others (Chapter 3, Section 3.4.3). This can be done by either in-store questionnaires which customers complete, online questionnaires which are emailed to customers, or a touch-pad point in the boutique containing a questionnaire.

Table 7.5: Secondary objective 5: conclusions and recommendations (cont.)

Secondary objective 5: To measure the level of store loyalty of respondents towards a boutique they have bought items from most recently	
Conclusion 23	It can be concluded that customers are not committed and store loyal to the boutiques when compared to the other statements measuring store loyalty.
Recommendation 25	A boutique should implement store loyalty cards, special seasonal offers, or limited editions of merchandise in the boutique as well as a pleasant store atmosphere.

7.3.6 Secondary objective 6: To measure the level of repurchase intention of respondents towards a boutique they have bought items from most recently

According to Schiffman and Kanuk (2010:497), if the retail experience offered by the retailer is satisfactory to the customer and better than the available alternatives, customers are likely to repurchase. Customers with the intention to repurchase are committed to engage in future purchases with the retailer (Seiders *et al.*, 2005:27). Grace and O’Cass (2005:228) explain that in order to guarantee the repurchase intention of customers, retailers need to continuously provide customers with valuable offerings (Wilson *et al.*, 2012:37, 38). With respect to the empirical results of this research study, it was found that respondents agreed the most that they intend to return to the boutique and that they like the idea of purchasing at the boutique. Respondents, however, agreed the least that they would purchase at the boutique whenever possible, and that they intend to purchase from the boutique again in the near future (main finding 8). Table 7.6 presents the conclusions and recommendations formulated for secondary objective 6.

Table 7.6: Secondary objective 6: conclusions and recommendations

Secondary objective 6: To measure the level of repurchase intention of respondents towards a boutique they have bought items from most recently	
Conclusion 24	With reference to the level of repurchase intention of respondents, it can be concluded that respondents exhibit repurchase intentions towards the boutiques since they intend to return to the boutiques and they also agreed that they like the idea of purchasing at the boutiques.
Recommendation 26	A boutique should measure their customers’ level of repurchase intention towards the boutique on a continuous basis to determine whether customers intend to return, revisit or repurchase. Based upon this, in-store questionnaires, online questionnaires or a touch-pad point in the boutique containing a questionnaire can be developed and implemented (In line with recommendation 24).

Table 7.6: Secondary objective 6: conclusions and recommendations (cont.)

Secondary objective 6: To measure the level of repurchase intention of respondents towards a boutique they have bought items from most recently	
Recommendation 27	A boutique can improve their customers' level of repurchase intention by providing customers with purchasing convenience in the form of credit or debit card facilities, convenient operating hours, a variety of merchandise, a proper layout and design of the boutique which facilitates the customer's movement through the boutique, as well as a pleasant store atmosphere.
Recommendation 28	A boutique can improve their customers' level of repurchase intention by providing customers with more value or benefits in the form of discounts, special seasonal offerings, limited editions of merchandise, adequate merchandise, as well as individual assistance from professional and well trained sales personnel (in line with recommendation 25).

7.3.7 Secondary objective 7: To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention

The theoretical model of this research study was proposed in Chapter 4 (Section 4.3). Latent variable modelling through Structural Equation Modelling (SEM) was applied to investigate the interrelationships between the different sub-dimensions (factors) and constructs, in order to determine the relative importance of each of these in the theoretical model, and the overall fit between the observed data and proposed theoretical model of this research study (Chapter 5, Section 5.4.6.5).

Regarding the secondary objective 7 of this research study, main findings 9 to 30 were formulated. All the measurement scales contained in the questionnaire measuring the sub-dimensions (factors) and constructs of this research study can be considered reliable, since they exhibit very good internal consistency reliability (main finding 9). The empirical results indicate by means of CFA that the measurement properties of the proposed theoretical model indicate a good to acceptable model fit (main finding 18). Furthermore, the standardised model results (Chapter 6, Table 6.12) indicate that all the statements included in the measurement model exhibit significant factor loadings above the recommended cut-off point, exhibiting a large effect in all instances, leading to the retention of all statements for further statistical analysis (main finding 19). The latent variables considered in the model proposed for this research study, correlate practically and statistically significant with one another, exhibiting a large effect in all instances (main finding 20). Accordingly, all the measurement scales measuring the sub-dimensions (factors) and constructs of this research study are considered valid, since they all exhibit content, construct and criterion validity (main finding 21). Additionally, the structural model indicates an acceptable model fit (main finding 22). After statistical analyses were performed, the empirical results indicated that store atmosphere has a significant and large

positive influence on customer satisfaction (main finding 23), store atmosphere does not have a significant and positive influence on repurchase intention (main finding 24), store atmosphere has a significant and small positive influence on store loyalty (main finding 25), customer satisfaction mediates the relationship between store atmosphere and repurchase intention (medium effect) (main finding 26), customer satisfaction has a significant and small positive influence on repurchase intention (main finding 27), customer satisfaction has a significant and large positive influence on store loyalty (main finding 28), store loyalty mediates the relationship between store atmosphere and repurchase intention (medium effect) (main finding 29), and store loyalty has a significant and large positive influence on repurchase intention (main finding 30). Based on the empirical results obtained from this research study, it became clear that store atmosphere has a large direct influence on customer satisfaction and store loyalty, albeit with no direct influence on repurchase intention. Both mediation relationships realised a medium indirect effect between store atmosphere and repurchase intention with customer satisfaction and store loyalty as mediators. Table 7.7 presents the conclusions and recommendations formulated for secondary objective 7.

Table 7.7: Secondary objective 7: conclusions and recommendations

Secondary objective 7: To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention.	
Conclusion 25	It can be concluded that significant and positive direct relationships exist between all the constructs of this research study, except for the interrelationship between store atmosphere and repurchase intention. Furthermore, the mediation relationships realised a medium indirect effect between store atmosphere and repurchase intention, with both customer satisfaction and store loyalty as mediators.
Recommendation 29	A boutique should manage its store atmosphere in terms of the boutique's exterior, interior, layout and design, as well as point-of-purchase and décoration (Chapter 2, Section 2.5.4) in order to positively influence customer satisfaction. This can be achieved with the implementation of recommendations 22 and 23 (Table 7.4).
Recommendation 30	A boutique should manage its store atmosphere in terms of the boutique's exterior, interior, layout and design, as well as point-of-purchase and décoration (Chapter 2, Section 2.5.4) in order to positively influence store loyalty. This can be achieved with the implementation of recommendations 24 and 25 (Table 7.5).
Recommendation 31	A boutique should manage its store atmosphere in terms of the boutique's exterior, interior, layout and design, as well as point-of-purchase and décoration (Chapter 2, Section 2.5.4) in order to improve repurchase intention. This can be achieved with the implementation of recommendations 26 to 28 (Table 7.6).

Table 7.7: Secondary objective 7: conclusions and recommendations (cont.)

Secondary objective 7: To determine the interrelationships between boutique store atmosphere, customer satisfaction, store loyalty and repurchase intention.	
Recommendation 32	A boutique should ensure positive levels of customer satisfaction (Chapter 3, Section 3.3) with its store atmosphere in terms of the boutique's exterior, interior, layout and design, as well as point-of-purchase and décoration (Chapter 2, Section 2.5.4) in order to indirectly influence repurchase intention. This can be achieved with the implementation of recommendations 4 to 21 (Table 7.3).
Recommendation 33	A boutique should ensure positive levels of customer satisfaction (Chapter 3, Section 3.3) in order to positively influence repurchase intention. This can be achieved with the implementation of recommendations 22 and 23 (Table 7.4).
Recommendation 34	A boutique should ensure positive levels of customer satisfaction (Chapter 3, Section 3.3) in order to positively influence store loyalty. This can be achieved with the implementation of recommendations 22 and 23 (Table 7.4).
Recommendation 35	A boutique should ensure positive levels of store loyalty (Chapter 3, Section 3.4) with its store atmosphere in terms of the boutique's exterior, interior, layout and design, as well as point-of-purchase and décoration (Chapter 2, Section 2.5.4) in order to indirectly influence repurchase intention. This can be achieved with the implementation of recommendations 4 to 21 (Table 7.3).
Recommendation 36	A boutique should ensure positive levels of store loyalty (Chapter 3, Section 3.4) in order to positively influence repurchase intention (Chapter 3, Section 3.5). This can be achieved with the implementation of recommendations 24 and 25 (Table 7.5).

7.4 THE LINKS BETWEEN THE RESEARCH OBJECTIVES, THEORETICAL BACKGROUND CHAPTERS, THE SECTIONS IN THE QUESTIONNAIRE, HYPOTHESES, MAIN FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The purpose of this section is to link the secondary objectives to the main findings of this research study in order to determine whether the primary objective of this research study has been accomplished. The links between the research objectives, theoretical background chapters, the sections in the questionnaire, hypotheses, main findings, conclusions and recommendations are illustrated by Table 7.8.

From Table 7.8 it can be derived that the secondary objectives set for this research study were met. Moreover, it can be concluded that the primary objective of this research study, namely to investigate the influence of boutique store atmosphere on customer satisfaction, store loyalty and repurchase intention, is accordingly achieved through secondary objective 1 to 7. The questions in the questionnaire and alternative hypotheses formulated are supported by either a theoretical background or main findings, conclusions and recommendations.

7.5 LIMITATIONS

All research studies are impacted upon by limitations that influence their outcomes. In this section, the limitations concerning the theoretical background and the empirical research conducted in this research study are identified.

7.5.1 Limitations of the theoretical background

- According to the researcher's best knowledge, limited research exists relating to retailers' store atmosphere in the South African fashion retail industry, which meant that the researcher had to depend on theoretical background based largely on other industries.
- Store atmosphere, its sub-dimensions (factors) and corresponding elements with respect to speciality retailers represent a relatively new research area, which meant that the researcher had to draw literature that focuses on store atmosphere studies involving other retailers.
- The researcher did not focus on the full spectrum of sub-dimensions and corresponding elements different authors have identified in relation to store atmosphere, but only considered those most relevant in the context of this particular research study (Berman & Evans, 2013:492-503; Turley & Milliman, 2000:194).

7.5.2 Limitations of the empirical research

- The researcher was confronted with budget and time constraints during this research study.
- Given that the researcher selected only twenty boutiques (sampling units) in Potchefstroom (ten boutiques) and Klerksdorp (ten boutiques), the results cannot be generalised to other geographical regions as the results of this research study are limited to these areas.

- Due to the use of non-probability sampling methods (judgemental, convenience and quota sampling) used to draw the sample from the target population, this research study is not a representative of the entire population, and therefore generalising the main findings to boutique customers, should be avoided.
- Since fieldworkers chose respondents on the basis of judgement, convenience and quota sampling the demographics (except for gender) were not equally distributed across the various population groups.

7.6 RECOMMENDATIONS FOR FUTURE RESEARCH

The following recommendations for future research are made.

- Future research should include extending this research study to other areas and Provinces of South Africa in order to determine the status quo in these areas and Provinces, and whether statistically significant differences exist between respondents based upon demographic and geographic differences.
- This research study can be repeated by incorporating a larger sample size in order to gain a more precise representation of the target population's demographic and geographic characteristics.
- Future research can make use of probability sample methods in order to draw a more representative sample of the population under study.
- A comparative study can be undertaken to investigate store atmosphere in different kinds of retailers to determine whether statistically significant differences exist between different kinds of retailers' store atmosphere.
- Since this research study only investigated four sub-dimensions of store atmosphere, future research could attempt to involve the sales personnel sub-dimension in order to gain a thorough understanding of all the sub-dimensions of store atmosphere.
- This research study may be conducted by using a longitudinal study in order to identify the fluctuation of customer satisfaction's levels, store loyalty, levels and repurchase intention levels over time.

7.7 CONCLUSION

This chapter provides a conclusion to this research study and addresses the secondary objectives, conclusions, recommendations and limitations based on the main findings observed

in chapter 6. This chapter commences with a brief overview of the focus of this research study, followed by a number of conclusions based on the secondary objectives formulated for this research study. Henceforth, various recommendations are presented pertaining to the conclusions in order to provide speciality retailers such as boutiques with advice, guidelines and direction on how to effectively implement a pleasant store atmosphere, which may consequently influence customer satisfaction, store loyalty and repurchase intention. Following this, Table 7.8 presents the links between the research objective, theoretical background chapters, the sections in the questionnaire, hypotheses, main findings, conclusions and recommendations. This chapter concludes this research study by providing limitations pertaining to the theoretical background and the empirical research followed by recommendations for possible future research.

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APPENDIX A

FINAL QUESTIONNAIRE

Store atmosphere, customer satisfaction, store loyalty and repurchase intention at boutiques

The aim of this questionnaire is to obtain feedback regarding your opinions of the boutique's store atmosphere, your satisfaction, loyalty and your intention to patronise the boutique again. Taking part in this survey is completely voluntary and anonymous. The questionnaire consists of four sections, and should not take more than 15 minutes to complete. Your co-operation is highly appreciated.

When evaluating a question, please answer from your own perspective. Place an X in the suitable box or complete where required. **Please** answer all the questions for complete statistical purposes.

Thank you for taking the time to complete this questionnaire. Should you have any questions, please contact the researcher: Bianca van Niekerk at (018) 285 2313 or 21047634@nwu.ac.za

Screening questions

Have you bought items from any ONE of the boutiques listed below during the past six months?

Just for You (Potchefstroom)	Just for You (Klerksdorp)
Andre's Boutique (Potchefstroom)	Sweethearts (Klerksdorp)
Leather and Lace (Potchefstroom)	Penny Royal (Klerksdorp)
Ooh-la-la Boutique (Potchefstroom)	MCS Creations (Klerksdorp)
De Winkel (Potchefstroom)	Mario Paddi (Klerksdorp)
Penny Royal (Potchefstroom)	Chinese Boutique (Klerksdorp)
Secret's Ladies Boutique (Potchefstroom)	Four Seasons Boutique (Klerksdorp)
La Boutique (Potchefstroom)	Rockabella (Klerksdorp)
Bustique Collections (Potchefstroom)	Me-oh-Boutique (Klerksdorp)
Elegant Boutique Suits (Potchefstroom)	Pramor Outfitters (Klerksdorp)

Yes	1
No	2

Is your average net monthly household income more than R14 000?

Yes	1
No	2

If your answer is 'Yes' to both questions, please complete the questionnaire.

If your answer is 'No' to any one of these two questions, you do not have to complete the rest of the questionnaire.

SECTION A – DEMOGRAPHIC INFORMATION

What is your gender?

Male	1
Female	2

How old are you?

27 years or younger	1
28 to 36 years	2
37 to 48 years	3
49 to 67 years	4
68 years or older	5

What is your highest level of education?

Some primary school	1
Primary school completed	2
Some high school	3
Matric / Grade 12	4
Diploma	5
Degree	6
Postgraduate degree	7

What is your home language?

Afrikaans	1
English	2
Nguni (Zulu, Xhosa, Swati, Ndebele)	3
Sotho (Sepedi, SeSotho, Tswana)	4
Venda/Tsonga	5
Other, please specify:	6

What is your employment status?

Full-time employed	1
Part-time employed	2
Self-employed	3
Student	4
Housewife	5
Retired	6
Unemployed	7
Other, please specify:	8

SECTION B – PATRONAGE HABITS

At which ONE of the following boutiques have you bought items from most recently?

Just for You (Potchefstroom)	1
Andre's Bboutique (Potchefstroom)	2
Leather and Lace (Potchefstroom)	3
Ooh-la-la Boutique (Potchefstroom)	4
De Winkel (Potchefstroom)	5
Penny Royal (Potchefstroom)	6
Secret's Ladies boutique (Potchefstroom)	7
La Boutique (Potchefstroom)	8
Bustique Collections (Potchefstroom)	9
Elegant Boutique Suits (Potchefstroom)	10
Just for You (Klerksdorp)	11
Sweethearts (Klerksdorp)	12
Penny Royal (Klerksdorp)	13
MCS Creations (Klerksdorp)	14
Mario Paddi (Klerksdorp)	15
Chinese Boutique (Klerksdorp)	16
Four Seasons Boutique (Klerksdorp)	17
Rockabella (Klerksdorp)	18
Me-oh-Boutique (Klerksdorp)	19
Pramor Outfitters (Klerksdorp)	20

What is the average amount you spend per month when shopping at boutiques?

R

What is the average amount you spend per month when shopping at **the boutique** you have indicated above as the one you have bought items from most recently?

R

What items do you normally buy from boutiques (you may select more than one)?

Clothing	1
Jewellery	2
Shoes	3
Handbags	4
Wallets	5
Scarfs	6
Home accessories	7
Other, please specify:	8

Appendix A: Final questionnaire

How often do you shop for items at boutiques in general?

Daily	1
Every second day	2
Twice a week	3
Once a week	4
Once every two weeks	5
Once a month	6
Once every two months	7
Once every three months	8
Once every six months	9

How often do you shop for items at **the boutique** you have indicated above as the one you have bought items from most recently?

Every day	1
Every second day	2
Twice a week	3
Once a week	4
Once every two weeks	5
Once a month	6
Once every two months	7
Once every three months	8
Once every six months	9

SECTION C – PERCEIVED STORE ATMOSPHERE

Taking the boutique, you have indicated above as the one you have bought items from most recently into account, indicate your level of agreement with the following statements, on a scale of 1 to 5 where 1 is 'strongly disagree' and 5 is 'strongly agree'.

Statement	Strongly disagree					Strongly agree				
	1	2	3	4	5	1	2	3	4	5
The exterior of the boutique has eye-catching signs	1	2	3	4	5	1	2	3	4	5
The entrance to the boutique is inviting	1	2	3	4	5	1	2	3	4	5
The window displays of the boutique are attractive	1	2	3	4	5	1	2	3	4	5
The colour of the building is welcoming	1	2	3	4	5	1	2	3	4	5
There is a variety of alluring stores located near the boutique	1	2	3	4	5	1	2	3	4	5
The boutique is located in an attractive surrounding	1	2	3	4	5	1	2	3	4	5
The location of the boutique is convenient	1	2	3	4	5	1	2	3	4	5

Appendix A: Final questionnaire

Statement	Strongly disagree					Strongly agree				
	1	2	3	4	5	1	2	3	4	5
The architectural style of the boutique is attractive	1	2	3	4	5	1	2	3	4	5
The area surrounding the boutique is to my liking	1	2	3	4	5	1	2	3	4	5
The boutique has good parking facilities	1	2	3	4	5	1	2	3	4	5
The floor of the boutique directs the movement in a sensible manner	1	2	3	4	5	1	2	3	4	5
The flooring of the boutique is visually appealing	1	2	3	4	5	1	2	3	4	5
The boutique has a pleasant colour scheme	1	2	3	4	5	1	2	3	4	5
The lighting in the boutique creates an atmosphere one would expect from a boutique	1	2	3	4	5	1	2	3	4	5
The background music in the boutique is acceptable	1	2	3	4	5	1	2	3	4	5
The smell in the boutique is pleasing	1	2	3	4	5	1	2	3	4	5
The layout of the boutique works well	1	2	3	4	5	1	2	3	4	5
The walls in the boutique are visually appealing	1	2	3	4	5	1	2	3	4	5
The merchandise in the boutique is well displayed	1	2	3	4	5	1	2	3	4	5
The temperature in the boutique is comfortable	1	2	3	4	5	1	2	3	4	5
The interior of the boutique is clean	1	2	3	4	5	1	2	3	4	5
All spaces in the boutique are creatively utilised	1	2	3	4	5	1	2	3	4	5
The layout of the boutique is well designed	1	2	3	4	5	1	2	3	4	5
It is easy to find what I am looking for in the boutique	1	2	3	4	5	1	2	3	4	5
The merchandise in the boutique is well organised	1	2	3	4	5	1	2	3	4	5
The checkout and service points in the boutique are well placed	1	2	3	4	5	1	2	3	4	5
The sitting / waiting areas in the boutique are comfortable	1	2	3	4	5	1	2	3	4	5
The fitting rooms are what one would expect from a boutique	1	2	3	4	5	1	2	3	4	5
The clothing racks, shelves and display cases in the boutique are well arranged	1	2	3	4	5	1	2	3	4	5
The boutique is not overcrowded	1	2	3	4	5	1	2	3	4	5
The furnishings in the boutique are attractive	1	2	3	4	5	1	2	3	4	5
The signage inside the boutique is visually appropriate	1	2	3	4	5	1	2	3	4	5
The wall décorations in the boutique are appealing	1	2	3	4	5	1	2	3	4	5
The artwork in the boutique is suitable	1	2	3	4	5	1	2	3	4	5
The merchandise is well displayed	1	2	3	4	5	1	2	3	4	5
The pricing of the merchandise in the boutique is clearly visible	1	2	3	4	5	1	2	3	4	5

SECTION D – CUSTOMER SATISFACTION, STORE LOYALTY AND REPURCHASE INTENTION

Taking the boutique you have indicated above as the one you have bought items from most recently into account, indicate your level of agreement with the following statements, on a scale of 1 to 5 where 1 is 'strongly disagree' and 5 is 'strongly agree.'

Statement	Strongly disagree			Strongly agree	
	1	2	3	4	5
Customer satisfaction					
I am satisfied with my decision to shop at this boutique	1	2	3	4	5
I feel I did the right thing to shop at this boutique	1	2	3	4	5
My choice to shop at this boutique was a wise one	1	2	3	4	5
I am confident to shop at this boutique	1	2	3	4	5
I have truly enjoyed shopping at this boutique	1	2	3	4	5
Store loyalty					
I consider myself a loyal customer to this boutique	1	2	3	4	5
I am willing to make an effort to shop at this boutique	1	2	3	4	5
I am committed to this boutique	1	2	3	4	5
I would recommend this boutique to my friends and family	1	2	3	4	5
I would say positive things about this boutique to others	1	2	3	4	5
Repurchase intention					
I intend to purchase from this boutique again in the near future	1	2	3	4	5
I intend to return to this boutique	1	2	3	4	5
I would consider purchasing again from this boutique	1	2	3	4	5
I like the idea of purchasing at this boutique	1	2	3	4	5
Whenever possible, I would purchase at this boutique	1	2	3	4	5

Thank you for taking the time to complete this questionnaire!

APPENDIX B

PILOT STUDY QUESTIONNAIRE

Store atmosphere, customer satisfaction, store loyalty and repurchase intention at boutiques

The aim of this questionnaire is to obtain feedback regarding your opinions of the boutique's store atmosphere, your satisfaction, loyalty and your intention to patronise the boutique again. Taking part in this survey is completely voluntary and anonymous. The questionnaire consists of four sections, and should not take more than 15 minutes to complete. Your co-operation is highly appreciated.

When evaluating a question, please answer from your own perspective. Place an X in the suitable box or complete where required. **Please** answer all the questions for complete statistical purposes.

Thank you for taking the time to complete this questionnaire. Should you have any questions, please contact the researcher: Bianca van Niekerk at (018) 285 2313 or 21047634@nwu.ac.za

Screening questions

Have you bought items from the boutique you have just exited during the past six months?

Yes	1
No	2

Is your average net monthly household income more than R14 000?

Yes	1
No	2

If your answer is 'Yes' to both questions, please complete the questionnaire.

If your answer is 'No' to any one of these two questions, you do not have to complete the rest of the questionnaire.

SECTION A – DEMOGRAPHIC INFORMATION

What is your gender?

Male	1
Female	2

How old are you?

27 years or younger	1
28 to 36 years	2
37 to 48 years	3
49 to 67 years	4
68 years or older	5

What is your highest level of education?

Primary school completed	1
Some high school	2
Matric / Grade 12	3
Diploma	4
Degree	5

What is your home language?

Afrikaans	1
English	2
Nguni (Zulu, Xhosa, Swati, Ndebele)	3
Sotho (Sepedi, SeSotho, Tswana)	4
Venda/Tsonga	5
Other, please specify:	6

What is your employment status?

Full-time employed	1
Part-time employed	2
Self-employed	3
Student	4
Housewife	5
Retired	6
Unemployed	7
Other, please specify:	8

SECTION B – PATRONAGE HABITS

What is the average amount you spend per month when shopping at boutiques?

R

What is the average amount you spend per month when shopping at **this boutique**?

R

What items do you normally buy from boutiques (you may select more than one)?

Clothing	1
Jewellery	2
Shoes	3
Handbags	4
Wallets	5
Scarfs	6
Other, please specify:	7

How often do you shop for items at boutiques in general?

Daily	1
Every second day	2
Twice a week	3
Once a week	4
Once every two weeks	5
Once a month	6
Once every two months	7
Once every three months	8
Once every six months	9

How often do you shop for items at **this boutique**?

Every day	1
Every second day	2
Twice a week	3
Once a week	4
Once every two weeks	5
Once a month	6
Once every two months	7
Once every three months	8
Once every six months	9

SECTION C – PERCEIVED STORE ATMOSPHERE

Taking this boutique into account, indicate your level of agreement with the following statements, on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*'.

Statement	Strongly disagree					Strongly agree				
	1	2	3	4	5	1	2	3	4	5
The exterior of the boutique has eye-catching signs	1	2	3	4	5	1	2	3	4	5
The entrance to the boutique is inviting	1	2	3	4	5	1	2	3	4	5
The window displays of the boutique are artful	1	2	3	4	5	1	2	3	4	5
The colour of the building is welcoming	1	2	3	4	5	1	2	3	4	5
There is a variety of alluring stores located near the boutique	1	2	3	4	5	1	2	3	4	5
The boutique is located in an attractive surrounding	1	2	3	4	5	1	2	3	4	5
The location of the boutique is convenient	1	2	3	4	5	1	2	3	4	5
The architectural style of the boutique is attractive	1	2	3	4	5	1	2	3	4	5
The area surrounding the boutique is to my liking	1	2	3	4	5	1	2	3	4	5
The boutique has good parking facilities	1	2	3	4	5	1	2	3	4	5
The floor of the boutique directs the movement in a sensible manner	1	2	3	4	5	1	2	3	4	5
The flooring of the boutique is visually appealing	1	2	3	4	5	1	2	3	4	5
The boutique has a pleasant colour scheme	1	2	3	4	5	1	2	3	4	5
The lighting in the boutique creates an atmosphere one would expect from a boutique	1	2	3	4	5	1	2	3	4	5
The music in the boutique is acceptable	1	2	3	4	5	1	2	3	4	5
The smell in the boutique is pleasant	1	2	3	4	5	1	2	3	4	5
The layout of the boutique works well	1	2	3	4	5	1	2	3	4	5
The walls in the boutique are visually appealing	1	2	3	4	5	1	2	3	4	5
The ceiling of the boutique is visually appealing	1	2	3	4	5	1	2	3	4	5
The merchandise in the boutique is well displayed	1	2	3	4	5	1	2	3	4	5
The temperature in the boutique is comfortable	1	2	3	4	5	1	2	3	4	5
The interior of the boutique is clean	1	2	3	4	5	1	2	3	4	5
All spaces in the boutique are creatively utilised	1	2	3	4	5	1	2	3	4	5
The layout of the boutique is well designed	1	2	3	4	5	1	2	3	4	5
It is easy to find what I am looking for in the boutique	1	2	3	4	5	1	2	3	4	5
The merchandise in the boutique is well organised	1	2	3	4	5	1	2	3	4	5
The checkout and service points in the boutique are well placed	1	2	3	4	5	1	2	3	4	5
The waiting areas in the boutique are comfortable	1	2	3	4	5	1	2	3	4	5
The fitting rooms are what one would expect from a boutique	1	2	3	4	5	1	2	3	4	5
The clothing racks, shelves and display cases in the boutique are well arranged	1	2	3	4	5	1	2	3	4	5
The boutique is not overcrowded	1	2	3	4	5	1	2	3	4	5
The furnishings in the boutique are attractive	1	2	3	4	5	1	2	3	4	5

Appendix B: Pilot study questionnaire

Statement	Strongly disagree					Strongly agree				
	1	2	3	4	5	1	2	3	4	5
The signage inside the boutique is visually appropriate	1	2	3	4	5	1	2	3	4	5
The wall décorations in the boutique are appealing	1	2	3	4	5	1	2	3	4	5
The artwork in the boutique is suitable	1	2	3	4	5	1	2	3	4	5
The merchandise is well displayed	1	2	3	4	5	1	2	3	4	5
The pricing of the merchandise in the boutique is clearly visible	1	2	3	4	5	1	2	3	4	5

SECTION D – CUSTOMER SATISFACTION, STORE LOYALTY AND REPURCHASE INTENTION

Taking this boutique into account, indicate your level of agreement with the following statements, on a scale of 1 to 5 where 1 is '*strongly disagree*' and 5 is '*strongly agree*'.

Statement	Strongly disagree					Strongly agree				
	1	2	3	4	5	1	2	3	4	5
Customer satisfaction										
I am satisfied with my decision to shop at this boutique	1	2	3	4	5	1	2	3	4	5
I feel I did the right thing to shop at this boutique	1	2	3	4	5	1	2	3	4	5
My choice to shop at this boutique was a wise one	1	2	3	4	5	1	2	3	4	5
I am confident to shop at this boutique	1	2	3	4	5	1	2	3	4	5
I have truly enjoyed shopping at this boutique	1	2	3	4	5	1	2	3	4	5
Store loyalty										
I consider myself a loyal customer to this boutique	1	2	3	4	5	1	2	3	4	5
I am willing to make an effort to shop at this boutique	1	2	3	4	5	1	2	3	4	5
I am committed to this boutique	1	2	3	4	5	1	2	3	4	5
I would recommend this boutique to my friends and family	1	2	3	4	5	1	2	3	4	5
I would say positive things about this boutique to others	1	2	3	4	5	1	2	3	4	5
Repurchase intention										
I intend to purchase from this boutique again in the near future	1	2	3	4	5	1	2	3	4	5
I intend to return to this boutique	1	2	3	4	5	1	2	3	4	5
I would consider purchasing again from this boutique	1	2	3	4	5	1	2	3	4	5
I like the idea of purchasing at another boutique	1	2	3	4	5	1	2	3	4	5
Whenever possible, I would purchasing at another boutique	1	2	3	4	5	1	2	3	4	5

Thank you for taking the time to complete this questionnaire!

APPENDIX C

FIELDING INFORMATION

Dear Fieldworker,

Firstly we would like to thank you for your interest to contribute to the field of marketing research.

Herewith the details regarding the receiving of questionnaires:

- The questionnaires will be handed out to you on the 1st of July 2013 at the North-West University at the School of Business Management (Building E3), office 243, starting at 13h00.
- Individual times will be allocated to those fieldworkers who are unable to collect questionnaires at 13h00. Please keep to the time allocated to you.
- Each fieldworker will be allocated a “fieldworker ID” as indicated in this e-mail. Be sure to remember your fieldworker ID on collection of your questionnaires. Please write your fieldworker ID on the top left corner of *each* questionnaire handed in by you. This way we can “double check” the questionnaires completed by each fieldworker.
- Fieldworkers have 40 questionnaires each.
- A limited number of questionnaires are available.
- The fielding of questionnaires should take place in your communities. This is an opportunity for you to gain work-related experience and income from a source outside the university.
- Please be sure to complete questionnaires honestly as you are making a contribution to academic literature.
- You will be given a questionnaire fielding document on the 1st of July 2013 which will indicate the researcher’s requirements and information. On the 1st of September 2013 this document must be handed in with your completed questionnaires in order for payment. It is your responsibility to complete your banking details on this document.
- Fieldworkers will be paid R25 for every FULLY completed questionnaire. Be sure that you have your correct banking details in order for payment. We do not accept responsibility should the money be transferred into the wrong account due to incorrect banking details. Cash payments will not be made.

Appendix C: Fielding information

- Questionnaires will be collected on the 1st of September at the North-West University at the School of Business Management (Building E3), Office 243 at 13h00. Should you wish to hand in completed questionnaires earlier than 13h00, feel free to do so.

If you have any further questions please feel free to contact Ms Bianca van Niekerk (21047634@nwu.ac.za or Cell: 0721422882). Looking forward to see you in the week of 1 September.

Kind regards

Ms. Bianca van Niekerk

APPENDIX D

ETHICAL APPROVAL



North-West University
Faculty of Economic and Management
Sciences

Student Statement on Research Ethics
(to be completed as part of the Proposal Defence)

Please answer each question by ticking the appropriate box¹:

- | | Yes | No |
|--|--------------------------|-------------------------------------|
| 1. Does the study involve participants who are particularly vulnerable ² or unable to give informed consent? (e.g. children, people with learning or other mental or physical disabilities, people who are incarcerated, unemployed or otherwise compromised in responding to your questions) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Are you planning on making use of NWU students or direct and secondary/contracted staff members in this research? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. Will the study require the co-operation of a gatekeeper for initial access to the groups or individuals to be recruited? (e.g. students at school, members of self-help groups, residents of a nursing home, the Minister of Education, a tribal chief or village elder) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Will it be necessary for participants to take part in the study without their knowledge and consent at the time? (e.g. covert observation of people) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Will the study involve discussion of or questions about a sensitive topic? (e.g. sexual activity, drug use, crime, harassment, violence) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Are drugs, placebos or other substances (e.g. food substances, vitamins) to be administered to the study participants or will the study involve invasive, intrusive or potentially harmful procedures of any kind or any physical, psychological or socio-economic intervention? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Will blood or tissue samples be obtained from participants? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Could the study induce physical, psychological or social stress or anxiety or cause harm or negative consequences beyond the risks ³ encountered in normal life? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Will the study require the identification of individuals for follow-up evaluation? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. Will financial inducements (other than reasonable expenses and compensation for time) or inducements of any other kind be offered to participants? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. Could the image of the NWU, the relevant academic department, your employer, or any other institution however affected by/involved in the project be negatively affected by this research or put in a bad light? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If you answered no to all questions, submit the completed and signed form with your title registration. Students should retain a copy of the form and submit it with their dissertation/thesis.

If you answered **yes** to any of the questions, you will need to describe more fully how you plan to deal with the ethical issues raised by your proposal. **This does not mean that you cannot do the research, only that your proposal will need to be approved by the Research Ethics Committee.** You will need to submit your plans for addressing the ethical issues raised by your proposal using the

¹ Adapted from Economic and Social Research Council (2005) Research Ethics Framework (REF) www.esrc.ac.uk/efr/efr.asp

² Vulnerable groups raise special issues of informed consent and potential risk. 'Vulnerable' participants are not clearly described, but have been noted to include '... children, prisoners, pregnant women, mentally disabled persons, economically or educationally disadvantaged persons' (Common Federal Policy, 1991). Wejer and Emanuel (2000) consider participants to be vulnerable if they are not in a position to provide informed consent, due to their position (such as being in prison), or not possessing adequate intellectual faculty (such as children or the mentally ill). 'Children' here are defined as participants younger than 18 years of age.

³ Risk: These possible risks are described as an '...invasion of privacy, loss of confidentiality, psychological trauma, indirect physical harm, embarrassment, stigma, and group stereotyping' (Oakes, 2002: 449), and also risks posed to '... a subject's personal standing, privacy, personal values and beliefs, their links to family and the wider community, and their position within occupational settings, as well as the adverse effects of revealing information that relates to illegal, sexual or deviant behaviour' (Economic and Social Research Council (ESRC), 2005: 21). Minimal risk may be defined as where '... the probability and magnitude of harm or discomfort anticipated in the proposed research are not greater, in and of themselves, than those ordinarily encountered in daily life' (Code of Federal Regulations, 2005).



North-West University
Faculty of Economic and Management
Sciences

Student Statement on Research Ethics
(to be completed as part of the Proposal Defence)

Ethics Approval Application Form. This may be obtained from: <http://www.nwu.ac.za/library/documents/manualpostgrad.pdf> Alternatively, you may attach a fuller description of the specific issue to this declaration, for discussion by the panel at the Proposal Meeting.

Please note that it is your responsibility to follow NWU's Guidelines for Ethical Research as set out in the Manual for Postgraduate studies and any relevant academic or professional guidelines in the conduct of your study. **This includes providing appropriate information sheets and consent forms, and ensuring the confidentiality in the storage and use of data.** Any significant change in the question, design or conduct over the course of the research should be notified to the Study Leader and may require a new application for ethics approval.

Candidate

I have read the NWU's Manual for Postgraduate Studies and am familiar with the Guidelines for Research Ethics contained therein. Y N

I have familiarised myself with the NWU Policy on Plagiarism and Academic Misconduct, and submit myself thereto. Y N

Name and Surname: Bianca van Niekerk

Signature:

Supervisor/Promoter

Name and Surname: DJ PETZER

Signature:

Chair: Research Proposal Committee:

Name and Surname: Prof LT Botha

Signature:

Date: 28/01/2013

NWU
NORTH-WEST UNIVERSITY
POTCHEFSTROOM CAMPUS
Faculty of Economic and Management Sciences
WorkWell Research Unit
Private Bag X6001
POTCHEFSTROOM
2520

Prof. Jaco Pienaar, Ph.D
Jaco.Pienaar@nwu.ac.za

APPENDIX E
STATISTICAL ANALYSIS CONFIRMATION



NORTH-WEST UNIVERSITY[®]
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOM CAMPUS

Private Bag X6001, Potchefstroom
South Africa 2520

Tel: 018 299-1111/2222
Web: <http://www.nwu.ac.za>

2015/04/07

To whom it may concern

Re: Dissertation BM van Niekerk, student number: 21047634

This letter serves to confirm that the data in the dissertation of Miss Bianca Maria van Niekerk, student number 21047634, was statistically analysed by me and that I also assisted with the interpretation of the results.

Kind regards,

Dr Leon de Beer
Senior Lecturer
WorkWell Research Unit
Potchefstroom Campus
Tel: 076 392 5396
Fax: 087 231 5396



NORTH-WEST UNIVERSITY
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT

Dr Leon de Beer
Senior Lecturer
WorkWell Navorsingseenheid
Potchefstroom Kampus
Tel: 076 392 5396
Fax: 087 231 5396

APPENDIX F
LANGUAGE EDITING CONFIRMATION

Elsabeth Marnitz

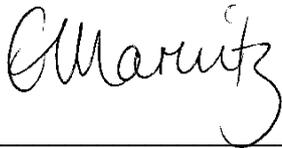
April 2015

TO WHOM IT MAY CONCERN

I, ELSABETH MARNITZ, hereby declare that the DISSERTATION submitted in fulfilment of the requirements for the degree MAGISTER OF COMMERCE in the School of Business Management at the Potchefstroom Campus of the North-West University by B M VAN NIEKERK with the title

**THE INFLUENCE OF BOUTIQUE STORE ATMOSPHERE ON
CUSTOMER SATISFACTION, STORE LOYALTY AND
REPURCHASE INTENTION**

has been language edited by me.



ELSABETH MARNITZ
720004392 (University of Johannesburg)
Cell: 083 501 1545

APPENDIX G
TECHNICAL EDITING CONFIRMATION



NORTH-WEST UNIVERSITY[®]
YUNIBESITI YA BOKONE-BOPHIRIMA
NOORDWES-UNIVERSITEIT
POTCHEFSTROOMKAMPUS

April 2015

To whom it may concern

I, Nedia Mackay, hereby declare that this dissertation by Bianca van Niekerk (student number 21047634)

**THE INFLUENCE OF BOUTIQUE STORE ATMOSPHERE ON CUSTOMER
SATISFACTION, STORE LOYALTY AND REPURCHASE INTENTION**

has been technically edited by me.

A handwritten signature in black ink, appearing to read 'Nedia Mackay', written over a horizontal line.

Nedia Mackay

12194778 (North-West University)

Cell: 071 602 3260