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Journal of Business and Retail Management Research (JBRMR)

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Journal of Business and Retail Management Research (JBRMR)
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Articles

Organisational factors influencing the application of age management

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Abstract

There are currently significant differences in the approach to various age groups in many fields of human activity. Due to the global demographic trend of an increasing age of population and growing number of people in the 50+ category, it is necessary to adopt measures that take age into account on the social level and also in the process of organisational management; these measures are collectively referred to as age management. The aim of this paper is to identify and evaluate factors on the organisational level that influence the application of age management in organisations. The partial objective is then to determine the impact of these organisational factors. The data was collected through quantitative research, specifically a survey among n = 549 selected organisations in the Czech Republic. The results show that significant factors influencing the application of age management include the sector in which the company operates, size of the organisation and majority ownership. The article provides the formula for a logit function that can be used to determine the probability of various scenarios of the application of age management in organisations. The article is focused on organisational factors influencing the application of age management in practice to build the employer's good brand and to attract knowledge workers.

1 Introduction

Processes of systematic stereotyping and subsequent discrimination against or differentiation of people based on their biological characteristics (race, gender, age) regardless of their abilities manifests itself, from the sociological perspective, in lessened opportunities in various aspects of human life, including employment. Race and gender-based discrimination has a broad range of manifestations mainly on the individual level; thanks to the legal environment of democratic states, it is effectively suppressed on the institutional level. Chronological age or age group, however, as a characteristic that changes over time causes various differentiations on both the individual and institutional level mainly in the form of perceived qualitative inequality between the individual stages of human life, leading to stereotyping and discrimination (Vidovićová, 2005).

Age stereotypes are general ideas about the characteristics of a certain age group that often do not correspond to reality (Štorová, 2012). They are only based on the chronological age of a person and guide the expectations of specific persons or groups of people concerning the behaviour of the members of a specific age group. According to Vidovićová (2005), stereotypes lead people to think the behaviour of members of a certain age group is more homogeneous than it really is. Stereotypes arise from our innate need to assign specific characteristics to various objects and phenomena in order to help us sort and process information and relatively quickly understand our surroundings. It is important to emphasize that chronological age alone says very little about a person's characteristics, abilities and other attributes,

as confirmed by the research of Němec, Surynek (2014), Angeloni and Borgonovi (2016) or Tošnerová (2002).

There is currently significant variation in the approach to various age groups in many fields of activity of different organisations and in different geographic parts of the Czech Republic and Europe, as discussed in the research of Štorová (2012) or Principi, Fabbietti (2015). Higher chronological age is perceived as a positive differentiator for example in the education and health sectors where people of a higher age tend to have more knowledge that is essential for these particular fields. On the other hand, higher age increases the risk of failure for example in emergency or security services which require strength and physical ability that is reduced in advanced age (Ilmarinen, 2011).

The term ageism was coined in the USA in the 1960s. According to Vidovićová (2005) and Denzinger; Backers, Job, Brandstätter (2016), ageism is understood as discrimination on the basis of age caused by prejudice, discriminatory practices and institutional policies (Butler in Vidovićová, 2005) and applies to all age groups (Štorová, 2012; Collien, Sieben, Müller-Camen, 2016).

Ageism does not always have to be socially negative, as there is also positive ageism which leads to the establishment of teams with significant age differences. Štorová (2012) and Angeloni and Borgonovi (2016) note that age discrimination may be difficult to recognize, as it may be part of our everyday thinking and behaviour and the people who discriminate by age do not have to be aware of it. Discrimination is not only an individual process but may also be present in society as whole – for example in laws, organisational culture, culture in general, speech or art. Research by Hagenstad, Uhlenberg (2005) and Denzinger, Backers, Job, Brandstätter (2016) also points out that wherever there is a lack of significant and meaningful interactions between various age groups, there is a substantial risk of ageism on both the level of organisations and the social level. On the other hand, in environments where members of various age groups work together, age stereotypes and prejudice are relatively efficiently reduced (McNair, Flynn, 2005; Collien, Sieben, Müller-Camen, 2016).

In summary, ageism entails a broad range of processes and actions on the level of individuals, groups or organisations, which is why there still is no consensual definition that would cover this dynamic phenomenon in all its varieties and define its boundaries.

The significance of ageism (age discrimination) as a phenomenon on the individual and organisational level is becoming more pronounced due to the global demographic trend in which the average age of the population is shifting and the number of persons in the 50+ category keeps growing. Because the labour market is differentiated by age and because age determines the overall time spent by an individual on the labour market, it also influences the position of people of various age groups on the labour market. This means that efficient utilization of the potential of all persons on the labour market should be the key strategy of human resources management in organisations, requiring the adoption of corresponding measures (Wiktorowicz, 2013). One of the possible measures could be taking age into account on the social level and also in the process of organisational management, together referred to as age management. This phenomenon is also significantly affecting the retail sector, which is according to CZ-NACE classification second largest economic activity by number of employees (Czech Statistical Office, 2017).

The aim of this paper is therefore to identify and evaluate factors on the organisational level that influence the application of age management in organisations. The partial objective is to determine the impact of these organisational factors.

2 Research Methodology

The analysed primary data was obtained through quantitative research, specifically an online data-collecting questionnaire in organisations across various sectors of the economy in the Czech Republic (according to CZ-NACE). The sample was selected using the ALBERTINA database of organisations. Albertina is a unique database with important data about more than 2,700,000 organisations registered in the Czech Republic. Further data about the organisations was obtained from the AMADEUS database (financial indicators). The final sample consisted of 549 organisations, selected intentionally to match the fields of activity of business entities in the Czech Republic according to the Czech Statistical Office following these criteria:

- Sector of the economy: 20% from the primary, 20% from the secondary, 60% from the tertiary sector.
- Size of the organisation based on the number of employees: 60% from small, 20% from medium-sized, 20% from large organisations.
- The structure of organisations that took part in the survey was as follows:
- Sector of the economy: 19.9% primary, 20.2% secondary, 59.9% tertiary sector;
- By size of the organisation based on the number of employees: 53.2% from small (under 49 employees), 25.5% from medium-sized (50–249 employees), 21.3% from large organisations (250+ employees);
- By the ratio of women and men: in 29.0% of organisations, there are more women than men, in 24.4% organisations the ratio is balanced (50:50) and in 46.6% of organisations, there are more men than women.
- Employing foreigners: 93.8% of organisations mainly hire Czech employees, in 4.0% the ratio between foreigners and Czechs is balanced (50:50) and only 2.2% of organisations employ more foreigners than Czechs;
- Employing persons with disabilities: 39.3% of organisations employ people with disabilities, 60.7% of them do not.

Representativeness on the sample based on selected criteria (size of the organisation, sector of the economy) was verified with the Chi-squared test ($\chi 2$ test) (Urbancová, Hlavsa, 2014) which determined that the distribution of various types of businesses in the sample does not significantly deviate from the distribution according to CZ-NACE. The selected sample picked from the basic set can therefore be considered representative because it corresponds to the proportion of selected types of organisations in the basic set. The results can be generalized for the selected sample, analyzed for absolute and relative frequency, used to test hypotheses (using parametric and non-parametric tests) and examined using multi-dimensional statistics.

In each organisation, we only contacted one respondent. The respondent who filled out the questionnaire on behalf of the organisation had to be a manager (to whom at least one person reports), e.g. a human rights manager, the person who is in charge of HR management in the organisation, a line manager, company owner or another person on the middle and higher levels of management in the organisation.

The questionnaire was distributed over the internet using an online tool; respondents received e-mails asking them to fill in the questionnaire on the provided link. Online questionnaires and tools creating these questionnaires are currently used not only by individuals, but also for surveys implemented by organisations. The online questionnaire also included a glossary of terms used in the questionnaire, an introduction letter and a note of thanks for taking part in the survey. Each questionnaire also provided information about how the research is performed and how its results will be used.

Following the recommendations of Hendl (2012) and Hebák (2015), the evaluation of the results employed several tools used in descriptive statistics, namely absolute and relative frequency as well as the $\chi 2$ test; if the calculated p-value was below the significance threshold $\alpha = 0.05$, the null hypothesis was rejected. Strength of the correlation was then determined using Cramér's V and interpreted in accordance with the categories described by De Vaus (2014).

Hendl (2012) states that in research, it is common to encounter two (or more) values of variables that have to be analysed to determine whether an observed phenomenon occurs under the given conditions or not, and the tool used for this is logistic regression. Logistic regression is based on the similar principle of discrimination analysis (Tabachnick, Fidell, 2013) which can be used to predict assignment to a specific group based on a set of variables. According to Meloun and Militký (2012), this method predicts the probability of a certain event that may or may not happen; logistic regression is a suitable method in cases when the dependent variable is qualitative in character.

The dependent variable is, according to Hendl (2012) always binary: its value is 1 if the observed event occurs and otherwise zero. Hendl also says the ratios express the number of positive results in case of repeated measurements with the same value of independent variable x; the number of measurements

for each ratio should be roughly the same. Logistic regression is typically used to model the probability of a certain event depending on the value of a continuous variable. It is assumed that a random variable has a binomic distribution with parameter π that corresponds to the probability of result 1 and changes monotonically with the value of the independent variable. The resulting model is an estimate of this parameter depending on x. The logistic model has very broad use across various fields.

The basic formula for the logistic regression model as given by Meloun and Militký (2012) is:

$$\ln(L(1)/L(0)) = b(0) + b(1)x(1) + b(2)x(3) + \ldots + b(p)x(p) \tag{1}$$

where the coefficients b(i) can be interpreted as regression coefficients. The expression ln (L (1)/L (0)) is known as the logit of L and shows that the logit of value L can be expressed as a weighted sum of the values of independent variables. The logit of value L is a logarithm of the probability of the analysed phenomenon (Hendl, 2012) and the equivalent equation is:

$$\pi\_i = \llbracket logit \rrbracket \wedge (-1)(n\_i) = e^{\wedge}(n\_i)/1 + e^{\wedge}(n\_i). \tag{2}$$

The test of the null hypothesis of model validity according to Hendl (2012) compares the estimated and identified frequencies using Pearson's Chi-squared statistics. The prerequisite for this is having at least 5 observations for each combination, which was met in our research.

3 Research Results

This chapter presents the results of the discrimination analysis that aimed to determine which variables (characteristics) are typical for organisations that currently apply or do not apply age management. The overview in Tab. 1 shows the averages and standard deviations for variables that may impact the application of age management.

Application of age management		Average	Standard deviation
Yes	Sector of the economy	2.51	0.759
	Size of the organisation	1.81	0.868
	Majority ownership	1.29	0.456
	Ratio of women and men	2.13	0.807
	Annual Turnover Rate	1.67	0.960
	Most often fluctuating category of employees by age	1.65	0.825
No	Sector of the economy	2.36	0.812
	Size of the organisation	1.63	0.769
	Majority ownership	1.19	0.391
	Ratio of women and men	2.20	0.870
	Annual Turnover Rate	1.65	0.986
	Most often fluctuating category of employees by age	1.53	0.833
Total	Sector of the economy	2.40	0.799
	Size of the organisation	1.68	0.803
	Majority ownership	1.22	0.414
	Ratio of women and men	2.18	0.852
	Annual Turnover Rate	1.66	0.978
	Most often fluctuating category of employees by age	1.56	0.832

Table 1 - Summary statistics of individual characteristics (own survey)

Correlation and covariation results confirm that discrimination analysis is applicable to the selected qualitative features. The correlation coefficients range from 0.101 to 0.429 (direct correlation), representing a weaker to medium correlation. This enables us to perform Box's test of covariance matrices. Box's test forces us to reject the null hypothesis even for very small differences in covariance matrices that would not necessarily impact further results. The prerequisite for this test is a multi-dimensional normality of the distribution, which was met in our research. The value of Box's test is 30.665 with a correlation value of

0.088. Since 0.088 is higher than the significance threshold 0.05, we can conclude that correlation was not disproved, and the null hypothesis is rejected (the data is independently distributed).

The next step in the analysis of variability was Wilcoxon's test to determine if the implementation of age management depends on selected organisation variables. The calculated value of this multi-dimensional analysis of distribution test was 0.017, i.e. less than the significance threshold 0.05. It can be concluded, therefore, that the attributes have a statistically significant impact on whether the organisation engages in age management.

Tab. 2 presents the results of the test of equality of expected value groups (organisations applying age management and organisations not applying age management). These are the results of one-dimensional statistics. Where the test result is below the significance threshold 0.05, the attribute is statistically significant and can be used to differentiate between organisations who apply age management and those who do not. The results show that significant factors influencing the application of age management include the sector in which the company operates (0.040), size of the organisation (0.013) and majority ownership (0.007).

Characteristics	Wilcoxon's Lambda	Test of the significance
Sector of the economy	0.992	0.040
Size of the organisation	0.989	0.013
Majority ownership	0.987	0.007
Ratio of women and men	0.999	0.413
Annual Turnover Rate	1.000	0.838
Most often fluctuating category of employees by age	0.996	0.132

Table 2 - Test of the significance of individual characteristics (own survey)

We also calculated the parameters of classification functions and checked the correct assignment of organisations into 2 groups (those who apply age management and those who do not). From the results, it can be concluded that the tested characteristics influence whether an organisation engages in age management or not from 59.9%. To summarize and generalize the characteristics in the selected sample, we applied an econometric model using a linear and logit function. The results of the logit and linear models were nearly identical. This paper, however, only presents the results of the logit model. Since the research uses a dependent binary variable, the logit model is more suitable for the presentation of results because it uses the method of maximal credibility, its results are more accurate, and its interpretation corresponds to the probability of occurrence, i.e. 0 to 100%. The results presented below are generalized to the selection sample of organisations within their respective field.

In the research, we calculated the coefficients of partial logit functions and the probability of application of age management for the individual significant variables, namely sector of the economy, size of the organisation and majority ownership.

After evaluating the results, we can conclude that the probability of application of age management in the primary sector is 23.8%, in the secondary sector 24.3% and in the tertiary sector 32.8%. In terms of differences between the sectors, the secondary sector is 0.4% more likely to engage in age management than the primary sector and the tertiary sector is 8.5% more likely than the primary sector. In large organisations, the probability of application of age management is 41%; in small organisations the figure is 27% and in medium-sized 25%. Large organisations have a 14% higher probability to apply age management than small organisations. Medium-sized organisations however are less likely to apply age management than small organisations, specifically by 1.7%, because the resulting parameter was negative. In terms of significance, the parameter of the effect of medium-sized organisations is statistically insignificant, i.e. zero; we can therefore conclude that there is no difference in the probability of application of age management in small and medium-sized organisations. There is, however, a significant difference compared to large organisations. The results further show that international organisations apply age management more often and are 12.15% more likely to engage in age management than Czech organisations. Most organisations that apply age management are found in Prague.

The results also show that the largest probability of the application of age management is found in organisations that employ on average 31 to 40% of employees in the 50+ age category. The probability of

application of age management in this group is 46.15%. In organisations with 21 to 30% of employees aged 50+, the probability is 40.63%; in the 0–5% category it is 19.19%, i.e. 21.44% higher than in organisations that have less than 5% of employees in the 50+ age category.

Coefficients	B	S. E.	Wald	f	Sig.	Exp(B)
Secondary sector	0.013	0.331	0.001	1	0.970	1.013
Tertiary sector	0.476	0.282	2.850	1	0.091	1.610
Medium-sized organisation	-0.257	0.247	1.082	1	0.298	0.774
Large organisation	0.108	0.278	0.152	1	0.697	1.114
International organisation	0.472	0.259	3.312	1	0.069	1.603
6–10% 50+ employees	0.546	0.293	3.478	1	0.062	1.727
11–15% 50+ employees	1.023	0.334	9.355	1	0.002	2.782
16–20% 50+ employees	0.907	0.338	7.220	1	0.007	2.478
21–30% 50+ employees	1.175	0.338	12.124	1	0.000	3.239
31–40% 50+ employees	1.440	0.459	9.858	1	0.002	4.222
41–50% 50+ employees	0.602	0.567	1.127	1	0.288	1.825
51% and more 50+ employees	0.875	0.541	2.615	1	0.106	2.398
Seat of organisation (Prague)	0.141	0.215	0.431	1	0.512	1.152
Constant	-1.961	0.316	38.439	1	0.000	0.141

Table 3 - Calculation of coefficients of the summary logit function (own survey)

Based on the obtained results, we can conclude that the summary logit function can be expressed by the following equation:

Yt = -1,961 + 0,013x1i + 0,476x2i - 0,257x3i + 0,108x4i + 0,472x5i + 0,546x6i + 1,023x7i + 0,907x8i + 1,175x9i + 1,440x10i + 0,602x11i + 0,875x12i + 0,141x13i + ei

The final equation, including a full declaration of variables, can be used to determine the probability of various scenarios. For example:

- Medium-sized organisations with Czech majority ownership active in the tertiary sector with 51 and more percent of employees in the 50+ category have a 32.62% probability of applying age management.
- The probability of application of age management in international organisations is 39.17%.
- Large international organisations in the primary sector that employ between 21 and 30% of employees aged 50+ have a 44.88% probability of applying age management.
- Large international organisations in the tertiary sector with more than 21% of 50+ employees have a probability of 56.73%.

The proposed model is a tool for evaluating the variables that influence the application of age management. Our objective was not to create a model with a maximum error of 0.01, but a broader model that would capture all factors, which is why it also includes the region where the organisation is headquartered. Regression models were used to estimate the behaviour of the dependent variable and specifically which variables influence the application of age management in organisations. If any of the analysed variables is statistically insignificant (based on Waldo's statistics mentioned above), the factors can be removed from the model. Rodríguez (2016) however considers this step to be risky, so it is better to drop even less significant variables from the model. Because there were no proven strong correlations between variables and because simulations were created, the proposed model works with all variables.

Based on the obtained data, it can be summarized that age management is more often applied in large organisations that have a higher proportion of employees in the 50+ category. It can be therefore concluded that the size of the organisation based on the number of employees is the key criterion that influences the application of age management.

4 Discussion

Research by Principi et al. (2015), Ciutiené, Railaité (2015) and Bejkovský (2012) emphasizes the issue of current demographic developments and the necessity of applying age management on the organisational level. It can be summarized that on the one hand, birth rates in Europe are on the decline

and people live longer (due to better healthcare), but on the other the retirement of experienced staff and lack of experienced workforce is causing and will cause economic and social issues (Levy, 2011; Marcaletti, 2014) which need to be understood and resolved in organisations already today; one of the available options is age management. Wiktorowicz (2013) goes so far to identify the ageing of the population and the inclusion of people in the 50+ category on the labour market to be one of the main challenges of modern Europe.

This contrasts with the current trend in which it's mainly the young employees who are considered to be talented, efficient and flexible. The challenge for employers lies in the utilization of the potential of employees of various categories. Employers who want to utilize the potential of their staff in a longer time period must come up with new models of work that will be attractive for both parties (Joniaková and Blšťáková, 2015; Froehlich, Beausaert, Segers, 2015). Kulik, Ryan, Harper, George (2014) add that organisations must implement new creative methods to be able to attract, motivate and maintain an ageing workforce. If organisations respond to the changed needs of their employees and adopt corresponding measures in human resources management, they will also become more attractive as employers on the labor market.

According to Wiktorowicz (2013), it is therefore necessary to establish age management as part of the strategy of human resources management in the organisation while emphasizing the importance of keeping the continuity of knowledge between 50+ employees and their colleagues in order to maintain the organisation's knowledge base even in cases when individual work productivity drops or employees retire. The future lies in the employment of people with key knowledge also in retirement age through agreements to perform a job.

Our results prove the importance of organisational characteristics influencing age management in organisations. These characteristics must be reflected when setting up the strategy of human resource management to successfully eliminate age stereotypes and prejudice in accordance with the ideas of McNair, Flynn (2005) and Collien, Sieben, Müller-Camen (2016).

5 Conclusion

The results of the quantitative research show that the application of age management is mainly influenced by the sector in which the company operates (0.040), size of the organisation (0.013) and majority ownership (0.007). These tested characteristics influence whether an organisation engages in age management or not from 59.9%. It can be summarized that the probability of application of age management in the primary sector is 23.8%, in the secondary sector 24.3% and in the tertiary sector 32.8%. In large organisations, the probability of application of age management is 41%; in small organisations the figure is 27% and in medium-sized 25%. International organisations apply age management more often and are 12.15% more likely to engage in age management than Czech organisations. The best organisations from all successful businesses are those that are attractive and active in caring for their employees and try to create the best possible conditions in the workplace and outside. The success of an organisation largely depends on the satisfaction of its employees. Such organisations are able to respond to the needs of the internal and external environment, are transparent and adapt to changes in demographic development.

6 Limitation and Future Research Direction

Research limitation can be seen in its focus only on the Czech organisations, but the identified factors influence all organisations in any country. We can conclude that age management is a very promising tool for the development of organisations of all sizes in all sectors. Age management has the potential to become a tool for developing the employer's brand; the analysis of the impact of application of age management on an employer's brand could become the subject of further research.

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Differences between migrant owned and locally owned small business retail stores: the case of Delft and Eindhoven

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Abstract
This study aims to identify the core competitive factors that differentiate migrant owned small business retail stores from those that are owned by South African citizens. Primary research was conducted in two of Cape Town's townships, Delft and Eindhoven. Data was collected through focus group interviews with open-ended questions. The findings revealed that South African citizen retailer's lack funding to start or expand their businesses, they do not collaborate among themselves, and they lack pricing strategy. The findings also revealed that migrant small business retailers have strong business networks that enable them to collaborate in a number of business-related issues such as the buying of stock and they have networks that help them raise finance for their businesses. The researcher notes that there are agencies such as the Small Business Development Agency (SEDA) that aim to help Small and Medium Enterprises (SMME's) but such agencies deal with all types of SMME's. There is a need for a targeted support for the small business retail sector as it is a very unique sector in the South African small business market. The challenges faced by local small business retailers are unique when compared to those faced by their migrant trader counterparts. The foreign national small business retailers are more competitive than local South African small business retailers in the township retailing sector. The study recommends that the South African government department of Small Business Development should assist the South African citizen owners of small retail businesses to improve their competitiveness.

Introduction

In South Africa informal small business retailers are mainly found in township environments and the township residents buy from these informal retail stores known as "spaza shops". In South Africa townships are residential areas predominantly occupied by the black population as previously designated by apartheid legislation until the dawn of democracy in 1994. South African townships were dominated by general dealer stores until the development of the shopping Malls in the township areas. In fact, it could be argued that the shopping Malls have led to the displacement of the general dealer stores and the rise of the "spaza shop" as township residents can now simply walk to a Mall which has a variety of offerings. Malls are dominated by national food chain franchises such as, Pick & Pay, SPAR or Shoprite where people can buy fresh products cheaply and the ambience of the Mall is far more attractive than your spaza shop. Residents then use the "spaza shop" as a convenience store when the Mall is yet to open in the morning or has closed in the evening. There were no spaza shops established during the apartheid years, long before the mushrooming of the Mall.

During the early period of post democratic era in South African the "spaza shops" were solely owned by South African citizens who reside in the townships. However, this changed when South Africa experienced the influx of African and Asian migrants who also found residence in the South African

townships as South Africa never had camps or separate accommodation for migrants. Currently in the South African township environments there is a perceived decline of South African citizen owned "spaza shops" and the dominance of Migrant owned "spaza shops".

The South African context for small business retailing is very challenging in the sense that the government does not seem to be aware of the correlation between the growth of the small business sector and the creation of employment opportunities (Badenhorst-Weiss, Cilliers and Eicker, 2014). Furthermore, the authors noted that the government is heavily focused on developing the big business sector instead of opening and creating the market conditions for small businesses to thrive. The authors further stated that the small business owners face a unique challenge because they need to constantly and consistently explain their importance and existence in order to receive some attention from the authorities. So, for small businesses to survive, they need to fend for themselves under market conditions that are favourable to them as a sector and within that they also need to compete with each other for business opportunities (Badenhorst-Weiss et al, 2014). According to Bowen, Morara and Mureithi (2009: 26) "it is appreciated that each business has its own unique combination of critical success factors, but some are important for all businesses". Bowen et al (2009: 26) further noted that:

"First small businesses should have a 'global outlook'. Businesses of all sizes across the globe can interact and share information, technology and products. Small businesses should consider what global trends are affecting availability of resources, increasing or decreasing demand for products or service and where there is an unfilled need one might be able to meet".

The aim of this article therefore is to understand the competitive factors among South African citizen owned small business retail stores and those owned by migrant retailers in the South African township retailing environments. In this paper recommendations for South African citizen owned small business retail stores are proposed in order for the South African retailer to become better competitive in the sector. The article addresses the following objectives:

To identify core competitive factors that differentiate migrant owned small business retail stores from South African citizen owned small business retail stores.

To propose recommendations for South African citizen owned small business retail stores to improve their competitiveness.

Literature Review
2.1 Competitiveness in the small business retailing sector in South Africa

The survival rate of small businesses is known to be very low with only less than half of small businesses surviving beyond five years and this phenomenon is not only applicable to South African context but true for global contexts (Brink, Cant and Ligthelm, 2003). Nandonde and Kuada (2016) argued that the South African economy has witnessed a substantial shift in consumption centres from the urban developed economies to the emerging township economies. This shift has introduced new dynamics into the local marketing strategies, with companies having to adjust their strategies to new and hitherto unknown realities (Nandonde and Kuada, 2016). Furthermore, the authors noted that the growing populations in the township retailing environments have provided new market opportunities for retail companies facing saturation in their traditional markets.

Strydom (2015: 466) noted that "informal businesses that keep track of business activities such as financial records, do budgeting, prepare cash flow statements and have procurement documentation have a higher proclivity for survival". It is estimated that only about 50% of new entrant spaza shops really survive to beyond five years and those who survive enjoy sustainability over time (Battersby, Marshak and Mngqibisa, 2017).

Porter (2008: 80) noted that "new entrants to an industry bring new capacity and a desire to gain market share that puts pressure on prices, costs, and the rate of investment necessary to compete". However, in developing countries the lack of institutional capital is a major challenge for small businesses as they are started through personal funds (Adisa, Abdulraheem and Mordi, 2014). Furthermore, the authors noted that institutional finance requires collateral security which small business owners do not have in developing countries. The authors further noted that in Africa the requirement for credit facilities are still very stringent for small businesses as they do have collaterals to offer to the credit funders.

The small business retail sector is one of the most persistent and resilient sectors in the informal business sectors in Africa (Woodward, Rolfe, Ligthelm and Guimaraes, 2011). Furthermore, the authors noted that in South Africa it is estimated that about 70% of micro-businesses are in fact in the retailing sector and mainly informal retailers located in township environments. Chen and Rensleigh (2009) observed that the lack of access to information is one of the biggest problems facing local South African traders because some of the traders are not even aware that the South African government has small business development agencies that are supposed to assist them with skills and funding. However, according to Quartey, Turkson, Abor and Iddrisu (2017:26) the SME sector in most African countries face serious constraints in accessing formal finance and this problem is connected to factors such as "SMEs' lack of collateral, difficulties in providing creditworthiness, small cash flows, inadequate credit history, high risk premiums, underdeveloped bank-borrower relationships and high transaction costs". Furthermore, Menzies and Erwin (2017) noted that SMEs in South Africa need access to affordable bookkeeping services and practical training on financial recordkeeping.

Small Enterprise business have numerous challenges such as access to finance, lack of business management skills, and human resource management skills amongst others (Sandada and Mangwandi, 2015). The authors also observed that the long-term existence of small enterprise entities is linked to training, development of staff and management of talent as these are very important to the viability of any business.

2.2 Small business retailing in South African townships

The dawn of democracy in South Africa brought structural changes in the informal retailing sector in the township environments (Segatti, 2011). Furthermore, the author observed that foreign nationals such as Somali's, Pakistani's and others have begun to dominate in this sector and that has created major differences and conflict with their South African counterparts. The author further noted that foreign national retailers in this sector begun to sell at lower prices and had a better product range as they used bulk buying procurement methods using their social networks. The author concluded that this resulted in customers getting goods at lower prices from foreign owned spaza shops compared to South African small business retailers. The South African small business retailers are now struggling to compete meaningfully with the foreign national retailers in this sector (Segatti, 2011). Segatti (2011:5) noted that "this comparative advantage of Somali and certain other groups of foreign shop owners often relies on long histories of trade culture in their communities of origin. These traders benefit from networks of business contacts that can help them access specific goods, capital and prices".

Battersby, Marshak and Mngqibisa (2017: 29) observed that "despite the importance of the informal economy, there has been relatively little policy support and funding directed towards effective governance of this sector". Charman, Petersen and Piper (2012: 50) further observed that "the informal economy in developing countries such as South Africa provides an entry point for persons otherwise excluded from the formal labour market due to a lack of education and skills to pursue business opportunities or gain employment".

Grant (2013) noted that social networks play a huge role in the entrepreneurial activities of a small business retailer within the informal retailing sector. Furthermore, the author stated that the business rules that apply in the formal retail sector are not exactly the same as business rules that are required in the informal small business retailing sector as these two sectors operate in two different economic clusters. The author further stated that the formal business operating in standardised retailing norms have more collaboration systems that work within the confines of the law in South Africa. However, Grant (2013) noted that the informal small business retailers operate differently in the sense that they use different processing tools and do collaborate with each while operating outside the confines of regulatory systems in South Africa. Furthermore, collaboration and networking are always beneficial for business whether they are in the formal or informal sector of the economy because through collaboration small businesses can be able to share the costs of doing business.

2.3 Challenges of small business retailing

Small businesses in South Africa fail despite some support from South African government agencies such as Small Enterprise Finance Agency (SEFA) or Small Enterprise Development Agency

(SEDA) (Cant and Wiid, 2013). It must be noted though that these development agencies offer support to SME's as a category, and they do not have a targeted support for SME's in retail space. The formalisation of the informal businesses by the small business retailers should be priority for the development agencies so that these businesses can identify the business opportunities that are available (Ishengoma, 2018).

Spring (2009) noted that some national governments only pay attention to the big business and ignore the plight of the small businesses. Furthermore, the author called for the attention of government towards the small businesses as both big business and small businesses contributed positively towards the economic growth of any nation. According to Kengne (2016) SME's are important in terms of number of jobs they create in the economy and contribution to GDP and their performance and success should be prioritised by the South African government.

Methodology
Research design
Bryman and Bell (2011:40) describe research design as a general plan of conducting a study. These authors argue that the research design should contain clear objectives of how the research would be conducted. The study was conducted through a qualitative research methodology using focus group interviews. In this study the researcher considered a two-group comparison involving a qualitative research methodology.

The reason for choosing a qualitative research approach was based on the researchers' focus on the participants' perceptions and experiences and the way they make sense of their business lives. The attempt was therefore to understand multiple realities of the participants. It was the researchers' view that the nuances of the participants' multiple realities could be better appreciated when using a qualitative research approach. Furthermore, qualitative research approach was chosen for the very reason that this approach focuses on how things occur and is not based on prior hypothesis.

3.2 Sampling and data collection
The population of the study is defined by Sekaran and Bougie (2016:236) as "the entire group of people, events, or things of interest that the researcher wishes to investigate". In this study the population was made up of the combination of 5 South African citizen small business retail owners and 5 migrant small business retail owners. For this study the first group and second group data sets were be collected consecutively. A questionnaire was constructed as a tool to collect the data. A questionnaire was constructed as a tool to collect data and structured with open-ended (qualitative) questions.

3.3 Focus group interviews
The focus group was conducted by the principal researcher with the help of one research assistant. All the preparations for the interview sessions were done by the researcher and this included the setting up of the appointments with the respondents that were to be interviewed.

While the researchers were mindful of the limitations of focus groups especially when it comes to generalization of the findings, they, nevertheless, were viewed to be the most appropriate for this type of study for a number of reasons. During the piloting stage of the research instrument the researchers observed that the participants, especially the migrant traders, were not particularly keen to participate in the study as individuals but were more likely to do so if other migrant traders were involved. The researchers noted that during the pilot study the participants tended to influence each other to get involved in the study. Such influence has its own negative implications such as group conformity pressures, but the researchers were able to work around this by trying to obtain individual opinions of all the participants. Another reason for choosing focus groups was that the researchers felt that the participants, especially migrant traders, would feel more comfortable or at ease to answer certain questions than they would on one–on one interview. The third reason was the inability to have a high level of understanding of the English language especially in the case of migrant traders. In a focus group environment, the participants could assist one another and would find it easier to speak out when they knew that they had the support of other group members.

3.4 Data analysis
The researcher cannot draw useful conclusions from variables and data that are not relevant to the research objectives (Wegner 2007). In this study the researcher aligned all the questions in the

questionnaire to a specific objective and then grouped the questions according to objectives to avoid any irrelevant data. The raw data was collected, grouped and themed, then it was analysed for the formulation of recommendations emanating from this study.

3.5 Validity and reliability

Validity and reliability strategies for the quantitative research components include applied sampling processes, reports on the number of respondents and non-respondents, descriptive analysis of all data, and reports on statistical significance testing (Creswell, 2014). For this study, the following strategies were considered and applied to ensure validity: participant scrutiny, an extended time was spent in the focus group, in-depth accounts of retailers were recorded, and reflection of researcher's predisposition.

3.7 Ethical considerations

The University of KwaZulu-Natal (UKZN) code of ethics was followed and complied with while conducting this study. Among other things the code of ethics covers matters relating to confidentiality, anonymity, and the ability of the respondents to withdraw at any time during the study. Furthermore, in this study the researcher applied and was granted ethical clearance from the university. The researcher issued consent forms to each and every respondent.

Results

In this section the qualitative responses are presented from the questions that were posed to both traders of South African origin and those of foreign origin by means of a focus group discussion. These responses are from the four broad themes discussed with the traders in the focus group interviews, and that is the business start-up, competition, operations, and future business plan questions posed to each of these two groups.

Firstly, the traders were asked the following questions under the theme "Business Start-ups".
Q1:   Why did you start a small retail business and why did you choose this area?
Q2:   How did you finance your business when you started?
Q3:   What makes you successful in small business retailing?
Q4:   How do you organize yourselves with other small business retailers?
Q5:   What is the process you followed in opening and running a small retail business in South Africa?

To the first question, most of the local trader participants responded that they wanted to help the community because the shopping centres are far, and they close early in the evening and open late in the morning. Furthermore, because we have no jobs as we are not educated, we decided to try our hand in business. However, most migrant trader's participants responded that they chose the area because they saw a business opportunity in Delft.

To the second question, the majority of migrant traders responded that they used their own savings to open the small business retail store. One respondent noted that "I use my networks to raise finance when the riots destroy my store in order to get back to business". However, the local participants responded that they borrowed the money from a relative in order to open their businesses.

To the third question, most migrant trader participant saw themselves as not successful in small business retailing. These migrant trader participants also responded that in order to attract customers they have affordable and low prices, good customer service, long trading hours, wide range of products and close proximity to the customers. Even though the migrant trader participants viewed themselves as not successful, they stated that they think they trade better than locals because of their high work ethic (trading for long hours), entrepreneurial culture (see themselves as survivalist entrepreneurs) and always searching for cheaper products (although some are labelled as fake by local consumers).

However, the majority of local traders responded that their small success is based on how they treat their customers and the quality of the products they offer is superior to that of the migrant trader. The local trader participants also indicated that they offer credit as a way to get customers to buy from their stores. The traders responded that hygiene and selling fresh products is also important for them in order to keep their customers.

To the fourth question, the majority of local trader participants responded that they do not organise themselves, but one respondent noted that "as Rasta brothers we organise ourselves through Rasta association, we come together and buy in bulk because we trust each other". The majority of the migrant trader participants responded that they do not organise themselves to buy in bulk.

To the fifth question, the majority of migrant traders responded that they just started trading in the area without registering their businesses. However, most of the local traders responded that their businesses were registered with the local council even though they see no benefit for registering. One local participant noted that "because we are uneducated, we do not know the process of registering a business".

Secondly, the traders were asked the following questions under the theme "Competition".

1. Do you monitor your selling prices and those of your competitors and how do you do that and who do   you view as your competitor?
2. What are the external challenges does your business experience?
3. Do you collaborate with other small business retailers (e.g. sharing costs by buying in bulk) and how does that collaboration happen?
4. What other business services does your business offer? Do you have some form of extra services that you offer in the business (e.g. airtime, fax, phone etc.), services that might give you a competitive advantage?

To the first question, the majority of migrant traders view South African traders as competitors (interestingly the migrant traders from North Africa and Asia also view other Southern African traders such as Zimbabweans as competitors). These foreign national trader participants also responded that they do monitor prices from competitors, then they put their mark-up on the products they sell. However, the majority of local trader participants view all migrant traders as competition and the local trader participants also responded that they do not monitor the prices of competitors other than noting customer reaction when they buy from their stores. The participants noted that customers are the first to complain if their prices are too high compared to those of foreign national traders.

To the second question, most local trader participants noted that their external challenges are competitors, price fluctuations, lack of security, poverty of consumers (their target market), crime in the area where they trade and lack of infrastructure. However, most migrant trader participants responded that there is too competition in their area and they usually feel unsafe whenever there are service delivery protests because the protestors target them.

To the third question, most migrant traders responded that they do not collaborate with other foreign national traders in doing business. Local trader participants also responded that they do not collaborate in doing business in the township environments.

To the fourth question, most local trader participants responded that they sell airtime and electricity for additional revenue. However, migrant trader participants responded that they sell loose cigarettes, snack and sweets to attract customers.

Thirdly, the traders were asked the following questions under the theme "Operation and Finance".

1. Do you have a way of separating the business money from your personal money and how do you do that?
2. How do you keep records of your business? How do you track your sales record and expenditure?
3. How do you do costing for your products?
4. What is your product manufacturing and distribution strategy?

To the first question, the majority of the local trader participants responded that they do not separate their own funds from those of the business. The local traders also noted that they drew stock from the business for personal use without paying for the stock as they do not pay themselves any salary for running the business. These local traders responded that taking stock for personal use and using the business profits for personal use is a way of paying themselves a salary.

However, most migrant trader participants responded that they separate the business money from their own money and pay themselves very little from the business proceeds. To the second question, most local trader participants responded that they keep a record book for sales but not for expenditure. These

local trader participants also noted that they do not keep purchase records, they only record the money made on each day. However, migrant trader participants responded that they do not keep records on paper, they know their sales from memory, and they buy what is needed when is needed.

To the third question, most migrant trader participants responded that they only check the buying price and number of items inside the pack and based on that they decide the selling price. These migrant trader participants also noted that sometimes when the customers complain about price, they do drop it a little bit since the do not have a set mark-up percentage. However, most local trader participants responded that they price products according to the wholesale price and sometimes create food packs of high value items and small value items to balance the price.

To the fourth question, most of the foreign national trader participants responded that they buy where the products are cheap and then hire small cars to bring them to their store. However, most of the local trader participants responded that they only buy original bar-coded products from reputable wholesalers and they use public transport to transport their stock from the wholesaler to the store. These local trader participants also responded that the public transport chargers them extra fare for their stock and usually the charge is per item.

Fourthly, the traders were asked the following questions under the theme "Future Business Plans".
1. What do you think can be done for you to do better in business and become a better trader and what sort of assistance do you think you need in your business going forward?
2. Do you think your infrastructure is adequate (such as the container, payments, transportation)?
3. Do you still plan to run this business in the near future, please explain why?
4. What is your view on fake or expired products attributed to foreign national traders in the South African social media?

To the first question, most local trader participants responded that they need a reliable transportation system, well designed secure containers which they can use to operate their businesses, access to electricity and a close storage facility. Furthermore, they need access to technology networks so that they can have electronic payment systems in their stores. These local trader participants also responded that they also need some form of training since they are uneducated, they need capital in order to open accounts with wholesalers which require a positive balance on store cards. However, foreign national trader participant responded that they only want a way to eliminate rental in order to improve their cash flow.

To the second question, most of the migrant trader participants responded that they need a reliable transport system that is available at a reasonable rate and a bigger storage facility for the business. However, most local trader participants responded that they need premises that can also have an office, connection to power as they currently are illegally connected to the power grid.

To the third question, most migrant trader participants responded that they still intend to do business in that area where they are located despite the sporadic xenophobic attacks by locals whenever there are community service delivery protests. These traders also responded that small business retailing is their way of life in South Africa as the laws do not allow them to enter formal employment since some of them are asylum seekers. They responded that they need the money to take care of their families back home in their countries of origin as the people back home only depend on the money they send. However, most local trader participants responded that even though it is tough to run a business in a crime infested environment, they plan to continue trading as they cannot enter formal employment due to their lack of formal education.

These local trader participants also responded that they want to grow the business, sell more products and employ more people and maybe that can also reduce crime by alleviating poverty.

To the fourth question, the migrant traders responded that in their view they sell affordable goods to customers who have very little income and that the original products are very expensive, and they also do sell them. But the original products do not sell as quickly as the alternative cheaper products. The migrant trader participants do not view these cheaper alternative products as fake. On the issue of expired stock, the migrant trader participants responded that all stores have expired stock and that even organised national retailers sell expired stock as mark-downs, they do not view expired stock as harmful to the consumer.

However, local trader participants responded that they are duty bound as caring citizens not to sell fake products or expired stock to consumers as consumers are South Africans just like them. The local trader participants also responded that migrant trader participants can afford to sell fake products as they do not have allegiance to South Africa and if anything goes wrong (maybe a consumer dies) they can run to their country of origin and not face the might of the South African law. South African trader participants noted that they can face jail time if convicted for harming a consumer.

Discussion
5.1 Business start-up challenges

The study revealed that migrant traders have the advantage of taking over existing businesses while local traders are the ones who are faced with the actual start-up challenges such as securing the container and creating a market share among other things. The interviews revealed that most of the migrant traders interviewed in the study bought existing businesses whilst local traders have had to set-up the businesses. The implication is that start-up challenges are mainly faced by the local traders. The local traders are the ones who have to secure the location of the business, ensure that the trading structure, could it be a container or brick and mortar, is secured. It is the duty of the local trader to attract the first customers thus creating a market share. In the South African context, Cape Town townships in particular, this suggests that in most cases migrant traders find ready-made businesses, all they have to do is do some improvements that would increase the market share. They do that by procuring what they term cheaper alternative products. The research revealed that the migrant trader's main challenge is to secure the capital to buy the business from the local trader.

As a local trader you are the one who has to negotiate with the local counsellor to secure the space where your shop or container is to be located. Once that has been done you are the one that has to ensure that the shop or container is secured by burglar bars and alarms. Furthermore, as a local trader you are the one who has to ensure that the business is branded in any form you deem appropriate to attract customers. The research revealed that it is the local trader who has to create the first customer base for the business. All the challenges associated with business start-up are addressed by you as a local trader. The study indicates that local traders end up selling their stores after undergoing some difficulties. It is the researcher's considered view therefore that when such difficulties cannot be overcome, the most sensible thing to do is to sell the business. It follows therefore that when one sells the business in the face of such difficulties one does not have the opportunity to search for a better deal. It is the researcher's view that the likelihood is that one would accept a price that they would otherwise not accept if the business was sold while they were doing well. The study revealed that when prices increase it is hard for local traders to pass the increase to the local consumer as they feel for the consumer.

In the townships, research reveals that in most cases local traders do have funds to start-up the business and in most cases need funding to expand or sustain their businesses. More importantly they have a need for funding when the social unrest have destroyed their businesses. In the South African township's services delivery protestors have a tendency to destroy and loot small business retail stores. When that happens, local traders have a difficulty to raise funds to start over again.

The research reveals that in the case of the migrant traders they normally resuscitate their businesses within a short space of time. This is attributed to strong business network that they have. The research revealed that local traders do not consult with other existing retailers before setting which means they lack market research skills. On the other hand, it looks like migrant traders based on their responses do some form of market research as they are very safety conscious as their lives become at risk when there is service delivery protest. Some local traders set up business not because of an existing business opportunity but because of desperation as they are unable to participate in the job market.

5.2 Competitiveness and operational challenges

The study revealed that the South African traders in the main have a challenge of operating in silos while the migrant traders collaborate with each other. That creates a problem for local traders as they do not discuss common issues among themselves as migrant traders do. When it comes to security the migrant traders can share the security risk and also when buying they are able to buy in bulk. When

operating in collaboration with fellow traders, it is easy to strategise and come up with solutions that affect them as a group.

The migrant traders are also able to share their business risks with fellow traders and when operating in silos it is difficult to know all the risk factors. That is a distinguishing factor between migrant traders and local South African traders. Migrant traders have systematic security measures in all their stores, while local traders differ from one trader to another. The local traders despise the secrecy of migrant traders and describe them as selfish and secretive. Migrant traders do not share their supplier details with local traders, they make sure that their supplier do not deliver directly to their stores.

The local traders have families therefore in the evenings they close early in order to be with their families. They also have social responsibilities such as attending funeral, community meetings and other social events. The migrant traders on the other hand do not have families in South Africa as they have left them back home. They also do not have the social responsibilities as they do not truly belong to those communities where they trade.

The local traders have to bear the opportunity cost (burden of being South African) of attending to social events because they will have to close their stores whenever they attend to those social events. Some social activities require financial commitment from the local traders and reduces the already constrained financial position to bare minimum. While on the other hand the migrant trader does not have financial commitment towards community activities. The migrant trader resides in their stores (since they are single) therefore save on rental while local traders have to pay rental to places where they live with their families and that also constrains their financial muscle and restrain their growth. It is the researchers considered view that the religious beliefs affect the competitiveness of local and migrant traders. The religious beliefs can constrain traders as some traders of Rastafarian religions do not sell cigarettes as they say that they are poisonous. Based on religious grounds some local traders refuse to sell cheaper inferior products that they deem unhealthy while migrant traders who do share the same religious beliefs have no problem to sell those cheaper inferior products.

In case of local traders where the operator and the owner of the store are the same person there tends to be no separation of business and home goods. The traders take business goods and use them for personal usage. The study revealed that migrant traders treat their personal money and business money separately. The migrant traders have a benefit of sharing the same belief system between the operator and the owner, which creates trust among them, while local traders do not necessarily have that benefit and therefore operate from the position of mistrust.

On an operational level, what was noticeable was that both migrant and local traders do not use any form of technology to manage their businesses. They do not use any cash registers; at best they record manually if they record at all. That tends to have a negative effect on stock control and financial managements and the situation is worse for local traders who use business stock for home consumption without accounting for it.

The local traders whenever they go and buy stock, they either close the shop or ask someone to help while the operator is away and on return the operator does not do any stock count and that opens opportunity for pilferage.

5.3 Future business plan outlook

By future business outlook the researcher meant to obtain the participants view of their future in business, whether they would like to carry on their business venture, or they intend to sell their business venture. If they intend to remain in business the researcher wanted to know what enablers they will require in order to succeed in business. The local traders feel that they need some protection from migrant traders who pose competition to them as they deem them to be in the country illegally. In South Africa, before you obtain a business permit you ought to prove to the authorities that you will invest a certain amount of money in excess of a million rands. The study reveals that local traders feel that migrant traders do not meet those requirements, and this creates an influx of small business migrant traders in South Africa. That increases competition for local traders unnecessarily. The migrant traders were reluctant to get into details regarding the business permit. The researcher is of the view that the concern by local traders is legitimate. In this regard the local traders going forward feel that the South African government

need to enforce current legislation in order to protect them from what they deem as illegal competition from migrant traders.

The migrant traders require protection whenever there is unrest as they usually become the first casualties of any service delivery protest in the townships. The migrant traders have very few recommendations for the future other than demanding visible local policing from the municipality. It is the researcher's view that migrant traders find themselves in a difficult situation since they are illegitimate business owners for the very reason mentioned above that they operate without business permits. If one has to argue that migrant traders do not hold business permit since they are asylum seekers, which is counterproductive since asylum seekers do not have the right to operate a business.

The study has found that migrant traders have competitive edge over local traders on various aspects of business operations. On the other aspects such as financial management and control, the study has found that local traders are lacking especially on financial literacy skills. Therefore, even though local traders are less competitive they are also having business skills deficiencies that need to be addressed. The same business skills deficiencies were also found among the migrant traders. However, if South African traders address those deficiencies as proposed in the recommendation in the next section, they will have a competitive edge.

6   Conclusion and recommendations

The above discussion indicated that the challenges faced by local traders are different from those faced by migrant traders. In the main migrant traders do not seem to have challenges relating to factors such as lack of funding, lack of business network and collaboration among other things. The migrant traders have a main problem which is the security in areas where they trade. The nature of security they need is divided into two, firstly it is the protection from the general public during unrest and secondly, protection from general criminal elements in the townships.

On the other hand, the study revealed that South African traders are faced with challenges relating to funding and the lack of collaboration among themselves. It is important to note that traders, both local and migrant trader suffer from criminal elements mainly depending on the structure of their shops. For example, those traders whose shops are made up of shipping containers are relatively safer than those that are constructed out of corrugated sheet iron. Generally shipping containers are easy to secure with burglar bars and some form of alarm system than the other structures. The discussion also touched on a very crucial issue that relates to enforcement of the laws of the land. It is the researchers considered view that if the laws were to be enforced, unnecessary competition from migrant traders could be reduced. That in the researcher's view could reduce animosity between local and migrant traders.

It is recommended that the South African government through its Department of Small Business Development embarks on a drive that is specifically targeted at helping the local small business retailers form business networks. It is recommended that a task force be established to specifically deal with issues relating to compliance with the existing legislation in the township environments.

The study also recommends a review of the legislative framework relating to the setting up of small and medium enterprises in the township environments.

Implications of the study

The researcher is aware that there are agencies such as the Small Business Development Agency (SEDA) that aims at helping Small and Medium Enterprises (SMME's) but such agencies deal with all the different types of SMME's. There is a need for a targeted support for the small business retail sector as it is a very unique sector in the South African retailing market.

Limitations

The study was only conducted in two townships in Cape Town and it does not represent all the Cape Town's townships. There are various things to be considered if this study is to be applied in other townships. In conducting the focus group with the small business retailers there were few instances of language barriers between the trader and the researcher.

Future Research

The primary objective of this study was achieved but a study with a specific focus on the challenges faced by migrant small business retailers in township retailing environments needs to be conducted.

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Impact of social network on purchase decision: a study on teenagers of Bangladesh

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Abstract

    Social Network has enabled a significant growth in our daily interaction with each other. As we spend a considerable amount of time on this platform, it now plays a big role in consumer purchase decision-making journey where teens are considered as the changing agent. Hence, brands are increasingly trying to engage consumers, especially teens through social networking platforms. However, the space is much cluttered as numerous activities are taking place there. The purpose of the study is to find out the activities in Social Networking Sites that the brands should leverage to make an impact on purchase decision among the teens of Dhaka. Online Peer Communication, Social Networking Groups, Brand Fan Pages and Advertising on Social Networking Sites are considered as antecedents and Purchase Decision is considered as outcomes. Hypotheses have been developed accordingly and tested through applying Structural Equation Modeling with AMOS 20. A survey was conducted among 381 college and university students across Dhaka city. The research findings reveal that the Social Networking Groups, Brand Fan Pages and Paid Advertising have an influence on Purchase Decision. Surprisingly, Online Peer Communication came insignificant. The research findings provide media investment management guidelines to the advertisers who are willing to promote their brands through Social Networking platforms.

1. Introduction

    Globally, the number of internet users exceeded 4 billion among which 3 billion people are exposed to social media every month, with 90% users accessing their preferred platforms through mobile devices (we are social & Hootsuite report 2018).

    According to Bangladesh Telecommunication Regulatory Commission (BTRC) report in August 2018, 90.5 Mn people were using internet in Bangladesh among which 84.69 Mn people were using mobile internet. Hence, internet penetration is 54.5% and mobile internet penetration is 51%. 30 Mn people actively use social media in Bangladesh with 28 Mn people accessing via mobile devices. Most of these social media users are exposed to social network, especially Facebook. Monthly active Facebook users in Bangladesh is 30 Mn. Dhaka, with 20M Facebook users, is the 2nd largest city across the world in terms of number of active Facebook users (we are social & Hootsuite report 2018). Other than Facebook, YouTube, Instagram and LinkedIn are popular social networking sites. People also use instant messaging apps, e.g., WhatsApp, Viber, Messenger to interact with each other promptly. These apps allow subscribers to open groups of common interest, and therefore many groups are formed within friends, family and office colleagues. Skype and Imo are two popular apps in Bangladesh that are used for video chat and voice calls among internet-enabled computers, tablets and mobile devices. Facebook Live is very trendy these

days where people can share their views and experiences. Many online stores and individuals also use this live platform to demonstrate their products, especially during festivals, e.g. Eid, Puja, New Year.

With the growing number of mobile internet penetration (51%), high-speed internet connection through mobile devices (3G/4G) and, affordability of smartphone (less than $40) and data (for example, 6GB in less than $3.5 with 15 days validity) led more people to expose to the social network. Social Network, especially Facebook, has become an integral part of advertising in Bangladesh nowadays.

Advertisers are now aware of the fact that they must invest in online and social media to stay connected with their target group. According to BTRC, the top three mobile operators spent $12.4 Mn in 2017-18. They are spending 20 percent of their total advertising budget on digital platforms, which was less than 10 percent a year ago. A top mobile carrier had 32 campaigns in December 2017, and all were run on digital media. Only 4 campaigns were run both digital and traditional media. (The Daily Star report 2018) Companies like Uber, Pathao and other e-commerce or digital service companies are riding on digital media; they hardly ran campaigns in traditional media. Start-ups also embrace these digital platforms as it is cost efficient. FMCG companies, too, are running ads on the platforms recently (The Daily Star report 2018).

1.2 Problem Statement

The teenage population of our country spend a significant amount of time on social networks. Hence, most of the brands are trying to leverage these platforms to connect with their target audiences. However, the space is much cluttered because of numerous activities taking place at the same time. People are bombarded with information which leads to decrease their attention span. A marketer needs to understand the activities where they should put their effort and money for better business results.

2. Theoretical background and research hypothesis:

Social Networking Sites are web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection and, view and traverse their list of connections and those made by others within the system (Boyd & Ellison 2008). Social Networking Sites (SNSs) have seen an inorganic growth in quantity and popularity (Can & Kaya 2016). Recent studies have revealed that people are using multiple SNSs Platforms (Olufadi 2016). 52% of the internet users subscribed to two or more of the following SNSs (Facebook, Twitter, Instagram, Pinterest and LinkedIn) compared with 42% who did so in 2013 (Duggan, Ellison, Lampe, Lenhart & Madden 2015).

Consumers nowadays seek peer opinions before making purchase decisions. Some of the consumers get product information from different social networking groups they belong to. Curious people also tend to follow the brands they are interested in through liking brand pages. Paid Advertising also targets prospective consumers. Purchase decisions through social networking can be influenced by Peer Communication (Wang, Yu & Wei 2012), Social Networking Groups, Brand Fan Pages (Chi-Hui & Kuo-Chang 2017; Chetna, Pallab & Arun 2015, Lisette, Sonja & Peter) and Paid Advertisement (Bamini, Mohd & Wong 2014)

Some studies have been conducted on Social Media and its positive or negative impact on society (Faruk, Reza, Rahman, & Alam 2017) and contribution in education system (Mouri & Ali 2016, Asad, Mamun & Clement 2012) in Bangladesh. Its impact in Marketing is also covered in other studies (Akhtar 2016). However, the factors that influence the purchase decision through social network are ignored. This study aims to reveal the influence of Peer Communication (PC), Social Networking Groups (SNG), Brand Fan Pages (FP) and Paid Advertisement (PA) on Purchase Decision (PD).

2.1 Peer Communication and Purchase Decision:

Peer collaborations among teenagers in person emphasizing on products and services were primarily referred as Peer Communication. (Moschis and Churchill 1978). However, peer communication in social media requires interactions about products or services among consumers through internet-enabled social networks (Dhar and Chang 2009).

People can connect with their peers in Social Media by adding them to their network of friends, which enables interactions, predominantly among peer groups (Ahuja & Galvin 2003, Zhang and Daugherty 2009). Social media brought changes that are also affecting the consumer decision-making

process and marketing communications (Hennig-Thurau et al. 2011; Shankar and Malthouse 2007). It changes the way consumers and marketers interact (Hennig-Thurau et al. 2004; Nambisan and Baron 2007). Peer communication through virtual means has intense influences on purchase decision making by consumers and, therefore on marketing strategies (Casteleyn, Mottart & Rutten 2009, Okazaki 2009)

Consumers' attitude towards goods and services are greatly influenced by their interaction with peers. (Churchill and Moschis 1979; Mukhopadhyay and Yeung 2010). It is also noted that there are reference group peers' influences consumer behaviour (Bearden and Rose 1990). Past researches showed that peer communication has an intense influence on attitudes toward advertising (De Gregorio and Sung 2010), shopping orientations (Lueg et al. 2006; Mangleburg, Doney, and Bristol 2004), and purchase decision-making (Shim 1996; Smith, Menon, and Sivakumar 2005). Consumption related peer interactions on a regular basis bring robust motivations on social consumption (Moschis and Moore 1984; Shim 1996)

From the above literature, it is evident that Online Peer Communication may have an influence on Consumer Purchase Decision. Hence, we can predict:

H1: Online Peer Communication Influences Consumer Purchase Decision

2.2 Social Network Groups and Purchase Decision:

Social Networking Groups (SNGs) are created to provide smaller networks within the bigger and more diverse social network services. Often termed as an e-group or community, many Social Networking Services allow the users to create customized groups where they can post, comment and read from their common interest. The owners, moderators, or managers of the group can regulate members' behaviour within the group and may edit posts in discussion threads if that violates policy. These groups may have open or close access depending on the intent of the owner and the nature of the group.

SNGs and their impact on purchase decision have been ignored in the existing works of literature on Social Media and Consumer Behaviour. However, the number of SNGs and frequent interactions among members are on the rise. The involvement and interactions among members are also sometimes on consumption matters.

SNGs can be within close peer groups. People from the same educational institutes or offices or the likes sometimes open these groups to stay connected. However, people sometimes also subscribe to 3rd party SNGs like Desperately Seeking Dhaka or Traffic Alert. A lot of conversations of common interest are taking place in these groups which also includes opinions related to purchasing. Therefore, we predict,

H2: Social Networking Groups influence Consumer Purchase Decision

2.3 Brand Fan Pages and Purchase Decision:

Facebook launched 'Fan pages' in 2007 that enabled subscribers to connect and associate with business and companies in the same style they interact with the profiles of other Facebook subscribers (Chetna, Pallab & Arun 2015).

Subscribers of social networking sites can become fans of brands on dedicated fan pages where they can express their passion about the brand and be united by their common interest in the brand (Kozinets 1999). The relationship between consumers and brands is partly reflected in brand fan pages (McAlexander, Schouten, & Koenig 2002). It also works as an information source and provide social benefits to the fans (Bagozzi & Dholakia 2002; Dholakia, Bagozzi, & Pearo 2004). Businesses can create posts comprising stories, photos, videos, or other material in their pages and fans can then connect with these brands by reacting or commenting on them.

Consumers' purchase decision is influenced by the interactions on social media by the brands, especially interactions that occurred in Facebook Page of companies (Hutter, Hautz, Dennhardt & Fuller, 2013). Consumers not only share their product experience but also explore other consumers' product reviews on various platforms including sellers' web sites, brand community, independent web sites, and consumer blogs. (Lee & Youn, 2009).

The contribution of companies' fan pages is significant towards achieving sales and it has been accepted widely as marketing communication channel (Poyry, Parvinen & Malmivaara, 2013)
Thus, we assume considering consumers interactions with brand fan pages:

H3: Brand Fan Pages influences consumer purchase decision

2.4 Paid Advertisement on Social Network and Purchase Decision:

Social Network Advertising refers to online advertising that uses social network platforms, such as Facebook, Twitter, LinkedIn, Google+, YouTube, Pinterest, Instagram and others to market their message to a targeted group of people.

It's very difficult to disregard paid advertising on social network. There are 2.5 billion social media users out of 3.2 billion internet users worldwide. Facebook has more than 1.9 billion unique users per month. Hence, it is imperative to include social network in most of marketing communication strategies today. Online advertisement played an important role as a source of information for the consumers to get relevant product information (Chi-Hui Chiang & Kuo-Chang Tseng 2017)

The importance of advertising on social media has grown exponentially. From the beginning of advertising option by Facebook in May 2005, advertising revenue from social media was projected to have reached $8.4 billion by 2015. Today businesses consider online advertising by default. People share their personal interests in social media and businesses can use that information to find new customers through interest-based targeting and advertising on social media. Firms regardless of size are present on Facebook, Twitter and YouTube and advertising on these platforms increase the chance to reach, engage and convert customers. Thus, we predict:

H4: Paid Advertisement on social network influences consumer purchase decision

3. Research Framework

The conceptual framework for the determinants of Consumer Purchase Decision is presented in Figure 1. We argue that Online Peer Communication, Social Networking Groups, Brand Fan Pages and Paid Advertisement are related to Consumer Purchase Decision.
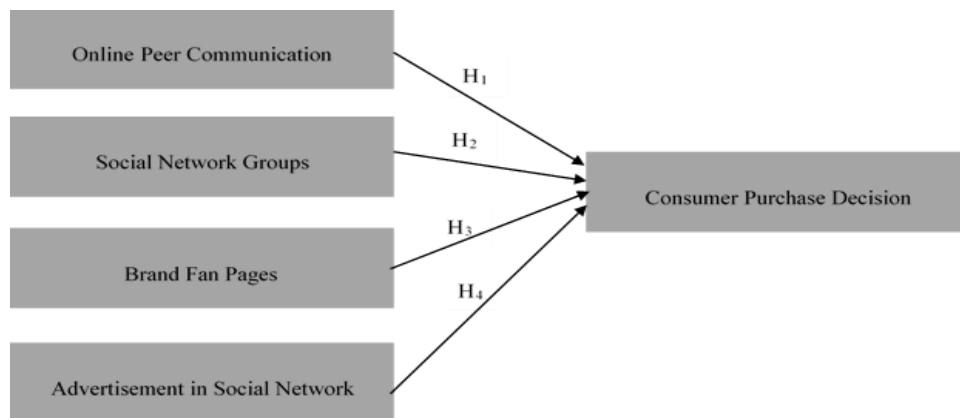
Figure 1: Conceptual Framework

H1: Peer Communication in social networks influences Consumer Purchase Decision
H2: Social Networking Groups influence Consumer Purchase Decision
H3: Brand Fan Pages Influences Consumer Purchase Decision
H4: Paid Advertisement on social network influences Consumer Purchase Decision

4. Methodology
4.1 Sample and Data Collection

Data were collected via face to face interviews from teenage students from 29 educational institutions. The institutions were both college and universities located in Motijheel, Shantinagar, Khilgaon, Gulshan, Banani, Uttara, Dhanmondi and Mohammadpur of Dhaka city. Every institute was first approached officially. A written requisition was presented to the authorities. The institutes that were compiled had a greater rate of sample collection. However, when the data collection was not authorized, students were interviewed outside the campus to optimize cost and sample. Every sample was collected with the authorization of the respondent. Participants consisted of approximately 51% male and 49% female. In terms of the level of education of respondents, 44.6% were college students and 55.4% were university students. As we targeted the teenagers, we selected only 1st and 2nd year students when it came to selecting respondents from Universities.

The questionnaire contained 24 demographic variables and 5 constructs divided into 27 items to understand the purchase decision-making process. 381 individuals were interviewed among which 359 were responded 100% to the questionnaire. All respondents have an active social media account (Twitter, Facebook or any other). The first part of the questionnaire included questions to measure the demographic characteristics of the sample. The second part of the questionnaire included items to measure respondents' purchase behaviours and purchase decision making patterns based on the different aspects of a social network. A common five-point Likert scales with anchors 1=strongly agree and 5=strongly disagree were used.

38% of the fathers have attained Higher Secondary Certification (HSC). However, the proportion is higher for mothers which are about 57%. About three fourth of students have fathers with a white-collar job. The mode monthly income of the family is 25,000 BDT to 50,000 BDT. 35% of the students have part-time earnings.

			Frequency	Percent
Age		Below 15	1	0.3
		15 – 17	80	21
		Above 17	300	78.7
		Total	381	100
Gender		Male	195	51.2
		Female	186	48.8
Residence		Posh Area	97	25.5
		Other	284	74.5
Father's Education		Below SSC	33	8.7
		SSC	42	11
		HSC	59	15.5
		Graduate	130	34.1
		Post Graduate	83	21.8
		Above Post Graduate	34	8.9
Mother's Education		Below SSC	54	14.2
		SSC	64	16.8
		HSC	103	27
		Graduate	116	30.4
		Post graduate	35	9.2
		Above Post Graduate	9	2.4
Father's Job Type		White Collar	265	69.6
		Blue Collar	116	30.4
Family Income		Below 10,000	10	2.6
		10,000-25,000	57	15
		25,000 – 50,000	143	37.5
		50,000 – 100,000	127	33.3
		Above 100,000	44	11.5

Table 1: Comparison of Socio demographic characteristics of respondents

4.2 Analytical Tools:

Both descriptive and inferential statistics were used. Simple percentages were used to describe the socio-demographic characteristics of respondents. A Principal Component Analysis (PCA) along with an Orthogonal Rotation (Varimax) using SPSS was performed on the survey data. Factor Analysis (FA) was used to separate the factors of social network that influences the purchase decision. Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) were also conducted to identify the significant factors concerning purchase decision through social network.

4.3 Measurement Model Evaluation:

The measurement model was evaluated through both convergent and discriminant validity tests.

Convergent validity tests were performed to realize if items effectively reflected their corresponding constructs (factors). It was assessed by examining the Composite Reliability (CR), Item Reliability, and Average Variances Extracted (AVE). Composite Reliability (CR) should be greater than 0.7. Standardized factor loading and AVE should be greater than 0.5. Cronbach's Alpha must be greater than 0.7. (Hair Black et al. 2006)

			Loadings	AVE	CR	Cronbach's Alpha
PC_5	<---	F1	0.58			
PC_4	<---	F1	0.62			
PC_3	<---	F1	0.69	0.45	0.76	0.8
PC_2	<---	F1	0.77			
PC_1	<---	F1	0.67			
SNG_4	<---	F2	0.51			
SNG_2	<---	F2	0.79	0.48	0.65	0.72
SNG_1	<---	F2	0.75			
BP_3	<---	F3	0.65			
BP_2	<---	F3	0.82	0.54	0.74	0.77
BP_1	<---	F3	0.73			
BP_6	<---	F4	0.58			
BP_5	<---	F4	0.77	0.51	0.67	0.74
BP_4	<---	F4	0.76			
ADV_5	<---	F5	0.64			
ADV_3	<---	F5	0.69	0.43	0.68	0.75
ADV_2	<---	F5	0.64			
ADV_1	<---	F5	0.67			
PD_6	<---	F6	0.58			
PD_5	<---	F6	0.64	0.4	0.62	0.74
PD_4	<---	F6	0.54			
PD_3	<---	F6	0.76			

Table 2: Convergent Validity

All item loadings are greater than 0.5, CR greater than 0.6, AVE greater than 0.40 and Cronbach's Alpha greater than 0.7. Hence, in terms of convergent validity item loadings and Cronbach's Alpha are fine whereas CR and AVE are little less than the acceptable limit.

Discriminant validity was verified by determining if the square root of each construct's AVE was greater than its correlation with other variables (Fornell & Larcker 1981).

	Mean	SD	F1	F2	F3	F4	F5	F6
Peer Communication (F1)	2.47	1.14	*0.67*					
Social Networking Groups (F2)	2.63	1.22	0.57	*0.69*				
Brand Fan Pages - Pre (F3)	2.45	1.19	0.43	0.4	*0.74*			
Brand Fan Pages - Post (F4)	2.37	1.12	0.6	0.62	0.62	*0.71*		
Advertisement (F5)	2.57	1.24	0.53	0.54	0.64	0.59	*0.66*	
Purchase Decision (F6)	2.67	1.24	0.42	0.62	0.32	0.65	0.6	*0.63*

Note: the square roots of the AVE were represented by diagonal lines in bold

Table 3: Discriminant Validity

The results indicated good discriminant validity as the square roots of the AVE were all greater than the cross - construct correlation coefficients. Therefore, the model had a good internal fit.

4.5 Coefficient of Determination:

R^2 value of the model is 59.08%. It means independent variables, i.e., Peer Communications, Social Networking Groups, Brand Fan Pages and Advertisement on social network explained 59.08% of the variance in the dependent variable, purchase decision through social networks. As R^2 is greater than 50%, the model is acceptable.

5. Results and Findings

Results of Exploratory Factor Analysis (EFA), Confirmatory factor Analysis (CFA), and the Structural Equation Modelling is reported in this section.

5.1 Results of Exploratory Factor Analysis (EFA)

Four frequently used assumptions were followed (Hair, Anderson, Tatham & Black 1998; Field, 2000): i) Kaiser-Meyer-Olkin (KMO) Measure of sampling adequacy to be greater than 0.5, ii) Minimum eigenvalue for each factor to be one, iii) Minimum loading for each factor to be 0.5 and iv) varimax rotation was used for it is a good general approach that simplifies the interpretation of factors (Field, 2000).

According to Hair, Black, Babin & Anderson 2010, factor analysis is appropriate if Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is greater than 0.5 and Bartlett's test of Sphericity is

significant (less than 0.05). Here, KMO value is 0.898 (higher than 0.5) and the significance level of Bartlett's Test of Sphericity is p=0.000 (less than 0.05) suggested that factor analysis is appropriate for analysing our data.

After examining the pattern matrix of the EFA, the study found that 22 out of 27 items had loadings greater than 0.5 which suggested factor analysis to be appropriate. After confirming research constructs, principal components analysis and the varimax rotation method were specifically used to extract factors 22 items. Hair et al. 2010 recommend that each item factors loading must be more than 0.50 values are considered highly significant. Based on eigenvalue greater than 1, a six-factor model that explains 59.38% of the total variance has been developed. 22 items were grouped into six different factors like Peer Communication (PC), Social Network Groups (SNG), Brand Pages Pre-Buy (BP-Pre), Brand Pages Post Buy (BP-post), Advertisement on Social Network (ADV) and Purchase Decision (PD) by the analysis. The EFA result also showed -0.159 as the lowest and 0.787 as the highest factor loadings of the variables. The result of factor analysis showed that all the factors are acceptable for further analysis. Surprisingly brand pages are divided into two factors. We termed one as Brand Pages Pre-Buy (BP-Pre) and Brand Pages Post buy (BP-Post).

Rotated Component Matrix[a]

	Component					
	PC	ADV	PD	BP-PRE	SNG	BP-POST
PC_Product Query	.743	.012	.068	.175	.158	-.032
PC_Buying	.761	.069	.112	.154	.116	.187
PC_Recommendations	.707	.113	.107	.153	.063	.128
PC_Information	.669	.204	.059	.142	.098	.037
PC_Encouraged	.595	.228	.064	-.159	.148	.283
PC_Product Experience	.451	.292	-.052	-.109	.454	.125
SNG_Talked	.196	.066	.265	.133	.742	.059
SNG_Advise	.252	.209	.223	.117	.638	.153
SNG_Influence	.160	.293	.286	.280	.367	.108
SNG_Experience Sharing	.056	.065	.066	.101	.730	.174
BP_Followed or Liked	.070	.241	-.088	.787	.049	.073
BP_Product Information	.120	.244	.057	.768	.086	.124
BP_Product Query	.178	.004	.106	.649	.235	.334
BP_Recommendations	.290	.126	.222	.338	.040	.664
BP_Purchased	.203	.100	.283	.337	.143	.630
BP_Opinion	.085	.187	.074	.049	.326	.695
ADV_Saw	.228	.601	.020	.386	.029	.048
ADV_Paid Attention	.006	.729	.033	.091	.057	.239
ADV_Clicked Ads	.167	.760	.045	.180	.158	-.036
ADV_Purchased	.152	.498	.326	-.038	.138	.395
ADV_Influenced	.133	.563	.337	.069	.180	.304
PD_Product Review	.291	.456	.312	.316	.170	.032
PD_Learned About Product	.222	.472	.232	.390	.079	-.057
PD_Bought	.151	.396	.555	.123	.228	.164
PD_Third Party Suppliers	.080	.004	.730	-.083	.133	.091
PD_High Involvement Products	.012	.068	.690	-.026	.205	.194
PD_Low Involvement Products	.094	.154	.731	.168	-.005	.036
Extraction Method: Principal Component Analysis.						
a. Rotation converged in 9 iterations.						

Table 4: Results of EFA

5.2 Results of Confirmatory Factor Analysis (CFA)

CFA was used to test how well the measured variables represent the constructs identified from EFA.

The $\chi2$/df for this model was 2.717 that was smaller than 3, was recommended by Marsh & Hocevar 1985. Goodness of Fit Index (GFI) was 0.883 that was marginally lower than the recommended value of 0.90 (Joreskog & Sorbom 1984). Moreover, the Adjusted GFI (AGFI) is 0.847 was greater than the recommended value of 0.80 by Anderson & Gerbig 1984. Furthermore, Comparative Fit Index (CFI) is 0.881 that was slightly lower than the recommended value of 0.90 (Bentler, 1990). Finally, the Root Mean Square Error of Approximation (RMSEA) was 0.069, which also was smaller than the recommended value of 0.08 as suggested a good fit to the data by Browne & Cudeck, (1993) 0.08. The fit indices showed a good

model fit to the data. The other model fit indices were IFI = 0.882, TLI = 0.858, and RMR = 0.089 (Table 5 & Figure 2).

Goodness of Fit Indices	Result	Level of acceptance	Reference	Determination
Chi-square/df	2.717	< 3.0	Marsh and Hocevar (1985)	Excellent
CFI	0.881	>0.90	Bentler (1990)	Slightly Low
RMR	0.089	<0.08	Hu & Bentler (1998)	Slightly High
GFI	0.883	>0.90	Joreskog & Sorbom (1993)	Slightly Low
AGFI	0.847	>0.80	Anderson and Gerbig (1984)	Excellent
IFI	0.882	>0.90	Bollen, K. A. (1989)	Slightly Low
TLI	0.858	>0.90	Bentler and Bonett (1980)	Slightly Low
RMSEA	0.069	<0.08	Browne & Cudeck (1993)	Excellent

Table 5: Summary of Model Fit

In summary, there was a good fit between the data collected and measurement model which was further evaluated for construct reliability and construct validity. The construct reliability for two factors are above 0.70 and for other factors are above 0.60. The acceptable threshold is 0.70 as identified by Hair et al. 1998.
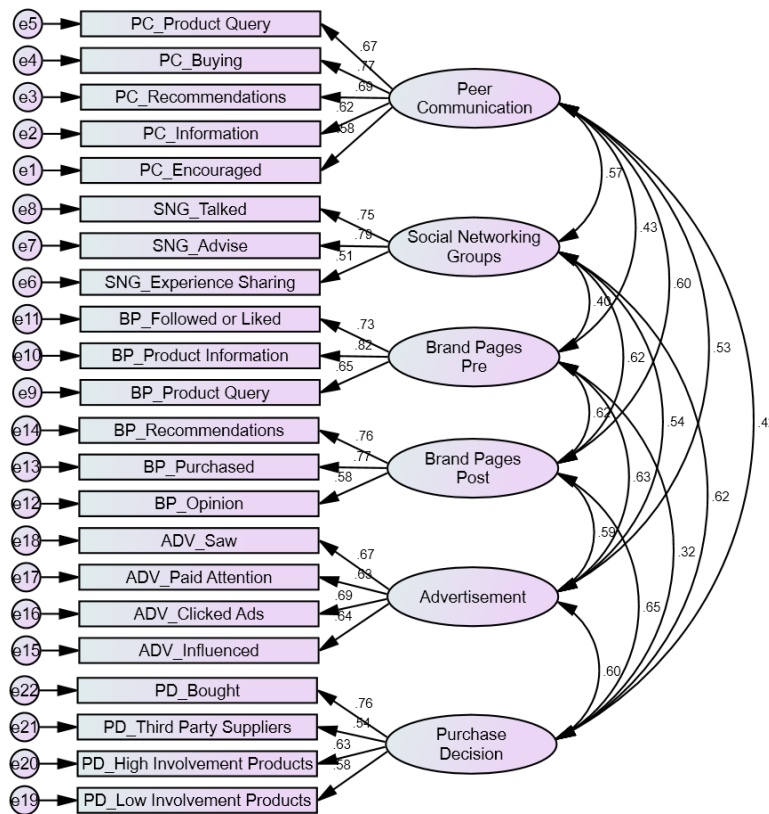
Figure 2: Confirmatory factor analysis of the constructs

5.3 Results of Structural Model

A multivariate analysis technique like covariance-based structural equation modelling was used to identify the significant relationship between purchase decision and identified factors, i.e. Peer Communication (PC), Social Networking Groups (SNG), Brand Pages Pre (BP-Pre), Brand Pages Post (BP-Post) and Paid Advertisement (Adv).

Table 6 lists the structural parameter estimates and the hypothesis testing results. This study examines the impact of Peer Communication, Social Networking Groups, Brand Pages Pre, Brand Pages Post and Paid Advertisement on Purchase Decision. The Path diagram (Figure 3) revealed 4 hypotheses

with reference to SNG, BP-Pre, BP-Post and Adv to be significant. Surprisingly, the hypothesis with reference to Peer Communication appeared insignificant. Purchase Decision was positively affected by SNG (β =.341, p=.003), BP-Post (β =.498, p=.000), Adv (β =-.381, p=.000) and negatively affected by BP Pre (β =-.324, p=0.002). Hence, the results showed the support for H2, H3, H4 and H5.

Factors	Estimate	S.E	C.R.	P	Sig.
PD ← PC	-0.148	0.099	-1.492	0.136	Not Significant
PD ← SNG	0.341	0.116	2.933	0.003	Significant
PD ← BP Pre	-0.324	0.105	-3.082	0.002	Significant
PD ← BP Post	0.498	0.125	3.993	***	Significant
PD ← ADV	0.381	0.1	3.802	***	Significant

Note: PD: Purchase Decision, PC: Peer Communication, SNG: Social Networking Groups, BP Pre: Brand Page Pre, BP Post: Brand Page Post, ADV: Advertisement

Table 6: Results of Structural Relationship
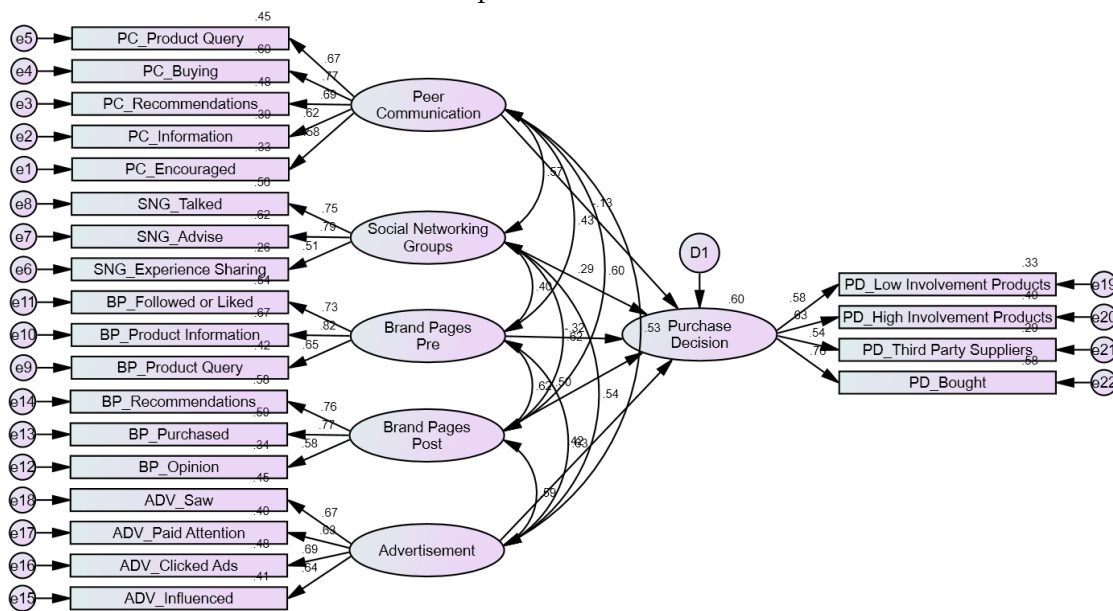
Figure 3: Path Model

6. Discussions:

The study reveals that Social Networking Groups, Brand Fan Pages – Pre, Brand Fan Pages – Post and Paid Advertisement on Social Network have significant relationships with the Purchase Decision through social networks. Though the impact of Social Networking Group on purchase decision is ignored so far in the existing literature on social media and consumer behaviour, it is expected that it will have a positive influence on consumers since these groups are created for the people and by the people of common interest. According to existing literature Fan Pages, either connect Brands and consumers directly (McAlexander et al. 2002; Bagozzi et al. 2002; Dholakia et al. 2004) or it works as a platform for the conversations among consumers (Lee et al. 2009). The findings reveal that the purchase decisions of teens are positively influenced by brand generated contents that support existing literature. However, it seems the teens neither listen to recommendations of others (strangers) nor they want to give an opinion about products on brand pages. Hence, user-generated contents on social networks are negatively influence purchase decision which is quite opposite to what is found in current literature. Paid advertisements have a positive influence on purchase decision which is aligned with existing literature that says online advertisement plays a role as a source of information in purchase decision (Chi-Hui Chiang et al. 2017).

The relationship between Peer Communication and Purchase Decision through social network appeared insignificant which is quite opposite to existing literature that says Peer Communication has an intense influence on consumers' attitude towards products and services (Mukhopadhyay et al. 2010)

purchase decision making (Casteleyn et al. 2009, Okazaki 2009). Credible explanations to these anomalies can be found in the innate characteristics of teenagers in colleges and universities to accept information that can be quite different from the rationality possess by grown-up customers.

7. Conclusions:

The study identified 5 factors through exploratory factor analysis that influence making Purchase Decision (PD) through social network. The factors are Peer Communication (PC), Social Network Groups (SNG), Brand Fan Pages – Pre (BP-Pre), Brand Fan Pages – Post (BP-Post) and Paid Advertisement on Social Network (Adv). These factors are confirmed by confirmatory factor analysis.

Peer Communication through social network is very common in Dhaka, where people talk about many things including the issues related to purchasing a product or service. However, if such communication translates to purchase decision of teenagers is questionable. There are many groups in social network, where people of common interest converge to share the information which also sometimes related to purchase decision making. Most of the renowned brands today have their own pages in social network, especially on Facebook, which are being followed by fans of those brands. However, brand-generated contents have positive influence, but user-generated content have negative influence on purchase decision. People spend a significant amount of time on laptops and smart phones these days. Hence, most of the brands try to reach their consumers through advertisement in social network that leads to conversion.

7. Contribution to the Industry:

Due to rapid growth in social media consumption especially among youth, the advertisers and media investment management agencies started to spend heavily on social network platforms, especially on Facebook and YouTube. The research findings will contribute to the industry by suggesting what activities in social networks are impacting the purchase decision. As a result, advertisers and media agencies can bring more efficiency to the investment in media. Media owners will also be benefited while designing their product offerings.

8. Limitations and direction for future research

The research is limited to one vertical of Social Media only which is Social Network. It does not include other verticals of Digital Media like Online Marketing Communications (Web Sites, Search Ads, Display Ads, email) and Mobile Marketing.

The research includes only Dhaka Metro and it does not include other parts of Bangladesh and the Non-Resident Bangladeshis (NRBs).

In future, research can be conducted on other verticals of Digital Media (e.g. Display, Search, Mobile, Email) and their influence of purchase decision. In the research findings, we have seen Social Networking Groups have positive impact on purchase decision. However, no research where found regarding Social Networking Group in the existing literature of consumer behaviour. Hence, this can be an interesting area to explore for future researchers. Surprisingly, it has appeared that Peer Communication does not have any impact on purchase decision of teenagers of Dhaka. However, we all know, Peer is an important agent of consumer socialization. Further research can be conducted to deep dive into the matter. It can be because of geography or age group of the sample that we selected for the research.

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Mixed use shopping mall as an attractiveness
on customer behaviors in Bangkok, Thailand

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Abstract

The purpose of the study is to examine and identify the variables that are important to customers while visiting shopping malls. It provides updated information to shopping mall managers and property developers about customers' shopping preferences in Northern Bangkok. The primary data was collected in a two-part questionnaire. Part I included details about the demographic characteristics of respondents, and Part II contained a set of 29 questions to determine the level of agreement, in a five-point Likert scale, on reasons that motivate customers to choose a particular shopping mall. Of the 420 questionnaires distributed in the area, 395 were completed and used for data analysis.

Six critical conclusions were generated from the factor analysis. Mean rankings began with convenience, promotion, privileges, one-stop shopping, professionalism, and the combination of free services, and facility safety. One-stop shopping, convenience and free services/safe facilities were the top three critical factors that significantly influenced consumers' visiting frequency and time spent per visit at shopping malls. Customers more often visited and spent more time at malls that provided multiple services (mixed-use malls). These tendencies increased for the malls that offered additional free services, such as a free shuttle bus. A mall manager or property developer's principal tasks are to fulfill customers' overall needs, particularly their physiological needs (including hedonic ones), and to differentiate their products and services from those of competitors, to induce customers to make actual purchases.

Introduction

A modern shopping mall is a complex of different merchandisers. It normally contains interconnecting walkways that allow customers to move easily from one store to another. In the 19th century, a rapid, global growth of shopping malls occurred. In the late 20th century, shopping malls began to incorporate, featuring entertainment zones, movie theaters, and restaurants. More recently, consumer technology and e-commerce have allowed malls to provide experiences beyond shopping. Thus, malls are no longer primarily about shopping; they also serve such purposes as social interaction, excursions, and works and even official meetings. This trend has occurred globally but is especially noticeable in the USA, where a number of pioneering shopping mall concepts arose. Updated shopping malls now provide ancillary entertainment options such as ski slopes, go-karts, balloon rides, bowling, underwater aquariums, theme parks, and dinosaur museums, among others.

The Thai Shopping Mall Association (TSCA) combined 13 Thai retail companies into Shopping Mall 4.0, an initiative that connects consumers digitally, with the goal of becoming the largest mall operator in Asia. One strategy is to create a positive consumer experience. New layout designs and spaces are considered to serve and support every generation of mall visitor. Various zonings are tailored to the needs of specific consumer segments. Through technology, customers now obtain customized retail offerings. New mall designs also address environmental issues by incorporating "green" building concepts, electric cars, and public transportation. In 2018, Thai retail industry growth was approximately 3.3% to 3.5%, as compared with 3.2% in 2017 and 2.97% in 2016. Thirty percent of retail businesses are in

Bangkok, where they boosted growth. From 2019 onwards, various types of retail businesses are expected to develop and open in Bangkok, for example: BT5bn shopping center, near Suvarnabhumi International Airport, Central Village with 160,000 square metres; Gateway Bangsue, with an 11-story community mall; EmSphere; One Bangkok; and Bangkok Mall, the largest mall in Southeast Asia. Property developers and mall managers seek to improve the effectiveness of marketing programs to meet consumer demands in specific areas. Updated and specific consumer behavior information will support their strategies and decision-making.

Literature Review

Although many marketing studies have investigated consumer behavior in stores and shopping malls, findings have varied due to differences in cultures and social lifestyles. Wijnen, Kemperman, and Janssen (2012) noted that shopping mall attributes should be adapted to national consumer lifestyles and cultures. Decades ago, customers segregated product purchases by location. For instance, they did not normally purchase meat, fresh fruit, or vegetables where they bought dry groceries, even though all these goods may have been available in one store (Applebaum, 1951). Nowadays, however, customers look to purchase goods in one place, where a variety of venues can save time and energy. The malls cater to customers' time constraints by offering one-stop shopping (El-Adly, 2007; Jacobs et al., 2010). Furthermore, having a supermarket in a mall is critical to satisfying customer needs. Sharma (2012) opined that Indian customers are concerned about the location of shopping malls. The distance between a shopping mall and workplace or home is an important factor. Sehgal and Khanna (2017) indicated that the existence of convenient operating hours represents another critical factor that influenced customer purchase decisions in retail stores in Ludhiana. Essential considerations for mall management include offering late hours at supermarkets, as well as the ability to compare different prices, models, or brands in one place (El-Adly and Eid, 2015).

Wakefield and Baker (1998) wrote that the atmosphere and the variety of tenants motivated customers to stay longer in shopping malls. Khaola and Ramokepa (2015), who studied customer behavior at shopping malls in Maseru, Lesotho, found that an excellent variety of stores was directly related to customers' positive attitudes. They also noted that malls should support the needs of all family members and friends by incorporating extra amenities, such as video games, movies, or window shopping. LeHew and Wesley (2007) found that customers at two new malls in Bloomington, USA, were more satisfied with the overall convenience of shopping malls offering a variety of retail stores, food options, and entertainment facilities. Parakhonyak and Titova (2018) give supportive evidence that customers might prefer visiting malls located in a peripheral area that offers a wide range of prices and a variety of products. Overall, customers enjoy the fashionable merchandise available in shopping malls, which offer unique and high-quality products, including brand-name items (Litirell et al., 1994; Costello and Fairhurst, 2002). The freer time customers have, the more time they will spend in a shopping mall and the more they will exhibit impulsive buying behaviors. Various payment methods are considered to serve them (Nova and Aditya, 2018).

Facilities and special services at malls also attract customers. Most customers drive to shopping malls, because many malls cannot be accessed by public transportation. Shopping malls generally provide ample parking space (Sharma, 2012). Malls also generally offer comfortable seats in the rest areas for shoppers and family members (El-Adly, 2007). Vipul and Mahendra (2009) noted that facilities or customer services are important to consumers, while pricing and sales promotions are critical reasons why Indian shoppers do business at shopping malls. Danziger (2005) pointed out that even luxury customers, who care less about saving money, like to purchase items on sale, because it is a sensible decision that makes them feel good.

The relationship between shopping mall factors and customer behavior is still debatable and is discussed in different areas. The shopping malls located in Bangkok and its periphery is rapidly growing. This study aims to determine the important variables by analyzing the patterns of shopping mall visits of customers in Northern Bangkok, Thailand. The research hypotheses are:

H1: Critical factors are positively associated with the frequency of visits to shopping malls.
H2: Critical factors are positively associated with the amount of time that customers spend visiting shopping malls.

Research Methodology

This study uses both primary and secondary data. The secondary data was collected from various sources, such as journals, articles, and websites. In addition, 20 customers and academic professors were interviewed, and their answers were used as scaled items in the questionnaires, which validated their content. The primary data was collected in a two-part questionnaire. Part I included details about the demographic characteristics of respondents, and Part II contained a set of 29 questions to determine the level of agreement, in a five-point Likert scale, on variables used when choosing a particular shopping mall. The reliability of measurement and the internal consistency of reliability were assessed with Cronbach's Alpha. In this research, the Cronbach's Alpha for research variables was an acceptable 0.974 (higher than 0.70).

Because the total population was unknown, non-probability sampling and random quota sampling were utilized in the statistical analysis. The samples of this study were divided into two groups, weekday shoppers and weekend shoppers, which ensured the degree of representativeness of all the strata in the population. Four hundred twenty questionnaires were distributed in areas of Northern Bangkok. Half of these questionnaires were collected during the week, and the other half were collected on weekends, from 11:00 AM to 9:00 PM. A total of 395 questionnaires were completed and used in the data analysis. Hypotheses were tested using a regression analysis.

Findings

Over sixty percent (n=250) of respondents were female and 36.70 percent (n=145) were male. The respondents' age groups were as follows: 47.10% were between 21 and 30 years of age, 26.30% were between 31 and 40, and 11.40% were between 41 and 50. In addition, 5.60% of the respondents were between 50 and 60 years old, 60.80% were under 21, and 2.8% were over 61. Table1 illustrates that 43.3% of respondents visited shopping malls 3 or 4 times a month, with 34.7% (n=137) of the respondents spending an average of 2 hours per visit.

Table 1: Customer Behaviors

Visits Per Month	Amount (n=395)	Percent	Shopping Hours Per Visit	Amount (n=395)	Percent
1-2	94	23.8	1	35	8.9
3-4	171	43.3	2	137	34.7
5-6	64	16.2	3	121	30.6
7-8	16	4.1	4	42	10.6
9-10	3	8.0	5	60	15.2
Above 11	47	11.9			

To explain the factors impacting customer behavior at shopping malls in Thailand, an exploratory factor analysis was conducted, using a principal components' analysis with varimax rotation. As illustrated in Table 2, the analysis yielded six distinct factors, which accounted for 64.05% of the variance extracted. Specific areas were open for 24 hours, and professional traffic and car parking staff generated a factor loading below 0.50 as a cut-off for acceptable loadings.

Table 2: Results of the Factor Analysis

Rotated Component Matrix Component							
		Factors					
Item Code	Description	Privileges	Professionalism	Free Services and Safe Facilities	Convenience	Promotion	One-Stop Shopping
V1	Personal advice from sales personnel	0.786					
V2	Parking zones for ladies	0.760					
V3	Supportive services for customers	0.731					

V4	Member privileges	0.713					
V5	Safety policies in facilities and a friendly environment	0.667					
V6	Places for family activities or meetings with friends	0.633					
V7	Attractive and customized products and services	0.582					
V8	Specific areas open 24 hours a day	0.403					
V9	Pleasant sales personnel		0.699				
V10	Sales personnel maintains relationships with customer by providing support		0.690				
V11	Professional skills and adequate knowledge about products and services		0.684				
V12	Flexible and fast service processing		0.590				
V13	Reasonable prices for products and services		0.533				
V14	Professional traffic and car-parking staff		0.489				
V15	Adequate public seating areas			0.733			
V16	Available free Wi-Fi			0.699			
V17	Free shuttle buses from point to point			0.662			
V18	High facility safety			0.644			
V19	Intelligent Navigator Systems available at car parks			0.521			
V20	Adequate and accessible parking spaces			0.509			
V21	A convenient location				0.741		
V22	Convenient operating hours				0.717		
V23	A variety of shops and services				0.615		
V24	Affordable products and services				0.573		
V25	Readable price tags and brand labels				0.546		
V26	Specific events or sales promotions					0.782	
V27	Loyalty programs for members					0.781	
V28	Attractive, new seasonal products or services					0.542	
V29	Multiple services under one roof						0.744
	Percentage of Value Explained	**36.32**	**9.01**	**6.59**	**4.32**	**4.06**	**3.76**
	Cumulative Percentage	**36.32**	**45.34**	**51.92**	**56.24**	**60.30**	**64.05**

Factor 1 – Privileges: Advantages or immunity granted to a particular person or group. Pleasant, personal attention of sales personnel, supportive customer service, attractive and customized products and services, places for family or friends' activities, health and environmental safety, and safe parking zones for ladies.

Factor 2 – Professionalism: For all customers, pleasant sales personnel with professional skills and adequate knowledge of products and services, flexible and fast service processing, and reasonable prices.

Factor 3 – Free Services and Safe Facilities: Adequate public sitting spaces and availability, safe facilities, free Wi-Fi, accessible parking spaces using an Intelligent Navigator System, and free shuttle buses.

Factor 4 – Convenience: Convenient location and operating hours, a variety of shops and services, affordable products and services on shelves with price tags and brand labels.

Factor 5 – Promotion: Attractive products, including seasonal ones, advertised events or sales promotions, and membership loyalty programs.

Factor 6 – One-Stop Shopping: Multiple services under one roof.

Reliability analysis was assessed by Cronbach's Alpha reliability coefficient, which ranged from 0.753 to 0.879, as illustrated in Table 3.

Table 3: Reliability and Mean Rankings of Dimensions

Factors	Number of Items	Cronbach's Alpha	Mean	Position in Mean Rank
Privileges	7	0.879	3.827	3
Professionalism	5	0.871	3.686	5
Free Services and Safe Facilities	6	0.835	3.520	6
Convenience	5	0.805	4.087	1
Promotions	3	0.753	3.944	2
One-Stop Shopping	1	NA	3.800	4

Mean:
5=extremely important 4=important 3=moderately important 2=unimportant 1=extremely unimportant

Customers mainly emphasized convenience, promotion, and privileges. In terms of convenience, customers were concerned about location, operating hours, the variety of shops and services, and the availability of affordable products and services with readable price tags and brand labels. Regarding promotion, customers looked for attractive, seasonal products or services, sale promotions and events, and membership loyalty programs. Privilege is one of the three critical factors that attract customers, who look for pleasant, personal attention of sales personnel, supportive customer service, attractive and customized products and services, specific places for family or friends' activities, health and environmental safety, and ladies' parking zones. Lastly, the facilities should be environmentally friendly and beneficial to customers' health.

Six critical factors related to shopping malls in Northern Bangkok are illustrated in Table 4. Table 4 tests these hypotheses on consumer purchasing behavior by employing regression analyses.

Table 4: Results of Hypothesis Testing (H1/H2)

Factors	Sig. (2-tailed) Hypothesis1 Visits Per Month	Sig. (2-tailed) Hypothesis2 Time Spent Per Visit
Privileges	0.143	0.000*
Professionalism	0.513	0.002*
Free Services and Safe Facilities	0.008*	0.000*
Convenience	0.050*	0.000*
Promotions	0.817	0.043*
One-Stop Shopping	0.010*	0.000*

*Statistically significant at $P<0.05$.

Hypothesis 1 predicts that three factors are positively associated with the frequency of visiting a mall: (1) free services and safe facilities (Sig.=0.008, $P<0.05$); (2) one-stop shopping (Sig.=0.010, $P<0.05$); and (3) general convenience (Sig.=0.050, $P<0.05$). To consider these variables' relationships, their coefficients are illustrated in Table 5. Shopping malls with multiple services were visited more frequently by customers (β=0.130, Sig.=0.010, $P<0.05$). Regarding free services and safe facilities, a positive relationship existed between free shuttle bus service and frequency of visits (β =0.220, Sig.=0.002, $P<0.05$). By contrast, a high level of facility safety negatively affected the frequency of visits (β=0.178, Sig.=0.008, $P<0.05$). Lastly, the relationships among all five convenience variables (operating hours, location, variety, affordable products, and readable product price tags or brand labels) all increased the frequency of shopping mall visits.

Table 5: Coefficients of Variables with Significant Factors (H1)

	Standardized Coefficients(β)	T	Sig.
Factor: One-Stop Shopping			
Multiple services under one roof	0.130	2.594	0.010*
Factor: Free Services and Safe Facilities			
Free shuttle buses from point to point	0.220	3.159	0.002*
High facility safety	-0.178	-2.659	0.008*
Factor: Convenience			
Convenient operating hours	0.106	1.533	0.126
A convenient location	0.081	1.286	0.199
A variety of shops and services	-0.064	-1.000	0.318
Affordable products and services	0.060	1.001	0.318
Readable price tags and brand labels	-0.007	-0.115	0.908

*Statistically significant at *P*<0.05

Hypothesis 2 predicts factors that are positively associated with the amount of time spent per visit at shopping malls. This hypothesis is supported by all six critical factors: privileges, professionalism, free services and safe facilities, convenience, promotions, and one-stop shopping (Sig. = 0.000, 0.020, 0.000, 0.000, 0.000, and 0.043, respectively).

Table 6: Coefficients of Variables with Significant Factors (H2)

	Standardized Coefficients(β)	T	Sig.
Factor: Privilege			
Safe parking zones for ladies	0.137	1.977	0.049*
Factor: Professionalism			
Reasonable prices of products and services	-0.180	-3.055	0.002*
Factor: Free Services and Safe Facilities			
Adequate and accessible parking spaces	-0.157	-2.404	0.017*
Free shuttle buses from point to point	0.233	3.579	0.000*
Factor: Convenience			
A convenient location	-0.178	-2.873	0.004*
A variety of shops and services	0.198	3.131	0.002*
Factor: Promotion			
Attractive, new seasonal products or services	0.114	2.045	0.042*
Factor: One-Stop shopping			
Multiple services under one roof	0.180	3.623	0.000*

*Statistically significant at *P*<0.05

To consider the relationship between these variables, their coefficients and significant factors are illustrated in Table 6. Safe parking zones for ladies was the most important privilege factor relating to time spent per visit at shopping malls (β =0.137, Sig.=0.049, P<0.05). Professionalism and reasonable prices for products and services were negatively related (β=-0.180, Sig.=0.002), as were free services and safe facilities, adequate and accessible parking spaces (β=-0.157, Sig.=0.017), and location convenience (β=-0.178, Sig.=0.004). A positive relationship was found between time per visit and free shuttle buses (β=0.233, Sig.=0.000), variety of shops and services at the mall, and attractive, new seasonal products or services (β=0.114, Sig.=0.042).

Discussion and Conclusion

This study examines numerous variables and identifies factors important to customers at shopping malls in Northern Bangkok. Hypotheses regarding these factors are proposed. The main results are summarized as follows:

Just over sixty percent (63.30%) of the respondents were female; most respondents were between 21 and 30 years of age, followed by the 31-to-40 and 41-to-50-year-old age groups; and 67.30% of the respondents were single. Full-time employees are the top rank occupation of respondents. Almost half (44.30%) received a monthly income between 15,001 and 25,000 Baht, and a comparable proportion of respondents (43.3%) visited a shopping mall 3 or 4 times a month, spending an average of 2 hours per visit.

Six critical factors were generated from factor analysis. The mean rankings of dimensions encompassed convenience, promotion, privileges, one-stop shopping, professionalism, and the combination of free services and safe facilities.

Convenience placed first rank in mean ranking of what attracted customers to shopping malls. Free services/safe facilities were ranked sixth.

One-stop shopping, convenience, and free services/safe facilities were the only critical factors that significantly influenced the visiting frequency and time spent per visit at shopping malls.

To satisfy customers, shopping mall developers or managers should emphasize one-stop shopping. Since customers prefer multiple services under one roof, they will visit mixed-use malls more often and spend more time there. While the primary reason for visiting a shopping, mall is to buy something, people also enjoy other services at malls, including restaurants, coffee shops, banks, tutorial schools, spas, beauty salons, and other amenities. New and emerging businesses in shopping malls include ski slopes, go-karts, balloon rides, underwater aquariums, theme parks, dinosaur walk museums, and co-working spaces. Previous finding suggested that shopping intention driven by hedonic needs is not likely to influence Thai shopping behavior significantly. They may choose to visit the mall less frequently but stay relatively longer (Cai and Shannon, 2012). Shopping mall developers or managers need to understand and study the trends and specific categories of products and services that fulfill their customers' needs. One recent study found that people profile malls based on the social mix of their customers (Beiró et al., 2018). Other advantages of malls are free services, such as shuttle buses, as well as convenient locations, long operating hours, and the large variety of products and services offered. One disadvantage is the inability to negotiate prices, a practice enjoyed by Thai people.

Some shopping mall attributes, such as free services and safe public areas, may exceed customer expectations and thus may be seen as an additional attraction. Mubi and Karrholm (2018) noted that public zones in malls that are maintained in good condition promote and sustain attendance by urban customers. While safety standards should be incorporated, the more that are set, the fewer the number of customer visits. Without a rapid transit system serving Northern Bangkok, most people access shopping malls by car, so the distance from home to shopping malls is not a key factor, when customers decide to go to higher social mixing mall. The availability of parking facilities generally causes customers to spend less time at malls (Sharma, 2012; LeHew and Wesley, 2007). Nevertheless, safe parking zones, which are particularly important for females, do increase the amount of time they spend at malls. Finally, mall managers should occasionally offer new seasonal products or services, to induce customers to stay longer in shopping malls.

Originality

This study adds value to the literature and provides empirical evidence from rapidly developing malls in Thailand. It provides insight about which critical factors are associated with customer behavior at shopping malls. By highlighting the mixed-use shopping mall, the study benefits retailers and mall managers in general, specifically those interested in property development.

Practical Implications

The findings indicate that stores and services in shopping malls serve customer needs, including hedonic ones. With property development focusing more on mixed-use spaces, mall managers and retailers should build strategies to induce customers to make actual purchases.

Research Limitations and Further Studies

Data samples were obtained from the residents of Northern Bangkok, Thailand. This limits the generalizability of the results. Additional contexts or countries should be included in future studies. In-depth interviews or customer observations should be investigated for insightful responses for comparison

purposes. Lastly, use of related facilities or of the Internet of Things to induce customers to spend more time and money at shopping malls is another potential area for further research.

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Investigating new consumer behaviour dimensions in grocery retailing: some evidence from Southern Italy

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Keywords

Abstract
The post-modern consumer is an entirely new figure and represent one of the strategic factors in terms of consumer beahaviuor and purchase intentions. The studies on grocery retailing industry is considered constantly a priority in marketing research and in managerial practice. The retailers that operate in grocery retailing, in order to propose an adequate offering system to customers, want to know what drives a consumer to make their daily purchasing and what are the factors that fosters this process. Therefore, the aim of this paper is to investigate the purchasing behaviour and explore the factors of a local context. The research is based on an explorative approach on a sample of consumers residing in Campania Region. The qualitative methodology was administrated in the three following points: 1) first, data was collected through the diary tool; 2) subsequently, were conducted in depth interviews, on the same respondents of the diaries; lastly, 3) a content analysis was carried out on the results of the diaries and interviews. The research partially confirms the evidence emerging from recent studies on Marketing Performance Measurement (MPM) in Fast Moving Consumer Goods (FMCGs) industry, referred to share of wallet's creation. Moreover, offers a new interpretation of the conceptual model on MPM, in the perspective of consumer behaviour. The research methodology is based on the individual's daily observation during his monthly purchasing process, influenced by cultural factors. The first evidences could be useful for grocery ratailing's managers to modify the business model, in the decisions on offering system, in the distribution format and in terms of pricing strategies (that is, HILO and EDLP strategy). Therefore, the future scenario is of a great interest, both for the evolutionary trends in purchasing behaviour than for the business model's innovations in grocery retailing.

1. Introduction

This research aims to understand the consumers behaviour in grocery industry. These goods are manufactured and marketed in large quantities and are characterized by a relatively low price. The classic concept of consumer goods coincides with the related domestic expenditure, such as groceries and household chemicals. Recently, we have seen significant changes in the Italian grocery retail structure and retail marketing strategies (Arnold, 1999). Precisely because of all these peculiarities, fast-growing consumer goods characterize the days of all consumers. The figure of the modern consumer has assumed a key role in recent marketing research (Schiffman et al., 2013; Gunter and Furnham, 2014; Solomon and Michael, 2014; East, Singh, Wright and Vanhuele, 2016; Ferreira and Ribeiro, 2017). Understanding consumer behaviour is crucial to analyze the consumption dynamics in the retailing industry. In recent years, grocery retailing has been characterized by considerable evolution and has gained increasing importance in the process of consumer's value creating. The transformation of the modern distribution system and its affirmation as an increasingly active player in competitive scenarios, has had significant effects on how to manage the marketing activity. The importance of retail marketing (McGoldrick, 2002) school encompasses all the actions carried out by modern distribution companies to obtain preference from customers in terms of share of wallet (Mägi, 2003). The marketing research is crucial to discover the potential market and various choices available for the retailer to satisfied new consumer's needs. For this reason, the psychosocial research on customers is a tool of great potential for creating value, thanks to the

ability to know the consumer and respond promptly to his needs through the management by using various marketing mix. The strategies in retailing industry have been shaped by the intense competition and struggle over market shares. Grocery retailers operate in mature markets with slow growth opportunities, thus the struggle over market shares is justified. Furthermore, have established distinctive store formats which are differentiated from each other based on several dimensions of offering system (Brown, 1992). The study context is the grocery retailing and its evidence in Southern Italy. The grocery retailers differ, among themselves, both for the offering system than for service's types offered to the customers. This is also true in terms of different types of distribution formats. Therefore, we can determine different business models (e.g. EDLP/HILO) operating in grocery retailing, which aim to respond in time to the new needs of consumers, based on different strategic levers. The academic contributions on store management (Berman and Evans, 1995; Castaldo and Mauri, 2017) have highlighted the importance of the physical place to build a strong customer experience, also in grocery retailing. We can expect that the operating of the retail firms changes according to a cultural context because various social and cultural factors shape the retail structure and strategies. The general objective of this work is to investigate the relationships between consumer purchasing behaviour and retail dynamics in grocery retailing industry. More specifically, considering the results of an empirical survey conducted to support the theoretical arguments presented in this paper, the research aims to:

- *contribute on the topic of purchase behaviour in grocery retailing (Sherman et al., 1997) and defining some descriptors of purchase process (Bearden, 1999);*
- *provides an overview of the various scientific contributions in the literature concerning the purchase intentions and consumer behaviour in grocery retailing*
- *investigate the determinants that impacts on the consumer behaviour and on its purchasing process in a typical southern context;*
- *explore the main competitive levers of retail chains (Collins-Dodd and Lindley, 2003) of a specific regional context (Campania region).*

2. Literature review

The analysis of consumer behaviour and the study of the relationships between the determinants of purchasing processes and those of brand value are critical factors in marketing decisions, especially in hypercompetitive contexts (D'Aveni, 1994) characterized by an intense variety and variability of the demand. The value creation process for customers (Cantone, 1996; Wayland and Cole, 1997; Valdani and Busacca, 2000; Valdani, 2000; Costabile 2001), is a fundamental prerequisite for economic value creation (Guatri, 1991; Copeland and Kotwal., 1996; Bennett Stewart III, 1998; Sicca, 2002), it requires an in-depth knowledge of the consumer behaviour. In this perspective, the studies that analyze consumer behaviour are particularly relevant (Mowen, 1995; Peter & Olson, 1996; East, 1997; Dalli and Romano, 2003; Solomon, 2004), both those who they look at the brand as a cognitive and fiduciary tool (Aaker 1991, 1996, 2001; Keller, 1993, 2001, 2003; Vicari, 1995; Busacca 2000) which inspires and influences purchasing and consumption behaviour. The consumer behaviour is one of the most studied topics by the researchers (Quester, Neal, Pettigrew, Grimmer, Davis and Hawkins, 2007) and marketers in the past and still being studied. Scholars assert different reasons as to why consumer behaviour has been the matter of many academics and researchers. One of the common views is that understanding consumer behaviour has become a factor that has a direct impact on the overall performance of the businesses (Kotler and Keller, 2012). To develop a theoretical framework for the study of consumer behaviour is helpful to begin by considering the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline. It's possible to identify a set of dimensions emerged in the literature, which can be used to characterize and differentiate, the various perspectives on consumer research. The consumer buying behaviour is studied as a part of the marketing and its main objective it to learn the way how the individuals, groups or organizations choose, buy use and dispose the goods and the factors such as their previous experience, taste, price and branding on which the consumers base their purchasing decisions (Kotler and Keller, 2012). One of such studies of consumer buying behaviour has been conducted by Acebron and Dopico (2000). The aim of the study was to analyze the impact of previous experience on buying behaviour of fresh foods, particularly mussels. In their studies the authors used structural equation model to identify the relationship between the habits and previous experience on the

consumer buying decision. Their findings show that personal habits and previous experience on of the consumers have a direct impact on the consumers' purchase decision in the example of purchasing fresh mussels. They also found that the image of the product has a crucial impact on the purchasing decision of the consumer and further recommended that the product image should continuously be improved to encourage the consumers towards purchasing. Another study conducted by Variawa (2010) analyzed the influence of packaging on consumer decision making process for Fast Moving Consumer Goods. Lee (2005) carried out study to learn the five stages of consumer decision making process in the example of China.

The researcher focuses on the facts that affect the consumer decision making process on purchasing imported health food products, demographic effects such as gender, education, income and marital status. The author employed questionnaire method to reach the objectives of the research. Analysis of five stages of consumer decision making process indicate that impact of family members on the consumer decision making process of purchasing imported health food products was significant. The stage model of decision-making process was introduced by the studies of O'brien (1971). Although different researchers offer various tendencies towards the definitions of the stages, all of them have common views as they describe the stages in similar ways. One of the common models of consumer decision making process has been offered by Blackwell, Souza, Taghian, Miniard and Engel (2006). According to him, the five stages of consumer decision making process are followings: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post-purchase evaluation. Each stage is then defined by many researchers varying slightly but leading to a common view about what each stage involves. For example, according to Bruner (1993) first stage, need recognition occurs when an individual recognizes the difference between what they have and what they want/need to have. This view is also supported by Neal and Questel (2006) stating that need recognition occurs due to several factors and circumstances such as personal, professional and lifestyle which in turn lead to formation of idea of purchasing. In the next stage, consumer searches information related to desired product or service (Schiffman and Kanuk, 2007).

Information search process can be internal and external. While internal search refers to the process where consumers rely on their personal experiences and believes, external search involves wide search of information which includes addressing the media and advertising or feedbacks from other people (Rose and Samouel, 2009). Once the relevant information about the product or service is obtained the next stage involves analyzing the alternatives. Kotler and Keller (2005) consider this stage as one of the important stages as the consumer considers all the types and alternatives considering the factors such as size, quality and price. Backhaus, Becker, Beverungen, Frohs, Müller, Weddeling, ... and Steiner (2007) suggested that purchase decision is one of the important stages as this stage refers to occurrence of transaction. In other words, once the consumer recognized the need, searched for relevant information and considered the alternatives he/she makes decision whether to make the decision.

Purchasing decision can further be divided into planned purchase, partially purchase or impulse purchase as stated by Kacen (2002). Finally, post-purchase decision involves experience of the consumer about their purchase. Although the importance of this stage is not highlighted by many authors Neal *et al.* (2004) argues that this is perhaps one of the most important stages in the consumer decision making process as it directly affects the consumers' purchases of the same product or service from the same supplier in the future. The most noteworthy writers that serve as academic advocates of the Five Stage Model of consumer decision making include Tyagi (2004), Kahle and Close (2006) Blackwell et al. (2006), and others. It is important to note that The Five Stage Model is not the only model related to consumer decision-making, and there are also a range of competing models that include Stimulus-Organism-Response Model of Decision Making developed by Hebb in 1950's, Prescriptive Cognitive Models, The Theory of Trying (Bagozzi and Warsaw, 1990), Model of Goal and Directed Behaviour (Perugini and Bagozzi, 2001).

2.1 Factors impacting on consumer behaviour

It has been established that the consumer buying behaviour is the outcome of the needs and wants of the consumer and they purchase to satisfy these needs and wants. Although it sounds simple and clear, these needs can be various depending on the personal factors such as age, psychology and

personality. Also, there are some other external factors which are broad and beyond the control of the consumer. Many researches have been carried out by academics and scholars on identifying and analyzing those factors affecting the consumers' buying behaviour and as a result, various types of factors have been identified. These factors have been classified into different types and categories in different ways by different authors. For instance, Wiedermann and Cook (2007) classified them into internal and external factor. On the other hand, Winer (2009) divided them into social, personal and psychological factors. Even though they have been classified into different groups by different authors they are similar in scope and purpose (Rao, 2007). There is a wide range of factors that can affect consumer behaviour in different ways. These factors are divided by Hoyer and Stokburger-Sauer (2012) into four broad categories: situational, personal, social and cultural factors. Situational factors impacting consumer behaviour may include location, environment, timing and even weather conditions (Hoyer et al., 2012). To benefit from situational factors major retailers, attempt to construct environment and situations in stores that motivate perspective customers to make purchase decision. Range of available tools to achieve such an outcome include playing relaxing music in stores, producing refreshing smells in stores and placing bread and milk products in supermarkets towards the opposite end of stores to facilitate movement of customers throughout the store to make additional purchases etc. The temporary nature of situational factors is rightly stressed by Batra and Kazmi (2008). Personal factors, on the other hand, include taste preferences, personal circumstances and related factors. The impact of personal factors on consumer decision-making is usually addressed by businesses during market segmentation, targeting and positioning practices by grouping individuals based on their personal circumstances along with other criteria, and developing products and services that accommodate these circumstances in the most effective manner. According to Hoyer et al. (2012) social factors that impacting on consumer behaviour arise from the social interactions in the consumer's perspective. Targeting to opinion leaders usually proves effective strategy when marketing products and services due to influence power in changing behaviour of consumers. Lastly, cultural factors affecting consumer behaviour are related to cross-cultural differences among consumers on local and global scales. Culture can be defined as *"the ideas, customs, and social behaviour of a particular people or society"* (Oxford Dictionaries, 2015) and the tendency of globalization has made it compulsory for the cross-cultural differences of consumers to be considered when formulating and communicating marketing messages.

Tab. 1: Evolution of studies on consumer behaviour and purchase intentions

Author	Journal	Topic	Methodology	Findings
Bayton, 1958	The Journal of Marketing, 282-289	Motivation, cognition, learning: Basic factors in consumer behaviour	Qualitative/ theoretical paper	*"Human behaviour can be grouped into three categories: motivation, cognition, and learning"*
Venkatesan, 1966	Journal of Marketing Research, 384-387	Experimental study of consumer behaviour conformity and independence	Quantitative / statistical surveys	*"The acceptance of social influence implies that consumers accept information provided by their peer groups on the quality of a product, which is hard to evaluate objectively"*
Sheth and Venkatesan, 1968	Journal of Marketing Research, 307-310	Risk-reduction processes in repetitive consumer behaviour	Quantitative / statistical methods	*"The consumers may seek information from personal and impersonal sources when there is no experience. Such active information seeking may continue only if uncertainty persists. Similarly, active information seeking may only be important when either the buyer moves into a new product class or the product is an innovation"*

Taylor, 1974	The Journal of Marketing, 54-60	The role of risk in consumer behaviour	Qualitative/ theoretical paper	*"Product warranties, or insurance policieswould be a likely marketing program... In each of these instances, it should be possible to compare the cost/effectiveness of the suggested programs against alternative programs designed for different groups and in response to different perceptions of risk"*
Belk, 1975	Journal of Consumer research, 2(3), 157-164	Situational variables and consumer behaviour	Quantitative / statistical surveys	*"The situational influence is a pervasive factor in consumer behaviour"*
Cummings and Venkatesan, 1976	Journal of Marketing Research, 303-308	Cognitive dissonance and consumer behaviour	Qualitative/ conceptual paper	*"The evidence to date on the application of dissonance theory to consumer behaviour is "not proven"*
Morrison, 1979	The Journal of Marketing, 65-74	Purchase intentions and purchase behaviour	Quantitative / statistical methods	*"At the moment there is not an adequate set of purchase intentions with follow up purchase behaviour studies in the literature to make the above type of forecast"*
Levy, 1981	The Journal of Marketing, 49-61	Interpreting consumer mythology: a structural approach to consumer behaviour	Qualitative/ conceptual paper	*"Consumer behaviour in the food area uses fundamental generalizations about the meanings of products in a broadly conventional way, within which dynamic processes of individuation and differentiation go on"*
Sirgy, 1982	Journal of consumer research, 9(3), 287-300	Self-concept in consumer behaviour	Quantitative / statistical surveys	*"Knowledge generated from self-concept research can also contribute to consumer attitude modeling and consumer decision-making research"*
Gardner, 1985	Journal of Consumer research, 12(3), 281-300	Mood states and consumer behaviour	Qualitative/ conceptual paper	*"The effects of mood states at the point-of-purchase may be substantial and potentially important for marketing action, but research is needed to investigate the strength of mood effects"*
Rook, 1985	Journal of Consumer Research, 12(3), 251-264	The ritual dimension of consumer behaviour	Qualitative/ conceptual paper	*"To study consumers' ritual behaviours challenges the research community to try more holistic, qualitative approaches. By its very nature much ritual behaviour invites field observation"*
Havlena and Holbrook, 1986	Journal of consumer research, 13(3), 394-404	The varieties of consumption experience: comparing two typologies of emotion in consumer behaviour	Qualitative/ conceptual paper	*"The research reviewed here clearly shows causal inferences influence a variety of important consumer responses, as well as those whose actions impinge on consumers, such as salespersons"*
Park, Iyer and Smith, 1989	Journal of consumer research, 15(4), 422-433	The effects of situational factors on in-store grocery shopping behaviour: The role of store environment and time available for shopping	Qualitative/ conceptual paper	*"Two factors have an impact on such shopping behaviours as failure to make the intended purchases, unplanned buying, brand and product class switching, and purchase volume deliberation"*

Day, Gan, Gendall, and Esslemont, 1991	Marketing Bulletin, 2(5), 18-30	Predicting purchase behaviour	Quantitative / statistical surveys	*"The Scale has been shown to be a better predictor of consumer purchases than buying intentions scales, and it can be successfully used in both face-to-face and self-completion surveys and for forecasting periods ranging from three months to a year"*
Haugtvedt, 1992	Journal of Consumer Psychology, 1(3), 239-260	Need for cognition and advertising: Understanding the role of personality variables in consumer behaviour	Quantitative / statistical surveys	*"Interestingly, results of a binomial logit analysis suggest that heavier users of coupons are significantly more likely to redeem a coupon that is about to expire and to be bothered by allowing a coupon to expire unused. Thus, it is likely that heavy coupon users can be instrumental in the observed increase in redemption rates near the expiration date"*
Chang and Wildt, 1994	Journal of the Academy of Marketing science, 22(1), 16-27	Price, product information, and purchase intention: An empirical study	Quantitative / statistical surveys	*"Perceived quality and perceived price contribute to the formation of value perceptions and purchase intentions"*
Herche, 1994	International Marketing Review, 11(3), 4-16	Ethnocentric tendencies, marketing strategy and import purchase behaviour	Qualitative/ conceptual paper	*"Ethnocentric tendencies are able to explain a much greater amount of variation in purchase behaviour than marketing mix variables"*
Donovan, Rossiter, Marcoolyn and Nesdale, 1994	Journal of retailing, 70(3), 283-294	Store atmosphere and purchasing behaviour	Quantitative / statistical methods	*"The practical significance for retailers is that emotional responses induced by the store environment can affect the time and money that consumers spend in the store"*
Omar, 1996	Service Industries Journal, 16(1), 58-66	Grocery purchase behaviour for national and own-label brands	Quantitative / statistical methods	*"These grocery shoppers differ in terms of socio-economic status, personal characteristics and shopping behaviour. The findings provide information useful to both retailing and manufacturing interests as retail marketing strategies are developed in the face of intensifying competition for shoppers' food expenditure in the market-place"*
Sherman, Mathur and Smith, 1997	Psychology and Marketing, 14(4), 361-378	Store environment and consumer purchase behaviour: mediating role of consumer emotions	Quantitative / statistical methods	*"The consumer's emotional state may affect his or her shopping behaviour after the decision to shop has been made. At the point of purchase there are many ways to make a customer feel better: suitable layout, cleanliness, colors, and salesperson training"*
Follows and Jobber, 2000	European journal of Marketing, 34(5/6), 723-746	Environmentally responsible purchase behaviour: a test of a consumer model	Quantitative / statistical methods	*"Individual consequences, which take the personal implications of consumption into account, were found to be just as important in predicting intention as the environmental consequences of a product"*
Kim, Forsythe, Gu and Jae Moon, 2002	Journal of Consumer marketing, 19(6), 481-502	Cross-cultural consumer values need and purchase behaviour	Quantitative / statistical methods	*"Among the three types of needs identified to be satisfied through apparel experiential needs were the most important needs that influenced apparel purchases of female consumers in both Asian markets. Consumers in both country markets exhibited brand loyal behaviour in apparel purchases, fulfilling all*

				three needs"
Jacoby, 2002	Journal of Consumer Psychology, 12(1), 51-57.	Stimulus-Organism-Response Reconsidered: An Evolutionary Step in Modeling (Consumer) Behaviour	Quantitative / statistical methods	*"The need to evolve the visual depictions of our consumer behaviour models is addressed. Previous models are criticized for being constructions that fail to build on prior theory, and lack parsimony, comprehensiveness, coherence, and flexibility. More revolutionary movement in consumer behaviour modelling is encouraged and an integrative Stimulus-Organism-Response framework is presented for consideration."*
Meyer-Waarden, and Benavent, 2006	Journal of Marketing Management, 22(1-2), 61-88	The impact of loyalty programmes on repeat purchase behaviour	Quantitative / statistical methods	*"When all companies have loyalty programs, the market is characterized by an absence of change of the competitive situation"*
Jaakkola, 2007	Marketing Theory, 7(1), 93-108	Purchase decision-making within professional consumer services	Qualitative/ theoretical paper	*"Professional consumer services represent a unique setting for purchase decision-making and cannot be considered equivalent to the organizational or consumer setting"*
Kim and Lee, 2008	International Journal of Consumer Studies, 32(6), 619-627	Consumer product search and purchase behaviour using various retail channels: the role of perceived retail usefulness	Quantitative / statistical methods	*"Consumers who perceived a certain retail channel more useful for product information search searched for product information more frequently via that retail channel and purchased products more often via that retail channel. Consumers who were more satisfied with apparel purchases from a retail channel purchased the products more frequently via that retail channel"*
De Mooij and Hofstede, 2011	Journal of International Consumer Marketing, 23(3-4), 181-192	Cross-cultural consumer behaviour	Qualitative/ theoretical paper	*"An increasing body of knowledge is available that helps explain differences in consumer behaviour across culture"*
Foxall, Oliveira-Castro, James and Schrezenmaier, 2011	Management Online Review	Consumer behaviour analysis and the behavioural perspective model	Qualitative/ theoretical paper	*"The probability of purchase and consumption depends on the relative weight of the reinforcing and aversive consequences that are signaled by the elements in the consumer behaviour setting"*
Paul and Rana, 2012	Journal of consumer Marketing, 29(6), 412-422	Consumer behaviour and purchase intention for organic food	Qualitative/ theoretical paper	*"Consumers in developing countries are keen to purchase organic food, which is quite popular in developed countries. The lack of effective distribution and promotion systems severely affect the availability of organic food and at the same time, presents an opportunity to improve the ease of availability of organic food"*

Gajjar, 2013	International Journal of Research in Humanities and Social Sciences, 1(2), 10-15	Factors affecting consumer behaviour	Qualitative/ theoretical paper	*"The study of Consumer Behaviour is quite complex, because of many variables involved and their tendency to interact with & influence each other. These variables are divided into the following major sections: external environmental, culture, and sub-culture, social class, and social group, family, and inter-personal influences"*
Chakrabortty, Hossain, Azad and Islam, 2013	World, 3(4)	Analysing the effects of sales promotion and advertising on consumer's purchase behaviour	Quantitative / statistical methods	*"This study also suggests to the marketers to be aware of the new or unknown product, as sales promotion could have strong negative effects on consumers' internal price reference and perceived quality. This work also highlights the importance of integrating the advertising with different promotional activities to improve the growth of sales of a product"*
Ahmetoglu, Furnham and Fagan, 2014	Journal of Retailing and Consumer Services, 21(5), 696-707	Pricing practices: A critical review of their effects on consumer perceptions and behaviour	Qualitative/ theoretical paper	*"The pure presentation of a price alone that is, independent from an actual price change can have a significant impact on consumer perceptions and behaviours"*
Rani, 2014	International journal of current research and academic review, 2(9), 52-61	Factors influencing consumer behaviour	Qualitative/ theoretical paper	*"For a successful consumer-oriented market service provider should work as psychologist to procure consumers. By keeping in mind affecting factors things can be made favorable and goal of consumer satisfaction can be achieved. Study of consumer buying behaviour is gate way to success in market"*
Zeugner-Roth, Žabkar and Diamantopoulos, 2015	Journal of international marketing, 23(2), 25-54	Consumer ethnocentrism, national identity, and consumer cosmopolitanism as drivers of consumer behaviour: A social identity theory perspective	Quantitative / statistical methods	*"Several undiscovered patterns regarding the interplay of consumer ethnocentrism, national identity and consumer cosmopolitanism as drivers of consumer behaviour and offer managerial guidance on their relevance as segmentation variables"*
Zhang, 2015	Open journal of business and management, 3(1)	The impact of brand image on consumer behaviour	Qualitative/ theoretical paper	*"Customer loyalty could be recognized as the extension of customer satisfaction. Earlier studies define customer loyalty as repeated purchasing behaviours in a narrow sense. Generally, customer loyalty stems from customers' approval of a brand, which leads to their continuously purchasing behaviour of the brand and thus generates profits for the company"*
Pappas, 2016	Journal of Retailing and Consumer Services, 29, 92-103	Marketing strategies, perceived risks, and consumer trust in online buying behaviour	Quantitative / statistical methods	*"The formulation of product and e-channel related consumer trust, and the extent to which it is influenced by perceived financial, performance, security and time loss risks"*

Stephen, 2016	Current Opinion in Psychology, 10, 17-21	The role of digital and social media marketing in consumer behaviour	Qualitative/ theoretical paper	*"Five themes are identified in consumer behaviour on social media marketing: (i) consumer digital culture, (ii) responses to digital advertising, (iii) effects of digital environments on consumer behaviour, (iv) mobile environments, and (v) online word of mouth (WOM)"*
Aschemann-Witzel, Jensen, J. H., Jensen, M. H., and Kulikovskaja, 2017	Appetite, 116, 246-258	Consumer behaviour towards price reduced suboptimal foods in the supermarket and the relation to food waste in households	Quantitative / statistical methods	*"Favorably supporting consumer consideration in-store, sales of price-reduced suboptimal foods might be increased, and the likelihood improved that they are consumed in the household"*

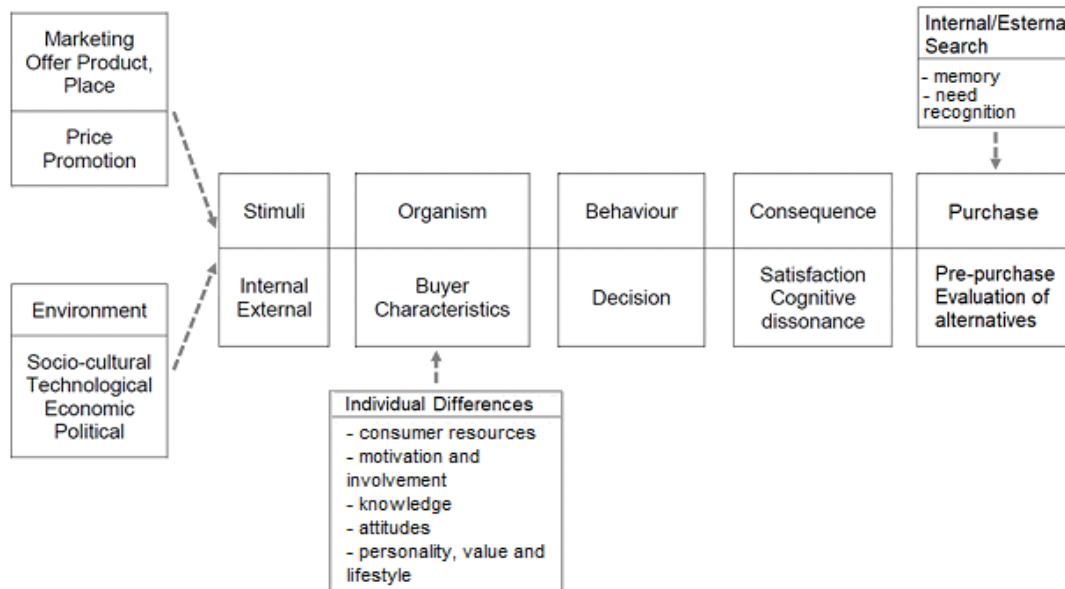Source: own elaborations.

2.2 The antecedents of purchase intentions

Traditionally, the term intention is defined as the antecedents that stimulate and drive consumers' purchases of products and services (Hawkins and Mothersbaugh, 2010). One of the most common approaches undertaken by marketers in gaining an understanding about consumers' actual behaviour is through studying their intentions (Blackwell et al., 2006; Ghalandari and Norouzi, 2012). Kim and Pysarchik (2000) have demonstrated the existence of a strong correlation between these two respective constructs. Hence, they assert that purchase intention serves as an alternative for measuring consumers' purchase behaviour. Therefore, consumers' intention toward a behaviour has remained the central focus of well-known theories like theory of reasoned action (TRA). This claim is also supported by Azjen (1991) who mention that intention is the factor that motivates consumers and in turn influences their behaviour. It reveals how hard consumers are willing to try, as well as the amount of effort they intend to exert for performing a respective behaviour. According to them, the probability that a behaviour will be performed by individuals largely relies on the strength of their intentions. When the intentions of performing certain behaviour are strong, there are higher likelihoods that the respective behaviour will be performed. Purchase intention or referring to willingness to buy is widely defined as the likelihood of a consumer to purchase a product or service (Dodd and Supa, 2011; Sam and Tahir, 2009). It is also being defined as a conscious plan made by an individual to try to purchase a brand (Spears and Singh, 2004). The concept of purchase intention is rooted in psychological and is extensively used in behavioural studies (Dodd and Supa, 2011). Purchase intention is being characterized as a behavioural tendency that the consumer will purchase the product (Monroe and Krishnan, 1985) and as an important indicator for the actual purchasing decision (Tan, 1999). This statement is then further supported by Li, Davies, Edwards, Kinman and Duan (2002), stated that purchase intention is a common measure that usually employed to assess effectiveness of purchase behaviour. Purchase intention is planning to buy certain goods or services in the future, not necessarily to implement the purchase intention due to it is depends on individual's ability to perform (Warshaw and Davis, 1985 in Qun et al., 2012). According to Blackwell et al. (2001), what is cross in the customers' mind signifies intention to purchase by them. The similar researchers state that consumers will go through the process of recognized the product to purchase, then they will find the information about the product, evaluate, purchase and feedback. Therefore, they will purchase a product after making research in advance so that they will purchase right product that meet with their needs and wants. Ultimately, purchase intention is a kind of decision-making that studies the reason to buy a brand by consumer (Shah et al., 2012). Mirabi, Akbariyeh and Tahmasebifard (2015) define purchase intention as a situation where consumer tends to buy a certain product in certain condition. Customers purchase decision is a complex process.

Purchase intention usually is related to the behaviour, perceptions and attitudes of consumers. Purchase behaviour is a key point for consumers to access and evaluate the specific product. Ghosh (1990) states that purchase intention is an effective tool to predict buying process. Purchase intention may be changed under the influence of price or perceived quality and value. In addition, consumers are affected

by internal or external motivations during the buying process (Gogoi, 2013). Researchers have proposed six stages before deciding to buy the product, which are: awareness, knowledge, interest, preference, persuasion (Kotler and Armstrong, 2010) and purchase (Kawa, Rahmadiani and Kumar, 2013).

Fig. 1: A model for systematization the literature on consumer behaviour and purchase intentions

Marketing Offer Product, Place				
Price Promotion					Internal/Esternal Search - memory - need recognition

Stimuli	Organism	Behaviour	Consequence	Purchase
Internal External	Buyer Characteristics	Decision	Satisfaction Cognitive dissonance	Pre-purchase Evaluation of alternatives

Environment

Socio-cultural Technological Economic Political

Individual Differences
- consumer resources
- motivation and involvement
- knowledge
- attitudes
- personality, value and lifestyle

Source: adapted from Mehrabian and Russell, 1974.

3. Methodology

In recent years, researchers in marketing psychology have increasingly become interested in short-term processes and everyday experiences of working individuals. Diaries provide the necessary means to examine these processes (Ohly, Sonnentag, Niessen and Zapf, 2010). Although, diary studies have become more popular in recent years, researchers not familiar with this method still find it difficult to get access to the required knowledge. In this paper, a diary study example is used.

The research was carried out through a qualitative method through the support of diary tool, aims to highlight what is at the base and what determines the consumer's choices. The daily diary methodology became an important tool in research on consumer behaviour (Gunthert and Wenze, 2012). In diary studies, people provide frequent reports on the events and experiences of their daily lives. These reports capture the particulars of experience in a way that is not possible using traditional designs (Bolger, Davis and Rafaeli, 2003). Indeed, is a key method used by social and personality psychologists in their research (Nezlek, 2012). The consumer's diary (Bolger et al., 2003) used has a guided structure and consists of four information areas (see appendix) that describe the daily purchasing activity of the interviewed. At the end of each day, during a 30-day observation period, the latter completed the pages of the diary, providing the information requested in the specific information fields. Specifically, the process of daily spending of 10 individuals (responsible for the purchase of their own family group), which live in the province of Naples (in the Campania region) in relation to the categories of food products, detergents and body care was analyzed. For a period of thirty days starting from the month of January 2017 the respondents (table 2) have compiled a diary answering specific questions about which products were purchased in that day, where and why they had bought them and finally what they had learned on that day in make purchases. Specifically, at the first question the respondent had to indicate the store's type that he had visited making daily purchases.

Operatively, it was necessary to indicate if they had made purchases: in small traditional specialized areas (such as butchers or greengrocers), in sales areas without fixed physical structure (such as local markets or street vendors), in large modern distribution facilities and in sales platforms online,

bio-products or *farm-to-table* (Tippins, Rassuli and Hollander, 2002). In the second question, the respondent had to indicate the motivations that determined his purchase choices previously indicated. In the third part he indicated which products he had purchased (in the various sales formats) and finally he was asked to indicate any observations, advice and suggestions deriving from his purchase experience. Moreover, with the same respondents of the diaries, *in-depth interviews* (Legard, Keegan and Ward, 2003; Coombes, Allen, Humphrey and Neale, 2009; Mears, 2012) were conducted to better understand what they had described, as well as to be able to individuate new elements that did not emerge in the previous research methodology. The experience collected in the diary is not a finished product but must be considered as a raw material that must be submitted to a series of complementary treatments and analyzes. The consumer's experience is considered a first version of reality and the researcher must consider the gap, deep but always existing, between the objective reality and the subjective representation of the narrator (Poirier, 1983). After this consideration, we will propose results to better understand the variables that have influenced the purchase choices over time. This represents the central objective of the work, that is the research and identification of the variables and factors involved in the purchasing process of FMCGs in grocery retailing (Fornari E., Fornari, D., Grandi and Menegatti, 2013).

3.1 The ethnographic research and diaries tool

The method of ethnographic research reflects the fact that every expression of man is independent of culture and society (Elliott and Jankel-Elliott, 2003). There are four characteristics that distinguish this methodology: the use of diary as a tool (in appendix), the field work, the cyclic nature of data collected, the focus on culture and the immersion in culture. This latter was realized by the researcher in an indirect way, through the use of the diaries made daily by consumers. The people chosen for our research live in the province of Naples, so they have the influence of the local culture, as well as the economic and social aspect of the Campania region. The researcher's job is to try to record, in an orderly manner, how these subjects behave and how they explain their behaviour acquired from their point of view influenced by their culture of belonging. This study was implemented, as was mentioned above, using the monthly diary where everyone had to list the purchase choices and underlying motivations, as well as what he had learned during these daily actions. Grounded theory scholars (Strauss and Corbin, 1994) argue that it is important to prevent preconceived ideas from diverting data collection. There is in fact the danger of grasping from the field only what the interpretative project suggests due to an excessive theoretical articulation of the cognitive question. This can be avoided only if the members of the culture under study can oppose the researcher's prejudices. For example, through the systematic use of verification procedures (such as interviews and focus groups) and the solicitation of comments by these people about the interpretations made by the researcher. The diary represents a qualitative methodology research (Biggerstaff and Thompson, 2008) that focuses on individuals, and specifically, on their experiences. The goal is to report in textual form: the thoughts, ideas, attitudes and perceptions of the respondent (Gunthert and Wenze, 2012). This research approach emphasizes human behaviour and social interaction, exploring the quality of a phenomenon rather than quantitative aspects. As mentioned, the purpose of the qualitative methodology (Silverman, 2013) is to develop new knowledge based on the beliefs and experiences of the participants and not on predefined hypotheses to be verified. It is inductive rather than deductive and is interpretative rather than predictive. The structure is generally flexible and therefore requires the researcher the ability to change and adapt the research process in accordance with emerging results.

The qualitative methodology is therefore different from quantitative research as it is characterized by a certain flexibility throughout the research process (Denzin and Lincoln, 1994). Through the diary, the person in charge, describes in the form of free narration, all the information deemed relevant for the research or for the understanding of the event to be described. It is essential that the diary is not drawn up with the intention of objectively reporting what is happening, but that on the contrary it brings the event and the point of view of the narrator/observer as faithfully as possible. The fundamental problem of observation is objectivity. This objectivity is approached through the internal world of the observer, which is not intended as an indifferent recorder of events, but a set of thoughts and feelings that enter the cognitive process and whose reading code can be broad, open to possibility and to the different or vice versa, closed and prejudicial (Bion, 1962). The narration (Elliott, 2005) in the diary refers to a specific

temporal sequence that coincides with the observation period. In the specific case, this is a 30-day text that should contain all the elements to reconstruct the temporal sequences useful for making an ex post reflection on the purchasing experience. To understand an emotionally complex and not easily interpretable phenomenon as the choices of consumers, there is the need to adopt methods that are less rigid and objective. By entrusting to a person, the compilation of a diary of their emotions to record all the episodes experienced, it is possible, unlike a questionnaire, to limit the negative effects of retrospective memory and to have information in progress, even if obviously not they can completely cancel the distortion effects deriving from self-observation (Gephart, 2004). The diary can be structured in different ways, with more open/closed questions or a mix between the two choices, as done in this work. Or, it could focus more on the quantification of the emotional experience than on investigating personal reworking from the qualitative point of view. Reporting through the diary is a research methodology that collects qualitative information about specific activities or specific experiences of the study in question.

This data collection uses a longitudinal technique, i.e. it studies the same variables over a period so this research tool, although not able to provide detailed results as it happens in a real field study, can offer a great deal of information context without having to bear the costs of the latter. Therefore, the advantages of the studies mediated by the diary are numerous. In fact, they allow the collection of longitudinal and temporal information, reporting of contextualized events and experiences, determining the antecedents, the correlations and the consequences of everyday experiences. In compiling the diary in question, the person in charge had to answer 5 questions, namely: 1. *"Where did you buy, in which store?"*; 2. *"Why did you buy in that store?"*; 3. *"What categories of products did you buy?"*; 4. *"Why did you buy those products in the shops indicated above?"* and 5. *"What did you learn today in making purchases?"*. Basically, the first and third questions are quantitative (on visiting frequencies) since they are useful to indicate a habit as they specify the categories, the types of purchases and the chosen distribution formats. The other questions are more qualitative and are useful for understanding the reasons behind the purchase decisions. Through the analysis of the answers reported in the 30 days we aim to better understand the purchasing behaviour of the consumer (of food and chemicals products) and what determines his choices, perhaps to confirm or disprove the theories currently shared.

A continuum marked by regularity and constancy, through repeated questions and answers. The diary filled in during the participant observation, later becomes a datum to analyze. To complete the work with the samples, it was decided to use a final interview with all 10 respondents to better understand some aspects not highlighted in the diaries. It becomes fundamental in data collection, verify truthful and relevant information, the openness and confidentiality of the subjects, the spontaneity and the sincerity of the discourses and responses of the individuals.

Tab. 2: Characteristics of survey sample

| Profile	Gender	Age	Working status	Household composition
1	F	45	*Psychologist*	5 (*persons*)
2	F	50	*Secretary*	4
3	F	40	*Housewife*	4
4	F	50	*Housewife*	4
5	M	42	*Professor*	1
6	F	44	*Housewife*	5
7	F	31	*Housewife*	3
8	F	40	*Housewife*	4
9	F	32	*Housewife*	4
10	F	59	*Teacher*	5

Source: own elaborations.

3.2 Content analysis: axial coding and in-depth interviews

The content analysis associated with a rather broad and heterogeneous set of methods and tools, can be considered as a family of techniques (belonging to the social science domain) oriented to the study of empirical manuscripts that we can define "informant documents". The content analysis, done on the diaries (and on subsequent in-depth interviews) has in its scope the production of valid and reliable inferences (Stemler, 2001), following an abductive approach (Timmermans and Tavory, 2012). Content analysis is therefore a research methodology that identifies in an objective way certain characteristic present in a text that in our case are represented by the analysis of the diary, for the quantitative questions present in them.

4. Findings

Figure 2 highlights the frequency of monthly visits by respondents in the various distribution formats (both for the purchase of food and chemical products). In order we have: 1. small specialized and traditional areas, such as butchers, bakeries, delicatessens, greengrocers; 2. sales areas without a fixed physical structure, such as local markets, street vendors and fairs, 3. large structures and stores chain of modern distribution (e.g. supermarkets and hypermarkets) and 4. online purchases, bio and farm to table products.

*Fig. 2: The distribution format preferred by the sample*
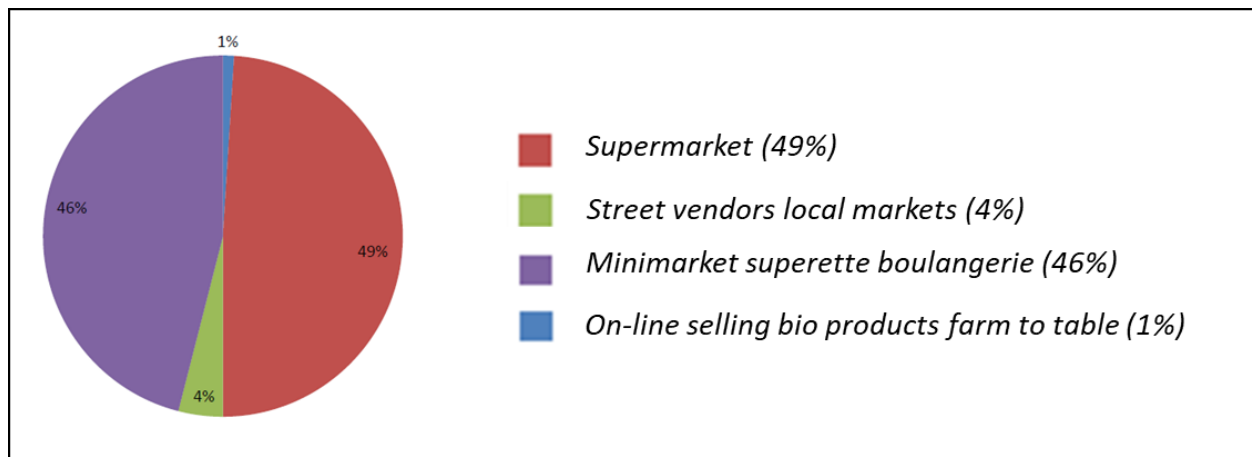
Source: own elaborations.

Each interviewee visited the small traditional specialized areas 138 times a month, the surfaces without physical structure only 12 times and the large surfaces of modern distribution even 147 times[1]. Traditional shops, although they are more easily accessible and cover a greater part of the territory in question than modern distributors, are visited less frequently. It must be said, however, that for the purchase of fresh counter products such as meat, fish, fruit and vegetables are made for all ten respondents more in the traditional format of proximity. This is important because it represents a strategic lever for the innovation of the internal layout of retailers who want to attract also this type of clientele (or to re-create the corners of traditional shops inside the supermarket in terms of customer's experience and trust with the consumer). On average, the supermarket is visited for the food purchase and chemical products (for example, household cleaning and personal care products) almost once a day. This confirms that consumers' buying habits are changing, and the traditional trust store under the house is completely giving way to supermarkets and hypermarkets, especially about the cost of canned food and other shelf products such as pasta, sauces. ready, legumes, biscuits and drinks (figure 3). In all 10 cases, the cost of these products is in fact greater in these formats and in two cases even in an exclusive manner. Non-food

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[1] The share of visit is calculated on the total of 300 potential gross visits of the 10 respondents, in the period t in question (that is, 30 days).

items, and therefore chemical products for personal care and home care, are purchased for 3 people out of 7 exclusively in traditional shop while the other three people rely exclusively on large-scale retail chain. This data implies that the choice of format for these products is linked to purchasing habits and that is why it never changes supplier. The last type of distribution format, such as online and bio products, was used in the month considered only 3 times by a single person of the 10 in question. Even less the organic and finally the format farm to table have never even been chosen. It is therefore clear that the revolutionary wave of online sales and people's awareness of the environmental impact of products has not yet fully influenced the analyzed samples, which are still linked to traditional formats and large retail chains. In these specific cases, according to the interviewed samples, one can does not enjoy the convenience and peculiarity deriving from online shopping because of the lack of practicality with the IT tool and for the delivery times that are not yet immediate.

Fig. 3: purchases by product category
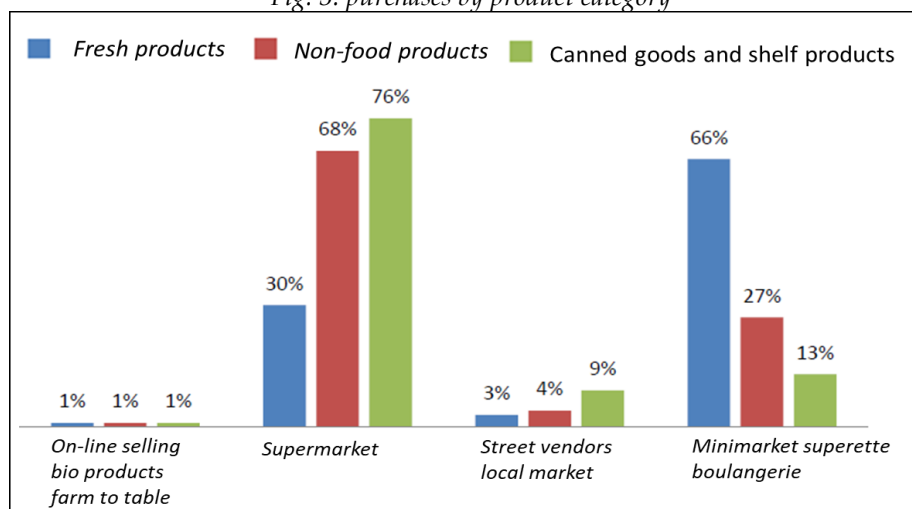
Source: own elaborations.

After examining the quantitative data, an *axial coding* (Kendall, 1999) was made on the answers concerning the qualitative questions. Specifically, the compilation of diaries foresaw questions in relation to the reasons underlying the choices of distribution formats and products purchased. One of the most commonly used qualitative research tools is typically the interview, which can be structured in different ways. The type that has been used in this research is specifically that semi-structured (in which there is a scheme that defines the main themes) but their order of treatment is not pre-established. The codification ends with the analysis of the answers (Costantino, Raffaghelli, Alvarez and Moran, 2012), starting from the recordings made on the respondents and expanding the main concepts emerged during the interview. The individual interview in depth analyzed below, is a qualitative research technique that involves a *"semi-free"* conversation between a researcher and a selected subject, during which the interviewee can freely express in detail their opinions and attitudes on a specific topic as can be its way of acting in making purchases. This technique is aimed at examining a topic from the interviewee's point of view. In the guided conversation through a discussion track composed of 5 questions, so that no aspect of the topic in question is left out, while leaving the interviewee free to express himself, the participant gets to look at himself from the outside, critically, thus being able to understand more clearly and to explain the emotions, attitudes and motivations that drive his purchase choices.

The axial coding that will be elaborated below is a process that correlates the consumer's responses to a qualitative question and through a combination of inductive and deductive thinking these answers will be linked, after a codification, to certain variables, in turn related to some macro factors. It will then rise to the level of logical aggregation to get to highlight the most interesting fields from a practical point of view that influence consumer decisions. *Axial coding* consists in the reorganization of data to reach connections between the different categories, and between categories and any sub-categories processed (Pandit, 1996). This coding is carried out through a series of procedures and comparisons. We start from causal conditions, i.e. events and events that drive the development of a phenomenon. By phenomenon

we mean the event to which a set of actions are related. Everything is influenced by the context that represents the set of conditions in which the actions take place. We continue with the axial coding of the answers to qualitative questions to understand respectively why they bought in that format and why they chose the precise products produced in that format (the summary information, resulting from the coding of the lexical correspondences in the questionnaires and in interviews transcription, are highlighted in figure 4). Starting from the question concerning the reasons underlying the choice of a distribution format, 10 variables were summarized in which the motivations highlighted by the consumer can be cataloged. These variables impact on share of wallet (SOW) of a retailer and can be classified into four factors which express the conditions that push the consumer to make certain purchasing decisions. Specifically, the tables highlight the following macro factors: staff skills, product/format characteristics and personal factors.

5. Discussion

Examining the collected data, the reliability of the sales staff, attributable to the empathy of these subjects, can significantly influence the customer's perception and the quality of the service provided. Establishing a relationship of trust becomes essential to create lasting relationships and to direct people to choose the same format and make the customer less flexible to changes in price (especially with substantial price increases). The employee availability and the trust that customers place in these subjects are the variables that fall within the "staff skills" factor which guides the choice of the consumer in 24% of cases (percentage of frequency of the lexical correspondences codified on this factor). In most cases this factor influences the choice of traditional formats such as butchers, fishmongers and delicatessens in which the internal and most familiar environment can create that atmosphere for an informal relationship between the customer and the sales staff. The products quality, promotions and price levels account for 16% in the choice of format. In the consumer's mind, the traditional shop possesses higher quality goods especially for more expensive categories such as meat and fish. Promotions, on the other hand, have a greater impact on large-scale retail channels where flyers and advertising play an important role also in relation to the larger sales area. The format characteristics impact for 29% of people consider important variables such as the assortment on the shelves, the location of the store (close to points of interest or transit areas and traffic) and the quality of service offered (for example the cleaning of the spaces or the opening in extraordinary hours). Finally, there are factors that are strongly linked to the culture of own city or to personal characteristics of each respondent. These represent complementary services and, in some cases, customized, such as the ease of parking, the possibility of home delivery or ordering the shopping by telephone (behavioural factors). Or other emerged insights such as the inquisitiveness to experiment new stores and especially the proximity of the latter to their home (or workplace) that is essential to time saving.

Fig. 4: factors influencing purchase decisions
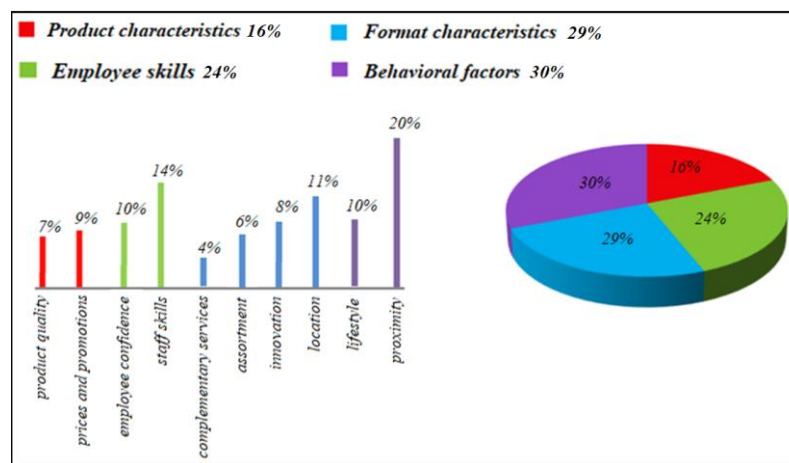
Source: own elaborations.

6. Conclusion and managerial implications

First, it can be noted that the symbolic/emotional component, which is on the rise in the studies of contemporary marketing, is not very common in respondents. Emotions, feelings, smells and atmospheres are not in fact crucial in the reasons for the choice of a point of sale by these consumers. These elements certainly influence the consumer's choices, but the latter does not consider it essential or at least cannot clearly perceive it to the point of highlighting it. On the contrary, one of the factors that are perhaps the most underrated at managerial level, but extremely important for the client, is the relationship created with sales personnel. The relationship established with the traders of the traditional structures visited habitually pushes the person to also trust the quality of the products he buys. Especially in butcheries or fishmongers, this fiduciary relationship and the intimate and almost familiar atmosphere of the store become essential factors of influence. As has emerged from both the diary and the telephone interviews in fact meat and fish, and in general all the fresh counter products that require a high level of quality to be chosen, are purchased in most cases in small traditional shops. This relationship of trust, paradoxically, is not created in the formats of modern organized distribution where instead checks on the provenance of goods are in theory closer. All this, according to what emerged from the interviews, happens because the products that are typically found in the pre-wrapped or already packed supermarket to speed up the delivery process, reduce files and confusion in the departments do not inspire confidence and do not transmit security to the consumer who instead prefers the calm and tranquility of a small traditional shop, where you can exchange a word more with the seller on the quality of the product and be reassured. In the structures of large distribution, instead, the selected samples are more likely to buy canned goods and shelf products in general, following a common logic, promotions. In fact, if for fresh products confidence in the quality of products becomes a primary factor, for this other type of products the process of spending becomes a hunt for savings. People also prefer to get away from home, perhaps to spend an afternoon in shopping centers or just to take advantage of certain discounts or loyalty cards (HILO, business model[2]), just for the desire to accumulate these products in large quantities saving on the total, perhaps even at the expense of quality.

A similar situation has emerged for the chemical products suitable for personal and household care, for which the expenditure process involves the acquisition of large quantities in a single solution to create stocks to be used the rest of the week. The expense of the latter is based on the habit and knowledge of the brand that you usually choose. In this merchandise sector, in fact, respondents rarely experimented with innovative products or different brands. Another choice factor of the point of sale, and probably the most important and determinant of all, is proximity. The proximity of a distribution format to areas often frequented by respondents (places close to public buildings such as schools, from their workplace or home) affects the choice of the store in which to purchase. So, the retailer should aim to facilitate the delivery of the service by saving time when making purchases or using a more transparent pricing strategy, where low prices are offered every day the consumer does not have to continuously compare promotional flyers or change store (EDLP, business model[3]).

Another relevant data emerging from the analysis is that related to staff skills. The competence, friendliness and availability invite the latter to choose a specific point of sale. These evidences can lead to consequences regarding the selection and recruitment methods of personnel based on character requirements and skills that go towards establishing empathy with the client. Finally, the sale on online channels for both the purchase of food products and chemicals is not very frequent. Since this is an ethnographic analysis, this is certainly closely related to the culture of the chosen locality such as the Campania region. In fact, the samples are still tied to traditional spending habits, but considering that most of the times the choices of the stores fall on proximity due to the limited time available, it may seem a paradox not to exploit the features of the network. The respondents, however, pointed out the lack of practicality with the Internet tool and this may have influenced the results of the analysis carried out at least about this of purchase methodology. In summary, there are the following considerations:

- *The head of household purchases is often a woman;*

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[2] Fassnacht, 2013.
[3] Hoch, et al., 1994.

- *canned food products are mostly bought in the supermarkets while fresh products (such as meat, fish, bread and fruit) are purchased in small traditional specialized stores;*
- *female buyers pay more attention to attributes such as layout (e.g., cleaning spaces) and store atmosphere compared to male consumers;*
- *the store location, the payment at cash desk, the assortment, the sales staff empathy and the value for money represent yet strategic levers for retailer for creating customer's value.*

7. Limitations and suggestions for future research

The first preliminary consideration to make, is that, although it is a quantitative research methodology (e.g. structured questionnaire), the data have been treated in a qualitative way, so the different references to percentages and statistical inferences are of an accidental nature to the end of the understanding of the phenomenon. The main research limitations are related to an ethnographic approach and qualitative methods (Opdenakker, 2006) during the first explorative step. The problem of ethnographic researcher with reliability is caused by the fact that ethnographic research occurs in natural setting and focuses on processes (Wiersma 1986 and Burns, 1994). The diaries are considered an ethnographic research tool, and offer us, an immersion in the local culture. But this immersion in culture is required for the researcher and not of the research subjects, in our case the respondents of the journals. It must be said, however, that the diary tool was created by the researcher both in its structure and in the content that is supported in the data collection phase.

The accurate replication is very difficult to achieve because an event in natural setting cannot be reproduced. However, this problem might be addressed by describing the methodology as comprehensive as possible so that the next researcher can reconstruct the original analysis strategies. Another problem is that replication of the findings is based on researchers' agreement so that the findings can be replicated. Wiersma (1986) and Burns (1994) claim that it's difficult to replicate the findings because ethnographic research requires an accurate description of the phenomena under study. However, the flow of information to support the accurate description might vary (Nurani, 2008). That is why one researcher will probably have thicker description than another researcher. This situation will lead to different interpretation. In dealing with this problem, the researchers must find the cause of disagreement from the description itself so that there is a chance to discuss and to resolve the disagreement. This limitation can be overcome by using procedure to enhance the external validity such as multi-site studies and variations of the research context. More replications in other industry are needed to enhance the generalizability of our findings, from retailing to other industry or in other country. Despite the limitations of the ethnographic approach, it has benefits for research in naturalistic setting such as classroom research, language learning process in a speech community, and so forth. The primary advantage of ethnography is its observational technique that allows researcher to record the behaviour as it occurs. Furthermore, it will uncover and thoroughly describe the phenomena in a community. The last advantage of ethnography research is to understand the phenomenon under study from the perspective of those being studied. Therefore, the finding is more real than a research that manipulates variables by using external experiments.

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Appendix: *The Diary of Consumer*

UNIVERSITÀ DEGLI STUDI
DI NAPOLI FEDERICO II

*Ricerca sul comportamento del consumatore
nel largo consumo alimentare e chimico*

Diario del consumatore

L'obiettivo di questo lavoro di ricerca è di indagare attraverso un "diario" il comportamento del Responsabile di Acquisto di nuclei familiari ubicati nell'area metropolitana di Napoli e provincia, relativamente alle categorie di prodotto alimentari, detergenti e cura per il corpo. La ricerca è di natura accademica ed è finalizzata ad una pubblicazione scientifica. Essa è condotta da ricercatori del Laboratorio di Marketing, sotto il Coordinamento del Prof. Luigi Cantone, Ordinario di Marketing e Strategie d'Impresa, Dipartimento, Economia, Management, Istituzioni – Università degli Studi di Napoli Federico II. Le informazioni desunte dalla ricerca saranno elaborate anche per la redazione delle tesi di laurea degli studenti Gennaro Aquino e Alessandro Pellegrino. Il "diario" ha una struttura guidata e si compone di quattro aree informative che descrivono l'attività di acquisto giornaliera del Responsabile di Acquisto. A termine di ciascuna giornata il Responsabile di Acquisto, lungo un periodo di osservazione di 30 giorni, dovrà compilare il "diario" fornendo le indicazioni richieste negli specifici campi informativi. In alcuni punti (1, 3 e 4) del "diario", il rispondente dovrà barrare specificando i campi presenti.

1- *Dove ha comprato, in quale negozio?* (Tabella 1)

Il rispondente dovrà indicare la tipologia di negozio nel quale ha effettuato gli acquisti del giorno. Più in dettaglio, dovrà indicare se ha effettuato acquisti in piccole superfici specializzate tradizionali (es. macelleria, fruttivendolo), e/o superfici di vendita senza struttura fisica fissa (es. mercati rionali, vendita ambulante), e/o grandi strutture della distribuzione moderna (es. Conad, Carrefour, Auchan), e/o piattaforme di vendita on-line (es. Amazon, Etaly, etc.), e/o vendita presso superfici specializzate nel biologico (Naturasì, Nambio, etc.) e/o a km 0 (GAS – Gruppi di Acquisto Solidale).

2- *Perché ha comprato in quel negozio quei prodotti?* (Tabella 2 e 4)

Quali sono le motivazioni che hanno determinato il comportamento di acquisto del/della responsabile (fiducia e/o empatia nel personale di vendita, e/o convenienza, e/o livello di servizio, e/o qualità dei prodotti, e/o prossimità del p.d.v., e/o fiducia nella marca dell'insegna, e/o programmi fedeltà, etc.). A solo titolo di esempio, il rispondente che abbia acquistato della carne in un supermercato, dovrebbe motivare perché ha fatto ricorso a quella tipologia di format in luogo di altre forme distributive alternative per la specifica categoria di prodotto (nel caso della carne, la macelleria e/o il mercato rionale, etc.)

3- *Quali categorie di prodotti ha acquistato?* (Tabella 3)

Il/la responsabile di acquisto dovrebbe indicarci quale tipologia di prodotti ha acquistato in ciascun dei format distributivi indicati al punto 1.

4- *Che cosa ha imparato oggi nel fare gli acquisti?* (Tabella 5)

Il/la responsabile di acquisto dovrebbe riflettere sulla esperienza di acquisto delle giornate ed indicare se ci sono delle osservazioni, suggerimenti, consigli che discendono da esigenze che non hanno avuto adeguato riscontro nell'offerta degli operatori della distribuzione (tradizionale e/o moderna) con cui è entrato/a in contatto.

Data e ora:

....

....

1- *Dove ha comprato, in quale negozio?* (barrare con una o più x e/o indicare)

Piccole superfici specializzate tradizionali **A**	Superfici di vendita senza struttura fisica fissa **B**	Grandi strutture della distribuzione moderna **C**	Vendita on-line, acquisto biologico e/o a km 0 **D**
☐ Macelleria	☐ Mercati rionali	☐ Conad ☐ Lidl	☐ Eataly
☐ Fruttivendolo	☐ Vendita ambulante	☐ Carrefour ☐ Decò	☐ Amazon
☐ Salumeria	☐ Sagre e/o fiere	☐ Auchan ☐ Superò	☐ Natura si
☐ Panificio	☐ Altro indicare	☐ Coop ☐ C.Amodio	☐ Altro indicare
☐ Altro indicare	....	☐ Altro indicare	....
....		....	

2- *Perché ha comprato in quel negozio?*

A ....

B ....

C ....

D ....

3- *Quali categorie di prodotti ha acquistato?* (barrare con una o più x e/o indicare)

Prodotti freschi da banco **E**	Scatolame ed altri prodotti da scaffale **F**	Generi non alimentari **G**
☐ Carne	☐ Pasta	☐ Dentifrici
☐ Pesce	☐ Sughi	☐ Pulizia per la casa
☐ Frutta	☐ Legumi	☐ Pulizia e cura della persona
☐ Verdura	☐ Biscotti	☐ Altro indicare
☐ Altro indicare	☐ Altro indicare	....
....	....	

4- *Perché ha comprato quei prodotti nei negozi innanzi indicati?* (barrare con una o più x)

A [E] [F] [G] ....

B [E] [F] [G] ....

C [E] [F] [G] ....

D [E] [F] [G] ....

5- *Che cosa ha imparato oggi nel fare gli acquisti?*

....

....

....

Difference between consumer preferences to choose between the traditional retailing and modern retailing

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Abstract

   The aim of this study is to understand consumers' choice and shopping preferences regarding retail format (traditional vs modern markets). Further, this study is conducted to understand the changes that are occurring in the consumers' behaviour with respect to modern retailing and traditional retailing outlets. It is noted that due to change in demographics, and an increase in families' income, urbanization, awareness through electronic and internet media has influenced the consumer behaviour to choose from modern retail outlets rather than the neighbourhood stores. Therefore, to empirically testing the phenomenon of retail format choice, a quantitative study is conducted by using a questionnaire. Collected data is analysed by using SPSS. Results has supported that there are fewer factors that favour traditional retailing and fewer which support modern retailing. However, the results show that there are many challenges that exist in modern markets and traditional markets based on consumer preferences.

1. Introduction

   This research aimed to identify those factors that influence consumer behaviour in making selection between the traditional and modern retailing in Pakistan. Many authors observed that consumers' "retail format choice is determined by age, education; dependent child, family size, and dimension of shopping preferences such as packaging of products, store environment and product price. Usually, consumers visit the modern retail store for several reasons i.e. variety, easy availability and cleanliness with an additional facility of entertainment for children and parking for cars and comfortable restaurants etc. However, unlike the upper age groups who prefer to visit compound Karana stores, the younger generation has more tendencies toward organized retail. Therefore, due to such increased competition by modern retail store many karana/traditional shops have increased size of their shops and also enhanced the merchandise in their store. Now the transformed karana/traditional shops are providing different facilities to attract the customer like credit, replacement and home delivery etc (Sinha and Banerjee, 2004).

   Indeed, retailing is changing in Pakistan and has caused a shift from traditional retailing to modern self-service-based retailing (Raja, 2011). Many studies related customer loyalty, satisfaction and purchasing behaviour to the retail format choice. The Majority of such studies have done in the Asia particularly in countries like India and Malaysia. Overall, 69% of the studies were conducted in developing countries (i.e. India, Pakistan, Malaysia, and Indonesia) and 31% conducted in Europe and America. Out of all the studies three were focused on consumers in Pakistan (ICRIER, 2005).

   Therefore, it is interesting to know what factors in Pakistan are influencing consumer choice for retail format. As in Pakistan both traditional retailing and modern retailing are working parallel. Yet it is

important to note that they are in direct competition in many ways. In the next section of literature review all the factors influencing the choice of retail format are be discussed in detail.

1.1 Research Objectives

The aim of this study is to compare the modern retailing and traditional retailing. In line with this, below are the key objectives of the study:

➢ To examine the current affairs of retailing

➢ To assess the importance of traditional retailing and modern retailing towards the customer perception

➢ To evaluate the differences of traditional and modern retailing towards the success of maintaining good relationship with the customers.

1.2 Research Questions

The problem that is addressed in the study is difference between consumer perception about traditional retailing and modern retailing. The following are the questions that will be answered in the study:

➢ What are the different factors that change retailing behavior?

➢ What are differences to settled consumer preference regarding modern retailing and traditional retailing?

2. Literature Review

The American Marketing Association (AMA, 2012) has defined retailing as " *A set of business activities carried on to accomplishing the exchange of goods and services for the purpose of personal, family, or household use, whether performed in store or by some form of non-store selling*". Similarly, Levy and Weitz (2007) defined retailing as a combination of those activities that increases value of the product and the services for the end user. Actually, retailing has both spectrum of sales of products and the sale of services (Dhotre, 2010; Levy & Weitz, 2007).

Nowadays, in developing countries two format traditional retail and modern retail exist parallel. In simple words, a traditional retail is a store recognized as a shop near to a residential area from where people buy their household needs and daily use products (Tiwari, 2009). However, the retail industry is growing massively since last decades that created a lot of competition. Therefore, the retail stores need to secure their competitive advantage to be successful. So, retailers offer different promotional activities i.e. after sales services, discounts to attract the customer (Popkowski & Leszczyca, 2000). On other hand side, a modern retail format is an outlet that is managed professionally and included both supermarkets and hypermarkets formats that offer a comprehensive experience of shopping under one roof (Raja, 2011). In other words, a retail can be termed as 'modern' if it has the features of accounting, standards and transparency, management information system, proper supply chains, quality and sourcing measures (ICRIER, 2005). In another words, it can be said that modern retailers can influence consumer behaviour and preferences of shopping (Seiders and Tigert, 2000). Therefore, traditional retail stores have to provide such facilities to the customers for satisfying and retain the customers. They may be needed to provide credit on goods, free home delivery, or a bargaining option to consumer. (Koul & Mishra, 2013).

Literature on retailing explained many reasons for customer changing behaviour with respect to retail format such as: convenient location, pricing, variety, comfort facilities and services, store environment, and ethical issues (Seiders and Tigert, 2000; Louviere and Garth, 1987; Eagle, 1984; Arnold, et al., 1983). Further, modern retail store is successful in achieving economies by modelling of 'price and cost' structures (Setala, 2000). So, they offer lower prices than traditional store and consumers enjoyed this benefit.

Similarly, Mitchell and Kiral, (1998) explained that location, travelling cost, and family size decide the consumer's utility; for example, larger families are the ones who gain the benefit from modern retailers as they offer variety with price variation. However, this situation may not be experienced in the local traditional markets. In contract, a research on consumers' preferences towards small retailers in Latin America (Andrea and Lopez, 2006) identified the reasons why consumers do not like/prefer to buy from supermarkets. Firstly, they think that they need to spend extra time and money for travelling to go to these stores. Secondly, consumers do not like the way the supermarket staff treats them. Finally,

consumers perceive that small retailers are less expensive than the larger retail stores (Mitchell and Kiral, 1998).

After the liberalization of retail sector, in 1998, the competition among modern retail stores has increased in Pakistan (Kjeel, 2003). Traditional retail format received the greatest impact of this competition. Many studies about developing countries by Reardon and Berdeque (2002), Reador et al. (2003), Trail (2006) and Reardon and Hopkins (2006) found a negative impact of modern retailing on traditional ones. The increasing number of luxurious and modern shopping centres in Pakistan causes anxiety and concerns among traditional merchants. Thus, traditional retail businessman needs to be aware of the changing needs of customers to make a good survival of them in this competitive environment (Utami, 2007). The new developments of markets have demanded retailers to change the traditional retail management structure into modern one (Utami, 2006).

In modern retailing, there is a use of modern technology to succeed over the unorganized retailers as explained in Table '1'.

Table 1: Difference between Traditional retailing and Modern Retailing

Traditional Retail Paradigm	Modern Retail Paradigm
i. "Less selecting Location.	i. "Site selection is considered
ii. Does not account for potential buyers	ii. Potential buyers continue to be predicted and evaluated
iii. Types of merchandise are not directed	iii. Types of merchandise focused and tailored to the target market
iv. There is no brand selection	iv. Strict selection of brand merchandise
v. Less attention to the supplier	v. Conduct rigorous selection of suppliers
vi. Recording of sales is very simple Profit per product is evaluated service the debt	vi. Sales are recorded and studied
	vii. Profit per product is evaluated to determine the retail mix strategy
vii. Less attention to the efficiency	viii. Sales by cash/credit card
viii. Cash flow (cash flow) is not planned	ix. Very concerned about the efficiency
ix. Finance mixed with the family finances	x. Cash flow (cash flow) is planned
x. Unplanned business development"	xi. Separate financial clear with the family finances
	xii. Business development planned"

Source: Dixit, S. (2011). Private Labels in India. An Analysis of Consumer Perception and Attitude

There are various reasons that have led to the shift from traditional to modern retailing. To build long-term customer loyalty: price, quality, retail layout, designs, promotions and customized personal service are very much needed (Algesheimer et al., 2005; Şahin et al., 2011). This study has an objective to study the factors of choice between modern retail and traditional retail. The next section discussed the factors that influence the customer preferences for buying from different retail format.

2.1 Product Variety

Baumol and Ide (1956) analysed the influenced of product variety in retailing and found that greater variety of a product makes a store more attractive to consumers. As a consumer can find any item in stores that they want to buy which increase the satisfaction. So, it can be said that the product variety influence the consumer choice to select the retail store.

2.2 Price

This factor is relating the consumer's choices about shopping outlet to product prices in terms of price fairness and affordability whether they purchase fresh food products or any other kind of products (McGoldrick, 2002).

2.3 Store Atmosphere

Now a day's people are concerned with the atmosphere where they are shopping, that is also known as the "store ambience". A store ambience is an environment that includes different types of communications, lights arrangements, music, etc., which influence customer's perceptions & emotions and ultimately purchasing behaviour. Further, an ambience can provide a pleasurable shopping experience that can lessen the bitterness of high prices for products in store. This makes shopping

comfortable for customers. The store atmosphere is an overall look that stimulates target market and invites them for purchase. Nowadays stores have become hotspots of entertainment for people. Therefore, consumer's expectation for modern retailing is accelerating day by day. Indeed, it is become important to understand the customer preferences regarding the retail store. Overall, a modern retailing has a potential to satisfy the customers and to deliver good customer's experience and improve the chances of turning a single sale into a long-term relationship (Baker, J., Parasuraman, A., Grewal, D., & Voss, G. B. 2002).

2.4 Location/Site

Few researcher described that the distance travelled also affect the customer perceptions (Loudon and Della Bitta, 1993). The time consumed to reach to a particular location usually measured as both physical and psychological effort. However, the effect of proximity of store varies with product type that is needed to buy. It is a fact that for few products and services consumers are willing to go/travel far away (Koul & Mishra, 2013; Hawkins et al., 1998; Runyon and Stewart, 1987).

2.5 Courtesy of Staff

Courtesy is a good behaviour that reflects the manners. Hutheson & Muthinho (1998) and McGoldrick, (2002) suggested that customers also refer the behaviour/courtesy of retail staff and the less price as the main variables in selecting a store.

2.6 Framework

From literature review several variables were taken under considerations that actually match with the context of this study. In this study, the variables i.e. Product Variety, Price, Location/ Convenience, Store Atmosphere, Courtesy of Staffs, and Household Income Level are measured as factors that influence the retail format choice. The proposed model is shown in 'Figure 1'.
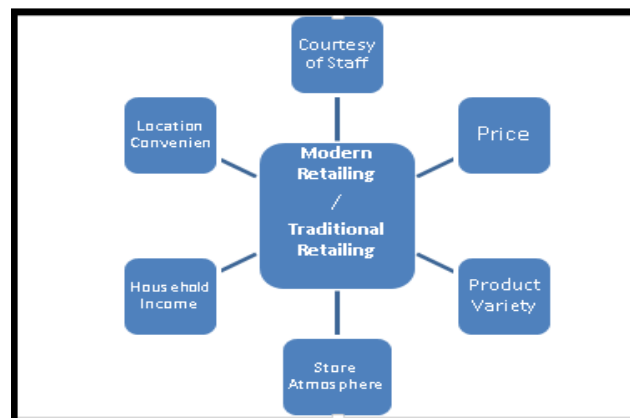

Figure 1: Propsoed Model

2.7 Hypothesis

After reviewing the literature, this study proposes the following set of hypotheses regarding the consumer's store preference for buying product.

H1: The importance of staff courtesy to the customers, leads them to choose a modern retailing outlet over the traditional retailing.

H2: The concerned for reasonable prices, made customers to choose traditional retailing outlet over a modern retailing.

H3: The more the customers prefer product variety, the more they choose a modern retail outlet over the traditional store.

H4: The importance of store atmosphere to customers, lead them to choose the modern retailing outlet over the traditional retailing.

H5: The store location convenience made customers to choose the traditional retailing outlet over modern format.

3. Methodology

As the nature of research is explanatory and time dimension is cross sectional, further research environment is field. So, this study is conducted under actual environmental condition. In this situation questionnaire is best source to collect the data. In questionnaire the respondents answered each variable on five-point Likert Scale with "Strongly Agree" dictating the highest level of satisfaction, "Strongly Disagree" as the highest level of dissatisfaction. Some demographic questions were enquired for profiling of respondents and better interpretation of responses. The questionnaire was pre-tested with a few respondents to ensure the quality of the questions.

Therefore, this study is conducted in diversely populated cities of Punjab like Sahiwal, Pakpattan and Multan while covering a large spectrum of respondents from various fields of life.

However, the sample is carefully chosen by using convenience sampling that it is a non-probability sampling. This technique helped to research to the most appropriate respondent for the research. So, the respondents showed interest to fill the questionnaire. All the respondents fill the questionnaire fairly and show good behaviour. All the respondents were well educated and experienced.

After data collection data has been entered into SPSS for empirically testing the results. Firstly, reliability was tested to make sure that items of the questionnaire are appropriate. The results are shown in 'table 2' where Cronbach Alpha of each variable is found more than 0.7 which are greater than the required Cronbach value of 0.7. So, the scales of all the variables are reliable.

Table 2: Reliability Results

Variable	Obtained values	Required values
Price	.713	.7
product variety	.717	.7
Store atmosphere	.720	.7
Location convenience	.792	.7
Courtesy of staff	.790	.7
Traditional retailing	.836	.7
Modern retailing	.897	.7

3.1 Hypothesis Testing

To know either the hypothesis is working in the current scenario or not, regression and ANOVA test has been applied. Results are discussed below, firstly the analysis for modern retailing is done and then for traditional retailing.

Table 3: Model Summary (Modern Retailing)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722[a]	.522	.503	2.39462

a. Predictors: (Constant), location, product variety, courtesy of staff, price and store atmosphere.

'Table 3' showed that 52% change in choice of modern retail format is due to Product variety, price, location, courtesy of staff and store atmosphere. According to the purpose of research ANOVA is applied to analyse the differences among group means and their associated procedures in terms of traditional vs. moderns retailing. As, in table 4 the significant value reflected that the contributing factors are significant to understand the consumer choice to select the retail format.

Table 4: ANOVA[a] (Modern Retailing)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	807.141	5	161.428	28.152	.000[b]
	Residual	739.712	129	5.734		
	Total	1546.854	134			

a. Variable: modern retailing
b. Predictors: (Constant), location, product variety, courtesy of staff, price and store atmosphere.

Table 5: Coefficients[a] (Modern Retailing)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	6.975	2.153		3.240	.002
Product variety	.086	.159	.034	.539	.590
Price	.790	.179	.316	4.427	.000
Courtesy of staff	.198	.144	.097	1.372	.172
Store atmosphere	.456	.170	.205	2.686	.008
Location	.557	.137	.309	4.056	.000

a. Variable: modern retail

Coefficient analysis explained the contribution of different variable towards main variable. Table 5 showed that there are variables that influence modern retailing to satisfy the customer. In table 5 significant values for all is 0.002,0.590, 0.000, 0.172,0.008, 0.000, and0.202;the t-test accepted criteria is +_1.96 and the calculated values are0.539, 4.427,1.372,2.686 and 4.056 .So we accepted the hypothesis 1 and 3 on the basis of significant and beta value that explained that the courtesy of staff and product variety are major contributors for modern retailing.

After studying the modern retailing and the contributing factors, below the finding of traditional retailing and its contributing factors are discussed.

Table 6: Model Summary (Traditional Retailing)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651[a]	.424	.402	3.16470

a. Predictors: (Constant), location, product variety, courtesy of staff, price and store atmosphere

Its means that 42% change in choice of traditional retail format due to, location, product variety, courtesy of staff, price and store atmosphere.

Table 7: ANOVA[a] (Traditional Retailing)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	950.493	5	190.099	18.981	.000[b]
	Residual	1291.976	129	10.015		
	Total	2242.469	134			

a. Variable: traditional retail
b. Predictors: (Constant), location, product variety, courtesy of staff, price and store atmosphere

The significant value indicated that predictors are important in the choice of retail format.

Table 8: Coefficients' (Traditional Retailing)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.137	2.846		2.508	.013
	Product variety	.561	.211	.181	2.661	.009
	Price	.450	.236	.150	1.909	.058
	Courtesy of staff	.056	.190	.023	.293	.770
	Store atmosphere	.695	.224	.260	3.097	.002
	Location	.673	.181	.310	3.710	.000

a. Variable: traditional retail

Coefficient analysis showed that there is the larger impact of price and location convince on the traditional retailing to satisfy the customer. In table 8, the calculated significant values are: 0.009, 0.058, 0.770, 0.002, and 0.000. The t-test calculation is 2.661, 1.909, 0.293, 3.097and3. 710. So, the significant value, beta value and t-value indicated the 2nd and 5th hypothesis are accepted.

Overall, the hypothesis 4 is not working in both modern and traditional retailing format that may reflect that still consumer of Pakistan is not that conscious about the store atmosphere. Store atmosphere is not the preference of consumer of Pakistan.

4. Conclusion

This research was conducted in context of Pakistan retail industry to identify the factors that influence the consumer behaviour in selection of retail store between traditional and modern retailing. Many similar studies have been conducted in the same context in different developing countries in Asia but not much data is available about consumer behaviour in Pakistan. Interestingly, the retail setting in Pakistan is changing rapidly and moving to a well-organized and developed at larger scale.

The research conducted the brief from previous literature to establish a base to understand the difference between consumer preferences to choose between the traditional and modern retailing. For hypotheses testing the data is collected from the local consumers. The research findings exposed that several factors i.e. location convenience, product variety, and prices, and courtesy of staff except store atmosphere have a significant impact on choice between traditional and modern store.

Another objective of the research is to find out the most favourable variables for choosing between modern and traditional retailing. So, the results explained that product variety and courtesy of staff are significant motivators for choice of modern retail store. Furthermore, location convenience and prices are significant predictors for choice of traditional store.

5. Directions for future

This research provided the great insight for marketers/retailers, how to attract consumer if they are running the traditional retail store or if they have modern retail store. However, in future more research needed to do to explore more variables that create preferences in selection of retail store.

6. Originality

The originality of this research is that it gives deeper insight to Pakistan changing retail setting. As research shows that consumers are switching from traditional mode to modern ways of doing shopping.

7. Limitations

- This research targeted 3 cities of Punjab; other major cities can be considered for future research.
- For comprising traditional retailing and modern retailing another dimension can be explored.

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The perception of Industry 4.0 in the managers of automobile distribution companies

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Abstract

Industry 4.0 is originated in Germany in 2011, it is focused on optimize value chain through autonomous manufacturing and through technological systems; it's related with automotive sector as a product of international highly competitive. That is how the fourth industrial revolution started. The sector is very dynamic in Asia-Pacific, Mexico and United States. The goal of this investigation is to determinate three groups with respect to Industry 4.0, which allows them to identify new technology-based business strategies. The hypothesis shows that proposed methodology is useful to evaluate adopted strategies in the business to introduce the industry 4.0.

A transverse quantitative study was realized, using multivariate statistic and a population of 16 automobiles distributors located in three adjacent cities. An instrument was designed with six variables: Process, Product, Persons, Technology, Business and Social Responsibility. With 30 items; it was validated by Cronbach's alpha and it was used SPSS V25.

Three groups were determined with similarity shown in four indicator variables in the technology stage in industry 4.0. Groups were determined through ANOVA test. The most significant variables were analyzed by groups. A characterization of the variables was realized for their interpretation.

"Process" variable got the highest value among the three groups; the perception about productive process, services that they offer, and continuous improvement are positively identified at interior of the business. Process, Persons and Social Responsibility are the highest variables of the group three.

1 Introduction

Industry 4.0 (I4.0) is originated in Germany in 2011 as Fourth industrial revolution, with its implementation pretends to optimize value chain through autonomous manufacturing and information exchange (Blanco, González & Rodríguez, 2007; Blanco, Fontrodona & Proveda, 2017). I4.0 has influence on enterprises and those who manage it, decision-making in the industry is useful through communication technology adoption, it allows developing competitive advantage in the value chain of commercialized products (Bearzotti, 2017; Joyanes, 2017; Baena, Guarin, Mora, Sauza & Retat, 2017).

The automotive industry is immersed in a great dynamism to a worldwide level especially Asia-Pacific region, in Mexico this industry has grown like no other industrial sector (Basurto, 2013). The interaction between China, Mexico and United States have made closer for the manufacturing automotive industry in a significant way, at intern level has to compete in terms of value added, inversion, salaries and productive linkage (Ortiz, 2017). The importance of the automobiles distributors has effect on the car's value chain and in the competitive level of the product, a submitted sector to multiples pressures in the international environment. In this way, automobiles distributors must perceive new competence factors in the retail sector in that they operate.

With the application of I4.0, Siemens Company managed to reduce marketing time by 30%. As well as, they got an increment of 70,000 combinations in their Ghibli automotive model and increased the efficiency of their production system, thrice more than they used to had (SIEMENS, 2019). Ford have tried to change the way of build their products through technology, these efforts have resulted in a saving of 25% of the time used to make a change within the production line (Ford, 2019).

The goal of this investigation is to determinate the perception of managers of the automobile distributors with respect to Industry 4.0 as strategic element in the chain value of automotive sector. The hypothesis shows that proposed methodology is useful to evaluate adopted strategies and introduce the industry 4.0 in the business.

2 Literature Review

The concept of I4.0 is relatively new and it is still in construction; the debate of the production's digitalization has already started, and Germany seek to take leadership in this cluster of production technology (Schoeder, 2016). The I4.0 is built by 4 fundamentals factors: intelligent solutions, intelligent innovations, intelligent supply chain and smart factory; all these topics are linked by a new technological tool called Internet of Things (IoT) (Santos, Loures, Piechnicki & Canciglieri, 2017). Although I4.0 is seen as the future of the enterprises, its application in different production process is still low (Santos, brittes, Fabián & Germán, 2018).

With I4.0 is pretended to get independent products that can be monitored since any part of the manufacturing process; furthermore, it can optimize chain value to add value to the product (Blanco, González & Rodríguez, 2007). Nowadays they are utilized electronic systems of control to increase the process capacity in automate form (González & Rodríguez, 2017; Micheli & Oliver, 2017). I4.0 has been enunciated as the integration of productive processes and related with hi-technology elements as big data, autonomous robots, simulation, integration of systems, industrial internet of things, cybernetic security, augmented reality and cloud storage (Pérez, Saucedo, Salais, & Marmolejo, 2016).

New technologies have allowed developing products and prototypes in all disciplines for their commercialization; the influence of the digitalization and 3D printing is related with I4.0, this activity facilitates the experimentation with new products (Rodríguez *et al.*, 2018). Business models have allowed giving added value to the commercialized product derived from advance and innovation technological, in counterpart, this has occasioned a product life cycle reduction, making them obsolete quickly (Cornelios & Strandhagen, 2017; López, Pereira y Alves 2017; Müller & Voigt, 2018). Intelligent manufacturing is considered as basic principle of the industry 4.0, while that smart products are considered as added value (German, Santos & Fabián, 2019). Also, I4.0 make emphasis in the digitalization, optimization, product's personalization and value-added services (Lu, 2017).

The development of a company is related with the capacity of generate competitive advantage based on innovation; in the interior of the organizations is attempted to improve processes, try with new products, as well as appropriate strategies for optimize resources (Robayo, 2016). The strategies utilized to make the enterprises more competitive, must include components such as: productive process, distribution, chain value and commercialization (Rodríguez, Balestrini, Balestrini, Romero & Rodríguez, 2002; Cocca, Marciano, Rossi & Alberti, 2018).

Business organizations have had the necessity of be more globalized, the personnel that is responsible for managing the systems of information, they have had to specialize to manage data bases, communications, language in technical knowledge to increase company's productivity (López, 2011). Enterprise competitive is so relevant that countries as Japan attracts qualified workers and international students to form themselves and be more competitive, with this action is pretended to have companies more competitive and appropriate personnel to strengthen economic business development (Méndez, 2017).

Training that is imparted in Higher education must consider the implementation of approaches related with I4.0, as automation, robotics, digitalization, internet of things, cybersecurity, big data, cloud services, 3D printing, augmented reality, information and communications technology, as well as, inclusion of new competences and the interdisciplinarity in the teaching-learning processes (Carbajal, 2017; Catalan, Serna & Blesa, 2015). Thereby, the training provides opportunities to access to new knowledge that made professionals competitive and qualified in the enterprise (Román, 2010).

Organizational Leadership in this topic of technology is hard to conceptualize, because there are multiple variables; the existing concepts make emphasis in the possibility of manage change in process productive, influencing work team and the human being's capacity to adopt technological aspects (Esguerra & Contreras, 2016; Cano & Baena, 2015; Munive, 2014). Technology inclusion in the enterprise has diversified around the world and different sectors as development and competitive (Ortega, 2014).

Nowadays the enterprises have implemented social responsibility actions as strategic part of their business model, with these actions enhance their results and generate a positive diffusion in the enterprise with a higher social acceptance; they procure to get financial positive results that is not against of politics in favor of social responsibility and environment (Setó & Angla, 2011).

3 Method

The study is quantitative of transversal type, inferential and multivariate statistics were used to identify relation among variables. Population was 16 automobile distributors of registered trademark and located in three adjacent cities southerly of the Tamaulipas State, Mexico. It should be noted that automobile distributors of the study zone are 20 and only 16 decided to participate. An instrument was designed to measure the perception about industry 4.0 for executives or business managers of automobile distributor. It is planned this way because this is part of the chain value of the automobile sector; the designed instrument features six variables: Process, Products, Persons, Technology, business and social responsibilities, with five items for each variable to give a total of 30 items, that allow to develop an own instrument. Furthermore, a control question in which the executive and business managers were asked to evaluate from his perspective the level of adoption in their company concerning the industry 4.0.

The designed instrument is an approachment to the business sector to measure the perception about I4.0 to validate it, a pilot testing was applied and was submitted to test thru analysis of alpha Cronbach with .85, Likert scale with seven answers was used. The trademarks of automobiles located in the zone, are presented in alphabetic order, as indicated: Chevrolet, Fiat-Chrysler, Ford, Honda, Hyundai, KIA, Mazda, Mitsubishi, Nissan, Peugeot, Renault, Suzuki, Toyota y Volkswagen.

The participants were the managers of the automobile distributors that provided information and they answered the questionnaire. To analyze the perception of the industry 4.0 was realized the method of k-means clustering of three groups to determine the similarity between the organization of study and the variables (Process, Product, Persons, Technology, Business and Social Responsibility). The groups were determined through ANOVA, considering the largest number of significant F-test ($p<0.05$).

To identify if the perception of the respondent coincides with the result of the study's variable measurement, it was carried out a paired t-test between the variable of control and the average of the variables reported in the survey. Statistical analysis was realized with SPSS V25 Software.

4 Results

With obtained statistical data, we were able to identify the following information: the average age of the automobile distribution companies' managers is 33.6 years old, the youngest person in charge have 20 years old and the oldest is about 45 years old. Also 37.5% are men and 62.5% are women.

Hereunder, a k-means clustering test was realized to identify groups of concessionaire based on the valued variables through an instrument, three groups were determined according to the statistic similarity presented in four indicator variables above the level of advance in the adoption strategy in the industry 4.0 (Table 1.). It's possible to observe that group 3 presented the highest values for each of the significant variables for agglutination.

Grupo	Automotive Companies
Group 1	Hyundai Tampico, KIA Avenida Hidalgo, Nissan Madero, Fiat Chrysler.
Group 2	Mazda Tampico, Ford Automotriz Tampico, Suzuki Avenida Hidalgo, Honda, Chevrolet Auto-Ideal, Toyota Tampico, Nissan Altamira.
Group 3	Volkswagen Megamotors, Peugeot, Mitsubishi Tampico, Renault Tampico, Nissan Tampico.

Table 1. determined groups according with their multidimensional distance by the k-means test

The groups are determinate through ANOVA (see table 2), considering the largest number of significant F-test (p<0.05).

Variables	Characterization of the variables	Average value for Group 1	Average value for Group 2	Average value for Group 3
Process*	Knowledge of the productive process, services that Enterprise offer, process improvement	5.90	5.26	6.16
Product	product life cycle, technology implementation in the company, Digitization's benefits.	6.50	6.40	6.68
Persons*	Personnel productivity, personnel training, strategies to improve the company	5.45	4.94	6.32
Technology	Technology acquisition, budget for technological investment, use of electronic media.	5.25	6.00	5.80
Business*	Implementation of technology, business competitive advantage, strategies for new products creation	4.50	5.14	6.28
Social Responsibility *	Processes that do not affect environment, sensitization about the importance of environment, scraps and rubbish derived of production.	5.35	5.91	6.48
* Determinant variable of the group (p<0.05) in k-mean testing.				

Table 2. Results of the groups derived of the k-mean test and the characterization of each variable.

The proposed reflective type model presents satisfactory levels of validation and reliability. The variables (Processes, Products, Persons, Technology, Business, Social Responsibility) keep characteristics of homogeneity and one-dimensionality through the factorial analysis test with varimax rotation, this test in charge of analyze to increase of the factorial loads squared for each factor and that the results tend to approach 1, while others approach 0. With this we got a clearer belonging component of each variable. For the validation-convergent, Average Variance Extracted was calculated for each variable; higher values were obtained to 0.55 above 0.5, which is the minimum value recommended (Hair, 2016). See table 3.

Factor	Rotated component matrix, (*Varimax*)	AVE
Process	-.108	0.55
Products	-.060	
Persons	.415	
Technology	.859	
Business	.798	
Social Responsibility	.787	

Table 3. Rotation matrix Varimax y AVE by construct.

As part of the procedure is estimated Variance Inflation Factor (VIF), it indicates that does not exist multicollinearity between pairs of constructs or independent factors, getting a maximum value of 3.05 (Chen, 2012), see table 4.

Factor	Tolerance	VIF
Process	.459	2.18
Products	.656	1.52
Persons	.339	2.94
Technology	.430	2.32
Business	.391	2.56
Social Responsibility	.327	3.05

Table 4. Tolerance and VIF by construct.

To measure the perception of the respondent with the result of the variables, a paired sample t-test was necessary to realize between the variable of control and the average of the variables reported in the survey, the results showed that response to the control variable does not correspond to what was answered for the study variables. That is to say, that the perception of the respondent doesn't correspond to the reality of the company, see table 5.

Analyzed variables	Significance
Control	.045
Average Variables	

Table 5. paired sample t-test between the variable of control and the average of the variables reported in the survey

5 Discussion and conclusion

Three concessionaire distributors of automobiles groups were identified through the application of a measure instrument and evaluated by k-means clustering test. The organizations were integrated as indicated below, group 1: Hyundai Tampico, KIA Avenida Hidalgo, Nissan Madero, Fiat Chrysler; group 2: Mazda Tampico, Ford Automotriz Tampico, Suzuki Avenida Hidalgo, Honda, Chevrolet Auto-Ideal, Toyota Tampico, Nissan Altamira; group 3: Volkswagen Megamotors, Peugeot, Mitsubishi Tampico, Renault Tampico, Nissan Tampico.

For the discussion we analyze the most significant variable by groups. The variable "process" got the highest value in the group 3, this indicate that the perception about productive process, offered services and continuous improvement are identified positively into groups company; however, it can be seen that the variable was evaluated differently by the members of each group analyzed. There is similarity with the expressed by Da, Xu & Lí (2018) indicates that the standardization of processes of a global way would be ideal for industry 4.0 but the problem is while internet of things keeps growing, it would be difficult to standardize production process.

With regard to the variable "Persons", the highest value is identified in the group three, this indicate that the perception about personal productivity, personnel training, business improvement strategies are identified positively as relevant activity in their company. There is similarity in the use of technology innovation of communication strategies, focus on making more intelligent relations between users and manufacturers, it will improve the use of advanced services of the enterprise (Kamp, 2016).

Now talking about Business variable, the highest value is located for group 3, the perception about technology implementation in the enterprise,

Competitive advantage, strategies for the creation of new products, indicate positive acceptation of their implementation inside of the company. Industry 4.0 integration have complicated jumps in the SMEs, required investment of their systems are obstacle that stop their development, if this tendency continuous could affect the economy activity (Dassisti, Giovannini, Pasquele, Chimienti & Panetto, 2018). The international commercial dynamic includes companies that make up value chain and altogether are part of the product competitiveness (Huerta, 2014).

Likewise, the "Social Responsibility" variable. The highest score is located in group three, the appreciation for harmonized process that doesn't affect the environment, sensibilization about the importance of taking care the environment and waste from product control, indicate that company's activities are being better valued.

"Product" and "Technology" showed results very similar among groups. This indicate that product life cycle, technology implementation in the business and the benefits of digitization are valuated same way for the three groups of enterprises.

Something similar happens to the variable "technology", where the acquisition of technology, technological investment budget and use of electronic media, are perceived the same way for the three groups of the company. Consistent with the findings of Sueptaetrakun (2018), innovation has a positive influence on the performance of the organization, the types of technological innovation influence the growth of SMEs through the promotion of the company's technological capacity.

The companies that make up group three presented better performance for the adoption of I4.0 while those that make up groups one and two can see some limitations that place them below the level of group three.

6. Conclusions

It is indicated that the obtained results by the personnel in charge of the business automobile distribution companies, which their level of knowledge recognize and perceive favorably the issues associated with I4.0, know their product well and try to implement technological aspects such as strategies to improve and compete in this sector; this allows us to visualize that automobile dealer are very aware about their importance within chain value of the automotive sector and the high competitiveness that exists between them.

The knowledge of productive processes, the continuous improvement, implementation of new technology, personnel training, competitive advantages of the company and processes harmonized with the environment are some aspects better evaluated by the members of group three, integrated by Volkswagen Megamotors, Peugeot, Mitsubishi Tampico, Renault Tampico and Nissan Tampico. In this group, technology-based business strategies are better identified; likewise, they will have the ability to react better to competition strategies implemented in the automotive sector.

7. Limitation and address to future investigations.

This investigation works for enterprise that offer retail products as automobiles, it is focused on structure of the value chain, services and product quality; if this require utilize for other business sector could work if the enterprise have affinity in the productive process, on the contrary it have to adapt new necessities to evaluate.

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Appendix-Questionnaire

Categories	No	Questions about the activities that enterprise realize	strongly disagree 1	2	3	4	5	6	strongly agree 7
Technology –v4	16	Do you agree to acquire new technologies to improve enterprise's production and competitiveness?							
	17	Do you know the terms of basic, intermediate and strategic technology?							
	18	Do you identify if the institution has an assigned budget for the technology implementation?							
	19	Do you consider that the Company has an adequate Bandwidth to fulfill your necessities?							
	20	Do you consider that your company utilize electronic means of diffusion as a competitive differentiator?							
Business-v5	21	Can you indicate the level of technological implementation that facilitate your clients purchase in your enterprise?							
	22	Do you agree of making a novel proposal of technological base as competitive advantage in your company?							
	23	Do you consider that industry 4.0 stands out the transcendence as base of the new economy?							
	24	Can you indicate in what level you agree that technology must be strategic part of their business model?							
	25	Do you agree that organization is obligated to strategically transform for the creation of new products, services and business model oriented to a new type of client?							
Social responsibilities -v6	26	Do you agree that utilized processes in your enterprise are harmonized to do no harm the environment?							
	27	At what level does your personnel realize activities linked to the environment culture in and out of the company?							
	28	Is your company allocated resources to raise awareness of the importance of the environment?							
	29	At what level does your enterprise respects normativity in matter of industrial and environmental security?							
	30	Scraps derivates from products and services are controlled and are sheltered.							
Control question		At what level do you consider that your Company find in regard of industry 4.0							

Measuring brand loyalty of consumers towards chicken brands in the KwaZulu-Natal Province of South Africa

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Abstract

Brand loyalty is regularly categorised as one of the most vital drivers for ensuring the long-term sustainability of any organisation. Advantages of having a brand loyal customer base include lower sensitivity to price increases, lower brand switching intentions, high level of customer word-of-mouth marketing exposure and increased consumer profitability. The main focus of this study is to measure the brand loyalty of the KwaZulu-Natal consumers towards their uncooked chicken brand of choice using a validated model and its measuring instrument. The model was developed to measure brand loyalty in the fast-moving consumer goods industry but also successfully applied in agriculture, financial services and other industries. The model measures twelve of the most important antecedents influencing brand loyalty, namely perceived value, brand relevance, brand trust, repeat purchase, switching cost, brand affect, brand commitment, involvement, brand performance, relationship proneness, customer satisfaction and culture. The empirical study was conducted amongst 112 consumers in the KwaZulu-Natal Province of South Africa. A convenience sample was used to collect data through a product-specific adapted questionnaire designed to test how strongly each of the twelve antecedents relates to KwaZulu-Natal's consumer loyalty towards its chicken brand. The sample showed the appropriate adequacy, had low sphericity and were proved to be reliable as measured by Cronbach Alpha coefficients. The empirical results confirm the importance of each brand loyalty antecedent in chicken brands. This study offers the most important brand loyalty antecedents as a managerial guideline to chicken brands for consideration to implement in their customer loyalty marketing strategies.

Introduction
The South African Agricultural Sector

The South African National Development Plan 2030 has identified agriculture, mining and manufacturing as significant drivers of job creation and growth in South Africa's economy. Agriculture has the most possibilities compared to the other two sectors. Furthermore, agriculture and agro-processing are anticipated to create at least one million jobs by 2030. The South African agricultural sector is also vital regarding their role in food security, rural development and poverty alleviation (Department of Agriculture, Forestry and Fisheries, 2017:8). Employment in the agricultural segment increased by 5% to 849 000 employees in the third to last quarter of 2017 (Department of Agriculture, Forestry and Fisheries, 2017:9).

South African agriculture is confronted by increasing costs of production attributed largely to the high prices of inputs (fertilisers, seed and pesticides), electricity, fuel, mechanisation and labour. There are also additional challenges like frequent drought spells and outbreaks of pests and diseases. In the Department of Agriculture, Forestry and Fisheries' Annual Report for 2016/2017, Minister Zokwana said that the government initiated and funded drought-relief programmes worth R263 million. This followed the 2016 season was classified as one of the worst droughts the country has experienced since 1904 (Department of Agriculture, Forestry and Fisheries, 2017:13).

The regulatory agricultural environment has also changed dramatically since the onset of democracy in 1994. Government subsidies have been discontinued and commercial farmers are now more price sensitive. In addition to the rising farm expenditure, and specifically labour costs regulated by the minimum wage legislation, farming activities shifted towards mechanisation and the use of capital intensive buying behaviour of farmers (Grainger, 2018). On the political front, the announcement of President Cyril Ramaphosa in December 2017 at the ruling party's conference that Land Expropriation without Compensation was going to be phased in after the Election in 2019, are a major concern for farmers. This, in conjunction with continued pressure on land reform from Julius Malema, leader of the opposing Economic Freedom Front party, have increased uncertainty in farming (The South African, 2019). Furthermore, the uncertain safety situation on farms and high volume of farm attacks (108) and murders (57.4%) (for the period March 2017 to March 2018) also have a negatively influence farm investments (Head, 2018). As a result, investment and capital expenditure in farming is limited because farmers are unsure of their fate in the future (Bisschoff & Grainger, 2019:4).

The Department of Agriculture, Forestry and Fisheries (2018:10) also reported that the agricultural sector succeeded to contribute 2.4% to the Gross Domestic Product in 2017. The total worth of agricultural production for 2017 was valued at R277,6 billion; this is 8,4% higher than the previous year. The total worth of animal products contributed R137 billion, contributing nearly 50% to the overall agricultural value (Department of Agriculture, Forestry and Fisheries, 2018:12). The Department of Agriculture, Forestry and Fisheries is continuously aiming to implement strategies to expand the sector. Table 1 below shows some of the focus areas and accompanying forecasts of expansion in the agricultural sector.

Table 1: Expansion of the Agricultural Sector

Focus Area	From 2012	To
Increase number of Agricultural Smallholders	171,670	471,670 (2019)
Increase value-added activities of sectors	R42.5 billion	R48.9 billion (2019)
Increase the average value of annual exports	R5.1 billion	R5.8 billion (2019)
The decrease in the average value of annual imports of diesel, fertiliser and machinery	R9.6 billion	R7.4 billion (2019)
Increase the number of jobs in the sector	660,000	1 million (2030)

The ZAR traded at $14,87 US

Agriculture in the KwaZulu-Natal province

Agriculture has always been a major contributor to KwaZulu-Natal's economy, especially as KwaZulu-Natal is reckoned to be South Africa's best watered province and boasting 6.5 million hectares of high-quality agricultural land. The area between Pietermaritzburg and the Drakensberg, known as the Midlands, is regarded as the heart of the province's agricultural area. The North Coast region is another area of importance where several national leading agricultural products are produced. Some 82% of the province's agricultural land is fit for extensive livestock production, while 18% of this region have arable land. Even though KwaZulu-Natal covers a small portion of South African borders, a substantial proportion of the nation's small-scale farmers are based here. The diversity of the province's agriculture is also of note and relates to the patterns of the province's topography. KwaZulu-Natal has specialist capabilities in several agricultural products as a result of its decent and reliable rainfall throughout the year and its fertile soils (KwaZulu-Natal Top Business, 2018). The main focus of KwaZulu-Natal's agricultural sector consists of the following:

- Horticulture: Sub-tropical fruits, especially bananas, pineapples, cashew nuts, potatoes and other vegetables.
- Crops: Sugar and maize
- Forestry: Black wattle, SA pine, eucalyptus, saligna and poplar.
- Animal husbandry: poultry, beef, sheep (mutton and wool) and pigs (KwaZulu-Natal Top Business, 2018).

Problem statement

The South African uncooked chicken market, consisting of chicken pieces and also whole birds, is affected by feed cost that have increased significantly. The cost of feeding a chicken has increased by 157%

from 2001 to 2012, while the selling price of a chicken remains under pressure due to cheap imports. During the same period, chicken prices have risen by only 61% (Davids et al., 2015:73). To survive and remain competitive, South African chicken producers are forced to continuously improve on efficiency and constantly generating new competitive strategies to attract new customers and maintain their current customer base (Esterhuizen, 2006:1). One such strategy is to effectively brand chicken products and target the different brands to specific market segments to acquiring a competitive advantage by creating a brand loyal customer base (Jandaghi et al., 2011:153). Kyriakidis and Rach (2010:7) among many other strategist's state that there are many advantages in creating brand loyal customers. One such advantage is that such customers are usually less sensitive to price escalations of and loyal customers are also prepared to pay a premium price to obtain their brand of choice. By creating a strong brand and loyal customers, brand management can become a strategic thrust toward profitability. However, to effectively manage a brand and its loyalty, management must measure the levels of brand management across several key brand loyalty indicators (Moolla and Bisschoff, 2012a:342). This is where the problem in the chicken industry lies. There is no tailor-made model to measure brand loyalty in the chicken industry.

This study then proposes to address the above problem by using a South African brand loyalty model developed for the fast-moving consumer goods industry, to measure the brand loyalty of uncooked chicken brands in KwaZulu-Natal.

Objectives of the study
1. The primary objective of this study will be to measure the brand loyalty of KwaZulu-Natal consumers towards their chicken brand.
2. The secondary objectives are to:
3. Confirm the statistical validity of the twelve brand loyalty antecedents;
4. Measure the brand loyalty of KwaZulu-Natal consumers; and to
5. Determine the reliability of the collected data.

Research methodology
Research design
This study employs both a literature and an empirical research study. The literature study consists of two definite sections, and as a prelude first aims to explain the role of poultry in the country and then in the province of KwaZulu-Natal. The literature then focuses on theory to support a holistic understanding of the twelve brand loyalty antecedents that are used to measure the brand loyalty of customers. The South African twelve-antecedent model to measure brand loyalty, developed by Moolla (2010), is discussed.

A quantitative research approach was followed to collect data. The research was done in a predetermined manner, using a questionnaire that was developed and distributed online via a snowball sampling technique to consumers. Data were automatically captured once the electronic questionnaire was submitted online.

Questionnaire development
The questionnaire, developed, validated and applied by Moolla (2010), uses twelve antecedents that influence brand loyalty. The rationale behind using this questionnaire is to test how strongly each of the twelve antecedents relates to KwaZulu-Natal consumers' brand loyalty when it comes to their chicken brand of choice. The questionnaire also collects demographic information (age, gender and ethnicity), household income, chicken brand of choice and the relevance of certain factors believed to influence brand loyalty of customers in addition to measuring the brand loyalty antecedents *customer satisfaction, brand trust, involvement, commitment, brand affect, brand performance, culture, brand relevance, repeat purchase, perceived value, relationship proneness* and *switching costs* (Moolla and Bisschoff, 2012b). Although the model was initially developed to measure brand loyalty in the fast-moving consumer goods (FMCG) sector, its validity was proven across a number of industries such as pharmaceutical products (Du Plooy, 2012), the banking industry (Scholtz, 2014) and farming supplies (Wiese, 2014) and especially in agricultural applications (Wiese & Bisschoff, 2015). Furthermore, in support of the Moolla model, a study by Do Vale and Duarte (2013:31) included frozen foods in their classification of FMCG products.

The questionnaire contains five demographic variables (adapted specifically for the poultry industry), and 50 measuring criteria that measure the 12 brand loyalty antecedents on a 7-point Likert scale ranging from *Strongly Disagree* (1) to *Strongly Agree* (7).

Sampling procedure, data collection and analysis

The population consists of consumers in KwaZulu-Natal Province. This population was specifically selected to measure the brand loyalty of a specific geographical area that can be targeted in marketing strategies. A convenience snowball sampling strategy was followed. The sampling strategy allowed the population to recommend other consumers to form part of the study. The distribution was done by using a direct approach. This entailed contacting the marketing departments of various KwaZulu-Natal based radio stations and KwaZulu-Natal's based forums via email, social media platforms like Facebook and Twitter, and instant messaging applications such as WhatsApp and Facebook Messenger. Given the specific constraints regarding the timeframe of the study, 112 completed and usable responses realised. The Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test of sphericity were used to determine the sample adequacy statistically. A Kaiser-Meyer-Olkin value of 0.77 indicates that the sample was adequate, while Bartlett's test showed minor sphericity of the data (<0.05). This means that the data was suitable for analysis (Field, 2009:659). Statistical analysis comprised the IBM Statistical Package for Social Sciences (V25) (IBM SPSS, 2018).

Assumptions

Two assumptions were made about the physical form of a chicken and the brand of choice:

1. Any frozen chicken product in the form of raw meat, where a brand can be linked to that specific product.
2. Most probable link to a specific brand would be through the clearly demarcated trademark found on the product's packaging.

South African Poultry Industry

The poultry sector of South African has grown from what was, in essence, a backyard industry, to the established, effective and vastly productive commercial operations we see today. According to the South African Poultry Association (SAPA, 2018:5), the poultry sector remains the largest single contributor to the South African agricultural sector. In the year 2016, poultry production was responsible for 18% of the total agricultural gross value and more than 39% of animal product gross value. The sector offers direct employment for more than 47,000 people and employs another 59,000 people indirectly (SAPA, 2018:5).

The South African meat market is being dominated by chicken. This consuming rate has grown at such a tempo over the last decade, enforcing the poultry industry to improve and expand production. South African citizens consume more chicken than it is producing, forcing South Africans to rely on imported chickens to meet the demand. Figure 1 shows the relationship between South Africa's production, consumption and imports for 2016. Regardless of this development, the broiler industry was classified as an industry in distress by the South African Department of Trade and Industry (Davids et al., 2015:71).
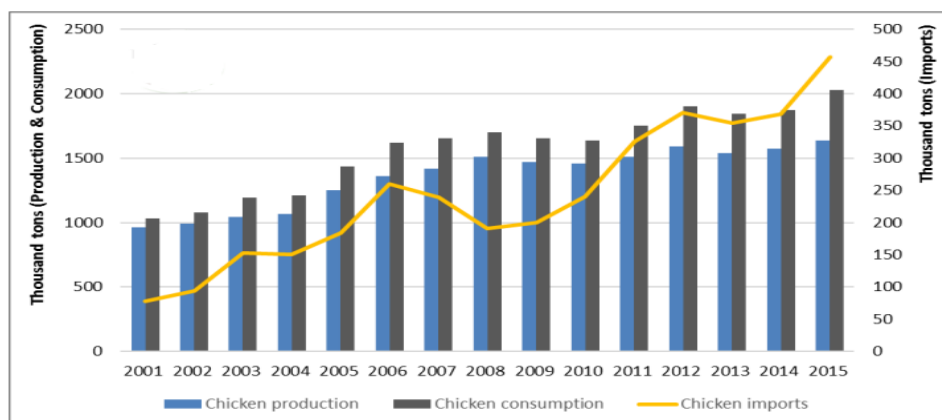
Figure 1: South African Chicken production, consumption and imports: 2001 – 2015 (BFAP, 2016:13)
The South African poultry industry faced many challenges in the past decade, including:

Chicken producers have been under pressure for the last couple of years as feed cost has increased significantly. The broiler industry, a net importer of chicken, is cohesive into international prices and markets. From 2001 to 2012 the cost of feed has increased by 157%, while the chicken price was kept to a low due to cheap imports. During the same period chicken prices have increased by only 61% meaning that the only mechanism to remain sustainable was by improving the efficiency and technology of production (Davids et al., 2015:73). Figure shows the average feed prices for broilers from 2001 to 2017. The price of soybean oilcake remains an essential aspect underlying the overall prices of feed and influencing the competitiveness of the broiler producers. About 18% of a broiler's weight is contributed by soybean oilcake. While South Africa has started increasing its volume to yield more soybean cake locally, they remain a net importer of soybean oilcake. Both Brazil and the United States of America are net exporters of soybean oilcake, inferring that the price of South African soybean oilcake trades at import parity levels, whereas Brazil and the USA can trade at prices of export parity levels (Davids et al., 2015).
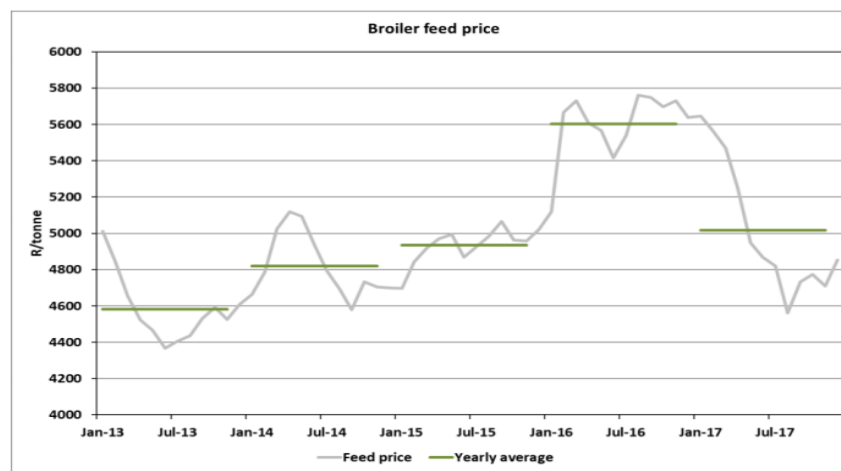
Figure 2: Average Broiler feed prices (SAPA, 2018:5)

The loss of thousands of jobs and revenue around R900m was given in exchange for South Africa to continue as the recipient of American's African Growth and Opportunity Act (AGOA). This agreement includes duty-free exporting of thousands of products to America, one of the biggest economies in the world. South Africa's exports account for 70% of AGOA's (non-fuel) products justifying the decision by the government to remain a part of AGOA's R43.5bn foreign exchange earnings. Part of the agreement was the "dumping" of 65 000 tons of bone-in brown meat pieces under normal importing obligation. At the time of the agreement, SAPA's CEO Kevin Lovell, said that it was potentially destructive to the poultry industry (Weavind, 2015:24).

According to SAPA, cheap EU poultry products were imported to South Africa at a price that local producers could not compete with. The government had established two task teams to urgently investigate the situation within the South African poultry industry to prohibit further job losses or farm closures because of dumping and uncompetitive practices by the EU, Brazil and the United States. In all practicality, cheaper chicken imports are supposed to be advantageous to the consumer (Department of Agriculture, Forestry and Fisheries, 2017:13-14).

In 2017, veterinary authorities in South Africa declared an outbreak of the highly pathogenic avian influenza (HPAI). This resulted in import bans from South Africa's neighbouring countries, 1300 lost jobs, and a loss of R954 million for the industry (Department of Agriculture, Forestry and Fisheries, 2018:14-15).

Dunn (2017:1), interestingly, mentions that imported chicken has reached a level where South Africa's harbours are having trouble in handling the import volumes. This is an aspect that could allow the local industry to utilise its surplus capacity to fill the logistical gap. He further believes that South Africa can take advantage of the global growth in the broiler industry by making use of the opportunity to enter the export market. The poultry industry's constant pleas for tariffs in support has so far fallen on

deaf ears and the industry hopes to stimulate growth and job creation in the following years while still allowing fair trade with exporting nations (BFAP, 2016:104).

In a global context, competitiveness has become of prime importance for commercial producers with most countries protecting their trades by enforcing large tariffs. When dealing with such level of competition on an international scale, the significant risk of countries such as the EU, USA and Brazil, being able to dump their surplus or undesired meat in unguarded markets such as South Africa becomes a reality (BFAP, 2016:54). Chicken's role of supplying the South African market with a desirable and reasonably priced form of protein is contributing towards the strived level of food security (as stipulated in the Constitution of South Africa that South African citizens have a right to access adequate and reasonably priced food) (Davids et al., 2015:71). Laroche and Postolle (2011:1) argue that a country's basic foods needs cannot depend on imports and that long-term food security should rather be constructed by growing its local production while protecting this industry by implementing proper policies.

Chicken brands

It is important to understand what the concept "chicken brand" means in this study. The commercial chicken industry is no different from other chicken industries worldwide, and the product is generic. Here Scholtz (2014:1) states that one of the most important differentiators between brands reside only within the perception of the consumer whereby he or she differentiates a specific chicken product from the competitors. Chicken brands are differentiated through a specific trademark which is mostly found on the packaging of the different products. The concept "chicken brand" thus refers to the consumers' perceptions of that brand and its inherent qualities it possesses.

The relevance of brand loyalty for chicken brands

Given the competitiveness of the South African chicken market, it is crucial for businesses to not only concentrate on finding new customers but also to grow customers who are loyal to their brand. In addition, competitiveness also includes discovering ways of keeping their customers loyal (Bisschoff and Wiese, 2014:3). Holland and Baker (2001:42) mention that one of the many advantages of creating brand loyal customers includes the fact that such customers are generally less sensitive to escalations in the price of goods or services, due to the value these customers attach to the brand.

Brand Loyalty

Oliver (1999:34), at the turn of the century, defined brand loyalty as "a deeply held commitment to rebuy or re-patronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational antecedents and marketing efforts that has the potential to cause switching behaviour." More recently, Huang et al. (2016:145) took a more simplified and practical approach in their definition and articulated the sense of behavioural loyalty as follows: "a customer's continuous purchase of a brand, as well as their repeated intention to purchase it in the future".

Brand loyalty involves a consumer's commitment to repurchase a brand through constant purchase (Moolla and Bisschoff, 2015:654). Brand loyalty also exists when customers have a notable and comparative attitude towards that brand (Hill, 2017: ii). These characteristics indicate that the repeat purchase behaviour is deeply connected to trust and quality of the product and service (Chaudhuri and Holbrook, 2001:85). This means striving towards a more long-term relationship-oriented approach with customers. Singh and Pattanayak (2014:40) confirm this approach shift by adding that reputable brands invest time and money to develop new product lines, conserving brand loyalty and preserving brand identity to increase its market share. Brand loyalty must be sustainable; this should be managed explicitly because satisfaction does not lead to brand loyalty (Schultz and Block. 2015:340). Therefore, it is important for marketing managers to gain enough knowledge about the concept of brand loyalty.

Historical perspective of brand loyalty

One of the first brand loyalty definitions has been developed by Jacoby and Kyner (1973:2) and describes brand loyalty as "the biased behavioural response expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) processes." Moolla (2010:60) also used this definition and added that brand loyalty could be described as a function of both attitudes and behaviour.

Marketing researchers have in recent years shown great interest in the concept of brand loyalty, becoming one of the most frequently researched topics in the field of service marketing since 1990 (Moolla and Bisschoff, 2015:654). This interest is especially given the fact that customers with a high level of brand loyalty are least likely to be influenced by marketing campaigns of competitors (Lamb et al., 2010:385). Brand loyalty has a vital spot in business, especially inside the marketing facets of a business. Being a critical feature of a brand's value, the loyalty to it can assist a company in cutting costs on marketing expenses, having a non-sensitive customer base for price fluctuations, and it enhances an already loyal customer base to be even more loyal (Wiese, 2014:13).

According to Kuo and Hou (2017:257), a consumer is forced to classify similar brands into two kinds: the brands a consumer buys and the brands they do not buy. Brand loyalty is a complex behavioural concept. Ferrell and Hartline (2011:204) identified three brand loyalty components. They are:

Brand Recognition

Brand recognition is where a customer is merely aware of a brand, meaning the brand forms part of several other brands when the customer considers purchasing a specific product or service. This degree is considered to be the weakest form of brand loyalty.

Brand Preference

When a customer favours a specific brand over another, it is known as brand preference. The preference is, however, limited to cases where the brand is available at a point in time. This is a better form of brand loyalty, whereby a customer prefers a specific brand over an opposing brand. If the preferred brand is not available, the customer is most likely to purchase another brand.

Brand Insistence

This is the best degree of brand loyalty. The customer is so strongly insistent on a brand that the customer will pay a premium for that specific brand. This degree of brand loyalty will most likely cause the customer to go through a considerable amount of effort to acquire such a brand.

Benefits of brand loyalty

Kotler and Armstrong (2017:267) say that "a powerful brand creates equity for a company" and then define brand equity as "the differential effect that knowing the brand name has on customer response to the product and its marketing". They also mention that the characteristic of a consumer showing favour in a specific product above others is a characteristic of positive brand equity.

The increased interest in this topic shows that branding is not only a powerful marketing technique but a part of your product strategy. Branding can also be an asset to a company which must be established wisely and managed carefully (Kotler and Armstrong, 2017:267). IAS 18 of the International Accounting Standards (IAS), requires an entity to recognise a trademark as an intangible asset in the company's financial statements (Deloitte, 2017). This asset, in many cases, can be the most valuable asset on a company's balance sheet (Scholtz, 2014:11). Bisschoff and Wiese (2014:5) indicated that the benefits a company attain from having a brand loyal customer base are lodged in the value generated from the following state of affairs:

   creation of a barrier to entry for competitors;
   capability and capacity to counter the threats from competitors;
   increased turnover; and
   customers are less sensitive.

An essential benefit of satisfied and loyal customers is that these customers tend to become brand ambassadors who provide brand awareness and reassurance to new customers through word-of-mouth communication (Bianchi et al., 2014:94; Bıçakcıoğlu et al., 2018:865). Pride et al. (2009:375) state that brands have benefits for both sellers and customers. Table 2 provides a summarised synopsis of these benefits.

Table 2: Brand benefits for sellers and customers (Moolla, 2010:31)

Sellers	Customers
Identifies the company's products, makes repeat purchases easier	Helps identify products
Facilitates promotion efforts	Helps evaluate the quality of a product
Fosters brand loyalty – stabilises market share	Helps to reduce the perceived risk in buying, assures quality, reliability etc.
Allows to charge premium prices and thus experience better margins	Is dependable (consistent in quality)
Allows to extend the brand to new products and new markets	May offer a psychological reward (status symbol)
Can communicate directly with the customer, reach over the shoulder with the retailer	"Route map" through a range of alternatives
More leverage with middlemen	Saves consumer time
Is more resistant to price competition	Is easier to process mentally
Can have a long life	

Organisations use vast amounts of resources to assure the upholding of their brand through service delivery across all of their branches. Garret (2006:35) states that companies thereby put a lot of worth in the imperceptible value of word-of-mouth and free marketing that a loyal client brings to an organisation (Garrett, 2006:35). An established brand can also result in increased turnover, not only for the branded product but also on other products associated with that brand. This method of co-branding is commonly utilised to improve brand equity and to assist in reaching a wider client- and demand base (Scholtz, 2014:12).

Measuring brand loyalty

Measurement is the way to characterise success in all industries (Kyriakidis and Rach, 2010:7). Kyriakidis and Rach (2010:7) also conveyed an astonishing fact that only one third of organisations measure the performance of their brand and that the valuable managerial information retrieved about a customer's loyalty towards a specific brand can be utilised to enable brands to strategically develop, implement and maintain an effective marketing strategy within the organisation.

There is agreement under researchers that loyalty, in a marketing sense, is a very complex concept (Javalgi and Moberg, 1997:169) and that most academics utilise the compound definition of brand loyalty as proposed by Jacoby (1971:25), there is, however, little consensus on the approach to be taken when measuring brand loyalty. As brand loyalty research has become more intense, the models of measurement have been purified and representative of the goods and segments it represents. However, one of the challenges often faced by researchers is the construction of a reliable and accurate measurement tool to statistically confirm brand equity research. It becomes even more challenging when a large number of variables and products are involved. However, it is most challenging when multiple dimensions of behaviour are added when measuring brand loyalty (Moolla and Bisschoff, 2015:654).

Brand loyalty antecedents

Moolla (2010) developed a brand loyalty conceptual framework to identify the antecedents that influence behaviour related to brand loyalty. The framework was developed through literature research of historical brand loyalty models (Moolla and Bisschoff, 2012a:75) to identify the most significant antecedents that play a role in the measuring brand loyalty in the fast-moving consumer goods (FMCG) industry. Initially Moolla (2010) identified 52 influences based on brand loyalty studies by much-admired academics (Jacoby and Chestnut, 1978, Traylor, 1981, Dick and Basu, 1994, Park, 1996, Chaudhuri and Holbrook, 2001, Giddens, 2010, Jensen and Hansen, 2006, Schijins, 2003, Musa, 2005, Rundle-Thiele, 2005, Punniyamoorthy and Raj, 2007, Kim et al., 2008, Maritz, 2007 and others). He reduced this list firstly to 26 antecedents, and then finally to 12 antecedents (see Figure 3). After that the model was statistically validated using structural equation modelling. The CFI of the model is 0.82. This index signifies a fair fit as it exceeds 0.80 as index value (Bentler, 1990).

Figure 3: Moolla's brand loyalty model (Moolla, 2010:197)

Each of the twelve antecedents is shortly introduced below.

Brand Trust

Numerous definitions for trust exist, but most definitions emphasise the situational risk an individual take and the level of vulnerability the individual experiences due to the risk (Burke et al., 2007:606). According to Garbarino and Johnson (1999:70), trust can be the foundation of loyalty, due to the level of influence trust has to an individual's commitment. Moolla and Bisschoff (2012a:80) state that brand trust is grounded on perceptions that the brand is reliable and responsible for the interests and welfare of the individual. Trust in a brand is an emotional attraction to a product and forms the base of a long-term loyalty relationship. The perceived credibility and confidence of a customer towards a specific brand need to be measured in the formation of a customer's brand trust (Scholtz, 2014:21).

Brand Affect

Brand affect has either a positive or negative nature. There is a positive connection between the positive affect a consumer senses towards a brand and the willingness to buy that brand (Chaudhuri and Holbrook, 2001:81). How a brand affects customers, meaning how customers respond emotionally to their experience with a brand confirm that there is a robust relationship between brand affect and brand loyalty (Hill, 2017:12). Geçti and Zengin (2013:117) also found that brand trust has a substantial effect on brand affect. Brand affect, in essence, relates to the potential a brand has to provoke a positive emotional response within a consumer because he or she uses that brand (Chaudhuri and Holbrook, 2001:82).

Brand Commitment

Kim et al. (2008:99) view brand commitment as a behavioural intention with affective and cognitive motives. Commitment from a behavioural origin includes an emotional attachment to the brand, whereas commitment from a cognitive origin consists of motives like perceived risk or changes in the performance between opposing brands (Amine, 1998:309). Scholtz (2014:23) explains that the relationship a customer has with a brand plays an important role in the level of commitment. Evidence confirms that the lasting desire an individual has to maintain a relationship with a brand can be used as a measuring instrument to determine their commitment (Moolla and Bisschoff, 2012a:78). This level of commitment can be used as an indicator of the degree to which the brand is protected from their competition (Syed Alwi et al., 2017:401).

Switching Cost

Moolla and Bisschoff (2012a:80) defines switching costs as the costs incurred when a consumer stops buying one brand and start buying another brand of a similar product. This Switching may be caused by a change in buying behaviour of a customer, changing the environment, or when brand loyalty is low (Amine, 1998:308). High switching costs could act as a barrier to prevent switching to alternative

brands (Moolla, 2010:128). When customers are brand loyal, they are less likely to switch to another brand even when price fluctuations or other market forces come into play within their preferred brand (Amine, 1998:314).

Customer Satisfaction

The level of satisfaction that a consumer relishes is influenced by previous consumer learning and experiences about a specific product or service (Vera and Trujillo, 2017:603). When the customer's expectations are not met, the customer becomes dissatisfied; this exposes the customer to alternative products as satisfying alternatives (Scholtz, 2014:20). Here Kotler and Armstrong (2012:37) describe customer satisfaction as "the extent to which a product's perceived performance matches a customer's expectations". Brand performance is considered the main driver of customer satisfaction (Awan and Rehman, 2014:29) and the importance of understanding the specific needs of its customers is key to provide satisfying products and services (Hill, 2017:25). It is therefore evident that an organisation needs to recognise the expectations of their clients including the degree to which their product or service meets the expectations of their clients (Lamb et al., 2015:6).

Culture

Lamb et al. (2015:107) mention that culture is "the set of values, norms and attitudes that shape human behaviour, as well as the artefacts, or products, of that behaviour as they are transmitted from one generation to another". Culture forms part of the social factor that influences the buying behaviour of an individual or a group of individuals. By not considering the cultures that form part of an organisation's client base, such organisation has virtually no chance of selling their products or services to such cultural segments of the market (Lamb et al., 2015:107). Also, Moolla and Bisschoff (2012a:79) stated that family, as a facet of culture, plays an important role by indirectly (and directly) inferring trust and protection through nostalgia and continuous use. The part that family preference plays towards brand loyalty is long-established by children remaining loyal to brands used by the family.

Perceived Value

Perceived value is described as the measurement of the price a consumer paid in acquiring a specific product in comparison with the efficacy or benefits a customer experience by using that specific product (Punniyamoorthy and Raj, 2007:225; Vera and Trujillo, 2017:603). Punniyamoorthy and Raj (2007:225) further add that a high level of brand loyalty can be achieved by a high perceived value perceived by clients. Researchers highly recommend that perceived value adds to a customer's brand loyalty. Perceived value is believed to be a combination of the following components:

    Functional value;
    Emotional value;
    Social value; and
    Price-worthiness factor (Voss et al., 2005:32).

Moolla (2010:131), however, pointed out that perceived value also consists of:

    A functional value (use or performance of a product);
    An emotional value (feelings a product generates);
    A social value (product's capability to increase social self-concept); and
    The price-worthiness influence (the concept of perceived value for money).

Brand Performance

Brand performance can be defined as the customer's evaluation of product or service performance after the usage thereof (Moolla, 2010:134, Unurlu and Uca 2017:673). Brand performance is usually connected when there is an increase in sales, market share and profitability of a company (Hill, 2017:16). By creating a better brand performance than competitors, organisations can increase their market share and charge a premium price (Chaudhuri and Holbrook, 2001:81).

Relationship Proneness

Relationship proneness can be defined as a personal trait of the customer and the customer's tendency to build a relationship with a brand (Moolla, 2010:129). According to Scholtz (2014:21), relationship proneness is "the degree to which a customer will engage in a relationship with a company

selling a particular good". Relationship-prone individuals have higher levels of trust and commitment than individuals who are not relationship-prone (Kim et al., 2012:376).

Brand Relevance

Brand relevance finds application during an individual's decision-making process, whereby the individual first identifies a product or service he/she would like to acquire while the subsequent step is to find a brand that is relevant to the identified product or service (Aaker, 2012:44). According to Moolla and Bisschoff (2012a:79) consumers are ever more looking for brands with relevance to their inner reference values and brands that actually represent something or someone that can increase value to their daily lives. For a brand to acquire relevance in the mind of a potential customer, such brand needs to be noticeable and be credible in respect of the specific category of product or service (Aaker, 2012:44).

Repeat Purchase

Punniyamoorthy and Raj (2007:226) believe that a habit of buying a specific brand will lead to the establishing of brand loyalty. Cleff et al. (2018:12) also state that brand loyalty has been measured by indicators such as repeat purchase frequency or relative volume of same brand purchasing. A habit of buying a specific brand is reached after a customer endures a sequence of recurrent repeat purchases of that specific brand. This customer then formulates a habit and unlikely to change to a different brand (Punniyamoorthy and Raj, 2007:226). Chaudhuri and Holbrook (2002:43) confirm that when brand loyal behaviour is established, it is difficult to change the behaviour. This brand loyalty behaviour will enhance repeated purchasing while also consolidating a brand loyal customer base (Chaudhuri and Holbrook, 2002:43).

Involvement

Product involvement comprises an ongoing commitment from the customer regarding his/her feelings, behavioural response and thoughts to a specific brand (Gordon et al., 1998:44). Moolla (2010:130) mentions the correlation between brand involvement and a customer's purpose and behaviour. He adds that brand involvement cannot be observed as it is a level of attention a customer has towards a specific brand. Several academic studies show that customer involvement can improve brand loyalty and the direct correlation between customer brand loyalty and brand involvement (Amine, 1998:312; Moolla, 2010:131; Vera and Trujillo, 2017:602).

Results

The results are presented about the secondary objectives.

Objective 1: Confirm the statistical validity of the twelve brand loyalty antecedents of the Moolla model (2010).

Empirical statistical confirmation requires that the measuring criteria of each of the antecedents prove belonginess to the specific antecedent. This is done by factor analysis. If all the criteria load onto the specific antecedent (factor), it shows validity in that the criteria indeed measures the specific antecedent. This means that the relevant criteria measure one construct only (Field, 2009:665). However, to do so, the data must also be suitable, and here sample adequacy, sphericity and also reliability are used to determine if the data is satisfactory. Numerous researchers such as Bisschoff and Moolla (2014), Fields and Bisschoff (2013a, 2013b), Shaikh (2017), and others have successfully validated their model antecedents likewise. The criteria and its factor loadings are also shown in Table 3.

Table 3:   Business performance antecedents' suitability statistics

Antecedent	Sample adequacy	Sphericity	Variance explained
Customer Satisfaction	0.64	0.00	59.56%
Switching Costs	0.69	0.00	48.97%
Brand Trust	0.78	0.00	75.04%
Relationship Proneness	0.61	0.00	38.03%
Involvement	0.62	0.00	56.56%
Perceived Value	0.58	0.00	56.89%
Commitment	0.85	0.00	71.96%
Repeat Purchase	0.78	0.00	69.72%
Brand Affect	0.61	0.00	66.45%
Brand Relevance	083	0.00	73.14%

Brand Performance	0.59	0.00	51.24%
Culture	0.94	0.00	60.59%

All the antecedents returned satisfactory results. All 12 antecedents have very good sample adequacies (the KMO value exceeds 0.70), possess high reliability Cronbach Alpha coefficients (α≥0.70) and also explain variances that exceed the minimum requirement of 50% (Field, 2009:675) (the majority explains much higher variances; the antecedent "Legality" explains an exceptionally high variance of 91%). These satisfactory results indicate the antecedents are valid and indeed do measure what they are supposed to measure. Furthermore, the high factor loading (see Table 4) resulted in no simplification or reduction of measuring criteria. It is, therefore, concluded that the theoretical model is statistically valid and that all the criteria do actually measure the respective antecedents identified from the literature study. In practice, this means that the model is suitable to measure the brand loyalty in the poultry industry. Furthermore, it means that the antecedents and their respective measuring criteria are deemed fit to perform this measurement (Shaikh, 2017).

Table 4: Factor analysis on individual business performance antecedents

Customer satisfaction	Factor loadings	Switching cost	Factor loadings	Brand trust	Factor loadings
Q18	0.920	Q13	0.797	Q1	0.855
Q19	0.767	Q14	0.901	Q2	0.918
Q20	0.742	Q15	0.570	Q3	0.846
Q21	0.339	Q16	0.300*	Q4	0.647
Q22	0.699	Q17	0.561		
Relationship proneness	**Factor loadings**	**Involvement**	**Factor loadings**	**Perceived value**	**Factor loadings**
Q34	0.462	Q47	0.697	Q27	<0.300*
Q35	0.813	Q48	0.910	Q28	0.865
Q36	0.645	Q49	0.488	Q29	0.573
Q37	<0.300*	Q50	0.501	Q30	0.605
Q38	0.365				
Commitment	**Factor loadings**	**Repeat purchase**	**Factor loadings**	**Brand relevance**	**Factor loadings**
Q8	0.812	Q43	0.605	Q39	0.707
Q9	0.671	Q44	0.862	Q40	0.792
Q10	0.876	Q45	0.843	Q41	0.871
Q11	0.911	Q46	0.778	Q42	0.835
Q12	0.754				
Brand effect	**Factor loadings**	**Brand performance**	**Factor loadings**	**Culture**	**Factor loading**
Q5	0.818	Q31	0.676	Q23	0.792
Q6	0.877	Q32	0.377	Q24	0.807
Q7	0.437	Q33	0.515	Q25	0.476
				Q26	0.675

Omitted criteria; factor loading ≤0.30

Objective 2: Measure the brand loyalty of KwaZulu-Natal consumers.

The results about Objective 2 firstly deal with the demographic profile, and then the measurement of how important each brand loyalty antecedent is. The demographic profile shows that about the age of the respondents, 33% of them were between the ages of 31 and 40. Ages 18 to 30 years followed closely with 32%, leaving ages 40 and above with 34% of the respondents. Gender wise the respondents are fairly equally presented with 53% female respondents. Quite surprisingly, the largest ethnic group were white respondents (88%). Other ethnic groups are in the minority with a combined 12%. In a census done by Statistics South Africa (2011:28), the black African population group represented a vast majority of 86.8% of KwaZulu-Natal's total population. Although the ethnic representation of the participants is not a representative of KwaZulu-Natal's population, the mix is satisfactory for buyers of the selected brands of chicken investigated in this study to launch a targeted marketing strategy. Regarding specific chicken brands of choice, *Grain Field* is the most preferred brand with 47%, followed by *Goldi* at 21%. Regarding the income, 26% of the respondents earn a monthly household income of R40,001 and more, followed by 22% who earn between R10,001 and R20,000 per month.

The results showing the importance of the measuring criteria and their respective standard deviations are displayed in Table 5. The seven-point Likert scale was converted into percentages for easy

interpretation. The table also shows the theoretical source from which each criterion was developed. The mean percentage for each antecedent is shown adjacent to each antecedent. None of the standard deviations showed that significant differences between the views of the respondents exist.

Table 5: Importance of the antecedents and measuring criteria

Antecedent	Measuring Criteria	Literature Basis	Mean	STD DEV
Customer Satisfaction (79.7%)	I am very satisfied with the FMCG brands I purchase	Delgado *et al.* (2003:53)	83.16%	0.997
	Distinctive product attributes in FMCG keep me brand loyal	Saaty (1994:21).	76.79%	1.224
	My loyalty towards a particular FMCG brand increases when I am satisfied with that brand	Anderson and Sullivan (1993:125)	85.71%	1.040
	I do not repeat a purchase if I am dissatisfied about a particular FMCG brand	Chen and Lue (2004:26)	77.81%	1.587
	I attain pleasure from the FMCG brands I am loyal towards	Leuthesser & Kohli (1995:17)	75.26%	1.329
Switching Cost (64.7%)	I do not switch FMCG brands because of the high cost implications	Klemperer (1987:388)	65.31%	1.604
	I do not switch FMCG brands because of the effort required to reach a level of comfort	Beggs and Klemperer (1992:56)	68.24%	1.431
	I avoid switching FMCG brands due to the risks involved	Self-generated item	66.96%	1.566
	I switch FMCG brands according to the prevailing economic conditions	Kim *et al.* (2012:379)	56.38%	1.547
	I prefer not to switch FMCG brands as I stand to lose out on the benefits from loyalty programmes	Klemperer (1995:520)	58.42%	1.685
Brand Trust (82.7%)	I trust the FMCG brands I am loyal towards	Halim (2006:1)	82.91%	1.089
	I have confidence in the FMCG that I am loyal to	Morgan and Hunt (1994:23)	83.29%	1.090
	The FMCG brands I purchase has consistently high quality	Reast (2005:11)	81.25%	1.123
	The reputation of an FMCG brand is a key factor in me maintaining brand loyalty	Raimondo (2000:33)	83.55%	1.149
Repeat Purchase (63.6%)	I prefer to maintain a long-term relationship with an FMCG brand	Dwyer (1987:18)	72.83%	1.439
	I maintain a relationship with an FMCG brand in keeping with my personality	Bloemer (1999:106)	61.35%	1.669
	I maintain a relationship with an FMCG brand that focuses and communicates with me	Davis (2002:10)	63.90%	1.781
	I have a passionate and emotional relationship with the FMCG brands I am loyal to	Reast (2005:10)	56.25%	1.866

Involvement (60.9%)	Loyalty towards an FMCG brand increases the more I am involved with it	Quester and Lim (2003:29)	66.71%	1.635
	Involvement with an FMCG brand intensifies my arousal and interest towards that brand	Knox and Walker (2001:121)	62.12%	1.675
	I consider other FMCG brands when my involvement with my FMCG brand diminishes	Self-generated item	59.69%	1.584
	My choice of an FMCG brand is influenced by the involvement others have with their FMCG brand	Quester and Lim (2003:25)	55.10%	1.670
Perceived Value (78.4%)	My FMCG brand loyalty is based on product quality and expected performance	Olson (2008:246)	85.59%	1.143
	I have an emotional attachment with the FMCG brands I am loyal towards	Petromilli, Morrison & Million (2002:22)	56.38%	1.815
	Price worthiness is a key influence in my loyalty towards FMCG brands	Punniyamoorthy and Raj (2007:233)	71.17%	1.554
	The FMCG brands that I am loyal to enhance my social self-concept	Punniyamoorthy and Raj (2007:233)	55.48%	1.697
Brand commitment (66.6%)	I have pledged my loyalty to particular FMCG brands	Kim et al. (2008:111)	67.73%	1.675
	I do not purchase/sample other FMCG brands if my FMCG brand is unavailable	Self-generated item	56.89%	2.009
	I identify with the FMCG brands that I consume and feel like part of the brand community	McAlexander et al. (2002:18).	67.98%	1.699
	The more I become committed to an FMCG brand, the more loyal I become	Fullerton (2005:100)	72.32%	1.567
	I remain committed to FMCG brands even through price increases and declining popularity	Foxall (2002:18)	67.47%	1.606
Relationship proneness (68.6%)	My loyalty towards FMCG brands is purely habitual	Gordon (1998:33)	54.72%	1.445
	I do not necessarily purchase the same FMCG brands all the time	Self-generated item	56.76%	1.747
	I always sample new FMCG brands as soon as they are available	East and Hammond (1996:165)	49.36%	1.616
	I establish an FMCG brand purchasing pattern and seldom deviate from it	Heskett (2002:356)	65.56%	1.516
	Loyalty programmes are the reason I repeat FMCG brand purchases	Sharp et al. (2003:20)	54.85%	1.843
Brand Affect (68.8%)	I attain a positive emotional response through the usage of an FMCG brand	Chaudhuri and Holbrook (2001:146)	75.89%	1.178
	The FMCG brands that I am loyal to make a difference in my life	Moorman et al. (1992:45)	69.64%	1.465
	I am distressed when I am unable to use/purchase a particular FMCG brand	Matzler (2006:430)	60.84%	1.718
Brand Relevance (71.8%)	The FMCG brands that I am loyal towards stands for issues that actually matters	Minninni (2005:24)	63.52%	1.659
	The FMCG brands that I am loyal towards has a freshness about them and portray the positive significance	Henkel, Tomczak, Heitmann & Herrmann (2007:311)	77.42%	1.373
	I know that an FMCG brand is relevant through the brand messages communicated.	Moore, Fernie & Burt (2008:922)	72.70%	1.366
	The FMCG brands that I am loyal to are constantly updating and improving to stay relevant	Self-generated item	73.72%	1.449
Brand Performance (70.2%)	I evaluate a FMCG brand based on perceived performance	Musa (2005:47)	72.45%	1.340
	I will switch FMCG brand loyalty should a better performing FMCG brand be available	Baldauf, Cravens & Binder (2003:222)	72.45%	1.587
	I am loyal only towards the top performing	Wong and Merrilees	65.69%	1.449

	FMCG brand	(2008:377)		
Culture (54.5%)	My choice of FMCG brands is in keeping with the choice made by other members in my race group	Self-generated item	55.74%	1.611
	My loyalty towards an FMCG brand is based on the choice of FMCG brand used by my family	Kotler and Keller (2006:177)	61.35%	1.586
	Religion plays a role in my choice and loyalty of FMCG brands	Self-generated item	38.90%	1.772
	The family used FMCG brands indirectly assure brand security and trust.	McDougall and Chantrey (2004:9)	61.99%	1.608

The consumers of KwaZulu-Natal regard the most important antecedents to be *Brand trust*, *Customer satisfaction*, and *Perceived value* during the formation of brand loyalty towards a chicken brand of choice. Figure 4 shows the antecedents in declining order of importance.
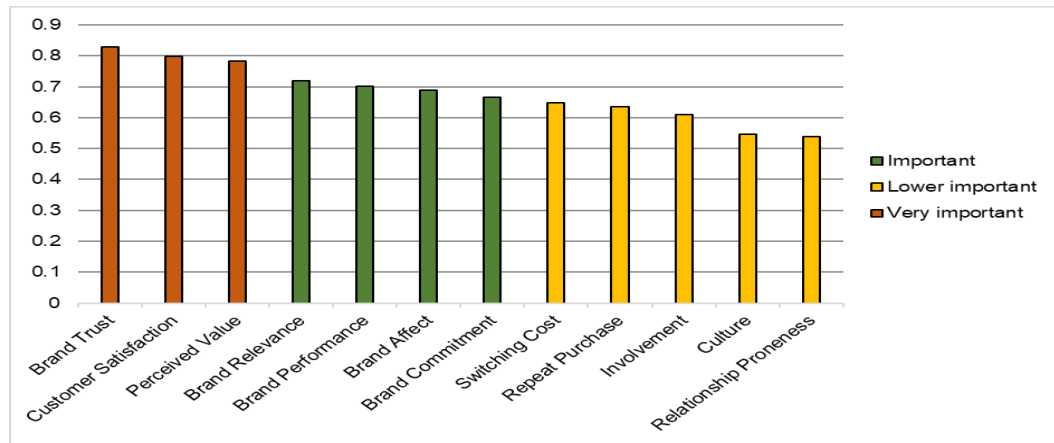
Figure 4: Brand loyalty antecedents mean percentages

Objective 3: Determine the reliability of the data.

The reliability and internal consistency of the antecedents are tested by calculating the Cronbach alpha coefficients. The results of each of the 12 antecedents are summarised in the table which also shows the number of measuring criteria used to calculate the alpha coefficient.

Table 6: Cronbach's Alpha reliability results

Antecedent	Criteria	Cronbach's Alpha	Number of items
Brand Commitment	All (Q8 - Q12)	0.90	5
Brand Trust	All (Q1 - Q4)	0.89	4
Brand Relevance	All (Q39 - Q42)	0.87	4
Repeat Purchase	All (Q43 - Q46)	0.85	4
Customer Satisfaction	All (Q18 - Q22)	0.78	5
Culture	All (Q23 - Q26)	0.77	4
Switching Cost	Q13, Q14, Q15, Q17	0.77	4
Involvement	All (Q47 - Q50)	0.74	4
Brand Affect	All (Q5 - Q7)	0.71	3
Perceived Value	Q28, Q30	0.71	2
Relationship Proneness	Q34, Q35, Q36, Q38	0.61	4
Brand Performance	All (Q31 - Q33)	0.51	3

Table 6 shows that ten of the 12 antecedents' reliability have acceptable reliability because their alpha coefficients exceed 0.70 (Field, 2009:675). Two antecedents *Brand Performance* (α=0.51) and *Relationship Proneness* (α=0.61) have coefficients between 0.50 and 0.70; they have a lower level of

reliability (Field, 299:675; Cortina, 1993:101). The reliability of *Relationship Proneness* is still acceptable as the alpha coefficient exceeds 0.57, but *Brand performance* is regarded as a marginally reliable antecedent to measure the brand loyalty of chicken (Cortina, 1993:101). This is unfortunate as *Brand performance* is regarded as an important antecedent (70.2%) (see Figure 6).

Conclusions and recommendations

The following conclusions were reached based on the results of the study:

- The sample used in this study was adequate as the Kaiser-Meyer-Olkin measure of sampling adequacy yielded an average measure of 0.697, ranging between 0.573 and 0.846 for all twelve brand loyalty antecedents.
- The data used in this study was reliable as per the Cronbach alpha coefficient. None of the twelve brand loyalty antecedents has an unacceptable Cronbach Alpha value of under 0.50, while two have lower reliability coefficients between 0.50 and 0.70. (*Brand Performance* at 0.51 and *Relationship Proneness* at 0.61). The other ten antecedents have satisfactory to excellent reliability coefficients larger than 0.70.
- The statistical analysis confirmed that all twelve brand loyalty antecedents are valid to measure consumers' brand loyalty towards their chicken brand.
- It is concluded that the influences of *Brand Trust*, *Customer Satisfaction*, and *Perceived Value* are of the utmost importance when measuring a consumer's brand loyalty towards its chicken brand of choice. All three of these antecedents have mean values above 75%, supporting the importance thereof.
- The other important influences are *Brand Relevance* (71.8%), *Brand Performance* (70.2%), *Brand Affect* (68.8%), *Brand Commitment* (66.5%), *Switching Cost* (64.7%) *Repeat Purchase* (63.6%), and *Involvement* (60.9%).
- The two antecedents regarded as less important are *Culture* (54.5%) and *Relationship Proneness* (53.9%).

Based on the conclusions, the following recommendations are made:

The statistical techniques used in this study can successfully be applied within similar research projects.

The brand loyalty antecedent questionnaire initially developed by Moolla (2010) for purposes of the FMCG industry, can successfully be used to measure the brand loyalty antecedents of chicken brands.

Managers aiming to improve their chicken brand loyalty should address the more important antecedents first, moving down the order of importance to optimise their managerial interventions.

In support of Recommendation 4, given the importance and advantages of having a brand loyal customer base, it is important for chicken brands to focus on generating, implementing and maintaining strategies which can enhance a consumer's experience of *Brand Trust*, *Brand Performance*, and *Perceived Value*.

Management should use this research design as an example and extend this study to measure brand loyalty among other populations and culture groups. This should include the total geographic market segment.

Management should, after completion of Recommendation 6, devise diversified market strategies to specifically target the different population groups in their geographic market segment. This should include tailor-made marketing campaigns for the diverse target market.

Limitations of the study

The results obtained in this study are limited to uncooked chicken's brand preferences of KwaZulu-Natal only. The remaining eight provinces of South Africa were not part of the study. In addition, the study also included chicken brands that are only distributed in KwaZulu-Natal. Therefore, the results cannot be extrapolated to the rest of South Africa. The results are also limited to the dominant cultural group who participated in this study. This poses another limitation because the respondents' profile is not representative of the profile of the South African population. This means that the results cannot be extrapolated to other cultural groups in KwaZulu-Natal.

Summary

This article aimed to validate the FMCG brand loyalty model of Moolla so that it can be used in chicken brands. The article achieved this objective and then focussed on measuring brand loyalty of chicken brands in KwaZulu-Natal. The results showed that the model could successfully measure brand loyalty in chicken brands and identify the most important brand loyalty antecedents. These are *Brand trust*, *Customer Satisfaction*, and *Perceived Value*. Antecedents of lesser importance were *Culture* and *Relationship Proneness*. Finally, the study served as a pilot study for a national study. It aimed to ensure that the data collection methodology and measurements are possible using the chosen brand loyalty model and that the results are usable. Management can now engage in the more significant research project to measure their chicken brand's brand loyalty nationally and among the different population and cultural groups.

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The impact of service quality drivers on customer satisfaction in internet provision services of Zimbabwe

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Abstract
The purpose of the research was to examine the impact of service quality on customer satisfaction amongst customers in the internet service provision sector of Zimbabwe. In the study, service quality consisted of six dimensions, namely, reliability, empathy, responsiveness, tangibles, location and price. The study employed a cross-sectional quantitative design from which a sample of 341 successfully completed questionnaires were obtained. Data analysis was performed using SPSS 23 software. Multiple regression was performed to ascertain the cause-effect relationship between the independent variables (namely, reliability, empathy, responsiveness, tangibles, location and price) and the dependent variable (customer satisfaction). The results of the study indicated that reliability, responsiveness and price displayed a positive statistically significant impact on customer satisfaction. On the other hand, empathy, tangibles and location were noted as not having a statistically significant positive impact on customer satisfaction. The main implication for internet service providers in Zimbabwe is that responsiveness and prices-sensitive offerings are key to satisfying customers.

Introduction

Customer satisfaction has become an imperative subject, generating great interest within organisations, practitioners and researchers alike. The primary objective of organisations is to maximize profits whilst at the same time minimising costs. Profit maximisation can be achieved by increasing sales while reducing costs. Customer satisfaction is one of the most significant factors that can aid organizations to increase profits, customer satisfaction leads to customer loyalty which in turn leads to repeat purchases and referrals (Wilson, Zeithaml, Bitner & Gremler, 2008). The universal challenge for businesses today is to move from product orientation to customer orientation. This challenge is becoming more difficult because customers are becoming increasingly sophisticated, educated and well informed. Customers have knowledge and high expectations of the service they want to receive from organisations. They now want greater choices and involvement in the purchasing process. The focus on customers/consumers has increased more as the consumption era also shifts to post-consumption. In the post-consumption era organizations are obliged to render more services in addition to what they currently provide to their customers. In this vein, it is imperative to gain insight of the levels of customer satisfaction and service quality experienced by customers. The Internet Service Provision (ISP) industry has become an increasingly competitive industry worldwide, in African and in Zimbabwe alike. Internet service providers that understand their customers' expectations and experiences are better positioned to implement focused performance initiatives designed to increase overall customer satisfaction, brand

loyalty, and advocacy, and to maximize product penetration (Samen, Akroush & Abu-Lail, 2013). The internet service provision sector in Zimbabwe is characterized by intense competition. Furthermore, the customer satisfaction index is low among Zimbabwean customers within this sector. To this end the issue of service quality and service delivery has become very important. From service quality stems the issue of customer satisfaction (Samen et al., 2013). Nonetheless, seeking to achieve a high level of customer satisfaction is one of the most challenging tasks for internet service providers in Zimbabwe as indicated by the lower customer satisfaction index.

The internet service provision sector is increasingly becoming more competitive and dynamic, thus internet service providers who guarantee customer satisfaction are more likely to survive in the market. Customer satisfaction is influenced by various service quality drivers which include, tangibility, reliability, responsiveness, assurance, empathy, price and location (Parasuraman, 1988). When customers are satisfied with the performance of a service, they often become loyal to it (Chen & Chen, 2010; Mashwama, Chiliya & Chuchu, 2019). Therefore, prioritising customer satisfaction makes businesses to become competitive and ultimately successful. According to Johnson and Gustafsson (2000) the process of satisfying and retaining current customers is far less expensive than constantly replacing customers. Hence, in the contemporary business environment keeping customers satisfied saves money as well as increasing profits for organisations. Furthermore, customer satisfaction creates repeat purchases and referrals (Johnson & Gustafsson, 2000). In Zimbawe, the internet service provision sector is drastically growing, therefore making the concepts of customer satisfaction and service quality as key priorities. This means that for organisations who are internet service providers, it is imperative for them offer a superior service quality to their customers to ensure customer satisfaction and retention. Hence, this creates a gap in terms of studying and comprehending how service quality drivers influence customer satisfaction within the internet service provision sector in Zimbabwe.

The purpose of the study is to investigate the impact of the drivers of service quality (namely, tangibility, reliability, responsiveness, assurance, empathy, price and location) on customer satisfaction achieved by internet service providers in Zimbabwe. The drivers of service quality are noted as significant predictors of customer satisfaction (Parasuraman, 1988). Internet service providing organisations face a number of challenges as they operate in the turbulent business environment in Zimbabwe which impact on the satisfaction experienced by customers (Masevo, 2015). It can be noted that optimising on the level of service quality ensures a high level of customer satisfaction Gera (2011) which translates to increased sales and profits (Kotler, 2015). The objective of the present study is to investigate the impact of service quality drivers on customer satisfaction within the internet service provision sector, specifically looking at the largest internet service provider in Zimbabwe. In order to achieve the objective of the study, the following research question was proposed:

What is the impact of service quality drivers on customer satisfaction achieved by internet service providers in Zimbabwe?

Literature Review

In the present study, literature on customer satisfaction and service quality will be discussed. The literature review section will commence by providing a discussion of customer satisfaction followed by service quality and the SERVQUAL model.

Customer satisfaction

There is no single and standard generally accepted definition of customer satisfaction in literature since different scholars conceptualise the concept differently. Tahir, Waggett and Hoffman (2013) proposed that customer satisfaction is a customer's viewpoint based on the customer's expectation and then the customer's subsequent post purchase experience. This proposition is supported by Nguyen (2014), who argued that the customers' level of satisfaction is a result of cumulative consumer experiences. Maziriri and Madinga (2015) are of the view that if customer satisfaction is not met, the customer will experience buyer's remorse, and this justifies the need of customer satisfaction for retailers. Customer satisfaction is identifiable by a response from the customer (Giese & Cote, 2000). In addition, customer satisfaction is generally a product of technology (Cheung & Vogel, 2013; Koenaite, Chuchu & Venter de Villiers, 2019). On the other hand, Kotler and Keller (2009) consider satisfaction to be an individual's feelings of pleasure or displeasure that result from comparing a product's perceived performance or

quality or outcome with their expectations. The response can either be cognitive or affective. This response pertains to the purchase experience by the customer which occurs either during or after the purchase experience.

Service quality

There are various definitions that relate to the concept "service". Most of these definitions are dependent on the context in which the concept is being examined. Kotler and Keller (2009) define services as any intangible act or performance that one party offers to another. Services according to Kotler and Keller do not result in ownership. Eshghi (2008) suggested that services may also be described as an intangible offer by one person or organisation to another in return for money or pleasure. Solomon (2009) postulates that quality happens to be one of the most important things that customers look for in an offering of which service happens to be one. Kotler and Keller (2009) argued that quality is the entirety of features as well as characteristics of a product or services that bears on its capability to satisfy stated or implied needs. In this vein, Eshghi (2008) defined service quality as the overall assessment of a service by a customer. In the context of marketing management literature, Bowen and David (2005) suggest that service quality is the extent to which the customer's perceptions of service either meet or exceed their expectations. In light of this suggestion service quality can therefore be perceived as how good or how bad customers are served by a service provider. Ghylin, Green, Drury, Chen, Schultz, Uggirala, Abraham & Lawson (2006) proposed that when organisations define service quality, they will be able to deliver services with a higher quality level thus resulting in an increase in customer satisfaction. On the other hand, Parasuraman (1988) defined service quality as the differences between customer's expectations and perceptions of service.

Servqual model

Parasuraman (1988) developed the SERVQUAL model which was operationalised as a 22-item instrument to measure service quality. The model emerged through studying the behaviour of customers in various service sectors, thereby resulting in 10 dimensions of quality, namely responsiveness, reliability, tangible, competence, courtesy, credibility, security access, communication and understanding. These dimensions were used to evaluate service quality of different organizations. The SERVQUAL model was constructed grounded on two elements: expectation and perception. Expectation captures the anticipated and required level in the service from the point of view of the customer. Perception on the other hand indicates a customer's judgment of a service based on their experience of that service. From a mathematical perspective, the model is expressed as follows, $SQ = P-E$: where P, represents the service provider's behavioural performance, whilst E, represents the customers' expectations, with SQ, denoting service quality which is the gap between perceived and expected performance. Thus, the greater the positive score in the difference, the higher the service quality (Parasuraman, 1988).

Proposed conceptual model

To investigate the impact of service quality on customer satisfaction within the internet service provision sector in Zimbabwe, a unique model was developed based on the following proposed hypotheses.

Research hypotheses development

Hypothesis 1: Sullivan, Suddeth, Vardell and Vojdani (1996)
Reliability has a statistically significant positive impact on customer satisfaction.
Hypothesis 2: Agnihotri, Dingus, Hu and Krush (2016)
Responsiveness has a statistically significant positive impact on customer satisfaction.
Hypothesis 3: Munusamy, Chelliah and Mun (2010)
Tangibles have a statistically significant positive impact on customer satisfaction.
Hypothesis 4: Lin (2007)
Empathy has a statistically significant positive impact on customer satisfaction.
Hypothesis 5: Anselmsson (2006)
Location has a statistically significant positive impact on customer satisfaction.
Hypothesis 6: Han and Ryu (2009)
Price has a statistically significant positive impact on customer satisfaction.
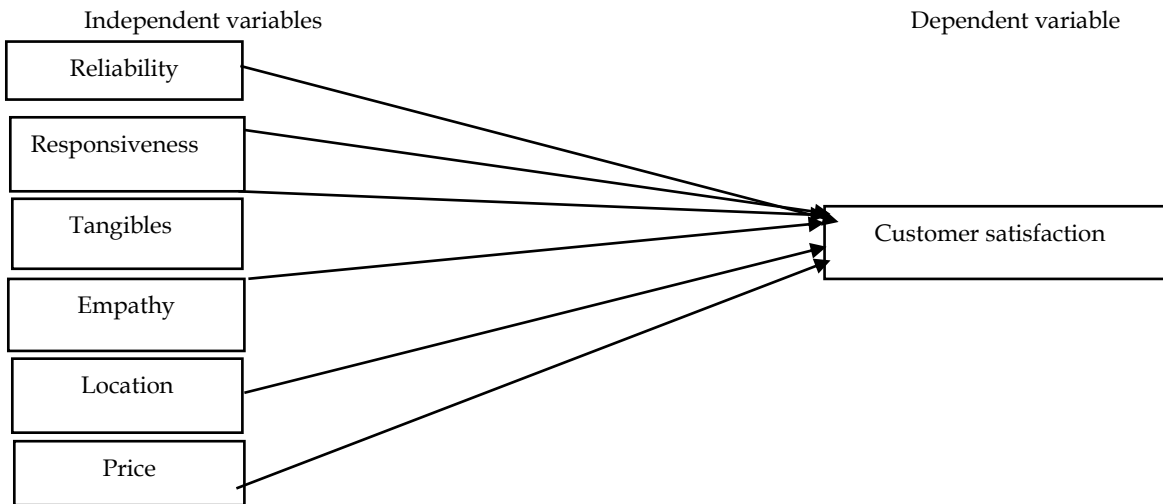
Conceptual Model

Independent variables   Dependent variable

- Reliability
- Responsiveness
- Tangibles
- Empathy
- Location
- Price

Customer satisfaction

Figure 1: The conceptual framework for measuring the impact of service quality on customer satisfaction

Research methodology
Research Approach
A cross-sectional quantitative research design was followed in the study. The data was collected from a questionnaire adapted from previous empirical studies (Al-Wugayan & Pleshko, 2010; Chidambaram, 2012; Parasuraman, 1988). The research participants included individuals who used the services of the biggest internet provider in Zimbabwe. The population comprised of 27,645 individuals. To determine the sample size, the formula developed Fox, Hunn and Mathers (2009) was used. The formula has a ± 5% margin of error. Through stratified random sampling a total of 341 usable completed questionnaires were obtained.

Descriptive Statistical Analysis
The researchers used descriptive statistics in form of frequency distributions and percentages to describe the demographics of the respondents such as gender, age, education and nature of users.

Normality Test
Before analysing the data, the researcher performed the test for normality. The significance of the normality test for the researcher was to ascertain the type of tests to carry out for correlation analysis, being either parametric or non-parametric tests. Normally distributed data uses parametric tests whereas unevenly distributed data uses non-parametric tests (Saunders, Lewis & Thornhill, 2012). In carrying out normality tests, the Kolmogorov-Smirnov test is useful for significantly large sample sizes greater than 2000 whilst the Shapiro Wilk is useful for smaller sample sizes less than 2000. The sample size for this research was 341 respondents, therefore the Shapiro Wilk tests was best. From the Shapiro – Wilk test if the "p" value is greater than 0.05 (p > 0.05) it indicates that data is normally distributed implying that the selected sample does not significantly vary from the study population hence, the parametric tests can then be performed using the data. If the "p" value is less than 0.05, this implies that the data is unevenly distributed hence, non-parametric tests need to be performed. In the study, the "p" value from the Shapiro – Wilk test was less than 0.05, implying that the data was not normally distributed. In the vein, non-parametric tests were used in the data analysis.

Regression Analysis
In the study, in order to establish the cause and effect relationship between independent and dependent variables multiple regression analysis was performed.

Validity and Reliability
To measure the reliability of the research instrument (questionnaire) adopted in the study, the Cronbach's Alpha score was calculated. A Cronbach's Alpha score of at least 0.7 implies that the research

instrument is reliable. The overall Cronbach's Alpha score obtained in the study was 0.914, which exceeded the minimum threshold score of 0.7. Hence, the research instrument adopted in the study was reliable.

Results

Table 1: Descriptive Statistics

Sample: 341	
Gender	
Males	54%
Female	46%
Total	100%
Age	
15-25	4%
25-35	49%
35-45	43%
55-65	3%
65+	1%
Total	100%
Educational level	
Secondary education	3%
Bachelor's degree	66%
Other qualifications	31%
Total	100%
Nature of internet users	
Domestic	80%
Corporate	20%
Total	100%

A total of 510 online questionnaires were administered in the study and 341 successfully completed questionnaires were obtained. This translates to a response rate of 77.5 percent. According to Saunders et al. (2012) a 35% response rate is satisfactory for academic studies. 54% of the respondents were males and 46% were females. This implies that most of the users of internet services are males. Furthermore, 80% of respondents were domestic users of internet services. On the other hand, 20% were corporate users of internet services.

15-25 years of age had a relatively low response proportion of participants (4%). The age group 35-45 years had the highest proportion of participants (43%). The second highest proportion of participants included the age group 25-35 years (49%). The age groups 55-65years and 65+ had the lowest proportion of participants (3%) and (1%) respectively. From the results, 3% of respondents had attained secondary education, 66% had a bachelor's degree, 31% had other qualifications. It is evident that the greatest percentage of respondents in the study were in possession of a bachelor's degree.

Tests of Relationships

The multiple regression analysis was performed in order to test the relationships between the independent variables (tangibility, reliability, responsiveness, assurance, empathy, price and location) and the dependent variable (customer satisfaction). The findings from the multiple regression analysis are presented below.

Table 2: Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.376	.441		9.932	.000		
	Reliability	.460	.124	.230	3.721	.000	.476	2.103
	Empathy	-.270	.138	-.129	-1.956	.051	.421	2.378
	Responsiveness	.421	.095	.249	4.447	.000	.578	1.729
	Tangibles	-.255	.116	-.126	-2.199	.029	.551	1.813
	Location	-.118	.106	-.060	-1.109	.268	.618	1.619
	Price	.653	.067	.480	9.738	.000	.747	1.338

a. Dependent Variable: OverallSatisfaction

Discussion and conclusion

From the results, it can be noted that some of the independent variables displayed a statistically significant positive impact on customer satisfaction. In this vein, three of hypothesis were accepted, whereas three of the hypotheses were rejected. The first hypothesis (H1) of the study was accepted (β = 0.230; p = 0.000). Thereby, implying that reliability has a statistically significant positive impact on customer satisfaction. This finding is in line with the findings by Samen et al. (2013) who found that reliability had a positive statistically significant impact on customer satisfaction within the Jordanian customers. On the other hand, the second hypothesis (H2) in the study was accepted (β = 0.249; p = 0.000). This finding implies that responsiveness has a statistically significant positive impact on customer satisfaction. This finding is in line with the assertions by Negi (2009) who purports that responsiveness is a key driver of customer satisfaction. The third hypothesis (H3) in the study was not accepted (β = -1.26; p = 0.029) which indicates that tangibles have no positive statistically significant impact on customer satisfaction. This finding is not in line with the findings of Wakefield and Blodgett (1994) who noted that tangibles positively influence customer satisfaction. Samen et al. (2013) argued that tangibles are an important service quality driver of customer satisfaction. The fourth hypothesis (H4) was not supported in the study (β = -1.29; p = 0.051). In this vein, it was noted that empathy was not a positive statistically significant predictor of customer satisfaction. This finding contrasts with the findings by Kumar, Tat Kee, and Taap Manshor (2009) who found that empathy had a positive impact on customer satisfaction. The fifth hypothesis (H5) in the study was not supported by the findings (β = -0.60; p = 0.268). This implies that location does not have a positive statistically significant impact on customer satisfaction. This finding is not in line with the findings by Nguyen (2014) who found that location had a statistically significant impact on customer satisfaction.

The sixth hypothesis (H6) in the study was supported by the findings. This implies that the price of the service charged to customers has a positive impact on their satisfaction with the service. This is in line with assertions by Chang, Chen and Hsu (2014) who argued that price as a service quality dimension has a positive impact on customer satisfaction. For contemporary organisations, service quality is a key driver in ensuring customer satisfaction. Organisations which can meet all the necessary service quality drivers in their services are able to satisfy the needs of their customers. In the internet service provision sector, several service quality dimensions have a positive impact on the satisfaction experienced by customers. The present study showed that the reliability of the internet service, responsiveness to customer needs and price of the internet service offered, had a positive impact on the satisfaction of the customers of the largest internet providing organisation in Zimbabwe. In this vein, the customers of internet services were noted to be sensitive to the reliability, responsiveness and price of the internet services provided. In order for internet providing organisations to survive and be profitable in Zimbabwe, it is imperative for them to ensure that they are reliable, responsive and price friendly to their customers.

Implications of the findings

The research analysis established that reliability and responsiveness were the most prominent service quality drivers of customer satisfaction in internet services provision. This therefore implies that internet services providers are encouraged to maintain high levels of engagement in reacting to customer

requests and upholding the highest levels of trustworthiness in order to gain, retain and attract internet services customers.

Limitations and directions for future research

The present study adopted a cross-sectional quantitative design; hence, future studies can follow a longitudinal design. In this vein, the study of the impact of service quality on customer satisfaction can be investigated over an extended period of time. Furthermore, future research can employ a mixed method approach in which data collection will involve both survey questionnaires and in-depth interviews with respondents. As for theoretical contribution, further research could investigate the effect of price and reliability on customer satisfaction with location being the mediator. This would reveal how much of an important role that location could potentially play on customer satisfaction when price and reliability are involved. Lastly, future research can be in the form of a comparative study to ascertain the differences in the impact of service quality on customer satisfaction amongst customers who reside in different geographical provinces of Zimbabwe.

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The impact of the E- CRM (expected security and convenience of website design) on E- loyalty field study on commercial banks

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Abstract
This study aimed to investigate the micro-linkages between electronic customer relationship management (E-CRM) and electronic loyalty of customers, through electronic banking satisfaction as a mediator variable. specifically, the neglected roles for expected security, convenience of website design. To achieve the objectives of the study, four basic hypotheses were formulated, it's were tested using preliminary data collected through the survey list, Data was collected by a convenience sample, the sample of study consisted of (370) customer who representative of the community of customers of Egyptian commercial banks who dealing electronically, Data analysis and hypothesis testing have been depended on use methods of a structural equation modeling, confirmatory factor analysis, path analysis, and direct and indirect analysis by using the Bootstrap method, The study found a significant correlation between the dimensions of the E- CRM (expected security) and The intentions of repeat e-dealing and providing customers positive words to others, A significant correlation was found between the convenience of website design and providing customers positive words to others. While there is no significant relationship between convenience of website design and intentions of repeat e-dealing. And the electronic banking satisfaction does not play the role of mediator in influencing the relationship between E-CRM dimensions (expected security) and providing positive words to others, and the intentions to repeats electronic transactions. So, Managers are likely to increase customer's loyalty by providing technological protection mechanisms for electronic banking transactions and enhance convenience requirements on the website in terms of ease of use and immediate customer problem solving, predisposing positively Customer's attitudes towards the banks.

1. Introduction

Electronic banking services is closely linked to the customers´ perception of security which has its impact on their trends and behaviors (Grabner and Faullant., 2008).With the continued provision of electronic banking services, commercial banks can ensure customers' satisfaction with banking services, which lead to achieve the Bank's electronic loyalty (Jamali, Mehrabadi and Pouri, 2017). Because the satisfied customer has the intention to repeat the electronic deal with the bank or provide positive words to others about the provider of electronic banking (Belás, Chochoľáková and Gabčová, 2015). But the problems that faced the consumer in terms of security and privacy have led some individuals to be unwilling to use electronic transactions because of fear and concern about security issues and distrust of the benefits of online information systems (Winnie, 2014; Faraoni, Rialti, Zollo and Pellicelli, 2018). Security concerns can be addressed through the use modern technology protection methods (such as the site providing modern methods of encryption, protection of wires and cables used to connect devices to systems, and electronic websites offering security policies for protecting the privacy of information via the Internet(Poon, 2008). E-loyalty of Customer can be achieved by providing convenience in e-dealing; the home page contains links that make it easier for customers to complete various banking services through the bank's website (Amin, 2016). The availability of images and graphics work on the ease of use of

banking transactions via the bank's website. (Lie´bana-Cabanillas, Munoz-Leiva and Rejon-Guardia, 2013; Bezhovski and Hussain, 2016). In addition, solving customer problems via the bank's website by providing online booklets, questions and answers to common problems, providing expert system in the bank's website via the Internet helps to achieve E-loyalty (Mang'unyi, Khabala, and Govender, 2017).

Although the impact of e-satisfaction on the dimensions of e-loyalty, in terms of the behavioral side of customers (Intending to repeat electronic transactions) and the emotional side (making positive recommendations to others about the service provider) (Kassim and Abdullah, 2010). little attention was paid to the factors that affect electronic satisfaction as one Precedents of electronic loyalty (Faraoni et al., 2018). So, This study is an attempt to measure the dimensions of E-CRM and to test the impact of its use on e-loyalty, while taking electronic banking satisfaction as Variable mediator, Where literature proved that e-satisfaction is the most influential factor in the role of mediation between the dimensions of E-CRM and e-loyalty, where Farhadi, Ghartemani, Ghartemani and Wastegany (2012) found that customer satisfaction affects the relationship between the dimensions of E-CRM and E-loyalty more than the empathy that attracts customers. While Mulyono and Situmorang (2018) found that E-satisfaction affects the relationship between the dimensions of E-CRM and E-loyalty more than previous experiences of e-dealing customers. So, this study attempts to answer the following research question, is security, privacy and availability of convenience in the use of online transactions affect e-loyalty through e-banking service satisfaction in Egyptian commercial banks?

2 Literature review
2.1 Expected security and its impact on e-loyalty
Customer E-loyalty is defined as intention of customer to reuse the banking services provided by the bank's website in the future (Amin and Fontaine, 2013).Customers who have an emotional relationship with an online service provider have the ability to overcome obstacles and intentions to replicate e-business and become as advocates for the organization (Faraoni et al. 2018). Customer loyalty increases when they feel that the information, they provide is confidential in addition to the confidence that online transactions are safe (Thaichon Lobo and Mitsis, 2014). Literature analyzes such concepts of E-loyalty by assuming that their main determinant is Expected security. More specifically expected security includes Trust in the website, Information quality and privacy of customer data, which are all three variables of customers attitudes and opinions toward an online transaction. Where Security is crucial to managing trust. As such, Trust in the website refers to is an attitude explain the opinion of the customer toward their confidence in online transaction (Faraoni et al. 2018). Information quality means information must be understandability, modern, consistency, sufficiency, relevancy and accuracy (Alim and Ozuem, 2014). Privacy is the protection of all customer data used during the completion of Online transactions (Kassim et al. 2010).

The Internet environment is most affected to system attacks (Dhillon and Torkzadeh, 2006). So, customers do not prefer online transactions because of fear of fraud or data leakage (Pavlou, Liang, and Xue, 2007). On the other side, when customers' expectations of the security level are met, they will be providing their personal data, and to continue their transaction (Faraoni et al. 2018). Customers will trust websites that protect their personal data and providing information about Security Policy (Galati, Crescimanno, Tinervia, and Fagnani, 2017). For banks to protect customer accounts and transactions, they must switch to E-CRM and uses modern security technologies (Miremadi, Ghalamakri and Ramezani, 2012).

According to studies conducted by different researchers, the shared opinion is that expected security antecedes E-satisfaction, where The Bank's Website ability to protect electronic banking transactions leads to satisfactory relationships with customer (Mang'unyi et al. 2017; Belás, Korauš, Kombo and korauš, 2016; Zavareh etal., 2012). Moreover, expected security is an antecedent to E-loyalty (Rialti, Zollo, Pellegrini and Ciappei, 2017; Mang'unyi, Khabala and Govender 2018; Faraoni et al. 2018). But, if the customer does not trust a website, he will not repeat the e-transactions even if he has quite satisfactory experiences (Anderson and Srinivasan, 2003). Ramseook-Munhurrun and Naidoo (2011) proved that the most important factors that involved in the customer's decision to stay and the electronic loyalty for the online stores is the expected security. Ismail and Safa (2014) confirmed that the most

dimensions of Electronic customer relationship management affecting on e-loyalty compared to the Customization for online shopping customers are the technical factors that including the expected security. And the most dimensions of Electronic customer relationship management effecting on loyalty of customers to shop online compared to website design and easy access to the website is confidence then security expected (Özgüven, 2011). While Mang'unyi et al. (2018) conclude that there is a significant relationship between the dimensions of e-CRM (Privacy and security) and customer loyalty. This agreement among literature is indicates that availability expected security is the main reason for maintaining customers and not moving to alternative Websites (poon, 2008; Jamali et al. 2017). In addition to, the availability of trust in online banking is an important determinant of customer satisfaction with e-dealing with the bank (Liebana-Cabanillas et al. 2013).

Some previous studies have examined factors that reduce customer fears about online transaction security. The greater level of customer trust in electronic transaction leads to fewer concerns about customer privacy (Noor, 2012). while The studies of (Faraoni et al. 2018; leng 2008; Özgüven, 2011; kim, 2003) proved that the E-trust effect on E-loyalty of customers, due to the need for availability of trust requirements in the websites such as providing full information (leng, 2008), Reducing Illegal Disclosure of Customer Data (Noor, 2012; kim, 2003), Credibility (Gefen, 2002; Özgüven, 2011), Full protection of Customers money and The trust in security of electronic payments(Belás et al. 2016). Delivery on time (Noor, 2012) the customer's trust in the website leads to loyalty to brand and provide positive words to others about e-dealing (Rialti et al. 2017). And disagreed with them completely Valvi and West (2013) who proved that trust in the website does not affect the E-loyalty of the customer. This is since online customers are finding it difficult to reassure their Internet environment due to security concerns and the nature of non-personal relationships (Belás et al. 2016). And Customers who are aware of the risks of e-dealing are reluctant to deal online (Hanafizadeh and Khedmatgozar, 2012). Gefen (2002) emphasized that Lack of trust leads to reluctance customers to use banking online transaction.

Few academic studies have examined the factors contributing to develop an expected security from these studies. poon (2008) Confirmed that the accuracy, up to date content and credibility of the information lead to confidence in online banking and thus adopting e-banking services in Malaysia. Because websites consider an interface between companies and customers, it is important to provide information quality and the right type of information and good interactions that satisfy customers and creating customers' positive attitudes towards the website (Thaichon et al. 2014). Many researchers have studied influential factors of customer E-satisfaction and E-loyalty, while (Ismail et al. 2014; Winnie, 2014; Alhaiou, Irani and Ali, 2009) concluded that the quality of information provided by the website affects e-loyalty of customer. Galati, Crescimanno, Tinervia, and Siggia (2016) suggested a website that provides abundant information and ensures good use can lead to positive consumption experience and consumer intent to repeat the purchase. In the context of online banking, providing updated information through the bank's website leads to increased customer satisfaction (Lie´bana-Cabanillas et al. 2013). And disagreed with them completely Liu, Tseng, Chuang and Huang (2012) who sees no correlation between the relevant information provided by the website and customer satisfaction and customer's electronic loyalty. We find that this may be due to the lack of this information to the accuracy; Modernity, clarity and interconnection which made it not affect the E-loyalty of customers. Similarly, the inaccuracy, up-to-date contents and credibility of the information leads to a lack of confidence in online banking and hence the failure to adopt electronic banking services in Malaysia (poon, 2008). So, information quality is a unique dimension for Expected security.

Data privacy is one of the main concerns of the customer when dealing online, thus When the security level that the customers expects is achieved, they will provide personal details and complete their purchases (Faraoni et al. 2018). Website with a clear, reliable and transparent privacy policy is led to building positive perceptions of service quality (Thaichon et al. 2014). And Studies (kim, 2003; Clifford and Lang, 2012; Leng, 2008) have confirmed that protection of the privacy of customer data effect on E-loyalty of customer. And disagreed with them completely Peikari (2010) who confirmed that customer privacy does not affect E-satisfaction and E-loyalty, because the Internet environment Effect negatively on customers because of security concerns and the extent of protection of information systems. Thus, Low

ability of banks to protect customer privacy in terms of confidential financial information is not kept securely, makes customers do not trust the bank's security policy and lose confidence in the performance Of online financial transactions (poon, 2008).

On the contrary, Murugiah and Akgam (2015) concluded an interesting result. They proved a negative relation between bank security and customer satisfaction. Where growth of bank security causes decreases in customer satisfaction. The reasons for that are complex bureaucratic procedures to increase security. Made the communication between bank and customers more difficult and thus Negative had effect on Satisfaction of customers. We conclude from the previous presentation that the expected security is one of the dimensions of the E- CRM that affects the electronic loyalty, and the expected security dimensions include the quality of information, trust and protect the privacy of customer data. Therefore, in this study it is hypothesized that:

H1: There is a significant relationship between the expected security from E- CRM and E-loyalty of customer.

This hypothesis is divided into the following sub- hypothesizes:

H1/1 There is a significant relationship between the expected security from the E-CRM and intentions to repeat electronic dealing.

H1/2 There is a significant relationship between the expected security from E-CRM and Provide customers with positive word of mouth for others.

Marketing researchers have placed emphasis on the relationships between expected security and banking E-satisfaction, and banking E-satisfaction and E-loyalty (Jamali et al. 2017; Kassim et al. 2010; Mang'unyi et al. 2017; leng, 2008) The shared opinion is that can be concluded that there is a significant relationship between The expected security and E- loyalty of customer through banking E-satisfaction. On the contrary Mang'unyi et al. (2018) proved that customer satisfaction has not effect on the relationship between dimensions of e-CRM (Privacy and security) and customer loyalty. While Özgüven (2011); Faraoni et al. (2018) believed that the security and Privacy of transactions affect customer loyalty but through E-Trust. It ended the dispute between the two teams Alhaiou et al. (2009); Ismail et al. (2014) who tested the relationship between expected security and customer loyalty through electronic satisfaction and electronic trust and found that the impact of electronic satisfaction on e-loyalty Greater than the impact of electronic trust. While Valvi et al. (2013) shows that there is no correlation relationship between e-trust and e-loyalty at websites of books selling in Britain, but there is a strong correlation between electronic satisfaction and e-loyalty. And Kassim et al. (2010) Proved that trust does not affect the intentions of repeat e - dealing and provide customers with positive word of mouth for others about e-dealing In Malaysia and Qatar. Therefore, in this study it is hypothesized that:

H2 There is a significant relationship between the expected security from E- CRM and E-loyalty of customer through electronic banking satisfaction. This hypothesis is divided into the following two sub-hypotheses:

H2/1 There is a significant relationship between the expected security from the E-CRM and intentions to repeat electronic dealing through electronic banking satisfaction.

H2/2 There is a significant relationship between the expected security from E-CRM and Provide customers with positive recommendations for others through electronic banking satisfaction.

2.2 Convenience of website design and its impact on e-Satisfaction and e-loyalty

While exploring the dimensions E-CRM which represent the antecedents of e-loyalty, other factors also need to be explored. The importance of convenience of website design has been greatly examined. Especially, a consumer's successful online banking transactions experience is affected by Problem solving (Mang'unyi et al. 2018). And ease use website (Kassim et al. 2010). Such elements, then, may positively influence consumer perception of e-Dealing with the bank, and, in turn, may influence e-loyalty (Mang'unyi et al. 2018). So, understanding the factors that enhance web site quality is important to the success of online service provider (Thaichon et al. 2014). Ease of navigation provides a good purchasing experience; the efficiency of a website allows customers to provide orders quickly, leading to higher satisfaction levels (Faraoni et al. 2018). Therefore, good site design had a positive impact on e-satisfaction (Cyr, Kindra, and Dash, 2009). customers who find convenience in e-dealing with the bank in terms of ease of use of electronic banking and the availability of the possibility to solve the problems of

customers immediately, leads to providing customers positive words of Mouth about e-dealing with the bank. So, in the latter, it can be said that in electronic banks the efficiency of website is the main driver for establishing long-term relationships between banks and their customers, followed by ease of use (Amin, 2016).

According to studies conducted by different researchers (Dolly and Pruthi, 2014; Clifford et al. 2012; Rosário, 2015; Bezhovski et al. 2016) Although Different application scope, it can be concluded that there is a significant relationship between the convenience of website design and the E- loyalty of the customers. Where the first Study was applied on a sample of online shopping customers. The second study was conducted by university students in Ireland who deal online and took the third sample of fashion industry customers in Spain. The fourth study included the samples of the operating managers in the banks and the ten customers from each bank. This agreement in the results is based on the fact that they used the same tool of measurement to measure the convenience of website design as one of the dimensions of E-CRM, where they depended on (answering customer inquiries, Follow customer complaints and comments, clarifying to customers how to access information). In fact, Mang'unyi et al. (2018) proved that There is a significant relationship between the dimensions of e-CRM (User friendliness, Problem solving) and customer loyalty. There is a positive relationship between availability of convenience requirements and care and service via the website through interactive contacts across the site (Mekkamol, Piewdang and Untachai, 2013). Although the scope of application differed between some studies and their agreement to select The research sample as Winnie, (2014) He took a sample Of customers of three E-websites in Malaysia, and study Valvi et al. (2013) Which was applied to customers that buying books online In the UK, and study Faraoni et al. (2018) Which was applied to students enrolled in the Management Master's Degree in Italy, but they confirm the same of result is no correlation between the design of website and E- Satisfaction and E-Loyalty of customer for shopping online. This agreement in the results among the researchers may be indicates the similarity the requirements convenience of customers who prefer to deal online.

And Saini and kumar (2015) they took the sample of online shopping customers in India and found that Dimension of convenience is less influential on E-loyalty of customers compared with trust and security. and we sees that this is due to the researchers divided the sample study to (who have PhD, university students, employees) who have a high level of education, and have computer skills and electronic dealing, so the availability of convenience in use website did not affect their loyalty for electronic transactions, but rather They are looking for the level of security and the extent of protection of personal information via the site.

Specifically, convenience of website design includes a set of elements that contribute to the maintenance of a good relationship with online customers. Where regulate online banking, easy accesses to E-banking information, convenient visual structure are advantages to influence customers E-satisfaction (poon, 2008). Where Bezhovski et al. (2016) finds that E-CRM works to provide convenience in self-service to customers where they no longer must wait to pay utility bills. Amin (2016) believes that the ease of using the websites of the banks in search and organizing information leads to increased E-satisfaction and E-loyalty of customer. While Rosário, (2015) finds that the ease of use of the website reduces the cost of research and time to processing transactions, and gives good impression for the customer, and making them want to stay and handle via website. Additionally, Ho and Lin (2010) Customers prefer website of the bank that enables them to complete online banking in a timely manner, correctly and respond promptly to their inquiries.

When E-CRM working properly, it helps customer to Problem solving (Noor, 2012). While studies Rahimiparvar (2012); Bezhovski et al. (2016); Dolly et al. (2016) found that Problem solving affects E-loyalty of customer. Where Rahimiparvar, (2012) concludes that enabling customers to solve their own problems without sending mail Or make a call Lead to enhance intentions to repeat electronic dealing .While Bezhovski et al. (2016) concluded that early response to customer queries, fast processing to errors, and solving their problems make customers feel satisfied and maintain long-term relationships. While Dolly et al. (2014) suggests that problem solving as one of the dimensions of E-CRM will affect the transaction cycle online. Olupot and Kituyi, (2013) conclude that an online help desk responsible for customer problems solving about a service lead to create a personal interaction with the organization. In

the banking context, the ability of banking sites to solve customer problems, customer feedback services and to accommodate complaints and the presence of an online help desk leads to the adoption electronic banking services (poon, 2008). In the Thailand online web site context, sincere attention to customer inquiries and answering, and solving customer problems across the site affect the customer Satisfaction (Thaichon et al. 2014). And disagreed with them Mang'unyi et al. (2017), who proved that there is a weak correlation between problem solving as one of the dimensions of E-CRM and customer loyalty for online banking. Therefore, in this Study it is hypothesized that:

H3: There is a significant relationship between convenience of website design and E- loyalty of customer
The main hypothesis was divided into two sub-hypotheses
H3/1 There is a significant relationship between convenience of website design and intentions to repeat electronic dealing for customers.
H3/2There is a significant relationship between convenience of website design and Provide customers with positive word of mouth for others.

According to studies conducted by different researchers (Rahimiparvar, 2012; Rosário, 2015; kim, 2003; Ismail et al. 2014) it can be concluded that there is a significant relationship between convenience in website design and electronic satisfaction, and which leads to achieving E-loyalty of customer. While (Ismail et al. 2014; Rahimiparvar, 2012) concluded that the convenience of using the web site is the most dimensions E-CRM which influence on electronic loyalty compared to customization and electronic channels. While kim (2003) suggests that the impact Website design on electronic satisfaction and which leads to achieving E-loyalty of customer More than the impact of customer service. Ease use of website affects E- satisfaction, and this in turn impacts intentions to repeat e-dealing and providing customers with positive word of mouth for others (Kassim et al. 2010). On the contrary Mang'unyi et al. (2018) suggested that customer satisfaction has not moderating effect between dimensions of e-CRM (Problem solving, User friendliness) and customer E-loyalty. While Rosário (2015) who confirm that the website design Effects on the E- loyalty of the customer more than indirect relationship through E- Satisfaction. Therefore, in this study it is hypothesized that:

H4 There is a significant relationship between the convenience of website design as one of the dimensions of E-CRM and E-loyalty of customer through electronic banking satisfaction. This hypothesis is divided into the following two sub- hypotheses:

H4/1 There is a significant relationship between the convenience of website design as one of the dimensions of E-CRM and intentions to repeat electronic dealing through electronic banking satisfaction.

H4/2 There is a significant relationship between the convenience of website design as one of the dimensions of E-CRM and providing customers with positive words for others through electronic banking satisfaction.

3 Research methodology
3.1 methodology

This research depends on structure equation modeling (SEM) to measure the variables of the study. Based on the scientific approach to building and developing Measurements in behavioral sciences (Arbuckle, J., 2013). Figure 1 illustrates The Proposed research framework of the study.
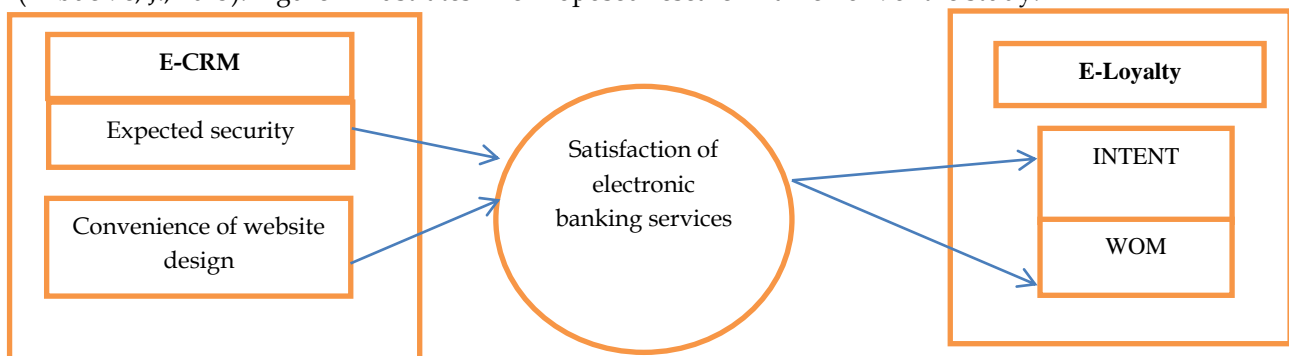
Figure 1. Proposed research framework

Notes: E-CRM=Electronic customer relationship management, INTENT= intentions to repeat electronic dealing, WOM= word of mouth.

3.1.1 Measuring variables

First, a measurement model is designed to determine the significance of path coefficients

(Factor loadings) between multiple variables (observed variables) and (latent variables). It allows making sure the validity of the model. Next, a structural model is designed to verify the significance of statistical influences (or regression weights) that exist between the latent variables (Bentler, 1990), enabling testing of the causal Relationships between the variables that were hypothesized in the proposed conceptual model (see appendix).

3.1.2 The questionnaire design

A Questionnaire was designed to measure the dimensions of E- CRM (expected security and convenience of website design), the satisfaction of electronic banking services, the dimensions of E-Loyalty (intention to repeat e-dealing and Provide customers with positive words for others). A self-administered questionnaire was used to collect data from the online banking customers. The questionnaire is divided into three parts the first part: demographic data (age, gender, level of education, number of years of e-dealing with the bank). The second part deals with information about expected security and convenience of website design, while the third part is the electronic banking satisfaction and intentions to repeat electronic dealing with the bank and provide customers with positive words to others. On the Likert scale where 1 = not at all influential and 5 = extremely influential. All items in this questionnaire were adapted by previous studies (see appendix) expected security was based on (Ribbink, van Riel, Liljander and Streukens 2004; Poon, 2008; Vlachos and Vrechopoulos, 2008; Kim and Niehm 2009).The convenience of website design was based on (Herington and Weaven, 2009; Ho etal, 2010; Mang'unyi et al. 2017). Electronic banking satisfaction (six related items) The measurement was based on (Herington et al. 2009; Ribbink et al. 2004), E- loyalty (ten related items) included measures from a scale by (Ribbink et al. 2004; Gremler ,1995; Zeithaml, Berry and Parasuraman, 1996; Ramseook and Naidoo,2011).

3.1.3 Sampling and data collection

The research population consisted of all customers of Commercial banks in Cairo, Egypt. Customers who using Internet technology- based applications provided by the bank to access their services, a convenience sampling technique was employed to collect data by using questionnaire, Convenience sampling designs, generally, have been embraced in service marketing and social science research (Etikan, Musa and Alkassim, 2016) . Before these surveys, a pilot survey was conducted In November 2018 on a test sample of five subject matter experts, And Ten customer of commercial banks who e-dealing with the bank, who were asked to make written comments on clarity of the questions and length of the survey. The purpose of the pre-test of Questionnaire was to ensure a logical arrangement, readability and Credibility of the data collection instruments from a qualitative point of view (Hair Jr, Black, Babin , Anderson and Tatham, 2006), after changes were incorporated into the final questionnaire, a total of 384 questionnaires were distributed and collected, but only 370 were useable for analysis. Questionnaires were distributed randomly, and in person, to every customer came to the bank during business hours and who online transaction with the bank and those visiting the automatic teller machines (ATM) located outside the bank through the period between January 2019 and April 2019.

It is noted from the sample results that the category most interacting electronically with banks is male, where they represented 65.6% of the sample while females only 34.3%. As for the variable age, it was found that the category (from 30 years to less than 40 years) represents the highest percentage in the sample of the study where it reached 80.8%. This is a logical result as the youth group is the most receptive to the idea of dealing with banks and that was agreed with the views of the same study obtained by the researcher from personal interviews with customers in commercial banks. The high qualification is the highest percentage of the total sample (70%), followed by a postgraduate (23.51%), 93.51% of the total sample representing a high level of education. this refers to that individuals with higher educational level prefer to deal with electronic banks compared to individuals with lower educational level, which may be due to the high level of awareness and technological skills to them, In addition to the less educated

category often have a fear from the risk of dealing electronically with banks As for the number of years of online transaction with the bank, it was found that the category (4 years to 6 years) represented the highest percentage of the total sample (43.5%) followed by the category (from one year to 4 years). And its percentage (24%) of the sample of the study. It refers to the sample has relatively high level of experience in dealing with the bank.

4 Data analysis

Include characteristics of sample, exploratory factor analysis (EFA), and reliability assessment of measures (stability), the Confirmatory Factor Analysis (CFA), Standard Direct Effect and Standard Indirect by using Bootstrap method.

4.1 Measurement model

	EFA	CFA	CR	Cronbach's alpha	AVE
sec1	.662	.731			
sec2	.599	.635			
sec 3	.709	.741			
sec 4	.763	.558			
sec		5651.	.71	.70	.61
conv1	.530	.783			
Conv2	.781	.582			
conv3	.525	.663			
Conv4	.772	.718			
conv		2.346	75.	.74	.62
sati1	.687	.527			
sati2	.745	.709			
sati3	.814	.659			
sati4	.669	.666			
sati		2.361	79.	.78	.55
INT1	.510	.555			
INT2	.754	.617			
INT 3	.563	.676			
INT 4	.703	.650			
INT5	.516	.600			
INTENT		2.44	.78	.77	.63
wom1	.506	.677			
Wom2	.835	.761			
Wom3	.711	.681			
Wom4	.752	.560			
wom		2.679	.81	.80	.61

Table 1: exploratory factor analysis, Confirmed Factor Analysis, Composite Reliability, Cronbach's Alpha and Average Variance Extracted

Notes: conv= Convenience of website design, sec= Expected security, sati= Banking Electronic Satisfaction, INTENT= intention to repeat e-dealing, wom = Provide customers with positive words, AVE: Average Variance Extracted; CR: Composite Reliability.

The dimensions of the study were analyzed using oblique rotation through exploratory factor analysis (EFA), The criterion of meaningful factor loading was set to 0.4 according to (Tsoukatos and Rand, 2006). Cronbach's alpha test was estimated to determine the internal consistency of the Study variables (Hair, Black, Babine and Anderson, 2010). Table 1 refers to that the values Cronbach's alpha ranged between .70 and .80, which were acceptable it above 50% according to (Nunnally, 1978). Confirmatory Factor Analysis (CFA) was used to test the measurement model, the factor loading was range between (0.52 to 0.78), being larger than or close to 0.6 (Bagozzi and Yi, 1988; Hair Jr et al. 2006). To assess the internal consistency of study indicators, we assessed the composite reliability (CR) for each latent variable. All variables such as Expected security (0.71), Convenience of website design (0.75),

Electronic Banking Satisfaction (0.79), intention to repeat e-dealing (.78), Provide customers with positive words (0.81). Its show acceptable levels of CR, over 0.6 according to (Bagozzi et al. 1988). For Convergent validity was estimated by the average of variance extracted index (AVE). AVE of Expected security (0.61), Convenience of website design (0.62), Electronic Banking Satisfaction (0.55), intention to repeat e-dealing (.63), provide customers with positive words (.61). It's showed acceptable values being higher than 0.50 according to (Fornell and Larcker, 1981).

Also, Average Variance Extracted (AVE) uses as tool to evaluate Discriminant validity, through the comparison between AVE and correlation coefficient values between factors, should be (AVE) Greater than (correlation)^2 according to (Fornell et al. 1981).

Factor name	correlation	sec	conv	sati	INTENT	wom
	AVE					
sec	correlation					
	AVE					
	(correlation)2					
conv	correlation	.55				
	AVE	.61				
	(correlation)2	.302				
sati	correlation	.28	.34			
	AVE	.56	.57			
	(correlation)2	.078	.115			
INTENT	correlation	.43	.51	.22		
	AVE	.62	.63	.61		
	(correlation)2	.184	.260	.048		
wom	correlation	.38	.44	.11	.49	
	AVE	.63	.63	.54	.61	
	(correlation)2	.144	.193	.012	.240	

All correlations are significant at p < 0.01(two-tailed)

Table 2 the comparison between AVE and correlation coefficient values

Based on the results shown in the previous table, (AVE) values for each factor are greater than the (correlation coefficient)^2 of the same factor, which confirms the achieved Discriminant validity of all factors in the proposed measurement model.

5 Testing of hypotheses
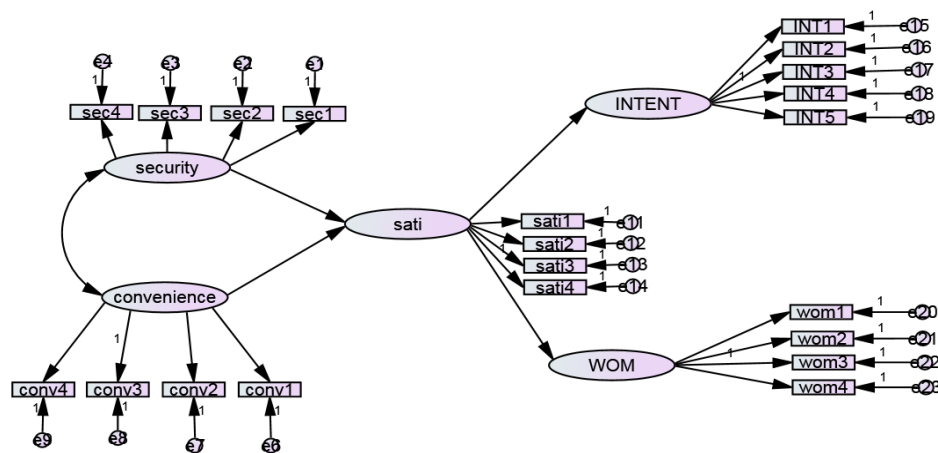
Figure (2) the structural model of the study

Measures	Fit Indices	Threshold Values
CMIN/DF	1.6	Less than 3
GFI	0.99	0.90 and above
AGFI	0.96	0.90 and above
CFI	0.99	0.90 and above
TLI	0.98	0.90 and above
NFI	0.98	0.90 and above
RMSEA	0.05	Less than 0.08

Table (3) Results of the quality indicators of conformity of the structural model of the study (model fit)

For each of the main dimensions (Expected security, Convenience of website design, Electronic Banking Satisfaction, intention to repeat e-dealing, provide customers with positive words) a CFA was estimated using the SPSS module AMOS v. 22 (Arbuckle, 2013). The hypotheses were tested using a structure equation modeling (SEM) because this technique provides statistical efficiency and its ability to assess the relationships comprehensively (Hair et al. 2006). Moreover, SEM techniques are particularly appropriate for the study of multiple relationships between variables such as those investigated in this research. The previous table shows that the modified construction model is the best solution where all the indicators of conformity are acceptable, where CMIN / DF (1.8) are less than 2. The "goodness-of-fit index" (GFI) measures the fit between the hypothesized model and the covariance matrix of the observed variables, proposing values near to 0.90 as an acceptable model fit (Hu and Bentler, 1999). The GFI of the model (0.98), and the related "adjusted goodness-of-fit index" (AGFI) (0.96), suggested an acceptable model fit. The "root mean square error of approximation "(RMSEA), which measures the fit of the tested model with the population covariance matrix, (.05) is less than (0.08). It was calculated because of their robustness, stability, and lack of sensitivity to sample size (Hair et al. 2006). "Comparative fit index" (CFI), and the "normed fit index" (NFI) is estimated according to (Bentler, 1990). According to Hu et al. (1999) CFI and NFI Results of above 0.95 are good. The hypothesized model indicated acceptable fit indices of CFI=0.97 and NFI=0.94. Which confirms the validity of the measurement model, and good conformity for the sample data of the research.

To Test the hypotheses of the study and investigate that there is significant relationship between the dimensions of the E-CRM and The E-loyalty by checked value of Critical Ratio For Regression Weight(CR) Between each independent factor affecting the dependent variable In a table of Regression Weights , and (CR) must be More than(+/- 1.96). The following table shows Summary of results of Regression Weights Between the dimensions of E-CRM (the expected security, convenience of website design) and the intention to repeat the electronic E-dealing provide positive words to others.

			Estimate	S.E.	C.R.	P	Label
wom	<---	sec	.105	.051	2.058	.038	
wom	<---	conv	.330	.092	3.596	***	
INTENT	<---	sec	.432	.198	2.181	.029	
INTENT	<---	conv	-.178	.119	-1.495	.135	

Table (4) Regression Weights: (Group number 1 - Default model)

Through The results shown in the previous table:

The hypothesis(H1/1) was accepted, a value of CR = 2.181 (i.e. more than1. 96) that indicate to the effect of independent variable on the dependent variable is significant, and (Estimate = 0.432) with a positive sign indicating that there is a positive relationship between the expected security and the intentions of E-dealing with the bank, the greater of the level of availability of security that customers expect by one, the more customers will offer positive words to others about e-dealing with the bank by (0.432) and the value of P = .029 (i.e. less than 0.05) This indicates the relationship between the expected security and intention to repeat e-dealing is significant.

The hypothesis(H1/2) was accepted, a value of CR = 2.058 (i.e. more than 1.96) that indicate to that the effect of the independent variable on the dependent variable is significance, (Estimate = .105)

with a positive sign indicating that there is a positive relationship between the expected security and providing positive words to others, and The greater of the level of availability of security that customers expect by one, the more customers will offer positive words to others about e-dealing with the bank by (0.105), (P = 0.038), i.e., less than (0.05). This indicates the relationship between the expected security and providing positive words to others is significant.

We show that the availability of security in the bank's website in terms of the protection of credit card information, the providing of Passwords secure, lead to increased customer satisfaction for electronic dealing, The availability of confidence in the site in terms of clarity of information and credibility Encourage customers to speak well about e-dealing with the bank.

The hypothesis (H3/1) was rejected. The value of (CR = -1.495) was less than (1.96) indicating that there was no effect of the independent variable on the dependent variable, and the value of (P = .135) which shows the relationship between the availability of convenience of website design and the intention to repeat e-dealing with the bank is not significant.

The hypothesis(H3/2) was accepted, because a value of (CR = 3.596), which is more than (1.96) that indicate to the effect of independent variable on the dependent variable is significant, and (Estimate = 0.330) with a positive sign indicating that there is positive relationship between convenience of website design and providing positive words, the more convenience of website design by one, the more customers offer positive words to others about the electronic deal with the bank(by 0.330), and the value of (P = ***) Indicates the relationship between the convenience of website design and provide customers with positive words to others about dealing with the bank is significant.

We confirm that through interviews with customers of commercial banks that the organization of information in terms of arrangement of banking services available through the bank's website leads to the completion of transactions easily and quickly, because increasing the Entry of customers on the bank's page causing pressure on the server, and thus slowness of the process Browsing.

6 Standardized Direct Effect and Standardized Indirect Effect by Using the Bootstrap method:

To test hypothesis H3, Mediator variable test through Bootstrap method

Variables			Direct path coefficient value	significant	Indirect path coefficient value	significant	Total path coefficient value
Independent	Mediator	dependent					
expected security	E-banking Satisfaction	intention repeat E-dealing	.357	***	.021	***	.378
convenience of website design	E-banking Satisfaction	intention repeat E-dealing	-.561	.201	.014	.013	-.547
E-banking Satisfaction	-	intention repeat E-dealing	.163	-	.000	-	.163

Table (5) Results of the direct, indirect and total relationship of the study variables
Source: by researcher based on the results of statistical analysis.

The previous table Show that: There is a significant effect between the (expected security) and the intentions repeat E- dealing. Where the value of the beta coefficient was p= (***). And the relationship between convenience of website design and the intentions repeat E- dealing is not significance, where the value of the beta coefficient was greater than (0.05).

The study Found that a direct impact between (expected security) and intentions of repeat e-dealing. Greater than the indirect effect between (expected security) and intentions of repeat e-dealing. This indicates that banking E-Satisfaction does not play the role of mediator in influencing on the relationship between E-CRM dimensions (expected security) and intentions to repeat e-dealing Thus rejecting (H2/1). The indirect effect between convenience of website design and intentions of repeat e-dealing was found to be greater than the direct effect between convenience of website design and intentions of repeat e-dealing. This indicates that banking E-Satisfaction as a mediator variable in

influencing the relationship between E-CRM dimensions (convenience of website design) and the intentions to repeat e-dealing. And thus accept (H4/1).

Variables			Direct path coefficient value	Significant.	Indirect path coefficient value	significant	Total path coefficient value
Independent	Mediator	dependent					
expected security	E-banking Satisfaction	Providing positive words to others.	.531	.033	-.103	.136	.428
convenience of website design	E-banking Satisfaction	Providing positive words to others.	.284	***	.063	.107	.347
E-banking Satisfaction	-	Providing positive words to others.	.436	-	.000	-	.436

Source by researcher based on the results of statistical analysis:

Table (6) Results of the direct, indirect and total relation of variables

Previous table Show that: There is a significant effect between (expected security, convenience of website design) and provides positive words for others. Where the value of beta coefficient less than (0.05).

The direct effect between (expected security, convenience of website design) and provides positive words to others was found to be greater than the indirect effect between (expected security, convenience of website design) and providing positive words to others. Which shows that electronic banking satisfaction does not play the role of mediator in influencing the relationship between E-CRM dimensions and providing positive words to others. And thus reject (H2/2), (H4/2).

7 Discussions

Customers' e-loyalty considers a competitive advantage for commercial banks. So, this research contributes to the exploration of the primary factors that attract Electronic loyalty of customers of commercial banks. Our study has found that there is a positive relationship between expected security and electronic loyalty, which corroborates with previous research (Faraoni et al. 2018). Unlike in previous studies Murugiah et al. (2015) who stressed on There is a negative relationship between expected security and Satisfaction of customers due to the complicated procedures followed by banks to protect customer privacy. so, The main contribution of the research is that commercial banks providing the levels of security that customers expect in terms of fulfilling their promises, providing high security features, maintaining the information quality and timely provision of relevant information, lead to encouraging customers to share details of credit card and renewing intentions of electronic dealing with the bank and urging others to use electronic banking transactions.

The second contribution is that the study found that there is a significant relationship between convenience in website design and providing positive words of mouth to others about electronic dealing. This result agreed with (Amin, 2016) the efficiency of website is the main driver for establishing long-term relationships between banks and their customers. And Mang'unyi et al. (2018) proved that there is a significant relationship between the dimensions of e-CRM (User friendliness) and Encourage customers to providing positive words of mouth to others about electronic dealing. This result disagreed with (Valvi et al. 2013) who confirmed that there is no correlation between the design of website and E-Loyalty of customer. So, when the bank website is easy to use and well organized, it encourages customers to talk well about the advantages of electronic dealing with the bank. While the lack of online brochures to help customers solve their problems and the lack of an expert system to help customers complete their banking transactions, making it difficult to use online banking, which is reflected in the low intentions to repeat electronic transactions with the banks.

On the other hand, electronic satisfaction does not play the role of mediator in influencing the relationship between E-CRM dimensions (expected security, convenience of website design) and providing positive words to others. And the similarity of that with previous research, Mang'unyi et al. (2018) suggested that customer satisfaction has not moderating effect between dimensions of e-CRM (Problem solving, User friendliness) and customer E-loyalty. Unlike in previous studies, there is a significant relationship between the expected security and E- loyalty of the customer via banking E-satisfaction (Kassim et al. 2010). Therefore, the bank needs to enhance the areas of customer dissatisfaction in terms of the ability of the site to provide the needs of the client before the deadline or on time, informs customers of new offers constantly, make e-banking services exceed customer expectations. While electronic satisfaction does not act as a mediator in the impact on the relationship between the dimensions of E-CRM (the expected security) and the intention to repeat e-transactions. While electronic satisfaction does act as a mediator in the impact on the relationship between the dimensions of E-CRM (the convenience) and the intention to repeat e-transactions.

8 Conclusion

This study provides additional evidence to the marketing literature concerning the impact of E-CRM on e-loyalty. This study contributes by highlighting some factors that have not been widely examined in literature such as, banking E-satisfaction, expected security and convenience of design website.

Although this study has proved that E-CRM effects on decrease customer intention to switch to other website and increase customer E-loyalty, the relationship between customers and the bank's website largely depends on the availability of secure E-banking transactions. Therefore, commercial banks need to increase customer confidence in electronic banking transactions by protecting the privacy of data and maintaining the quality of information provided via the bank's website. For this reason, Miremadi et al. (2012) highlights that bank managers must take action that will raise customer confidence towards online banking transactions. Similarly, Customers are reluctant to e-dealing with the bank if they don't trust in electronic banking (Belás et al. 2016). Thus, to increase customer confidence in electronic banking transactions, the customer must be proactively notified that online transactions are kept confidential. As well as provide guidance on how to solve security problems and information on how to use online banking in a secure way (Amin 2016). The current study shows that banks should announce the security policy they follow in detail through the bank's website. It agreed with poon (2008) who stressed that the lack of adequate information on security measures for electronic banking services reduces customers' reliance on electronic banking services.

Regarding the convenience of e-dealing with the bank, it was found that there is a significant relationship between the convenience of website designing and provides positive recommendations to others. Which requires commercial banks to provide the bank's website with well-organized information, and the home page contains links that make it easier for customers to complete various transactions, in addition to the availability of images and graphics work on the ease of completion of transactions and reduce customer effort. Similarly, When the organization's website is attractive, convenient and friendly, it leads to increased customer loyalty (Valvi et al. 2013).

9 Managerial implications

From the customer's point of view, according to the results of this research, it is clear that in Egyptian commercial banks, attention should be given to electronic customer relationship management as an antecedent to E-loyalty, especially, the Security that customers expect an banks websites should be given a top priority. In the context of electronic banking, trust is a characteristic element (Belás etal. 2016). Investments focused on enhancing confidence should be increased, information transparency, the management of the customer's relationship. All limitations, terms of online promotions, payment procedures, site use policies should be made explicit (Faraoni et al. 2018). Therefore, websites of commercial banks should provide clear, easy-to-understand and highly credible information about how to complete electronic banking transactions to minimize errors in electronic transactions. The Bank's website must be presents information about its security policies to protect the privacy of customer data, and keeps credit card information secure, leading to renewed intention to repeat e-dealing with the bank, and Do not

think about switching to another bank. It would also be advantageous to link this information to tips for using e-banking services securely. This study contributes to increasing the understanding of commercial bank managers of the needs of customers in terms of convenience requirements in electronic dealing (ease of use and problem solving) and security levels (confidence in the site, quality of information and privacy protection). Commercial bank managers are advised to focus on providing customers with positive words to others by ensuring that the bank's website is comfortable and user friendly. Simplifying online banking transactions to reduce Working pressure in branches and improve the bank's reputation reinforcing customers' intent to repeat e-dealing. Commercial banks can also enhance their intentions to deal with the bank by aiding customers to solve banking problems.

10   Limitations and Trends of Future Research

The model of study was tested in the Egyptian commercial banks context which may be not only different from other service sectors but also in other countries. This study has found that banking E-satisfaction does not mediate the relationship between dimensions E-CRM and e-loyalty. And thus, opens the field for future researches to support these results or variation with them and relying on other intermediate variables such as electronic trust. For future research, additional E-CRM dimensions should be investigated such as Perceived Value.

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Appendix A:

NO	Questionnaires	references
expected security	Trust: -I am prepared to give private information to online banks. - I am willing to give my credit card number to most online banks. - Online banks always fulfill their promises.	(Ribbink et al., 2004)
	Privacy: -Confidential information is delivered safely from banks to customers. -Continuous improvement on online systems. -The website has high security features.	(Poon, 2008)
	Quality of information: -The website provides high quality information. .The website provides timely information- -The website provides relevant information.	(Vlachos etal., 2008; Kim teal., 2009)
convenience of website design	Ease use: -The website of online banks is simple to use. -The website of online banks is well organized. -I can get on to the website of online banks quickly. -Pages at the website of online banks do not freeze. -It is easy to find what I need on the website of online banks. -I can complete a transaction quickly on the website of online banks.	(Herington etal., 2009; and Ho etal., 2010)
	problems solving -the Bank provides brochures via internet that help customers solve their problems. -The bank provides questions and answers via internet to common problems. -There is an expert system via the bank's website that helps customers solve their problems.	(Mang'unyi et al., 2017)
Electronic Banking Satisfaction:	-I am generally pleased with the Banking's online services. -I am very satisfied with the Banking's online services. -I am happy with the online Banking. -The website of the online Banking is enjoyable. -The website of online banks is simple to use. -I am satisfied with overall online bank's products and services.	(Herington etal.,2009; Ribbink et al. 2004)
E-Loyalty :	Intentions to Repeat E-dealing: -I seldom consider switching to another Web site. -If the present service continues, I doubt that I would switch Web sites. -I try to use the Web site whenever I need to make a purchase. -When I need to make a purchase, this Web site is my first choice. -I like using this Web site. -I intend to continue using the online Banking. -I prefer the online Banking above others.	(Gremler1995; Zeithaml et al. 1996; Ribbink et al. 2004)
	Providing positive words to others: -I would recommend the Bank's website to others. -I would like to say positive things about online banking to other people. -I would recommend online banking to someone who seeks advice.	(Ribbink et al. 2004; Ramseooketal., 2011; Zeithaml et al., 1996)

Major concerns of FinTech (Financial Technology) services in the Korean market

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Abstract

Technological innovation is the driving force of FinTech's growth. FinTech (Financial Technology) provides easing payment processes, reducing fraud, saving user's money, promoting financial planning, and moving a giant industry forward. FinTech is receiving a lot of attention in the finance and IT markets in the world. However, main concerns of FinTech services are regulations and technical problems such as government regulation, the security of customer's money and investments, protection of customer's data, cyber-attacks, lack of expertise, and so on. Especially, the major issues of FinTech are security and stability which are essential as well as ease of use. No matter how they introduce new technologies and user convenience, FinTech got the trust of our customers. As a leader of FinTech, we discuss the major concerns of the FinTech security with Korean market case. Also, regulation has slowed the development of the FinTech industry. With the unreasonable regulation system in Korea, FinTech is in a lot of controversies between finance and industry. People in Korea have already had a significant amount of experience with FinTech. The most prevalent examples of FinTech in Korea are Internet & Mobile Banking and shopping with the mobile payment market.

In this paper, we discussed institutional and technical issues that should be considered for a successful settlement in Korea and suggested how to carry out an unprecedented financial regulation innovation for the activation of FinTech to activate and successfully establish FinTech.

Introduction

The platform that uses FinTech around the world is growing more and more over the years. Today, people do not visit banks to deal with their financial affairs. Mobile FinTech service enables you to check banking businesses anytime without being limited by time and space. In the global financial market, FinTech is evolving the financial industry, creating a mobile revolution that transcends time and space.

FinTech is a combination of finance and technology. It covers financial services through the convergence of finance and IT, and changes in industries based on these services. FinTech's principle is to transform centralized financial services into P2P distributed services, which is a major distinction between electronic finance and FinTech. Recently, there are financial services such as mobile banking, app cards, personal property management, crowdfunding, robo-advisor, and so on. The industry changes include providing financial services such as payment and settlement systems, remittance directly to users using technology possessed by innovative nonfinancial corporations, such as Apple Pay and Samsung Pay. (Lee & Kim, 2015; Ma & Liu, 2017)

If traditional financial services are conducted facing customers directly at the bank, it is at the heart of FinTech that everyone can enjoy the same services without time and space limitations. "Now the bank is going to be invisible to the customer." Instead of disappearing physical space, virtual banking, which incorporates artificial intelligence, speech recognition technology or biological functions, is becoming a reality. The era in which the bank monopolizes monetary policy is gradually closing.

In Korea, FinTech services such as Kakao Pay, TOSS, and Bank Salad are gaining great popularity due to the ability to access financial services more quickly and conveniently. Kakao Pay, which started its services in 2014, is a FinTech service that allows users to make payments by simply inputting the password when purchasing goods or transferring them to another account after registering their credit card information in the KakaoTalk application. Also, it provides a simple remittance service.

Users of the TOSS application can take advantage of the bank's automatic withdrawal service (CMS) feature without an authorized certificate, allowing them to send money in just 30 seconds. To compensate for the instability of the security system without an authorized certificate, TOSS maintains a high level of security with only three certifications: mobile phone occupancy certification, account occupancy certification, and identification system. In 2017, Rainist, a Korean company specializing in FinTech, launched a bank salad and provided an asset management service through an application that automatically records and analyzes the user's deposit, withdrawal, and transfer history. It is convenient because you can see all the transaction information of all financial companies just by linking the first official certificate.

As a smartphone has become popular in recent years, FinTech provides a variety of practical FinTech financial services such as big data, platform, cloud funding, simple settlement and remittance service, and the development is different day by day. Regulation has slowed the development of the FinTech industry, and security and privacy issues continue to be pointed out and focused on remittance and payment services.

In this paper, we discuss institutional and technical issues that should be considered for a successful settlement in Korea. Also, it presented the development direction of Fintech's prospects and issues in Korean market.

Background

FinTech (Financial Technology), meaning the convergence between finance and technology, is a buzzword for 2015. Mobile technology makes it easier for startups to run a business than at any time in history, driving a shift towards the FinTech era where IT makes use of finance. There is no exception to this megatrend, in the global financial investment industries. FinTech increases its presence in every corner of financial markets, even in those regarded as traditional businesses such as wealth management, brokerage, investment advising, the secondary market, clearing, and settlement, etc. Korea is a little bit behind this global trend but now is keeping pace in seeking for opportunities to push FinTech innovation forward.

The continuous growth of the investment has been powering the development of FinTech to advance on technologies breakthroughs in multiple areas, such as mobile networks, big data, trust management, mobile embedded systems, cloud computing, image processing, and data analytic techniques. (Abawajy, Wang, Yang, and Javadi, 2016; Gai, Qiu, Tao, and Zhu, 2016; Gai, Qiu, and Zhao, 2018; Lee & Kim, 2015; Zhang, Yang, and Chen, 2016)

The fast development of technologies has led to the emergence of the new market, FinTech, which is very attractive for investors today. By now this market has a great number of different concepts: P2P-crediting, E-wallets, Bitcoins, T-commerce, mobile banks, etc. Many of these tools have already heavily entered our ordinary life. People can obtain any credits through special services on the Internet from other users without the participation of banks, pay by credit card using mobile devices, and get information about expenses and incomes according to the card anywhere in the world. Users do not need to go to banks anymore and to spend their time on credit arrangements, currency exchange, to look for ATMs to remove cash. Purchases on the Internet can be paid not only in rubles but also in new digital currency. These tools make life easier, however, they pose a serious threat for banks. Now, bank institutions should create more convenient and utility services for the clients to keep clients. Therefore, bank and credit systems start to change actively. (PWC, 2017)

As a new trend, FinTech is a line of business based on using software to provide financial services. FinTech companies are generally startups founded to disrupt incumbent financial systems and corporations that rely less on software. FinTech companies provide easing payment processes, reducing fraud, saving user's money, promoting financial planning, and ultimately moving a giant industry forward. (Kauffman. & Ma, 2015; Lee, Lee, & Chang, 2016) We still many questions about the security

issues in FinTech services. The main concern of FinTech products is the security of customer's money and investments, protection of customer's data, cyber-attacks, lack of expertise, and so on.

In Korea, FinTech is receiving a lot of attention in the finance and IT markets. As we know that FinTech is a combination of finance and technology. This means that financial services are delivered through IT solutions to allow the customer to receive more convenient financial services. People in Korea have already had a significant amount of experience with FinTech. The most prevalent examples of FinTech in Korea are Internet Banking and Internet shopping.

Other countries around the world are not actively using Internet banking and Internet shopping as much as Korea. It's not too much to say that this goes for the services offered as well. But Internet banking and online shopping do not make up the entire scope of FinTech. The FinTech solutions we have discussed up until now are technologies such as Alipay, PayPal, Samsung Pay and Apple Pay used by companies such as eBay and Amazon. (Lim, Kim, Hur, & Park., 2019)

For FinTech companies, cybersecurity should be a top priority. Also, data security is another issue regulator are concerned about because of the threat of hacking as well as the need to protect sensitive consumer and corporate financial data. The online financial sector is also an increasing target of distributed denial of service extortion attacks. This security challenge is also faced by historical bank companies since they do offer Internet-connected customer services. (Puschmann, 2017; Callen-Naviglia. & James, 2018)

FinTech can be shown that social reactions due to the increasing demand of internet and mobile banking enabled and your smartphone.

Samsung and Apple have recently started the 'Samsung pay' and 'Apple pay' and banks are making efforts to seat the mobile payment market. In addition to traditional credit card companies such as Visa cards are ready to release the correspondence to the credit card you are using a fingerprint and pin-tech has accelerated the growth of the market.

But the important thing is always a prerequisite FinTech security and stability is essential as well as ease of use. No matter how the introduction of new technologies, because the meaning of existence unless FinTech got the trust of our customers is not.

Internet bank of the ICT infrastructure has the security issue of the non-face-to-face is done mostly online. As an example, in 2014 service that Apple pay in the United States was experiencing If you pay with stolen card numbers, which the credit when you add the card authorization process is relatively vulnerable. PayPal is also the day of the accident rate has been increased to 0.33%. PayPal even a day.

Also, personal information leakage incidents, POS systems, such as hacking, large and small financial accidents are occurring constantly. FinTech is above all strengthening of the security. FinTech is desperate circumstances must be developed, preferably as a possible prerequisite to achieving the security services, and financial innovation.

New technology is exciting, but it can open many doors to new threats, such as the recent SWIFT attacks. For example, Bitcoins have already been under severe attack, and companies have already lost millions of dollars to cybercrime. These attacks have demonstrated the importance of security and controls from the start.

Also, new technologies make cybercrime investigations more difficult to solve due to anonymity and a lack of regulation at various levels. Hackers have a better understanding of the latest in FinTech than most chief information officers; FinTech is the biggest of technologies' many unknowns and has become a playground for hackers. Security forms the foundation of the financial services industry and, aside from convenience, keeping customer information secure is the biggest responsibility for any FinTech company. It takes a complex and systematic approach to address all the elements of cybersecurity and help a company be better equipped and educated to battle the full spectrum of potential attacks.

FinTech security needs to innovate. FinTech start-ups need to work closely with real hackers and catch up with the latest threats and vulnerabilities being exploited by the underground hacker community.

Are they familiar with the dark web and internet relay chats were hacker's login? Can they interact safely? Additionally, it will be difficult for them to have time for all these tests. This makes achieving

absolute security for new technologies extremely difficult and the best way to handle this is to start thinking about security from the start. Bring security into the design and think of secure design patterns.

Most developers see security as an impediment when they should see it to adapt speed and build trust with both users and regulators.

Current Status of FinTech Industry

As non-financial companies providing IT services provide financial services, FinTech is no longer the exclusive property of traditional financial institutions. This is because non-financial companies such as platform companies, ICT companies, and security companies are actively entering and expanding financial services. The industry classification of FinTech still has various definitions and classifications depending on the viewpoint of the stakeholders or the interpretation of its users. Further discussion is required because the concept of FinTech has not been defined clearly. However, in this thesis, I will distinguish broadly from online-based innovative financial services and ICT infrastructures and technologies based on them.
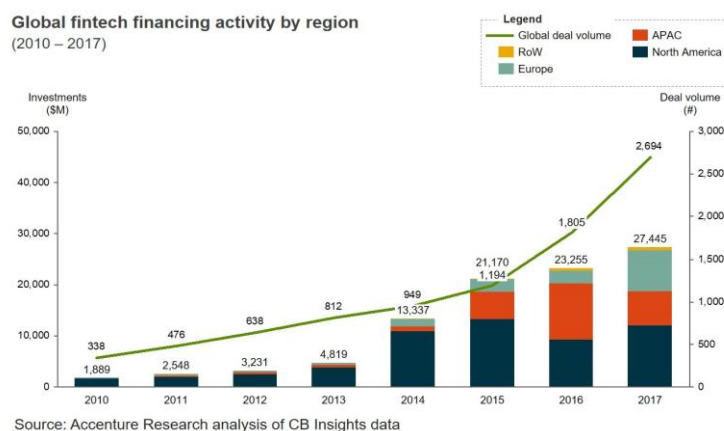
Figure 1. The World's FinTech Financing Deal Volume

Let's take a closer look at the current status of FinTech's financial industry and its domestic and overseas growth background. According to Figure 1, the world's FinTech financing deal volume already exceeds 1000 in 2015. In the two years from 2015 to 2017, FinTech's financing transactions have increased dramatically. The several factors (KDB, 2015) related to the development of FinTech is summarized with the change of consumption environment, the rapid speed of technological innovation and the competition of global IT companies.

The development of mobile and IT technologies and the explosive growth of smartphone users have changed the environment of consumption. Consumption is no longer limited by time and space. Mobile service users can purchase their goods or services anywhere, anytime, within 24 hours. As a result, the market for e-commerce and mobile consumption has grown rapidly around the world. In other words, thanks to the development of mobile IT technology, FinTech's growth was naturally expected.

Rapid technological innovation is also the driving force of FinTech's growth. The potential of the mobile market has become a reality due to the rapid development of technology. With the development of convergence technology, the range of services such as settlement, remittance, securities, asset management, and loans has expanded, and the benefits to consumers have also diversified.

Lastly, intensifying competition among global IT companies is one of the factors of the rapid growth of FinTech. With the proliferation of e-commerce and smartphones, IT companies have entered the financial market actively, and competition among global IT companies such as Apple and Google have intensified. In other words, the advancement into the mobile financial market took place all over the world, beginning with these global IT companies. In Figure 2 below, we can see the number of major trading companies in July 2017, which shows that the US and China are overwhelmingly dominated.

Korea, on the other hand, has a size of $ 51 billion, which is smaller than China, USA, and UK, but the domestic FinTech market is also growing.

Volume of Fintech Transaction (assumption, 2017.7)

China 1086.5, US 1025.5, UK 191, Japan 145.1, Germany 115, Korea 51.2
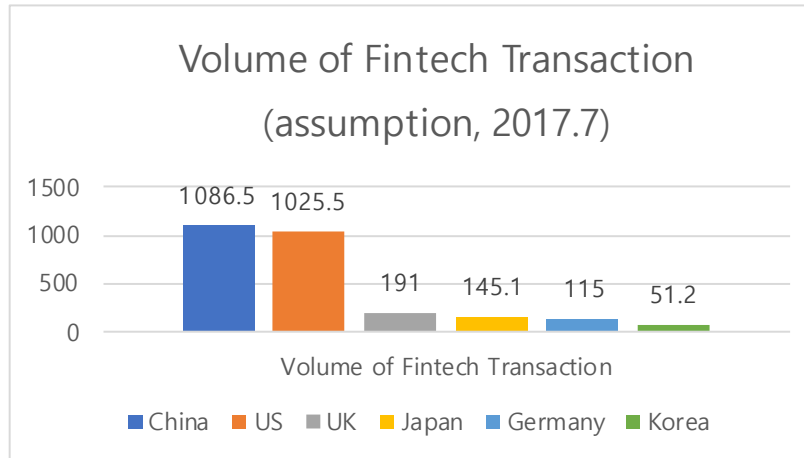
Figure 2. FinTech Statistics

Alibaba, an e-commerce company, provided artificial intelligence-based services for participating companies in China's biggest consumer festival, "Gwanggoon-je" on November 11, 2018, Alibaba's AI technology applied to logistics, cultivation of agricultural products, production of promotional videos, and translation services. Alibaba was expected to record sales of more than $ 32 billion in sales, following sales of $ 25.3 billion last year. Tencent, which provides Internet platform and game services, uses its distribution network to attract customers with Alibaba, and Pyeongan Insurance Company is responsible for developing insurance products. ZhongAn Insurance has become renowned as a world-class FinTech company through product development using Big Data, automated underwriting, and accurate risk management.

Oscar, a US online health insurance company established in New York in 2012, is a promising FinTech company that utilizes differentiated profit models and IT technology from existing insurance companies. Many existing insurance companies are trying to provide insurance services to healthy people who are relatively ill. Oscar, on the other hand, is an insurance company that broadens its customer base, prioritizes "customer health" and operates from the customer's perspective. For example, encouraging customers to continue to receive health screenings and keeping a certain amount of exercise will give customers up to $ 20 in monetary incentives. Notable is Misfit Flash, Oscar's fitness tracker. Oscar's customers can check the number of steps, calorie consumption, travel distance, and sleep time through this wearable device. It also provides various healthcare services such as remote consultation with physicians through mobile applications. Oscar builds big data with data collected by mobile and IT technology. It pursues medical care, transparency in transaction and its cost.

Domestic Fintech's Share of each sector

4.90%, 2.10%, 12.20%, 19.10%, 10.10%, 6.90%, 19.10%, 11.10%, 14.60%

Payment and Settlement systems
P2P Finance
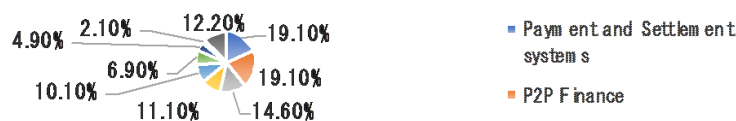
Figure 3 the annual size of domestic FinTech companies (The Bank of Korea, 2018)

Of course, the trading volume of the domestic FinTech industry is far below the US and China, but it is growing rapidly. As shown in Figure 3, the annual size of domestic FinTech companies is on the rise.

At the end of 2017, both the payment settlement category and P2P financing accounted for about 19%, followed by the financial platform (14.6%), security certification, and robot advisor followed by about 10%. It is important to note that the investment in the FinTech company in the above figure 4 is diverse. In 2014, the investment was limited only in the area of blockchain and cryptographic assets. By the year 2017, however, it has emerged in various fields such as payment settlement, P2P financing, and crowdfunding.

Issues of FinTech Financial Industry in Korea

In the FinTech era, it is very unrealistic for many Internet platform operators to function as a platform for financial services, and financial regulators to pre-regulate numerous platform providers, so the security system will be improved based on principles. Also, since information security is not an option in online services, FinTech vendors are motivated to voluntarily develop security technologies. Therefore, it is more reasonable to strengthen the follow-up examination of how to deal with the user's personal information than the existing pre-regulation, and the government will increase the post-regulation opportunity through the evaluation of the IT condition. Finally, we will abolish the adoption of uniform technologies such as ActiveX and public certificates and ensure the security of technology to ensure the technology neutrality to enjoy better security.

In Korea, there are also issues related to government regulation in the FinTech industry. To increase the competitiveness of industries related to the fourth industrial revolution such as Korea's FinTech, it is suggested that the current regulatory threshold should be lowered. Korea has favorable conditions in the era of the fourth industrial revolution such as the world's best information and communication technology (ICT), but the unreasonable regulation system becomes a shackle. In the case of the FinTech industry, most of the Korean financial regulations based on a typical positive regulatory system are applied. Positive regulation is a prohibited and exceptionally permissive method in principle. FinTech is a new industry that combines ICT technology and financial business. It is a service that is significantly different from existing financial business. In particular, the regulation of P2P finance and crowdfunding is pointed out as an unreasonable regulation system.

Institutional Issues

Financial institution experts and its service providers claimed that FinTech's growth in Korea is less prominent than in the US, China, and the UK. It is because those countries have already recognized the importance of FinTech and are actively working to foster the FinTech industry. The United States and Britain, the most developed countries in the financial sector, are investing and researching in FinTech services most actively, and Singapore, Israel, Germany, and Ireland are also making efforts to build FinTech infrastructure. Let's look at the case of the institutional infrastructure of the FinTech industry in the United States, Britain, and China who are leading the world's FinTech market.

The United States, the world's largest FinTech market, accounts for 83% of the world's FinTech investments. The United States is striving to maintain strict financial regulations to secure financial institutions and protect investors. Nevertheless, it adopts a 'negative regulatory system' that permits all but the prohibited ones.

This enables FinTech startup companies to create an environment that is easy to start any business with a new business model. In particular, the "No Action Letter" is a system that allows financial institutions to reply when a financial company asks for a review of the legality of a new product or starts a new business. If there is no problem as a result of the screening, it is a kind of "pre-emptive" that will not be brought into legal trouble or sanction later.

The UK, which is ranked second in the world after the US, is also rapidly growing into a FinTech powerhouse. As a result of the government's full support for FinTech, its infrastructure is seen as the main reason for its growth. Since the government created Tech City in 2011, transactions of the FinTech industry have more than tripled. UK introduced the world's first 'Regulatory Sandbox', which provides FinTech companies with the opportunity to test innovative financial products for a while without burdening regulators.

Unlike the general perception that the financial infrastructure is outdated, China's FinTech industry is growing very steeply. As of 2017, China's FinTech trade volume is expected to reach $ 1.5

trillion by 2018, which is the world's top trade volume, about $ 100 billion more than the US (about $ 1 trillion). The Chinese government is trying to reduce the barriers to entry of new companies through deregulation of the FinTech industry and to promote financial innovation through competition with existing financial companies.

By not enforcing regulations in some companies or demonstration areas, companies have gained a competitive edge through diverse experiences. Problems found in the process of business operation are complemented by the legal and institutional environment so that they can be supplemented.

In the United States, the United Kingdom, and China, the FinTech industries discussed above are characterized by a sound financial infrastructure and relax government financial regulation. On the other hand, the growth of the domestic FinTech industry is still at a pace of growth compared to the world level. According to the announcement of 2017 and 2018 by venture capital H2 ventures and multinational consulting group KPMG, the Korean corporation among the world's top 100 FinTech companies was the only TOSS, which provides the remittance service.

As the financial regulation continues to be a stumbling block to the development of the FinTech industry, the government announced its commitment to support IT and financial convergence in 2015 and showed its commitment to fostering the FinTech industry. At the beginning of 2016, the Ministry of Science, ICT and Future Planning will relax regulations in the field of FinTech such as virtual currency foreign exchange remittance, P2P finance, and robo-advisor through the FinTech restructuring plan at the "New Industry Regulatory Innovation Ministerial Meeting". Despite the government's efforts to deregulate the financial system, experts point out that institutional management based on positive regulations, which lists only the pre-regulatory issues, is a problem.

Most of the regulations of the FinTech are negative regulations that allow only the prohibition and the rest of them freely, but most of them are positive regulations that can only allow businesses in the allowed areas. It is not easy for start-ups to carry out businesses without burdening regulations because it is a pre-regulation that is approved only after the business has been permitted and problems arise, rather than being regulated after the business.

As issues related to regulation in Korea, the separation of finance and industry has become a big issue. It is the law of logic that finance, and industry should be separated. Due to the separation of finance and industry and the regulations mentioned above, Korea 's FinTech is in a lot of controversies. Depending on how economic authorities relax regulations and create new regulations, Korea 's FinTech market will be decided.

Technical Issues

The concern about security threats to the new FinTech convergence services has risen recently. Hacking on Paypal in 2017(Fox Business, 2017) was a serious threat considering the increasing trend of 'Direct purchasing of foreign goods'. With more than 100 million users around the world, PayPal is a popular service for domestic users who purchase overseas goods directly because it is easy to pay by email address and password. However, the parent company, eBay, was attacked by hackers and the PayPal account linked to the eBay account was leaked out. Because FinTech's main means is smartphones, FinTech service providers are more concerned with smartphone security and users also need regular security checks and other controls. Park, Managing Director of HP Security Business, Korea said, "The old security threat has been a lot of attacks and DDoS(Distributed Denial-of-Service) attacks on the hardware itself, but recently, attacks on software such as apps are more dominant than the system itself. The concept of "secure coding (software development security)" is necessary from the time of development.

With the increasing number of companies that have personal information and financial information of consumers to provide FinTech service, problems regarding security issues are emerging. Various authentication means such as biometric authentication using fingerprint and iris as effective authentication means have been developed. Also, there is a need to build a Fraud Detection System (FDS) that can detect abnormal signs in advance and help identify the responsible areas in case of accidents.

Increase in the number of companies with personal information and financial information FinTech services in all fields such as settlement/remittance, Internet banking, crowdfunding, and financial data analysis should utilize personal and financial information of financial consumers. This

means that the number of institutions that hold important information for financial consumers is increasing.

First, if you look at the card payment in the field of payment/remittance, only the credit card company limited the storage and storage of personal credit card information. However, if the regulation is relaxed for easier settlement, it will be possible for FinTech companies that provide separate authentication means to directly hold credit card information of financial consumers. For this reason, a high level of information security management system required by credit card companies and banks is being demanded by FinTech companies.

Crowdfunding also requires the sophisticated information security management because the companies receiving the investors' money will have personal information and financial information of the donor and the investor. In the case of 'financial data analysis', it provides sensitive information such as consumption habits and life patterns as well as personal information and financial information in connection with big data analysis. For example, in the case of a service that finds an insurance product that is optimized for an individual, the consumer must provide not only personal information, but also sensitive information related to the insurance concerned.

Thus, for FinTech companies to provide customized and optimized services to financial consumers, they must have a large amount of information related to users. Increase in authentication methods in financial transactions, authentication plays an important role in ensuring reliability and security, such as identity verification, prevention of transaction denial, data integrity, and securing confidentiality. Offline financial transactions based on face-to-face authentication, such as existing handwritten signatures, have been converted to online transactions based on non-face-based authentication using a public certificate as part of the development of ICT technology. Recently, the security of the service has been improved by securely managing the various authentication means and various information.

The government intends to strengthen the follow-up inspection and clarify responsibility standards to solve possible security vulnerabilities following the pre-regulatory minimization policy. Fraud Detection System (FDS) is indispensable to enhance after-sales inspection. FDS helps prevent security incidents by identifying the abnormal signs before the settlement remittance transaction has proceeded and helps clarify responsibilities in the event of an accident. For this reason, FinTech and financial companies are rapidly establishing FDS, but small companies are having difficulty in building FDS due to the construction cost and large data processing.

Examples of FinTech Companies in Korea

The domestic FinTech industry is growing in the area of P2P finance and simple remittance and settlement.

Peer-to-peer finance is an abbreviation of "peer-to-peer finance", which means individual-individual financing. As such, P2P financing is a service that enables direct financial transactions between individuals based on the Internet without going through existing financial companies. In the past, financial transactions were made only through financial companies, but now it is possible to borrow money or invest surplus funds through the Internet.

Simplified remittance is a field of FinTech, which is rapidly growing around new electronic financiers, replacing remittance services of banks and other financial companies. As the security regulations, such as the abolition of the use of the authorized certificate in 2015, have been eased, the remittance service using the simple authentication method without the security card or OTP has been expanded. At present, Kakao Pay and TOSS have dominated the domestic remittance service market at 97%.

Most of the users are in their 20s and 30s. The service is spreading around the 20s and 30s, who are less willing to use simple remittances and are looking for simplicity. According to the survey results, the male and female sex ratio was like 51.7% and 48.3%, respectively. One of the biggest challenges for remittance companies is securing a profit model. Currently, Kakao Pay, Naver Pay, and Fink do not receive any remittance fees. TOSS and Check Pay, Payco, and Paynow are only charged on certain conditions. 72% to 100% of customers using the service of Kakao Pay and TOSS are 'free users'. TOSS and Kakao Pay recorded deficits by the end of last year. Instead of earning money from remittances, the

company has chosen a profit strategy that secures customers and provides related financial services. As the number and amount of simple remittances increase, risk of financial soundness and data leakage is also expected to increase. Therefore, it is necessary to strengthen the security system of the simple remittance company.

Concluding Remarks

This paper presents suggestions along with concerns about Fintech's successful settlement and development in the Korean market. With the unreasonable regulation system in Korea, FinTech is in a lot of controversies between finance and industry. Also, the major issues of FinTech services are security and stability.

With the popularization of smart devices, the demand for financial services regardless of time and space will continue to increase. To effectively absorb these demands, FinTech must be supplied quickly, safely and conveniently. Therefore, more support and efforts are needed to create an environment for FinTech innovation.

Implications

FinTech, which is currently experiencing remarkable growth, will become an indispensable element in the financial market. Ultimately, the FinTech industry will increase the efficiency of financial transactions and enhance consumer benefits. Consumers will be able to reduce investment costs through the convenience of FinTech's financial services, and consumers' interests can be expanded by acquiring various financial information.

This is expected to be the foundation for the growth of young people and elderly people, who can be described as the financial weakness class. Still, the utilization rate of FinTech services for elderly people is only marginal to 4% as of 2018. However, considering the size and growth rate of the FinTech industry in the future, it is reasonable to expect that the utilization rate of FinTech service of the elderly will steadily increase.

Also, spontaneous financial consumption will continue to expand as a variety of services and financial products tailored to consumers' financial needs arise. Like the case of Kakao Pay and TOSS, which we have discussed above, FinTech companies, which have introduced the simple remittance service as their main service, are currently offering a variety of financial services besides remittance. Bank Salad is also an innovative financial service that uses FinTech to make consumer asset management useful. The future of the FinTech industry is expected to become more diverse as the technological perfection or degree of innovation increases.

As a result of the growth of the FinTech industry, the public interest in financial investment has increased, and the FinTech financial market is expected to expand further. Individual financial information is no longer attributable to banks alone. Strategic alliances between financial institutions and FinTech companies and the bank's FinTech services have already created an efficient asset management market. In other words, consumers, financial institutions and FinTech companies in the financial market have a virtuous cycle structure and are moving toward profit for all. Also, international cooperation may play a key role in the development of more sophisticated cybersecurity innovations to protect FinTech.

Prospects of FinTech Industry

To nurture the FinTech ecosystem in the future, the financial investment industry, the government, and the FinTech company all desperately need efforts. First, the financial investment industry should take advantage of FinTech, which is traditionally out of financial services. In the direction of financial policy for FinTech, first, the transition of the regulatory paradigm is required. Minimizing pre-regulations on the FinTech industry and clarifying the burden of responsibility are essential for its development. It is also necessary to redesign the discipline of the electronic financial industry by implementing the principle of technology neutrality.

Also, it is important to restructure ineffective and old regulations in the existing financial sector by reorganizing the discipline centered on offline and to promote the introduction of Internet professional banks. At present, the domestic banks such as Shinhan Bank all dispute the fact that they are introducing FinTech themselves. The innovation of the sales channels of financial products and the promotion of crowdfunding, which is based on the online, are also evident.

The government should support the FinTech industry upbringing as an institutional device. Such institutional arrangements include the establishment of a FinTech support center or easing the barriers to electronic financial services. One of them is to increase the use limit of electronic payment means. At present, it is pointed out that FinTech is being ignored by FinTech companies or pre-founders because of its low professionalism.

The FinTech Support Center is a joint-venture TF established by the Financial Services Commission in March 2015 with the Korea Financial Supervisory Service, Koscom, Korea Deposit Insurance Corporation, and commercial banks as part of the FinTech industry promotion policy.

Countries such as the US, Europe, and China are already in full swing. Unlike the growth of the global FinTech industry, Korea is in the early stages of payment settlement, but it is now in its infancy in remittances, deposits, loans, investment advisory, and information protection. FinTech is a new blue ocean in the information protection industry. Moreover, efforts should be made to enhance competitiveness through cooperation with financial companies, along with the development of innovative technologies by security companies. FinTech will have a significant impact on the overall information security industry in Korea. For the FinTech industry to develop effectively and equitably, investment in information security companies should be expanded. Like the case in foreign countries, the driving force behind the development of the FinTech industry is the government's active investment and support measures. We should select the promising FinTech security companies and information protection start-ups and actively support them to invest in and partner with financial institutions.

Additionally, financial institutions and private large corporations should invest in promising security start-ups. Also, the environment should be created to promote deregulation and cooperation among related companies to enhance their competitiveness and self-sufficiency.

For the FinTech industry to be successful, various regulatory improvements need to be implemented. The essence of FinTech's success lies in security issues and deregulation in essentially every detail. However, focusing on the rapid growth of the global FinTech industry, the damage that can be caused when the security service is provided as the basic principle of the financial service, the damage will increase as the FinTech industry becomes more sophisticated. The convenience and security of financial services are inseparable and should not lose the balance of security and convenience.

Therefore, public consensus should be sought as technology and human beings harmonize with each other to be a proper combination of deregulation and security enhancement. In Korea, the financial infrastructure is world-wide enough to match the status of IT. It is not common in countries where money transfers are made in real-time by online banking. This relatively solid financial infrastructure can be a good base for the FinTech market to flourish. Online and mobile financial transactions are the most active in the world, and real-time financial transactions based on value-added networks (VAN) are possible.

However, FinTech has a unique financial environment that cannot be applied to the case of developed countries. In the era of convergence, connection, and collaboration, the information protection industry must develop along with financial innovation to succeed.

In the global era, this paper has a limitation that it is discussed mainly in the Korean market. This is because technical standards and institutions are different in each country, and technical problems and institutional problems should be solved together based on common standards in each country.

In the future, the Korean government plans to carry out an unprecedented financial regulation innovation for the activation of FinTech to activate and successfully establish FinTech. It will actively operate the financial regulation sandbox, the old regulatory reform, the investment of FinTech, Support, and strengthening digital financial security.

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The impact of the proliferation of the Israeli products on the performance, sustainability and development of the Palestinian products at the local market

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Abstract

      This paper examines the influence of various variables on competing the Israeli products at the Palestinian market. These variables are (competition for quality, corporate management practices, procedures and laws, update and development, government policies and procedures and follow-up and evaluation). A survey has been conducted to examine the hypotheses of this paper. The population consists of directors of organizations, dealers, business owners, government employees, marketing managers, workers and customers. 500 questionnaires were distributed to the targeted respondents in Palestine using the random sample. 378 questionnaires were returned which represents 75.6% of the distributed sample. The finding of this paper is: (1) the current practices of the follow-up and evaluation of Palestinian products have a negative competitive impact (2) there is a positive role of the administrative practices of the Palestinian companies on competing the Israeli product. (3) there is a positive role of the quality of Palestinian product on competing the Israeli product. (4) there is no role of the current Palestinian procedures and laws on competing the Israeli product. (5) there is a positive role of updating and developing the Palestinian product to compete the Israeli product. (6) there is a negative role of the policies and procedures of the Palestinian government on competing the Israeli product. Based on the previous findings, this paper suggests the following recommendations: (1) the Palestinian producer should increase the quality of Palestinian products. (2) the current Palestinian procedures and laws that are related to the competition should be developed to meet the requirements of competition. (3) the Palestinian government must reform its competition policies and procedures. (4) the current practices of the follow-up and evaluation of Palestinian products should be updated.

Introduction

      There is no doubt that competition among organizations is a fundamental constituent in economy and offers great benefits. It is considered as a leading motive in improving economic growth and in the development of products quality, increasing their quality and lowering their prices (Dasgupta et al, 2009; Wen-Cheng et al, 2011). Thus, it's worth mentioning that the increasing number of suppliers of various products, goods or services is a necessity for improving and developing products as the result of the competition, which is a fundamental principle in the market economy (Petison and Johri, 2006; Hamel & Green, 2007; Shapiro 2012).

      There are a set of requirements needed for getting effective benefits of competition. These requirements, for instance, the availability of an appropriate economic climate that helps to create conducive environment for business; including elements such as industrial and service infrastructure and financial and banking facilities. In addition to the availability of government support in various fields such as tax benefits, customs and financial support in order to achieve a healthy competitive environment that serves the consumer. Add to this the competitive opportunity in foreign markets as a direct result of the development and improvement of local products (Dyer & Singh, 1998; Romero & Martinez-Roman, 2012).

In this paper, the researcher aims at examining and exposing the competitive reality between the Israeli and Palestinian products, the different circumstances surrounding them, and the facts that highlight the difficult situation experienced by Palestinian companies as a result of the Israeli companies' appropriation of Palestinian markets. This is an extension of the reality of Israeli control over Palestinian capabilities. The movement of various production elements of the captive Palestinian economy which suffers from a lack of the economic fundamentals that enable it to rise and develop. It's widely known that the Israeli side has an absolute control over the crossings, borders, ports, airports, and the accompanying checks of imports and exports, goods or services. This means that there is a full control over the movement of goods and labor, the whole means of production and operations in both directions. As a result, these obstacles altogether weakness the Palestinian economy and makes it fragile and dependent on the Israeli one. Unfortunately, this difficult reality and special circumstances created two types of economies competing in one market. Each one belongs to a completely different economic system, political and legal environment in which this competition occurs unilaterally. This means the Israeli products compete the Palestinian ones in Palestine's own markets unilaterally. In other words, (PA) are not allowed to sell or market their own products at the Israeli market. The Israeli side accept small quantities and varieties of the Palestinian products to enter its borders that are completely controlled by the them.

In consequence, the researcher introduces a vital issue titled the effect of the increase of Israeli products in the Palestinian market on the performance, continuity and development of the Palestinian national products. In fact, Israeli companies take advantage of the Palestinian markets easily which is considered as an important part in supporting the Israeli economy. Despite the fact that the Israeli domestic production reaches about $291.4 billion in 2013 with 2% yearly growth; the Palestinian side and in the same year reaches (9.7) billion dollars in which mostly comes in the form of international aid (World Bank, 2013).

To add insult to injury, the Palestinian companies are facing great challenges and obstacles. They, for instance, face companies that are well-qualified and have the competitive and financial power and the government support. In contrast, the Palestinian companies rely basically on individual efforts and with small capital. There are also some volatile foreign investments, but due to many financial and tax consequences and unstable economic and political conditions altogether led to an increase in their vulnerability and sometimes increase in their competitiveness and sustainability.

Thus, to the best of my believe and knowledge in respect to the subject of this study and my choice of it in terms of reviving the Palestinian economic, social, national and consumer awareness by revealing the danger of flooding the Palestinian markets with Israeli goods and the consequent significant economic damage that affect many different economic sectors which depend on the Palestinian productive sector. This awareness participates in the development and sustainability of the Palestinian local products. Unfortunately, compared to the Israeli ones, the Palestinian products are not able to compete with the Israeli one due to their quality, industrial and technological capabilities, financial facilities and government support. In addition to the impact on the Palestinian consumer and consumer loyalty who is also an easy victim as a result of the availability of these products in the markets in large quantities and at prices that are often less than the Palestinian counterparts offer. However, to achieve the desired objectives of this paper, a survey study is conducted.

Problem Statement

This paper examines the impact of the availability of the Israeli products in the Palestinian market on the performance, continuity and development of Palestinian economy. Palestinian companies find themselves in a challenge. In fact, they face companies with competitive and financial strength and large government support; whereas the Palestinian companies rely on individual efforts and relatively small capital, and some volatile foreign investments due to many financial and tax implications and unstable economic and political conditions. This reality increases the vulnerability more than the weakness of competitiveness and continuity. As a result, the researcher examines this issue from various aspects in order to answer as far as possible this important problem. The problem of the study is clarified through the following questions:

1. What is the competitive effect of the Palestinian products quality on Israeli products?

2. What is the impact of the Palestinian companies' administrative practices on competing Israeli products?
3. What is the impact of the Palestinian procedures and laws on competing Israeli products?
4. What is the impact of developing and modernizing Palestinian products on competing Israeli products?
5. What is the impact of the policies and procedures of the Palestinian government on competing Israeli products?
6. What is the impact of the follow-up and evaluation of Palestinian products on competing Israeli products?

Objectives
This paper comes to achieve the following objectives:
1. Exploring the impact of increasing the Israeli goods at the Palestinian market on the local products.
2. Explaining the competitive situation between some Palestinian and Israeli products.
3. Conduct a Poll targets Palestinian consumers' opinions on boycotting the Israeli products and encouraging national industry.
4. Clarifying the government's role in controlling and regulating the entry of the Israeli products into the Palestinian market.
5. Exploring the laws and procedures implemented by the Palestinian government in terms of supporting the Palestinian institutions in facing the Israeli companies.
6. Recognizing the reality of the conditions experienced by Palestinian companies in facing the Israeli companies.

Literatures Review
The previous studies agree that the competition strategy leads to achieving high level of growth in revenues (Muslem, 2005; Petison and Johri, 2006; Hamel & Green, 2007; Shapiro 2012; Svarova and Vrchota, 2014). In Palestine, the previous studies show that the restrictions that enforced by Israel have influence on completion (Muslem, 2005; Al-Natshi, 2013). The following is a presentation of some previous literatures:

Na'eem, (2017) aims at determining the role of social networks in economic behavior and orientation towards buying the national product in Palestine. The researcher reached the following findings: 1. Social networks have an important role in building a positive attitude towards the national product and knowing the national companies topped by Facebook. 2. 78.7% of the study sample are most interested in quality when buying. 3. The proportion of those who prefer national food products reached 69%, mostly residents of border areas, compared to 31% of the sample of the study who prefer the occupation products, mostly from Gaza City. 4. The products of the occupation enjoy confidence even among those who boycott it; whereas only 6% of the sample do not trust the Israeli products.

Hana (2013) In today's highly competitive environment the goal of each organization is to defeat competition and win new customers. Individuals who are holders of knowledge represent a tool for the generation of innovations. Thanks to their personal creativity, their knowledge, skills and abilities it is possible to generate new innovative ideas that will help organizations to achieve a competitive advantage. The aim of the article is to present the findings of a survey targeted at innovations and to identify knowledge as an important element in the process of innovations. Primary data were obtained through a questionnaire survey carried out in organizations in the Czech Republic and evaluated using the tools of descriptive statistics and also the methods of comparison, induction, deduction and synthesis were applied. One of the conclusions of the article is that organizations find it important to innovate and support an innovative culture. Knowledge too is very significant in the innovation process since it represents not only important input, but also output of the transformation process.

Svarova and Vrchota (2014) shows that the current environment with growing interdependence between the markets and the rapid increasing in competition, it is more difficult to maintain current enterprise market position. It is more and more important to correctly select companies' strategy, because as mentioned by Kotler: "if the company has the same strategy as the competitors, it actually does not have a strategy. For these reasons it is necessary for the company to base this strategy on their own market

position and build on their distinctive competitive advantage. Al-Natshi (2013) demonstrates the reasons behind enforcing the Palestinian importer to use an Israeli intermediary to indirectly import from the international markets instead of direct importing. On the first hand, the paper concluded that the main reasons for indirection the Palestinian importers to the Israeli markets are related to the difficulty of non-custom Israeli restrictions imposed on the Palestinian importer. On the second hand, the absence of independent Palestinian custom areas which increases imposing costs and exposing goods to theft and damage. In addition, some reasons are related to considering the Palestinian market as a part of the Israeli trade market by some international markets. Mainly for political reasons which prevent the Palestinian market from independently having international agencies.

Wen-Cheng et al, (2011) shows that the internal sources of competitive advantage cover wide range of areas. The important competitive advantages behind an organization are not merely determined by its external factors. The internal sources of competitive advantage of a firm have been considered as crucial factors to success. The research looks at the extensive literature in relation to competitive advantage. The formation of main theories in literature review was illustrated by the concepts of competitive advantages through proper management action when managing the structure, process, culture and people of an organization. Therefore, the aim of competitive advantage recognition is connected with resources, capabilities and core competencies of the organization.

Muslem (2005) indicates that the ever-broader circulation of information and activities regarding the Palestinian movement for boycott, divestment and sanctions (BDS), through such media as BDS News has emphasized its connection and resemblance to the South African experience. This made it vitally important to understand the local and international context in which the boycott emerged and developed as a tool of resistance. At the same time, one needs to relate this popular and civic struggle to more official elements in the national struggle, and then to identify the extent to which the BDS movement has evoked responses at the Arab and international levels; again setting this analysis against the background of the South African anti-apartheid movement.

The abovementioned discussion motivates me to investigate the impact of the proliferation of the Israeli products on the performance, sustainability and development of the Palestinian products at the local market. This paper relies on the descriptive-analytical approach by using concrete questionnaire that design to explore this issue from the reality of Palestine. The previous studies did not give concrete outcomes regarding this issue.

The Hypotheses

This paper comes to examine the following six hypotheses:

H_{O1}: There is no competitive impact of the Palestinian products quality on the Israeli products.

H_{O2}: The Palestinian companies' administrative practices have no competitive impact on the Israeli products.

H_{O3}: The current Palestinian procedures and laws has no competitive impact on the Israeli products.

H_{O4}: The Palestinian companies' procedures of developing and updating their products have no impact on competing the Israeli products.

H_{O5}: The adopted policies and procedures by the Palestinian government have no competitive impact on the Israeli products.

H_{O6}: There is no impact of the follow-up and evaluation of Palestinian the products on competing the Israeli products.

Methodology

This paper relies on the analytical-descriptive approach. Thus, the study tool (the questionnaire), verifying its validity, and its stability have been designed in accordance with its goals to be distributed to the targeted respondents. This paper also comes to shed the light on the increasing spread of the Israeli goods in the Palestinian markets. As a result, it explores the factors that lead to increase the competitive ability of the Palestinian products. the population of this paper consists of directors of organizations, dealers, business owners, government employees, marketing managers, workers and customers. 500 questionnaires were distributed to the respondents in Palestine using the random sample. 378 questionnaires were returned which represents 75.6% of the distributed sample. The questionnaire

consists of six dimensions (competition for quality, corporate management practices, procedures and laws, update and development, government policies and procedures, and follow-up and evaluation) that are needed to motivate the competition position of Palestinian products. The five Likert scale was used as follows: (strongly agree = 5, agree = 4, neutral = 3, disagree = 2, and strongly disagree = 1). The questionnaire has been refereed by five professors of business administration. The Cronbach's alpha test is used for examining the internal reliability of the questionnaire. Consequently, (Table 1) displays the results of this test.

Table (1) The Results of Cronbach's Alpha Test

Variable Name	Items Number	Cronbach's Alpha
Competition for Quality	5	0.811
Corporate Management Practices	5	0.880
Procedures and Laws	5	0.843
Update and Development	5	0.783
Government Policies and Procedures	5	0.809
Follow-up and Evaluation	5	0.768
All Dimensions	30	0.886

Cronbach's Alpha is very often used as a measure of internal consistency (scale reliability). As well, Cronbach's Alpha above 0.70 indicates very high degree of internal consistency (Taber, 2018). Table 1 shows that the values of Alpha are greater than 70% which indicates that there is internal consistency of the questions tool. This result enables us to generalize the consequences of this paper.

Table 2: Descriptive Statistics of the Demographic Variables

Variable	Variable Possibilities	Frequencies	Percent %
Gender	Male	277	73.3
	Female	101	26.7
	Sum	378	100
Age	From 1 to 30 Years	74	19.6
	From 31 to 40 Years	151	39.9
	From 41 to 50 Years	74	19.6
	From 51 to 60 Years	68	18.0
	Above 60 Years	11	2.9
	Sum	378	100
Marital status	Married	308	81.5
	Single	65	17.2
	Divorced	5	1.3
	Sum	378	100
Education	Secondary School or Below	111	29.4
	Diploma	48	12.7
	Bachelor	209	55.3
	Master	10	2.6
	Sum	378	100
Place of Residence	Village	179	47.4
	Town	167	44.2
	Camp	32	8.5
	Sum	378	100
Job Title	Director of Organization	10	2.6
	Dealer	99	26.2
	Business Owner	68	18.0
	Government Employee	38	10.1
	Marketing Manager	58	15.3
	Worker	42	11.1
	Customer	63	16.7
	Sum	378	100

Table (2) illustrates the descriptive statistics of the demographic variables that clarify the characteristics of the study sample. Table 2 shows that 73.3% of the respondents are males and 26.7 are

females. Table 2 also demonstrates that the respondent's age comes as the following: 19.6% of the respondents are from 1 to 30 years, 39.9% from 31 to 40 years, 19.6% from 41 to 50 years, 18.0% from 51 to 60 years, and 2.9% Above 60 Years. Table 4 shows that 81.5% of the respondents are married, 17.2% are single, and 1.3% are divorced. Also, table 2 shows that 29.4% of the respondents are secondary school or below, 12.7% diploma degree holders, 55.3% bachelor's degree holders and 2.6% hold a master's degree. Furthermore, table 2 demonstrates that the respondent's place of residence comes as follows: 47.4% of the respondents are living in village, 44.2 are living in towns, and 8.5% are living in camps. Finally, Table 2 pointed out to the respondent's job title as the following: 2.6% of them are directors of organizations, 26.2% are dealers, 18.0% are business owners, 10.1% are government employees, 15.3% are marketing managers, 11.1% are workers, and 16.7% are customer. The results indicate that the sample of this paper is appropriate to generalize its findings.

The Findings

This section examines the hypotheses of this paper. Presented below are the findings of the six hypotheses.

The Results of the First Hypothesis

H_{O1}: There is no competitive impact of the Palestinian products quality on the Israeli products.

Table 3 shows that the quality level of the Palestinian products has positive competitive impact on the Israeli products. The mean of "competition for quality" variable is 4.05 which indicates a high impact of this variable on competing at Israeli market. The value of T (one sample t-test at test value =3) is 41.76, and statistically is significant at 0.05. This result ensures the positive completive role of the Palestinian products quality on competing the Israeli product.

Table 3: Statistics for Describing the Impact of the Quality of the Palestinian Products on Competing Israeli Products

#	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	T Value	Alpha
1	Israeli products are heavily deployed in Palestinian markets.	244 64.6%	123 32.5%	0 0.0%	11 2.9%	0 0.0%	4.59	47.73 **	0.00
2	Palestinian consumers prefer the Israeli product compared to the Palestinian ones.	207 54.8%	150 39.7%	0 0.0%	21 5.6%	0 0.0%	4.44	36.65 **	0.00
3	The Israeli product has better quality than the Palestinian product.	202 53.4%	161 42.6%	0 0.0%	15 4.0%	0 0.0%	4.46	40.52 **	0.00
4	The prices of the Israeli products are higher than the prices of the local products.	179 47.4%	122 32.3%	0 0.0%	77 20.4%	0 0.0%	4.07	18.27 **	0.00
5	The Palestinian product has high quality.	25 6.6%	69 18.3%	115 30.4%	164 43.4%	5 1.3%	2.85	-2.96 **	0.01
	Competition for Quality	171 45.3%	125 33.1%	23 6.1%	58 15.3%	1 0.2%	4.08	41.76 **	0.00

** Significant at 0.01, * significant at 0.05.

The Results of the Second Hypothesis

H_{O2}: The Palestinian companies' administrative practices have no competitive impact on the Israeli products.

Table 4 shows that the administrative practices of the Palestinian companies have a positive impact on competing the Israeli products. The mean of "the administrative practices of Palestinian companies" variable is 3.17. This result indicates the high impact of this variable on competing at the Israeli market. The value of T (one sample t-test at test value =3) is 4.09 and statistically is significant at 0.05. This result ensures the positive role of the administrative practices of Palestinian companies on competing the Israeli products.

Table 4: Statistics for Describing the Impact of the Administrative Practices of Palestinian Companies on Competing the Israeli Products

#	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	T Value	Alpha
6	There is follow-up and inspection by the competent institutions regarding the quality and validity of the Israeli products.	25 6.6%	178 47.1%	91 24.1%	84 22.2%	0 0.0%	3.38	8.21**	0.00
7	There are laws and procedures to protect Palestinian products.	25 6.6%	147 38.9%	74 19.6%	132 34.9%	0 0.0%	3.17	3.39 **	0.00
8	There are effective control procedures to limit the entry of the Israeli products into Palestinian markets.	25 6.6%	158 41.8%	99 26.2%	96 25.4%	0 0.0%	3.30	6.25 **	0.00
9	There are governmental facilities in the law, procedures and taxes to protect and encourage Palestinian industries.	15 4%	138 36.5%	87 23%	122 32.3%	16 4.2%	3.04	0.714	0.48
10	Palestinian laws are sufficient to protect the local products.	15 4%	131 34.7%	63 16.7%	159 42.1%	10 2.6%	2.95	-0.911	0.36
Administrative Practices of Palestinian Companies		21 5.5%	150 39.7%	83 22	119 31.5%	5 1.3%	3.17	4.09 **	0.00

** Significant at 0.01, * significant at 0.05.

The Results of the Third Hypothesis

H$_{O3}$: The current Palestinian procedures and laws has no competitive impact on the Israeli products.

Table 5 shows that the Palestinian procedures and laws have no impact on competing the Israeli products. The mean of "Palestinian procedures and laws" variable is 2.41 which indicates the that there is no impact of this variable on competing at the Israeli market. The value of T (one sample t-test at test value =3) is -13.4 and statistically is insignificant. This result ensures that there is no role of the current Palestinian procedures and laws on competing the Israeli product.

Table 5: Statistics for Describing the Impact of the Palestinian Procedures and Laws on Competing the Israeli Products

#	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	T Value	Alpha
11	There is follow-up and inspection by the competent institutions regarding the quality and validity of the Israeli products.	11 %2.9	152 40.2%	48 12.7%	157 41.5%	10 2.6%	2.95	-0.91	0.07
12	There are laws and procedures to protect Palestinian products.	11 2.9%	105 27.8%	65 17.2%	176 46.6%	21 5.6%	2.99	-0.15	0.11
13	There is an effective control and procedures against the entry of the Israeli products into Palestinian markets.	0 0.0%	63 16.7%	64 16.9%	219 57.9%	32 8.5%	2.76	-4.62	-0.14
14	There are governmental facilities in laws, procedures and taxes to protect and encourage Palestinian industry.	0 0.0%	63 16.7%	58 15.3%	235 62.2%	22 5.8%	2.42	-13.08	-0.49
15	Palestinian laws are enough to protect the local product.	11 2.9%	36 9.5%	73 19.3%	236 62.4%	22 5.8%	2.43	-13.31	-0.48
Procedures and Laws		7 1.8%	84 22%	61 16	205 54.2%	21 5.6%	2.41	-13.40	-0.50

** Significant at 0.01, * significant at 0.05.

The Results of the Fourth Hypothesis

H_{O4}: The Palestinian companies' procedures of developing and updating their products have no impact on competing the Israeli products.

Table 6 shows that the process of updating and developing the Palestinian product has a positive impact on competing the Israeli products. The mean of "updating and developing the Palestinian products" variable is 3.24 which indicates the that there is an impact of this variable on competing at the Israeli market. The value of T (one sample t-test at test value =3) is 6.01 and statistically is significant. This result ensures that there is a positive role of updating and developing the Palestinian products on competing the Israeli products.

Table 6: Statistics for Describing the Impact of Updating and Developing the Palestinian Products on Competing the Israeli Products

#	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	T Value	Alpha
16	There are sufficient efforts to modernize and develop the Palestinian product.	27 7.1%	120 31.7%	110 29.1%	121 32%	0 0.0%	3.14	2.86 **	0.00
17	The Palestinian product is modern and can compete the Israeli product.	27 7.1%	84 22.2%	79 20.9%	168 44.4%	20 5.3%	2.81	-3.38 **	0.00
18	The Israeli product shapes an obstacle to develop the Palestinian product.	79 20.9%	130 34.4%	38 10.1%	121 32%	10 2.6%	3.39	6.26 **	0.00
19	The Israeli product is having better quality and sophistication than the Palestinian product.	57 15.1%	131 34.7%	95 25.1%	85 22.5%	10 2.6%	3.37	6.72 **	0.00
20	There are challenges faced by the Palestinian companies in R & D.	57 15.1%	162 42.9%	68 18%	91 24.1%	0 0.0%	3.49	9.35 **	0.00
	Updating and Developing the Palestinian Products	10 2.6%	77 21%	74 19.6%	197 52.1%	20 5.3%	3.24	6.01 **	0.00

** Significant at 0.01, * significant at 0.05.

The Results of the Fifth Hypothesis

H_{O5}: The adopted policies and procedures by the Palestinian government have no competitive impact on the Israeli products.

Table 7 shows that updating and developing the Palestinian product has a positive impact on competing Israeli products. The mean of "updating and developing the Palestinian products" variable is 3.24 which indicates the that there is an impact of this variable on competing at the Israeli market. The value of T (one sample t-test at test value =3) is 6.01 and statistically is significant. This result ensures that there is a positive role for updating and developing the Palestinian product on competing the Israeli product.

Table 7: Statistics for Describing the Impact of the Policies and Procedures of the Palestinian Government on Competing the Israeli Products

#	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	T Value	Alpha
21	There is a government support and facilities to support the national product.	27 7.1%	120 31.7%	110 29.1%	121 32%	0 0.0%	2.60	-7.92 **	0.00
22	There is control and procedures against the entry of the Israeli products into the Palestinian market.	27 7.1%	84 22.2%	79 20.9%	168 44.4%	20 5.3%	2.50	-10.2 **	0.00
23	There is cooperation and coordination between the Palestinian companies and the decision makers.	79 20.9%	130 34.4%	38 10.1%	121 32%	10 2.6%	2.31	-15.8 **	0.00

#							Mean	T Value	Alpha
24	The Palestinian government monitors the company's quality standards.	57 15.1%	131 34.7%	95 25.1%	85 22.5%	10 2.6%	2.55	-11.2 **	0.00
25	There is a significant role for the Palestinian government in attracting foreign investment to strengthen the national product.	57 15.1%	162 42.9%	68 18%	91 24.1%	0 0.0%	2.23	-21.1 **	0.00
	Policies and Procedures of the Palestinian Government	10 2.6%	77 21%	74 19.6%	197 52.1%	20 5.3%	2.43	-16.9 **	0.00

** Significant at 0.01, * significant at 0.05.

The Results of the Sixth Hypothesis

H$_{O6}$: There is no impact of the follow-up and evaluation of Palestinian products on competing Israeli products.

Table 8 shows that updating and developing the Palestinian product has a positive impact on competing the Israeli product. The mean of "updating and developing the Palestinian products" variable is 3.24. This finding indicates the that there is an impact of this variable on competing at the Israeli market. The value of T (one sample t-test at test value =3) is 6.01 and statistically is significant. This result ensures that there is a positive role of updating and developing the Palestinian product on competing the Israeli product.

Table 8: Statistics for Describing the Follow-up and Evaluation of the Palestinian Products on Competing the Israeli Products

#	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	T Value	Alpha
26	There is a continuous monitoring and evaluation of the competitive situation between Palestinian and the Israeli companies.	27 7.1%	120 31.7%	110 29.1%	121 32%	0 0.0%	2.69	-7.81 **	0.00
27	The laws and procedures shall be repealed, amended to better serve the interests of the Palestinian companies.	27 7.1%	84 22.2%	79 20.9%	168 44.4%	20 5.3%	2.50	-12.4 **	0.00
28	Studies are being conducted on the quantities and types of Israeli products entering Palestinian markets.	79 20.9%	130 34.4%	38 10.1%	121 32%	10 2.6%	2.67	-7.49 **	0.00
29	There is cooperation and coordination among Palestinian companies to compete with Israeli companies.	57 15.1%	131 34.7%	95 25.1%	85 22.5%	10 2.6%	2.41	-14.5 **	0.00
30	The Palestinian government and Palestinian institutions are developing plans to make the Palestinian product more competitive.	57 15.1%	162 42.9%	68 18%	91 24.1%	0 0.0%	2.22	-19.4 **	0.00
	Follow-up and Evaluation of Palestinian Products	10 2.6%	77 21%	74 19.6%	197 52.1%	20 5.3%	2.49	-18.1 **	0.00

** Significant at 0.01, * significant at 0.05.

Conclusion and Recommendations

This paper aims at examining the impact of six variables on competing the Israeli products at the Palestinian market. These variables are (competition for quality, corporate management practices,

procedures and laws, update and development, government policies and procedures and follow-up and evaluation as well). The objectives of this paper match the conducted survey wherein the population consists of directors of organization, dealers, business owners, government employees, marketing managers, workers and customers. 500 questionnaires were distributed to the respondents in Palestine using the random sample. 378 questionnaires were returned which represent 75.6% of the distributed sample.

The findings of this paper are:

- The quality of Palestinian product has a positive competitive role against the Israeli product.
- There is a positive role of the Palestinian companies' administrative practices to compete the Israeli product.
- There is no role of the current Palestinian procedures and laws on competing the Israeli product.
- There is a positive role of updating and developing the Palestinian product to compete the Israeli product.
- There is a negative role of the policies and procedures of the Palestinian government on competing the Israeli product.
- The current practices of the follow-up and evaluation of the Palestinian products has a negative competing impact.

The abovementioned outcomes are consistent with the previous studies such as (Na'eem, 2017; Al-Natshi, 2013; Hana, 2013). Also, this paper gave more finding about this topic.

Based on the previous findings, this paper suggests the following recommendations:

- The current Palestinian procedures and laws regarding the Palestinian competition should be developed to meet the requirements of competition. I suggest that the regulation should encourage the Palestinian consumer to select the local product (i.e tax deductions, discount … etc.)
- The Palestinian government must reform its competition policies and procedures. This task should be implemented by the ministry of economics by preparing a set of studies and planning issues.
- The current practices of the follow-up and evaluation of Palestinian products should be updated. I mean evaluating the quality of Palestinian products and enforcing a set of procedures that increase the quality of these products and services,
- The Palestinian producer should increase the quality of the Palestinian products. The quality of local products should be consisted with Israeli products.

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