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351

EXPLORING CUSTOMER ATTACHMENT BEHAVIOUR TO SUSTAIN THE RETAIL INDUSTRY IN MALAYSIA

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Abstract

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

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

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

Originality/value: The novelty of this study is the contribution of original knowledge through the development of new findings from a new invention, using the practical tool of comprehensive customer emotion experience,



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with new dimensions, scale and model. These findings have important implications for future research directions and management of the local or international retail industry.

Keywords: Customer experience management, Customer attachment behaviour, Commitment, Structural Equation Modelling, Retail industry

INTRODUCTION

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

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

The increasing popularity of Malaysian consumer tastes and trends develop in much the same way as the rest of the developing world. Lifestyles are fast-paced, and with the number of single person households and young people on the rise, the demand for local and international products has intensified and has been accommodated by

a growing retail industry, especially the food industry. On average, in 2012, Malaysian households spent roughly 34 per cent of household income on food and beverages consumption, and 21 per cent on apparel consumption. There is indeed a justifiable need to research the phenomena of consumer's motivational factors influencing their consumption experience decisions to engage with retail service providers. All of these issues have added to the need for such a study.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

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

Consumer and marketing research has shown that experiences occur when consumers search for products, shop for them, receive service and consume them (Brakus *et al.*, 2009). A review of the extant literature has revealed that a substantial amount of consumer's consumption experience research has been conducted since it emerged as a legitimate field of study in the 1970s. Generally, this approach views consumer's consumption experience response behaviour as the degree to which a product or service provides a pleasurable level of consumption-related fulfillment (Mehrabian and Russell, 1974). Mehrabian and Russell's research (1974) is one of the pioneering studies that looked into the cognitive processes underlying consumer response. Their MRP model portrays three interacting constructs that play a central role, namely SOR, which stands for: Stimuli (service encounter and trustworthy promotion), Organism (customer emotional experience and commitment) and Response (attachment behaviour). Following this work, a substantial body of research effort has been devoted to testing and extending this model.

The service encounter is one of the most investigated constructs in the history of marketing scholarship and it is clearly

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

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

Trustworthiness of promotional activities can be defined as the attempts of firms to inform, persuade, incite and remind consumers directly or indirectly about the brands they sell (Kotler, 2006). Promotions represent the voice of a brand and the means by which companies can establish a dialogue with consumers concerning their product offerings, detailed product information or even ignore the product altogether to address other issues. Hence, the consumer associates a brand with a specific person, place, experience or thing.

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

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

Customer emotional experience is conceptualized as actual sensations, feelings, cognition and behavioural responses towards the product or brand (Brakus *et al.*, 2009). The development of customer emotional experience in accordance with the mission of the retailing sector policy is to develop Malaysia as a leader in the service industry in

this region. This objective, however, would be thwarted if there were no coherent monitoring and performance assessment of government and private agencies in the retail industry. This concern is vital and should not be taken lightly. Moreover, local and international retail brands are growing rapidly and there are possible changes to the factors that influence consumption. Consumption experiences are multidimensional and include hedonic dimensions, such as feelings, fantasies and fun (Holbrook and Hirschman, 1982).

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

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

Customer attachment behaviour is characterized by strong connections between the consumer and the products/brands (Keller, 2003). Brands with strong attachment benefit from increased customer active loyalty and decreased vulnerability to competitive marketing actions. In the CBBE model, attachment occurs when it completely reflects a harmonious relationship between customers and the brand. With true brand attachment, customers have a high degree of loyalty marked by a close relationship with the brand such that customers actively seek means to interact with the brand and share their experiences with others. The challenge is to ensure the customer has the right experiences to create the right brand attachment (Keller, 2003). This study is consistent with those of Brakus *et al.* (2009) and Schmitt (2009), and proposes to conceptualize the effect of multi-sensory stimuli and emotive customer experience related to commitment and attachment. Therefore, researchers propose:

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

H5: In the retail consumption experience, commitment is positively related to customer attachment.

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

RESEARCH METHODOLOGY AND DATA ANALYSIS

The study performed a series of in-depth interviews using open-ended questions and focus group interviews with the retail operators and consultants and adult customer's with respect to one particular local or international retail brand (that they purchased and consumed within the one month prior to data collection). As no sampling frame was available, probability sampling was ruled out. The sample was restricted to adult customers aged 16 and above due to the consumers' psychological attachments to brand names. In total, 750 self-administered questionnaires were distributed by researcher based on quota sampling using drop off and collect techniques (retail store intercept). The scales utilized in this study are: semantic differential scale (7-point scale), Likert scale (7-point scale: 1 = strongly disagree to 7 = strongly agree) and dichotomous scales. Due to missing answers and those from untargeted respondents, feedback from only 450 respondents, representing a response rate of 60 per cent, was included in data analysis using quota sampling according to gender and ethnic group. In order to be considered highly representative of the population studied (Pallant, 2007), an analysis should obtain a response rate of at least 30 per cent. The analyses were conducted through firstly, exploratory factor analysis and secondly, confirmatory factor analysis.

The maximum likelihood was used as the estimation method for the analysis of this study. Indices such as chi-square (χ^2), ratio of chi-square to degrees of freedom, root mean square error of approximation (RMSEA),

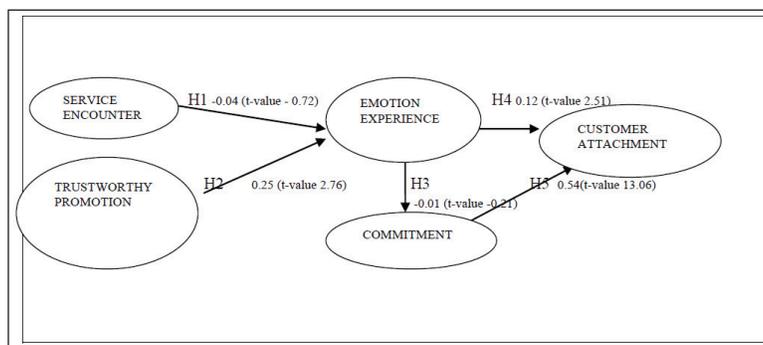


Figure 1. Results of hypothesized model

goodness of fit index (GFI), normed fit index (NFI), and comparative fit index (CFI) were adopted for model fit criteria. The structural equation modelling (SEM) was conducted after CFI to examine the relationships among the variables tested. Finally, all pertinent results of the measurement models were reported in Tables 2 and 3.

RESULTS

Two demographic variables have been identified as the control variables of quota sampling for the composition of the sample (i.e. gender and age). Table 1 presents the profile of respondents, with the majority of them being female (72 per cent) and a high percentage falling in the age category of 25 to 34 years (36 per cent). Interestingly, a high proportion of the sample comprises the Malay race (56 per cent) and graduates (55 per cent) and nearly 49 per cent work in the private sector. With respect to monthly income, almost 32 per cent of the respondents earn a monthly income of RM 3001-RM 5000.

| Profile | Description | Frequency | Percentage |
|-------------------|------------------|-----------|------------|
| Gender | Male | 144 | 28% |
| | Female | 308 | 72% |
| Age | 16 – 24 | 129 | 28% |
| | 25 – 34 | 152 | 36% |
| | 35 – 44 | 79 | 18% |
| | 45 – 54 | 51 | 11% |
| | 55 – 64 | 41 | 7% |
| Ethnic background | Malay | 255 | 56% |
| | Chinese | 149 | 33% |
| | Indian/Other | 48 | 11% |
| Education | High school | 144 | 31% |
| | Graduate | 247 | 55% |
| | Postgraduate | 47 | 11% |
| | Other | 14 | 3% |
| Work sector | Public sector | 77 | 17% |
| | Private sector | 207 | 46% |
| | Self employed | 66 | 15% |
| | Student | 102 | 22% |
| Monthly income | RM0 - RM3,000 | 259 | 57 |
| | RM3,001 – M5,000 | 119 | 26% |
| | RM5,001and above | 74 | 17 |

Table 1.
Demographic
profile of
respondents

| Constructs | Std. regression (Loading) | Critical ratio ^b (t-values) | Composite reliability | R ² | AVE | Cronbach's alpha |
|--------------------------------|---------------------------|--|-----------------------|----------------|------|------------------|
| Service encounter | | | 0.85 | | 0.62 | 0.87 |
| 1. Willing to help | 0.85 | 18.58 | | 0.71 | | |
| 2. Instills confidence | 0.88 | 19.35 | | 0.78 | | |
| 3. Best interests at heart | 0.77 | --- | | 0.59 | | |
| Trustworthy promotion | | | 0.90 | | 0.74 | 0.92 |
| 1. Believable | 0.91 | 24.73 | | 0.82 | | |
| 2. Trustworthy | 0.93 | 25.68 | | 0.86 | | |
| 3. Credible | 0.83 | --- | | 0.70 | | |
| Emotion experience | | | 0.95 | | 0.55 | 0.93 |
| 1. Disappointed/Contented | 0.87 | 21.90 | | 0.75 | | |
| 2. Unpleasant/Pleasant | 0.88 | 22.47 | | 0.78 | | |
| 3. Bad/Good | 0.83 | --- | | 0.70 | | |
| 4. Calm/Excited | 0.81 | 12.46 | | 0.65 | | |
| 5. Uncomfortable/Comfortable | 0.75 | 11.96 | | 0.56 | | |
| 6. Influenced/Influential | 0.60 | --- | | 0.36 | | |
| 7. Not Established/Established | 0.73 | 16.81 | | 0.53 | | |
| 8. Impassionate/Passionate | 0.77 | 17.90 | | 0.59 | | |
| 9. Worthless/Valuable | 0.69 | 15.96 | | 0.47 | | |
| 10. Unmemorable/Memorable | 0.84 | --- | | 0.71 | | |
| Commitment | | | 0.78 | | 0.54 | 0.88 |
| 1. Not switch | 0.79 | 21.22 | | 0.66 | | |
| 2. Committed | 0.90 | --- | | 0.81 | | |
| 3. Likable | 0.87 | 24.75 | | 0.63 | | |
| Customer attachment | | | 0.92 | | 0.61 | 0.93 |
| 1. Favourite brand | 0.89 | 26.14 | | 0.79 | | |
| 2. Special attachment | 0.90 | --- | | 0.80 | | |

Note: ^a Fixed parameter

^b Critical ratio (z-statistic) represents the parameter estimate divided by its standard error

Table 2. Confirmatory factor analysis with factor loadings, variance extracted and construct reliability, R² and Cronbach's alpha

The measures employed in this study initially were purified via item-to-total correlation and exploratory factor analyses. As a rigorous test of discriminant validity (see Fornell and Larcker, 1981), the average variance extracted (AVE) for each construct was computed and found to be greater than the squared correlation between that

construct and any other construct in the model. The structural model was tested to assess the hypothesized structural relationships of the five constructs (Figure 1).

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

DISCUSSION AND CONCLUSION

The findings suggest that trustworthy promotion plays significant roles in influencing Malaysians to develop customer emotion experiences that lead to customer attachment towards their retail brand.

| Hypothesis number and hypothesized path | Standardized coefficient | Critical ratio (t-value) | Results |
|--|--------------------------|--------------------------|---------------|
| H1. Service Encounter ↗ Customer Emotion Experience | -0.04 (-) | -0.72 | Not Supported |
| H2. Trustworthy Promotion ↗ Customer Emotion Experience | 0.25 (+) | 2.76*** | Supported |
| H3. Customer Emotion Experience ↗ Commitment | -0.01 (-) | -0.21 | Not Supported |
| H4. Customer Emotion Experience ↗ Customer Attachment | 0.12 (+) | 2.51** | Supported |
| H5. Commitment ↗ Customer Attachment | 0.54 (+) | 13.06**** | Supported |

Table 3. Results of the hypotheses tested

Note: **** Significant at $p < 0.001$ ($t > \pm 3.29$) * Significant at $p < 0.10$ ($t > \pm 1.65$)
 *** Significant at $p < 0.01$ ($t > \pm 2.57$) ^a Non-significant
 ** Significant at $p < 0.05$ ($t > \pm 1.96$)

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

CONTRIBUTIONS, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

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

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

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