

Determinants of Grocery Store Loyalty of Consumers in Bangladesh

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Abstract

Due to the belief that customer retention is a much cost-effective strategy than attracting new customers, the customer loyalty subject has become of increased interest to most businesses over the last few years. Loyal customers always bring more profit for the organisation as they are more likely to recommend their friends and family, ready to pay premium prices and have increased repurchase intention.

This study sets out to examine the degree of consumer's loyalty in Bangladesh among consumers who shop from various superstores. The main objective is to empirically investigate the strength of loyalty of Bangladeshi food consumers on the basis of their shopping behaviour and store-level service provision, and thus provide evidence which demonstrates a model of consumer loyalty based on these factors. In order to understand consumer loyalty in Bangladesh Oliver's four stage of loyalty model were adopted.

A total sample of 150 food shopping consumers from three leading stores in Bangladesh were selected randomly and interviewed in March by trained interviewers. The survey results indicate that Bangladeshi food consumers are conscious of the cost and benefit (Cognitive loyalty), are conscious with satisfaction (Affective loyalty), satisfied consumers are likely to recommend their primary super store to their family and friends (Co-native Loyalty) and also they have frequencies of visit (Action Loyalty).

The findings of research can be used to offer a sound basis for retailers to improve their operations in all the areas, so increasing their profits and to provide the first such survey in this particular (and extremely important) field in the Bangladeshi context and thus offer a foundation and direction for future research.

Introduction

The retail industry is dynamic, huge and change is a constant phenomenon. Over the last few decades in both Europe and North America one has seen the emergence of supermarkets as the dominant retail form. This is due to the fact that consumers' behaviour has changed and shifted towards convenience, high quality produce, provision for customer care, flexible payment methods and sophisticated channels of distribution. To cope with consumer demands retailers are constantly shaping their business strategies and striving to offer the right products and services.

Determinants of store choice, customer loyalty and patronage behaviour have been widely studied across the globe. Therefore, a sheer volume of literature exists regarding food retailing. However, there is still vast scope for research in this field as the environment of

retailing is in a constant phase of change and the emergence of new store formats in USA and Europe have led to dramatic changes in consumer behaviour. This is particularly true and has significant effect on middleclass consumers in Bangladesh with the newly introduced 'so-called' supermarkets which are providing a completely new experience for those consumers offering sophisticated customer service, a wide and assorted variety of goods, pleasant ambience, spacious layout, quality imported and branded products and provision for other western life style facilities.

Although there is some research on retailing in other Asian counterparts, there has been very little research in Bangladesh. The retailing industry in Bangladesh is very fragmented and underdeveloped. The so called European style new superstore format has emerged in this sector only in the last few years so this sector of retailing is in an early phase.

Therefore, it is of paramount importance for retailers in Bangladesh to know the attributes that appeal to their customers in order to satisfy them. Thus, this study sets out to examine the degree of consumer's loyalty in Bangladesh among consumers.

Retailing in Bangladesh

Bangladesh is predominantly a traditional, poor society, where about 90% of the population is Muslim; other groups represented are Hindu, Christian, Buddhist, and other minorities. Per-capita income is about US\$ 380 (Gain Report, 2004).The population has grown from 42 million in 1941 to 133 million in 2002 (Bangladesh Bureau of Statistics, 2003) making it the 9th most populous country in the world (Bangladesh Bureau of Statistics, Dec. 2002).

Retailing industry in Bangladesh is fragmented and undeveloped. Even compared to its South Asian counterparts, Bangladesh is behind in terms of development, structure and organisation. However, the last several years has witnessed dramatic changes, especially in food retailing industry. This is due to the effects of globalisation, economic and trade liberalisation, changing patterns of consumers' shopping behaviour, substantial increase of middle class consumers and the government's liberal attitude towards foreign imported food products and growth of organised superstores.

Bangladeshi food retail sector is dominated by traditional shops, and this traditional food distribution system is through so called 'wet markets' which sell fruits, vegetables, meat and fish together with small food stores which sell dry foods. The traditional retailing has been established for some centuries. But its expansion is keeping pace with rapid growth of economy, intense competition, population growth and changing consumption patterns. All these changes led to dramatic changes in the structure of the food retailing sector. Thus modern superstores, supermarkets, convenient stores, one stop stores and multi-store complexes developed to service the growing middle class with their demand for more sophisticated food stores and greater varieties of products, many of which were imported, especially in major cities.

Thus organised retail sectors are facing competition from traditional unorganised huge retail outlets. This is due to their distinctive characteristics which are not quality related but rather price related. Most of the traditional shops are unorganised, do not have proper employee structure (normally 'mom and pop' shops run by family members), have negligible real estate, no external or underpaid labour costs and no or little taxes to pay. Consumer's familiarities run from generation to generation and thus they have a strong relationship with most of the customers who are normally local. Therefore customers may have the opportunity

to buy any products on credit and pay every month or every week. Thus prices are always less, although quality is not guaranteed and no or few imported products are available. This is again due to the socio-economic group of the middle and lower class which is more sensitive to price rather than quality. On the other hand the organised retail sector is incurring higher costs due to various cost pressures. A substantial proportion of their products are imported and good quality, they employ high calibre employees with consequently high labour costs have bigger premises and so offer more comfort and value for the customer.

However, this growth and expansion was not structurally organised due to lack of attention from government and public. The retail industry in Bangladesh was never before perceived positively as a sector until recently. Therefore there is no or very limited market data available on this sector, but various secondary sources indicate that the turnover of the food retail sector in Bangladesh could be US \$ 12-14 billion and the number of retail grocery shops could be around 1 million (Gain Report, 2004). According to the same report, Retail is one of the biggest sources of employment (12%) and it contributed 13% to Bangladesh's GDP in 2001 / 2002.

The organised retail sector (i.e. large supermarkets) is new in Bangladesh and started to appear less than 5 years ago. Within this short time period it has attracted investors, developed positive perceptions among the public and created government attention. Now it is growing dramatically. The share in terms of volume and value in the organised retail sector of Bangladesh is 49.60% and 18.5% in 2003 (post market survey, 2003). To date there are about 30 stores of this kind operating in the country, the majority of which are located in Dhaka and this sector makes up 1% of the total retail sector in Bangladesh. Ownership of all major superstores is private and limited, owned by local retailers except one which is a joint venture and another in Australian ownership.

However, the concept of international retailing is at a very early stage in Bangladesh. According to Alexander (1997) "international retailing is commonly assumed to concern retail operations, owned by a single company in more than one country". There is no evidence of the physical presence of international large retailers in Bangladesh except one or two of medium size.

Traditional shops like small roadside shops accounted for 75% of the retail sector and these shops are visible throughout the country (Gain Report, 2004). They are very small and no foreign or imported products are available except in some shops located in urban or suburban areas where consumers can buy relatively high quality products from neighbouring countries (i.e. India and Burma). These products are imported through mainly unauthorised channels. As these types of small shops are mainly family owned and run, they do not incur huge costs and also are not high quality. Shop sizes are normally 30-100 sq.feet. They open for long hours and consumers can bargain with the sellers in order to lower the price.

Other types are typified as Municipal Corporation Mini-Market and mainly found in semi-urban or urban areas and these are under Municipal Corporation ownership. Shops are generally arranged by product or service categories such as fish market, meat market, vegetable market, groceries etc. This category represents 20% of the retail market (Gain Report, 2004). Most of the shops sell imported and quality products although their appeal is limited to only the middle-class or high class consumer market due to the cost factor. Products are acquired by wholesalers and importers.

The third category of shops is convenience or departmental stores. These stores are relatively large and offer good quality domestic and imported products. Normally visible in urban areas they represent 5% of the retail sector (Gain report, 2004). Due to their quality and brand name these stores are always expensive and a large proportion of the population cannot afford their products. They are therefore strictly limited to upper-middle or upper class Bangladeshis and foreigners residing in major cities, especially Dhaka. Their products are acquired from importers and distributors with adequate storage facilities and sometimes topped-up by local suppliers.

Finally, over the last few years another sophisticated retail format has appeared in the retail sector in Bangladesh; these are organised, developed and more structured which are supermarkets or the organised retail sector which at the moment represent less than 1% (Gain report, 2004). This sector is very young and is in its early stage of development, mainly visible in major cities (i.e. Dhaka, Chittogong). These are large retailers and sell very high quality products, mainly imported goods. Less than 5% of total food consumption comes from this outlet. There are at the moment around 30 superstores and most of them have only 1 outlet except AGORA and PQS with 2 outlets.

Grocery Store Loyalty: A Literature Review

In today's competitive environment to compete with competitors and sustain in business all organisations are investing resources to create loyal customers by offering superior products, superior services to increase customers repurchase intentions, their commitment towards the organisations and satisfy customers needs and wants. A satisfied customer has positive post-purchase behaviour which leads to him/her positive attitude and commitment towards the organisation. A committed customer is always remaining with the company for longer term. An unsatisfied, non-committed customer defect from the company.

This is more paramount case in retailing scenario where organisations are making paper thin profit. As Huddleston et al (2003) pointed out that ``to survive in today's competitive markets food retailers must create and maintain a loyal customer base. Omar (1999) has emphasised that store loyalty is the single most important factor in retail marketing success and store longevity. A review of literature by Jacoby & Chestnut (1978) indicates that much of the initial research emphasizes the behavioural aspect of loyalty, after a period when the majority of researchers measured loyalty as a pattern of repeat purchasing (Oliver, 1997). However, Cunningham (1956) in early stage of behavioural aspect of loyalty stated that store loyalty concept derived from brand loyalty with respect to tangible goods. Current loyalty literature indicates that there are two dimension of store loyalty: Attitudinal and behavioural dimension. Behavioural dimension is measured by proportion of purchase of a specific brand, while attitudinal loyalty dimension is measured by psychological commitment to the target object (Caruana, 2002).

There are various advantages for retailers to have loyal customers. As stated by Huddleston et al (2003) customers loyalty can yield favourable operating cost advantage for retailers. Further they have stressed that obtaining new customer costs five to six times as much as retaining current customers. Loyal customer can increase their purchase spending, low costs for retailers for obtaining new customers, price premiums and customer longevity. Dick and Basu (1994) proposed that brand plays a special role in generating repeat purchase.

Food Business News defined customer loyalty more concisely as `creating the strongest possible relationship between the retailer and customer, so that people feel they will miss something if they go to another store. However, Sivadas and Baker-Przewitt defined loyalty as `to get customers to recommend a store to others`. Odekerken-Schroder et al (2001) defined store loyalty as `the conscious buying behaviour of a consumer expressed over time with respect to one store out of a set of stores and which is driven by commitment to this store.

Huddleston et al (2003) have conducted a study in mid-western US city with six focus group in order to define store loyalty by respondents and also they have investigated respondents likes and dislikes of a preferred food store. Respondent's likes and dislikes relate to identify factors associated with repeat and loyal purchase behaviour. The conceptual framework of this study was based on Dick and Basu (1994) which conceptualises loyalty as the relationship between relative attitude towards a brand and patronage behaviour. The study identified preferred convenience attributes such as store location, familiarity with store layout, one-stop shopping and being able to get in and out in a hurry. Product related attributes are: product variety, good store brand, fresh produce and meats, making bulk item available and carrying general merchandise. The study also identified environmental attributes such as cleanliness, aisle width, layout and friendly clientele. Noise from announcements and music, small or narrow aisles, too hot or too cold temperatures, bad odours from bottle returns, big size of store, too busy and crowded and layout changes been selected by respondents as negative attributes. Huddleston et al (2003) pointed out that store commitment as a necessary condition for a store loyalty. Without commitment customers are spuriously loyal.

Another study conducted by Koo (2003) among Korea Discount retail patrons to examine the inter-relationships among store Images, Satisfaction and Store loyalty. How store images can influence consumers satisfaction and how consumers satisfaction can influence store loyalty. The conceptual model developed by Koo (2003) indicates that various discount retail characteristics have positive influences on attitude towards a discount retail store which leads to store satisfaction and this leads to store loyalty. Also it stresses that Discount retail store (DRS) attributes have a positive impact on store satisfaction. Thus create store loyalty. He developed six hypothesis based on his conceptual model. The research identified four store images such as Store atmosphere, employee service, merchandising and after sales service have significant impact on attitude, while location, convenient facilities and value have no impact on attitude.

The research findings support Bloemer & Ruyter (1998), but it is contradictory to You et al (1998) who in their study showed that only location has a significant effect on attitude. Findings also partially support that store images (i.e. store atmosphere and value) have a positive impact on store satisfaction, while location, convenient, after sales service and merchandising have not significant impact on store satisfaction. This support Bloemer & Ruyeter (1998), Kumar & Karande (2000), Thang & Tan (2003).

Study further have identified Location, after sales service and merchandising have significant impact on store loyalty which contradict Bloemer & Ruyeter (1998) who identified that there is no direct relationship between store image and store loyalty, but an indirect impact on store loyalty through satisfaction. Koo (2003) concluded that the overall attitude towards discount retail has the greatest impact on store loyalty, followed by location, after sales service and merchandising. In Korean discount retail store environment his study indicates that store

image and location are important factors in attracting patrons to the store. Furthermore, it indicates that satisfaction has an insignificant positive effect on store loyalty.

Jacoby and Chestnut (1978) defined store loyalty as "the biased (i.e. non random) behavioural response (i.e. revisit) expressed overtime, by some decision making unit with respect to one store out of a set of store, which is a function of psychological (decision making and evaluation) processes resulting in brand commitment. However critical part of store loyalty is seen by Bloemer et al (1998) is store commitment which is a necessary condition for store loyalty to occur. They further stresses that a loyal customer is committed and that commitment arises from sharing explicit and extensive decision making as well as evaluative processes. Limited and non explicit decision making and evaluation process can leads to consumers not become committed to the store. Therefore they are not loyal. Based on store commitment they have defined a degree of store loyalty as true store loyalty and spurious store loyalty.

Customer Satisfaction to Customer Loyalty

Customer satisfaction can be defined in many ways, one of which is "a person's feeling of pleasure or disappointment from comparing a product's perceived performance (or outcome) in relation to his or her expectations (Kotler, 2000). Bloemer et al (1998) also support this definition which states that satisfaction is occur through a matching pf expectation and perceived performance. Bloemer et al (1998) have identified two different types of satisfaction: manifest and latent satisfaction. Manifest satisfaction is the result of an evaluation which is well elaborated on where as latent satisfaction is the result of an implicit evaluation which is not elaborated on (Bloemer et al, 1998). Customer satisfaction positively influences customer retention, and increasing repeat sales (Anderson, Claes & Lehman, 1958). Moreover, "satisfaction level is a function of the difference between perceived performance and expectations" (Kotler, 1994). If the performance falls short of expectations the customer is dissatisfied. If the performance is exceeds expectations, the customer is highly satisfied. "High satisfaction may create an emotional affinity with the brand, not just a rational preference and this creates high brand loyalty (Kotler, 1994). Even if the customer is not highly satisfied, still from behavioural aspect of brand loyalty, the customer can be brand loyal. This can occur if no other alternative is available or may be alternatives are of a higher price which the consumers can not afford or if the customer's purchase power is limited.

Bloemer et al (1998) were conducted an empirical study in major Swiss city in the German-speaking part of Switzerland to establish relationship between Image, satisfaction and loyalty by developing three hypothesis. Hypothesis 1 examine whether positive relationship between manifest satisfaction and store loyalty is stronger than the positive relationship between latent satisfaction and store loyalty. Hypothesis 2: store image has a direct positive effect on store loyalty and hypothesis 3 examines the indirect positive effect of store image on store loyalty through store satisfaction.

Their findings indicated that the relationship between store satisfaction and store loyalty depend on the type of satisfaction and tested all three hypotheses positively. However, the study conducted by Huddleston et al (2003) indicates that satisfaction does not imply commitment to a store either; many respondents stated that they could be persuaded to shop elsewhere.

However, Heskett (2002) suggests that customer satisfaction is the lowest level from the five level-hierarchies of customer behaviours. Others customer behaviours are: mere loyalty (repeat purchase), commitment (willingness to refer others to a product or service), apostle-like behaviour (willingness to convince others to use a product or service) and ownership. Nevertheless, Sivdas and Baker-Prewitt (2000) pointed out that satisfaction influences relative attitude, repurchase and recommendation but has no direct effect on store loyalty.

According to Sivdas and Baker-Prewitt (2000), service quality directly affects both relative attitude and satisfaction and that satisfaction affects relative attitude. Both relative attitude and satisfaction influence the likelihood of recommending but only satisfaction plays a part in influencing repurchase. Study further indicates that there is no direct relationship between relative attitude and repurchase and both relative attitude and satisfaction have no direct impact on royalty. Thus, it appears that relative attitude and satisfaction which is influenced by service quality can influence customer recommendation which leads to both customers repurchase and loyalty. Sivadas and baker-Prewitt (2000) study support Oliver's model of loyalty in a store loyalty context.

Store Image and Customer Loyalty

Existing literature indicates that store images have critical impact on store loyalty (Bloemer & Ruyter, 1998). Theoretical foundations of store images are found in theories of brand images (Koo, 2003). Store image or store attributes have significant influence on satisfaction. Store image is defined as the complex of a consumer's perceptions of a store on different (salient) attributes (Bloemer and Ruyter, 1998), or a given consumer's or target market's perception of all of the attributes associated with a retail outlet to create and maintain a level of store-service provision or quality for the store loyalty (Keaveny and Hunt, 1992; Lascu and Giese, 1995). The competition and increasing customer expectations have created a climate where "quality is concerned to be a major strategic variable for improving customer satisfaction (Smith, 1990).

Lucas, Bush and Gresham (1994) said that decision to visit a particular store can be influenced by many factors, understanding such factors and building them into store operations can increase the profitability of gaining customer loyalty. They had identified the nine basic motives for the store selection includes: general store characteristics, physical characteristics of the store, convenience, merchandise, prices, store personnel, in-store effects, customer service and advertising. They had also identified the five motives for patronising services which include: quality of service provided, appointments, reasonable fees, waiting areas, attitude of service provider.

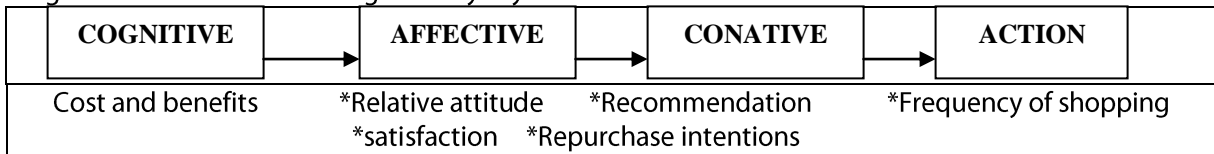
Early studies of store images are closely related to the multiattribute model. Lindquist (1974) defines store images as a "structure of some sort that is tying together the dimensions that are at work" and conceptualises store images as nine key attribute categories: merchandise, service, clientele, physical facilities, transaction satisfaction, promotion, store ambience, institutional factors and post transaction satisfaction. By combining retail marketing mix elements Ghosh (1990) identified eight elements of store image. These are location, merchandise, store atmosphere, customer service, price, advertising, personal selling and sales incentives programs. Customers may have different perception for different stores and different store may apply different attributes to attract different types of customers in different times and in different locations. Store images may differ between smaller and larger stores. A study

conducted by Mitchell and Kiral (1998) found that there are differences between primary store loyal customers perception of their store and secondary store loyal customer perception of that store. This view is support to Hansen and Deutscher (1978) proposition that store attributes vary by store types. Mitchell and Kiral (1998) in their study they have asked 30 shoppers to identify which store attributes they use in Manchester at two grocery stores (e.g.Tesco and Kwick-save). They have identified three factors associated with customer perception and these are: Quality, Time and convenience, value. Tesco customer perceived quality, convenience and value factors in that order of importance while kwick-save customer perceived quality, value and convenience when considering Tesco.

Theoretical Base for Modelling the Grocery Store Loyalty

After behavioural perspective on loyalty majority researchers measured loyalty as a pattern of repeat purchasing. The most relevant of the models for measurement the grocery store loyalty is Oliver’s four-stage loyalty model (Oliver, 1997). Oliver’s four-stag loyalty model produced in 1997 in a simplified form and suggests that customer loyalty progresses in four phases, with each phase representing a greater degree of loyalty. Four stages are: cognitive loyalty, affective loyalty, conative loyalty and action loyalty.

Figure-: The Oliver’s four stages of loyalty model



Cognitive Loyalty: At this stage consumers are more concerned about quality and prices of the products and services and this is why they patronise the store rather than other stores. However, at this stage loyalty may not be that strong because consumers can defect from that store and move to another store if they perceive it as a better option. So, service quality evaluation can be taken as a good indicator of their cognitive loyalty. To understand Bangladeshi consumers’ cognitive loyalty three questions were selected to measure this category of loyalty.

Affective Loyalty: At this stage consumers’ loyalty is based on relative attitude towards the store and satisfaction gained. The relative attitude is the result of their previous loyalty based on cognitive loyalty. Therefore relative attitude and satisfaction were used as independent variables to measures consumers’ affective loyalty towards the store. There are 26 question in nine categories selected to measure affective loyalty. Categories are: convenience of store location, convenience of service provisions, congestion, cleanliness and store atmosphere, variety of ranges, shopping difficulties, travel difficulties, unfamiliarity and degree of customer service from sales personnel.

Co-native Loyalty: Having a relative attitude towards the store and being satisfied with the store a consumer will hold a commitment to buy there, so repurchase intentions will be increased and consumers are willing to recommend to others. Two questions were selected to measure a consumer’s co-native loyalty towards the store.

Action loyalty: This is the final stage of a consumer’s loyalty. With this loyalty a consumer will be retained with the store thus leading to frequency of shopping there. Therefore, one simple question was asked to consumer to measure this loyalty.

Research Methodology

The research was based on selecting three (3) leading grocery retailers from Bangladesh. Stores were selected based on market share and length of operation. In order to understand consumer loyalty in Bangladesh Oliver's four stage of loyalty model (Cognitive loyalty: consumers' consciousness with cost and benefits; Affective loyalty: Consumer conscious with satisfaction; Co-native loyalty: consumers recommendation to other people and repurchase behaviour and Action loyalty: consumers' frequencies of store visits) were adopted.

Data were collected using a random sample of consumers. The data and information were collected from selected grocery stores in Bangladesh. Consumers who have significant knowledge of the topic were identified and selected at random for questioning. Interviews were conducted face to face on exit from three selected superstores to capture the attitude and experience of consumers who had just purchased grocery items. The choice of face to face interview was in order to get high response rate and reduce the response bias. A low response rate is a common problem with self-completion questionnaires and can be subject to response bias, especially in that people with reading and writing difficulties are less likely to respond (Robson, 2002). Furthermore, the refusal rate for face to face interviews is very lower than the non-response rate for postal questionnaires.

A sample of 50 consumers in each store (3*50) making a total of 150 food shopping consumers from the three (3) selected stores in Bangladesh were selected. However, 10 subjects were not included due to incomplete answers. It is logical that the larger the size of the sample, the greater is the precision or reliability when research is replicated (Saunders et al, 1997). But constraints on time, manpower and costs influenced decisions on sample size in this study. The sample size was found to be representative for the store population. A study conducted by Bloemer and Ruyter (1998) in a major Swiss city in the German-speaking part of Switzerland used only 153.

The current market leaders in grocery retailing in Bangladesh include **Agora**, **Nandan**, and **Value Plus** were selected as samples for investigation.

Data Collection and Analysis

Data were collected in early March 2005 by trained interviewers throughout the week. In order to reduce possible shopping patterns biases all interviewers used stratifying interviews across the time of the day (morning, early afternoon, and late afternoon) (Odekerken-Schroder et al, 2001) and weekend (Thursday and Friday). As a Muslim populated country Friday is the official holiday and Thursday normally half-day off. But special consideration were placed on weekend and evening when most of the people are going for shopping and this time always busy. All interviews were last for maximum of 12 minutes.

After collecting data from the field data were coded and analysed by using SPSS version 11 software programmes. Quantitative analysis was used to understand the degree of store loyalty.

Results

The main findings were:

Cognitive Loyalty

Cognitive loyalty factors are associated with cost and benefits and three statements were asked to consumers concerning cost and benefits. The mean average of consumers was 3.94 and SD was 0.929. These refer to the grocery consumers in Bangladesh conscious with cost and benefit when they were shopping (on a scale rating from one to five).

In this category, the first question was *'If a store provides a better price, I am going to buy from the store'*, the mean averages and SD of the consumers replies was 3.77 and 0.876.

The second question was *'If any store provides better quality, I am going to buy from that store'*. The mean average and SD was 3.92 and .953. The third question to understand the degree of consciousness towards cost and benefits was *'I am always concerned about price and quality'*, the mean and SD for this was: 4.13 and 0.958.

Table: Cognitive loyalty

Cognitive loyalty factors	Mean	Std. Deviation
If a store provides a better price, I am going to buy	3.77	.876
If any store provides better quality, I am going to buy	3.92	.953
I am always concerned about price and quality	4.13	.958
Total	3.94	0.929

Affective loyalty

The mean average was 3.98 **and SD was** 0.892 .These results indicate that consumers in Bangladesh conscious with satisfaction when they did shopping. In this category total 25 statements were asked to consumers with nine specific factors. These factors were: convenience of store location, convenience of service provisions, congestion, cleanness and store atmosphere, variety of ranges, shopping difficulty, travel difficulty, unfamiliarity and customer service by sales personnel. These factors were chosen to understand consumer’s relative attitudes the store and satisfaction

Table: Affective loyalty

Affective loyalty factors	Mean	Std. Deviation
Parking facilities	3.89	.874
Convenient location	4.06	1.098
Inside the store temperature	4.21	.747
Good place for shopping with children	3.86	.878
Credit card payment	3.66	.845
Opening and closing times	3.86	.878
Visually appealing interior	4.02	.809
Good customer service	4.46	.723
Duration of checking out time	3.46	.932
Convenient to move around	3.89	.972
Atmosphere of the store is good	4.46	.661
Cleanliness of the store	4.60	.644
Pleasantness of the place	4.59	.710
Variety of items	4.51	.735
Variety of branded items	4.49	.791
Quality & variety of imported products	4.37	.924
Overcrowded in the store	3.12	1.042
Long waiting time at the checkout	3.18	.916
Transportation is inconvenient	3.21	.956
Much time & effort for parking a car	3.29	.834
I am familiar with store layout	3.32	.984

Familiar with the store since I used to shop here	3.49	1.083
Has presentable sales personnel	4.37	.733
Has sales personnel who show a sincere interest	4.37	.743
Has sales personnel who are willing to help	4.37	.752
Total	3.98	0.892

Co-native loyalty

Two questions were selected to measure consumers' co-native loyalty towards the store. At this stage consumers must have a positive attitude and commitment towards the store and thus create repurchase intention. Based on customer's satisfaction they tend to recommend their friends and relatives. Findings indicate that satisfied consumers are likely to recommend their friends and repurchase. The first question was 'how likely would you be to recommend', where the mean average and SD were: 4.35 and 0.709. The second question was 'how likely would you be to purchase at this store', giving a mean average and SD of: 4.17 and .831 respectively.

Table: Co-native loyalty

Co native Loyalty factors	Mean	Std. Deviation
How likely would you be to recommend	4.35	.709
How likely would you be to purchase at this store	4.17	.831
Total	4.26	.776

Action loyalty

This is the final criteria of Oliver's loyalty model which indicates that having fulfilled all previous stages at this stage consumers tend to retain their connection with the store so leading to continued frequencies of shopping. Only one simple question was asked to measure consumers retention and that was 'how often do you purchase at this store'. The mean average and SD were 3.47 and 1.305

Table: Action loyalty

Action Loyalty factor	Mean	Std. Deviation
How often do you purchase at this store	3.47	1.305
Total	3.47	1.305

Discussions

The survey results indicate that Bangladeshi food consumers are conscious of the cost and benefit (Cognitive loyalty), are conscious with satisfaction (Affective loyalty), satisfied consumers are likely to recommend their primary super store to their family and friends (Co-native Loyalty) and also they have frequencies of visit (Action Loyalty).

Table: *Level of food consumer loyalty in Bangladesh*

Stages of loyalty	Store loyalty
Cognitive	Conscious with cost and benefits
Affective	Conscious with satisfaction
Co-native	Likely to recommend to their family and friends
Action	Have frequencies of visit

Consumers respond differently in every country (Child, Heywood and Kliger, 2002), as international retailing has become an important feature of global distribution systems. This has been brought about through changing socio economic patterns, favourable political and cultural environments and a shift from manufacturing to service based economies (Quinn and Alexander, 2002). Although in Bangladesh the retailing environment is totally different from its counterparts the results indicate that Oliver's four stages of consumer store loyalty model is still applicable. Consumers' loyalty can be measured through cognitive, affective, co-native and action behavioural patterns.

From the findings it is clear that consumers are very conscious with cost and benefits (cognitive loyalty). This is the basis to create a favourable attitude towards the store and through the process of providing store and service attributes consumers will be satisfied, thus indicating that consumers are conscious with satisfaction (affective loyalty). A satisfied consumer will tend to recommend to their friends and family the product and service they tend to buy from (Co-native loyalty) and at the same time their repurchase intention tends to increase (Action loyalty).

Conclusions

Store loyalty is a very important phenomenon for retailers to understand the underlying principles and antecedents in order to retain and acquire more customers. Loyal customers spend more money and at the same time recommend the store to their family and friends, thus bringing more customers and profit for the retailers. It is of paramount important for managers to identify the specific characteristics which can influence consumers to shop from their store. As characteristics of retailing environments are changing, along with consumer's behaviour, patterns of choice and mode of shopping, retailers must respond quickly to those changes in order to sustain and achieve competitive advantage.

The study looked at the degree of store loyalty by applying Oliver's four stages of store loyalty model. The implications for management and retailers are that they must look closely at the kind of price and quality they are offering, as customers are more conscious with cost and benefits. Although this cognitive stage of consumers' loyalty will not create a strong association with their commitment or favourable attitude, it does have positive impact on their next stage of loyalty behaviour which is the affective stage.

To create a favourable attitude amongst consumers' towards the store retailers must use specific service or product attributes. The research indicates that convenient location, good customer service, atmosphere of the store, cleanliness, quality and variety of imported products and good sales personnel are the major attributes to satisfy customers. Thus, to create consumers relative attitude and satisfaction which leads to co-native loyalty of consumers, where consumers tend to recommend to their family and friend and increase repurchase intention. If these three previous stages can be implemented appropriately, consumer's frequency of shopping will increase.

Organised retailing in Bangladesh is in the introductory phase of development. Competition is virtually non-existent. However, growing health awareness is making consumers more quality conscious and imported food items are considered good quality, also a growing number of middle class consumers, due to their high income capacity can afford to purchase good quality imported products. Therefore, our results thus provide strategic justification for

major retailers for continued investment in store image and targeting specific consumer groups with the right demographic variables.

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