

**EXPLORING THE FACTORS THAT INFLUENCE CONSUMER LOYALTY
TOWARDS A RETAIL CLOTHING STORE IN GAUTENG.**

by

MICHAEL NOEL DU TOIT

submitted in accordance with the requirements for the degree of

MASTER OF COMMERCE

in the subject

BUSINESS MANAGEMENT

at the

UNIVERSITY OF SOUTH AFRICA

SUPERVISOR: PROF MC CANT

CO-SUPERVISOR: MR R MACHADO

JUNE 2012

ABSTRACT

Retailers are turning to loyalty marketing to attempt to sustain profitability by encouraging consumer loyalty. This study aimed to explore the factors that influence consumer loyalty towards Edgars, the largest clothing retailer in South Africa.

The study found that the strongest influence of consumer loyalty towards Edgars was price, followed by service and then merchandise selection. The effect of method of payment on loyalty was also measured and it was concluded that the more closely consumers are contractually tied to a retailer, the less of an influence price has on their loyalty towards the retailer. The results can guide retail organisations in determining the focus areas of their marketing efforts for consumers that favour different payment methods.

Key terms:

Retail; retail strategy; loyalty; consumer loyalty; consumer behaviour; consumer advocacy; consumer satisfaction; emotional bonding; factor analysis

DECLARATION

I declare that **EXPLORING THE FACTORS THAT INFLUENCE CONSUMER LOYALTY TOWARDS A RETAIL CLOTHING STORE IN GAUTENG** is my own work and that all sources that I have used or quoted have been indicated and acknowledged by means of complete references.

MICHAEL NOEL DU TOIT

Signed at PRETORIA

July 2012

DEDICATION

I dedicate this project to the three individuals without whom I would never have finished: My wife Adele who has showed unending patience and perseverance in motivating and encouraging me; and my parents, Noel and Arlide du Toit who never stopped believing in me.

ACKNOWLEDGEMENTS

I wish to express my sincere appreciation and gratitude to the following people who assisted me in the completion of this study:

Professor Mike Cant – my supervisor

Mr Ricardo Machado – my co-supervisor

Both of you provided me with the motivation, guidance and assistance to finally get this project completed; I thank you.

To all of my colleagues, family and friends who never hesitated to give me advice, assistance and the occasional swift kick to keep me going – thank you, I would never have finished without you.

TABLE OF CONTENTS

ABSTRACT	I
DECLARATION.....	II
DEDICATION	III
ACKNOWLEDGEMENTS	IV
TABLE OF CONTENTS.....	V
LIST OF TABLES.....	IX
LIST OF FIGURES	XII
CHAPTER 1: ORIENTATION TO THE STUDY	1
1.1 INTRODUCTION.....	1
1.2 BACKGROUND TO THE STUDY	2
1.2.1 A BRIEF INTRODUCTION TO THE SOUTH AFRICAN RETAIL INDUSTRY	2
1.2.2 THE IMPORTANCE OF LOYAL CONSUMERS	3
1.3 PROBLEM STATEMENT.....	4
1.4 OBJECTIVES OF THE STUDY	4
1.4.1 PRIMARY OBJECTIVE	4
1.4.2 SECONDARY OBJECTIVES.....	4
1.5 RESEARCH METHODOLOGY	5
1.5.1 PRIMARY RESEARCH.....	5
1.5.2 SECONDARY RESEARCH.....	6
1.6 CHAPTER OUTLINE.....	6
1.7 SUMMARY OF DEFINITIONS OF KEY TERMS.....	7
1.8 CHAPTER SUMMARY	8
CHAPTER 2: LOYALTY AND LOYALTY PROGRAMMES	9
2.1 INTRODUCTION.....	9
2.2 LOYALTY.....	9
2.2.1 EMOTIONAL ATTACHMENT	11
2.2.2 CONSUMER SATISFACTION	12
2.2.3 CONSUMER ATTITUDE	13

2.3	DEFINING CONSUMER LOYALTY	13
2.4	THE IMPORTANCE OF CONSUMER LOYALTY.....	15
2.4.1	INCREASED PROFITABILITY	16
2.4.2	COMPETITIVE ADVANTAGE	19
2.4.3	CONSUMER ADVOCACY	20
2.5	LOYALTY MARKETING	22
2.6	LOYALTY PROGRAMMES	22
2.6.1	THE GOAL OF THE LOYALTY PROGRAMME.....	23
2.6.2	PROCEDURES	24
2.6.3	DATA	26
2.6.4	REWARDS.....	26
2.7	SUMMARY.....	28

CHAPTER 3: EDGARS..... 29

3.1	INTRODUCTION.....	29
3.2	RETAILING	29
3.2.1	COMMON CLASSIFICATION OF RETAILERS.....	32
3.3	THE IMPORTANCE OF THE RETAIL INDUSTRY IN THE SOUTH AFRICAN ECONOMY.....	33
3.4	THE COMPOSITION OF THE SOUTH AFRICAN RETAIL INDUSTRY	35
3.5	BRIEF HISTORY OF EDGARS.....	42
3.5.1	EDGARS' CONSUMER GROUPS	43
3.6	SUMMARY.....	45

CHAPTER 4: RESEARCH METHODOLOGY 47

4.1	INTRODUCTION.....	47
4.2	THE MARKETING RESEARCH PROCESS	49
4.3	STEP 1: IDENTIFY AND FORMULATE THE MARKETING PROBLEM OR OPPORTUNITY	49
4.4	STEP 2: DETERMINING THE RESEARCH OBJECTIVES AND RESEARCH DESIGN.....	50
4.5	COLLECTING SECONDARY DATA	52
4.6	SELECTING A PRIMARY RESEARCH METHOD	52
4.6.1	OBSERVATION RESEARCH.....	53
4.6.2	EXPERIMENTAL RESEARCH	54
4.6.3	SURVEY RESEARCH	54
4.7	DESIGN OF THE RESEARCH INSTRUMENT	56
4.7.1	EMOTIONAL ATTACHMENT TO THE ORGANISATION	57
4.7.2	CONSUMER SATISFACTION WITH THE ORGANISATION	58
4.7.3	CONSUMER ATTITUDES TOWARDS THE ORGANISATION.....	59
4.8	DETERMINING THE SCOPE OF THE RESEARCH.....	61
4.8.1	THE SAMPLING PROCESS	63
4.8.2	DETERMINING THE SAMPLE SIZE.....	65
4.9	DATA COLLECTION.....	67
4.10	DATA ANALYSIS AND INTERPRETATION.....	68

4.10.1	PERFORM FACTOR ANALYSIS	70
4.10.2	CONSUMERS' EMOTIONAL ATTACHMENT TO EDGARS.	73
4.10.3	CONSUMERS' SATISFACTION WITH EDGARS.	73
4.10.4	CONSUMERS' ATTITUDE TOWARDS EDGARS.....	73
4.10.5	CREATE COMPOSITE VARIABLES FROM IDENTIFIED FACTORS.....	79
4.10.6	TESTING THE RELIABILITY OF ALL VARIABLES, COMPOSITE VARIABLES AND THE LOYALTY VARIABLE..	80
4.10.7	PERFORM CORRELATION AND MULTIPLE REGRESSION ANALYSES ON THE COMPOSITE VARIABLES....	80
4.11	LIMITATIONS OF THE STUDY	81
4.12	CONCLUSION	82

CHAPTER 5: DATA ANALYSIS AND RESULTS..... 83

5.1	INTRODUCTION.....	83
5.2	DEMOGRAPHIC NATURE OF THE SAMPLE	84
5.2.1	GENDER	84
5.2.2	RACIAL PROFILE OF THE SAMPLE.....	85
5.2.3	AGE DISTRIBUTION OF THE SAMPLE.....	86
5.2.4	INCOME DISTRIBUTION OF THE SAMPLE	87
5.2.5	CONSUMER GROUPS BY GENDER	88
5.2.6	CONSUMER GROUPS BY RACE.....	89
5.2.7	CONSUMER GROUP BY AGE.....	90
5.2.8	CONSUMER GROUP BY INCOME CATEGORY	90
5.3	DESCRIPTIVE STATISTICS PER QUESTION FOR THE TOTAL SAMPLE.....	92
5.3.1	RESPONDENTS FEELINGS TOWARDS EDGARS STORES.....	93
5.3.2	RESPONDENTS' FEELINGS ABOUT EDGARS MERCHANDISE	97
5.3.3	RESPONDENTS' FEELINGS ABOUT SERVICE RECEIVED AT EDGARS STORES.....	101
5.3.4	RESPONDENTS' FEELINGS ABOUT EDGARS' PRICES	105
5.3.5	RESPONDENTS CURRENT BEHAVIOUR AND FUTURE BUYING BEHAVIOUR TOWARDS EDGARS	108
5.3.6	RESPONDENTS' COGNITIVE KNOWLEDGE ABOUT EDGARS	114
5.3.7	RESPONDENTS' EMOTIONAL COMMITMENT TOWARDS EDGARS.....	115
5.3.8	RESPONDENTS' WILLINGNESS TO RECOMMEND EDGARS.....	118
5.4	DESCRIPTIVE STATISTICS PER QUESTION FOR EACH CONSUMER GROUP	120
5.4.1	RESPONDENTS' FEELINGS TOWARDS EDGARS STORES (BY CONSUMER GROUP)	120
5.4.2	RESPONDENTS' FEELINGS ABOUT EDGARS' MERCHANDISE (BY CONSUMER GROUP)	127
5.4.3	RESPONDENTS' FEELINGS ABOUT SERVICE RECEIVED AT EDGARS STORES.....	135
5.4.4	RESPONDENTS' FEELINGS ABOUT EDGARS' PRICES (BY CONSUMER GROUP)	143
5.4.5	RESPONDENTS CURRENT BEHAVIOUR AND FUTURE BUYING BEHAVIOUR TOWARDS EDGARS (BY CONSUMER GROUP).....	147
5.4.6	RESPONDENTS' COGNITIVE KNOWLEDGE ABOUT EDGARS (BY CONSUMER GROUP)	158
5.4.7	RESPONDENTS' EMOTIONAL COMMITMENT TOWARDS EDGARS (BY CONSUMER GROUP).....	159
5.4.8	RESPONDENTS' WILLINGNESS TO RECOMMEND EDGARS (BY CONSUMER GROUP)	164
5.5	DESCRIPTIVE STATISTICS FOR CONSUMER GROUP-SPECIFIC QUESTIONS	166
5.5.1	CASH ONLY CONSUMERS	166
5.5.2	PURPLE CASH CARD MEMBERS	169
5.5.3	ACCOUNT HOLDERS	173
5.6	STATISTICAL ANALYSIS OF SAMPLE DATA	176
5.7	COMPARATIVE DATA ANALYSIS FOR CONSUMER GROUPS.....	188
5.7.1	CASH ONLY CONSUMERS	189
5.7.2	PURPLE CASH CARD MEMBERS	194
5.7.3	ACCOUNT HOLDERS.....	200

5.8	CONCLUSION	208
CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS		210
6.1	INTRODUCTION.....	210
6.2	THE PURPOSE OF THE STUDY.....	210
6.3	PRIMARY OBJECTIVE OF THE STUDY	211
6.3.1	RESEARCH METHODOLOGY APPLIED TO ACHIEVE THE PRIMARY OBJECTIVE	211
6.3.2	PRIMARY OBJECTIVE FINDINGS.....	212
6.4	SECONDARY OBJECTIVE OF THE STUDY	214
6.4.1	RESEARCH METHODOLOGY APPLIED TO ACHIEVE THE SECONDARY OBJECTIVE	215
6.4.2	SECONDARY OBJECTIVE FINDINGS	215
6.5	RECOMMENDATIONS.....	223
6.5.1	RECOMMENDATIONS REGARDING EDGARS CONSUMERS AS A WHOLE	224
6.5.2	RECOMMENDATIONS REGARDING CASH ONLY CONSUMERS.....	225
6.5.3	RECOMMENDATIONS REGARDING PURPLE CASH CARD MEMBERS	226
6.5.4	RECOMMENDATIONS REGARDING ACCOUNT HOLDERS	226
6.6	OPPORTUNITIES FOR FURTHER RESEARCH.....	227
6.7	CONCLUSION	227
BIBLIOGRAPHY		229
APPENDIX A.....		242
APPENDIX B.....		246
APPENDIX C.....		247
APPENDIX D.....		249

LIST OF TABLES

Table 3.1 Store-based retail sales	36
Table 3.2 Percentage retail value at selling price excluding value added tax (VAT).....	38
Table 3.3 Grocery retailer company shares	38
Table 3.4 Non-grocery retailer company shares	39
Table 3.5 Brand share percentage	40
Table 4.1 Extract from correlation matrix	73
Table 4.2 An extract from the rotated factor matrix	78
Table 5.1 Age of respondents.....	86
Table 5.2 Consumer groups represented in final sample	92
Table 5.3 Cognitive knowledge about Edgars	114
Table 5.4 Descriptive statistics for question 2.1.....	122
Table 5.5 Descriptive statistics for question 2.6.....	124
Table 5.6 Descriptive statistics for question 2.16.....	126
Table 5.7 High and low means for store atmosphere related questions by consumer group	126
Table 5.8 Descriptive statistics for question 2.5.....	128
Table 5.9 Descriptive statistics for question 2.8.....	130
Table 5.10 Descriptive statistics for question 2.12.....	132
Table 5.11 Descriptive statistics for question 2.10.....	134
Table 5.12 High and low means for merchandise related questions by consumer group	134
Table 5.13 Descriptive statistics for question 2.4.....	136
Table 5.14 Descriptive statistics for question 2.9.....	138
Table 5.15 Descriptive statistics for question 2.11.....	140
Table 5.16 Descriptive statistics for question 2.14.....	142
Table 5.17 High and low means for service related questions by consumer group	142
Table 5.18 Descriptive statistics for question 2.3.....	144
Table 5.19 Descriptive statistics for question 2.15.....	146
Table 5.20 High and low means for price related questions by consumer group.....	146
Table 5.21 Descriptive statistics for question 2.7.....	149
Table 5.22 Descriptive statistics for question 2.18.....	151
Table 5.23 Descriptive statistics for question 2.17.....	153
Table 5.24 Descriptive statistics for question 2.20.....	155
Table 5.25 Descriptive statistics for question 14.....	157
Table 5.26 Cognitive knowledge about Edgars (by consumer group)	158
Table 5.27 Descriptive statistics for question 2.2.....	161
Table 5.28 Descriptive statistics for question 2.13.....	163
Table 5.29 Descriptive statistics for question 2.19.....	165
Table 5.30 Reasons for cash only consumers not having a Purple Cash Card.....	166
Table 5.31 Cash only consumers who have accounts or loyalty cards with other retailers	167
Table 5.32 Reasons for applying for a loyalty card or account with another retailer....	168

Table 5.33 Length of time that Purple Cash Card members have been members (months)	169
Table 5.34 Frequency of use of Purple Cash Card by members	170
Table 5.35 Reasons why Purple Cash Card members do not always use their card ..	170
Table 5.36 Respondents likelihood of continuing to shop at Edgars if they did not have a Purple Cash Card	171
Table 5.37 Members' perception of Purple Cash Card membership advantages	172
Table 5.38 Length of time that respondents had had their Edgars account.....	173
Table 5.39 Frequency of use of account facility when purchasing at Edgars	173
Table 5.40 Reasons why account holders do not always use their account when paying for purchases at Edgars.....	174
Table 5.41 Likelihood of continuing to purchase from Edgars if respondent did not have an account with Edgars	175
Table 5.42 KMO and significance statistics for sample.....	178
Table 5.43 Rotated factor matrix – total sample	179
Table 5.44 Factor loadings for factor one	181
Table 5.45 Factor loadings for factor two.....	181
Table 5.46 Factor loadings for Factor three.....	182
Table 5.47 Composite variables and their scale reliability	183
Table 5.48 Composite variable “Loyalty” and scale reliability	184
Table 5.49 Correlation analysis of sample	185
Table 5.50 Regression analysis model summary	186
Table 5.51 Regression coefficients.....	186
Table 5.52 ANOVA results.....	188
Table 5.53 Factor analysis statistics summary for cash only consumer group	189
Table 5.54 Rotated factor matrix – cash only consumer group.....	189
Table 5.55 Results of reliability analyses of composite variables	191
Table 5.56 Results of reliability analysis on loyalty variable	191
Table 5.57 Correlations between service variable, merchandise variable, price variable and loyalty variable	192
Table 5.58 Multiple regression analysis on the four composite variables	193
Table 5.59 Regression coefficients for cash only group	193
Table 5.60 ANOVA results for cash only consumer group.....	194
Table 5.61 Factor analysis statistics for Purple Cash Card members.....	195
Table 5.62 Rotated factor matrix - Purple Cash Card members	195
Table 5.63 Results of reliability analyses for merchandise and service variables.....	197
Table 5.64 Reliability analysis for composite loyalty variable	197
Table 5.65 Results of multiple regression analysis for Purple Cash Card members ...	197
Table 5.66 Correlations between merchandise, service and loyalty	198
Table 5.67 Regression coefficients for Purple Cash Card members	199
Table 5.68 ANOVA results for the Purple Cash Card members	199
Table 5.69 Factor analysis statistics for Account holders	200
Table 5.70 Rotated factor matrix - Account holders.....	201
Table 5.71 Reliability analysis for composite variables	203
Table 5.72 Reliability analysis of loyalty variable	203
Table 5.73 Multiple regression analysis of account holders.....	203
Table 5.74 Correlations between service, merchandise, behaviour, price and loyalty.	205

Table 5.75 Regression coefficients for account holders 206
Table 5.76 ANOVA results for account holders 206
Table 5.77 Factors that influence consumer loyalty towards Edgars by consumer group
(ranked) 207
Table 6.1 Summary of the factors that influence consumer loyalty towards Edgars by
consumer group..... 221

LIST OF FIGURES

Figure 2.1 Basic building blocks of consumer loyalty	10
Figure 2.2 Strategic goals that enhance competitiveness.....	15
Figure 2.3 The benefits of consumer loyalty	16
Figure 2.4 Stage of loyalty to sales ratio.....	18
Figure 2.5 The fundamental building blocks of a loyalty programme	23
Figure 3.1 A traditional supply chain.....	30
Figure 3.2 Edgars consumer groups	44
Figure 4.1 The marketing research process	48
Figure 4.2 The research design.....	51
Figure 4.3 Primary research methods.....	53
Figure 4.4 Multistage sampling process	64
Figure 4.5 Procedure for data analysis.....	70
Figure 4.6 Process for conducting factor analysis	72
Figure 4.7 Scree plot	76
Figure 5.1 Gender distribution of the sample.....	84
Figure 5.2 Racial distribution of the sample.....	85
Figure 5.3 Personal monthly income distribution of sample.....	87
Figure 5.4 Gender distribution by consumer group.....	88
Figure 5.5 Consumer groups by race	89
Figure 5.6 Consumer group by age	90
Figure 5.7 Consumer group by income.....	91
Figure 5.8 The atmosphere in Edgars stores.....	94
Figure 5.9 The music played in Edgars stores.....	95
Figure 5.10 Edgars store design and layout	96
Figure 5.11 Desired product availability at Edgars	97
Figure 5.12 Edgars selection of products	98
Figure 5.13 Product quality at Edgars.....	99
Figure 5.14 Fashionableness of Edgars' products.....	100
Figure 5.15 Overall perception of Edgars' service	101
Figure 5.16 Time spent in queues waiting to pay at Edgars	102
Figure 5.17 Sufficiency of help at Edgars	103
Figure 5.18 Friendliness of Edgars staff	104
Figure 5.19 Edgars' prices.....	106
Figure 5.20 Competitiveness of Edgars' prices	107
Figure 5.21 Respondents' price sensitivity	109
Figure 5.22 Respondent's feelings about finding bargains	110
Figure 5.23 Respondents' current purchasing behaviour with regard to Edgars	111
Figure 5.24 Respondents' intended future purchasing behaviour with regard to Edgars	112
Figure 5.25 Respondents' likelihood of continuing to purchase from Edgars	113
Figure 5.26 Respondents' perception of their commitment to Edgars	116
Figure 5.27 Respondents' feelings about not being able to purchase from Edgars.....	117

Figure 5.28 Respondents' willingness to recommend Edgars	119
Figure 5.29 The atmosphere in Edgars stores (by consumer group).....	121
Figure 5.30 The music played in Edgars stores (by consumer group).....	123
Figure 5.31 Edgars store design and layout (by consumer group)	125
Figure 5.32 Desired product availability at Edgars (by consumer group)	127
Figure 5.33 Edgars' selection of products (by consumer group).....	129
Figure 5.34 Edgars' product quality (by consumer group)	131
Figure 5.35 Fashionableness of Edgars' merchandise (by consumer group)	133
Figure 5.36 Overall perception of Edgars' service (by consumer group)	135
Figure 5.37 Time spent waiting to pay at Edgars (by consumer group).....	137
Figure 5.38 Sufficient help available at Edgars (by consumer group).....	139
Figure 5.39 Friendliness of Edgars' staff (by consumer group)	141
Figure 5.40 Edgars' prices (by consumer group)	143
Figure 5.41 Competitiveness of Edgars' prices (by consumer group)	145
Figure 5.42 Respondents' price sensitivity (by consumer group)	148
Figure 5.43 Respondents' feelings about finding bargains (by consumer group)	150
Figure 5.44 Respondents' current purchasing behaviour with regard to Edgars (by consumer group)	152
Figure 5.45 Respondents' intended future purchasing behaviour with regard to Edgars (by consumer group).....	154
Figure 5.46 Respondents' likelihood of continuing to purchase from Edgars (by consumer group)	156
Figure 5.47 Respondents' perceptions of their commitment to Edgars (by consumer group)	160
Figure 5.48 Respondents' feelings about not being able to purchase from Edgars (by consumer group)	162
Figure 5.49 Respondents' willingness to recommend Edgars (by consumer group) ...	164
Figure 5.50 Procedure for data analysis	177
Figure 5.51 The factors that influence consumers' loyalty towards Edgars	187
Figure 6.1 Relative strengths of prediction of composite variables for total sample	213
Figure 6.2 The factors that influence consumer loyalty towards Edgars.....	214
Figure 6.3 Average means for consumer groups for atmosphere-related questions ...	216
Figure 6.4 Average means for consumer groups for merchandise related questions..	217
Figure 6.5 Average means for consumer groups for service related questions	218
Figure 6.6 Average means for consumer groups for price related questions.....	219
Figure 6.7 Mean scores for willingness to recommend Edgars	220
Figure 6.8 The factors that influence cash only consumers' loyalty towards Edgars ...	221
Figure 6.9 The factors that influence Purple Cash Card members' consumer loyalty towards Edgars.....	222
Figure 6.10 The factors that influence account holders' consumer loyalty towards Edgars	223

CHAPTER 1: ORIENTATION TO THE STUDY

1.1 Introduction

The purpose of this study is to explore the factors that influence consumer loyalty with regard to a retail clothing store in Gauteng. This chapter is an orientation to the study as it examines consumer loyalty, provides an insight into the South African retail industry and emphasises the importance of loyal consumers to retailers. The study objectives and research methodology employed for this study are discussed below. The chapter concludes with an outline of the study and a summary of definitions of the key concepts used.

Consumer loyalty ranks as one of the most valuable assets in any organisation and yet it remains an ambiguous term and subject of much debate (Shugan 2005:185). For the purposes of this study, consumer loyalty is when a consumer consciously selects to repurchase from a particular organisation repeatedly over time even when other options exist; and recommends the organisation to their colleagues and peers, where this decision is based on an emotional attachment to the organisation (Griffin 2002, Hallberg 2004 & Reichheld 2006). The need for loyal consumers is obvious when one considers that loyal consumers add to the profitability of the organisation (Gomez, Arranz & Cillan 2006:387) and that the average organisation is estimated to be losing 20 to 40 percent of its consumers every year (Griffin 2003:20). This is especially true in the South African retail industry, where an increasing number of retailers (31 000 in 2010) are competing for market share (Anon1 2010:11). Long term growth and profitability hinge on the ability of an organisation to attract and retain loyal consumers (Wisskirchen, Vater, Wright, de Backer & Detrick 2006:10). The focus of this study is to explore the factors that influence consumer loyalty with regard to a retail clothing store in Gauteng.

1.2 Background to the study

To provide a background for the study, the South African retail industry will be discussed followed by a brief discussion of the importance of loyal consumers.

1.2.1 A brief introduction to the South African retail industry

A retailer is a business organisation that focuses its marketing efforts on the end consumer and sells its good or services directly to them (Cant 2010:3).

South African retailers employed 746 700 people in 2009, accounting for 5.2% of employment in the country (Anon2 2010:5). Retail trade generated by South African retailers (including the repair of household goods and an estimate of the informal sector) added R 135 984 million value to the South African gross domestic product (GDP) (Anon3 2010:23) during 2009. It can therefore be calculated that the retail trade added 6% value to the GDP of South Africa in 2009 while contributing towards 5.2% of the employment statistic which emphasises the importance of retail trade to the economy.

Of the nine provinces in South Africa that contribute towards the GDP, Gauteng is the smallest, consisting of only 1.4% of South Africa's land area. The province contributes 33% to the country's GDP and 10% to the GDP of the entire African continent (Anon4 [sa]:1). These economic indicators make Gauteng an ideal choice for a study of this nature in order to explore the factors that influence consumer loyalty with regard to a retail clothing store.

Retailers can be grouped into grocery and non-grocery retailers according to the type of merchandise sold (Anon2 2010:6). Grocery retailers accounted for R 224 221.6 million of sales in 2009 while non-grocery retailers accounted for R 217 250.4 million during the same year. In the non-grocery category of retailers, the company with the highest market share was Edcon Holdings Pty Ltd (Edcon) with 9% of the retail value retail selling price, excluding sales tax (Anon2 2010:8). Edcon is the holding company of the Edgars branded retail clothing stores that sell both branded and private label products (Anon5 2010:1). Edcon's department store division accounts for 59% of its total sales

and is headed by the Edgars brand. Edgars held the highest percent market share (4.3%) of the retail value retail selling price, excluding sales tax, amongst non-grocery retailers (Anon2 2010:9), this is 1.3% more than Clicks (owned by New Clicks Holdings Ltd) and Woolworths (owned by Woolworths Holdings Ltd). Edgars has become well-known in the South African retail industry for its long history of credit sales (Anon6 2008:1). Edgars consumers can be divided into three clearly identifiable, heterogeneous groups, namely cash only consumers; Purple Cash Card members and account holders. Because of these three consumer groups, Edgars is the retail clothing store that will form the focus of this study and it is discussed in detail in Chapter 3.

Edgars, like any other retail organisation, needs loyal consumers to drive profitability, reduce marketing and consumer acquisition costs and secure an advantage over their competitors (Griffin 2002, Wisskirchen et al 2006, Allaway, Gooner, Berkowitz, & Davis 2006). The importance of having loyal consumers is discussed below.

1.2.2 *The importance of loyal consumers*

Organisations aim to create and retain loyal consumers for three main reasons. First, loyal consumers are more profitable than disloyal consumers (Reichheld 2006:15). Increased profitability can be due to the decreased cost of consumer acquisition, the tendency of loyal consumers to be less price-sensitive or the decreased cost of each transaction (Griffin 2002, Wisskirchen et al 2006, Allaway et al 2005, Reichheld 2006). Second, having loyal consumers creates a competitive advantage that is both sustainable and difficult to copy. Loyal consumers are less likely to be attracted by competitive offerings and are more likely to forgive poor service delivery or product failures (Bhatty, Skinkle, & Spalding 2001, Marney 2001, Budhwani 2002). Third, loyal consumers are advocates of the organisation. Consumer advocacy is understood to be the public support given by a loyal consumer to the organisation (Oxford 2012, Reichheld 2006) and exists when consumers are so loyal to the organisation that they actively promote the organisation to friends and colleagues. Consumer loyalty and the benefits of having loyal consumers are discussed in Chapter 2.

The purpose of this study is to explore the factors that influence consumer loyalty with regard to a retail clothing store, now identified as Edgars, in Gauteng.

1.3 Problem statement

From the preceding discussion it is clear that retailers need loyal consumers. In order for retailers to design marketing programmes that attract and maintain loyal consumers, retailers need first to understand the factors that influence loyalty towards their organisation(s). The extant literature on consumer loyalty, however, focuses on the importance of consumer loyalty with regard to organisations and the struggle to engender loyalty amongst an existing consumer base, and not on the factors that influence consumer loyalty. Therefore, the problem that this study aims to solve is the lack of exploration of the factors that influence consumer loyalty towards retail clothing stores in Gauteng. The problem statement and objectives of this study flow directly from the lack of clearly identified factors that influence consumer loyalty towards a brand or organisation.

The objectives of the study are discussed below.

1.4 Objectives of the study

1.4.1 *Primary objective*

The primary objective of this study is to identify the factors that influence consumers' loyalty towards a retail clothing store in Gauteng, more specifically, with regard to Edgars.

1.4.2 *Secondary objectives*

The secondary objectives of the study are:

- To compare the factors that influence consumer loyalty with regard to Edgars between the three Edgars consumer groups.
- To identify further areas of research in consumer loyalty.

1.5 Research methodology

This research study is a formal study involving precise procedures and data source specifications. The data collection took place by means of structured questionnaires administered via mall-intercept interviews. A sample size of 308 was determined by taking into account the variability of the population and the confidence level required. Respondents were selected using a multi-stage sampling process which began with the identification of appropriate and available shopping malls using convenience sampling techniques; and continued with the selection of individual respondents using judgmental sampling. The sample size of 300 respondents was deemed appropriate by the Academic Research Support Unit (ARSU) and the Bureau for Market Research (BMR). Respondents were only selected from shopping malls in Gauteng since this province was selected as the focus for this study. Gauteng accounted for 34.8% of the economic activity in the wholesale, retail, motor trade and accommodation sectors in 2009, making it the largest contributor of all provinces in the country and an ideal focus point for the purposes of this study (Anon3 2010:11).

1.5.1 Primary research

The research instrument (a structured questionnaire) used to collect primary data about the factors that influence consumer loyalty towards a retail clothing store in Gauteng was pre-tested by academics in the Department of Marketing and Retail Management at the University of South Africa (UNISA) and approved by the BMR. The questionnaire was administered by trained fieldworkers from Complete Statistical Solutions CC and the data was processed using SPSS v17.0.

1.5.2 Secondary research

A comprehensive literature study was conducted in order to clarify the meaning of consumer loyalty and the factors that influence consumer loyalty towards organisations. Further secondary research into the functioning of loyalty programmes and the effectiveness of loyalty programmes in creating and/or maintaining loyal consumers was conducted.

1.6 Chapter outline

The titles and a brief outline of the chapters included in this report follow below.

Chapter 1: Orientation to the study

The first chapter provides a brief background to the study and the important concepts used throughout the report.

Chapter 2: Loyalty and loyalty programmes

Chapter 2 provides an in-depth examination of the concept of loyalty and discusses loyalty programmes as a loyalty marketing tool. Chapter 2 forms the theoretical background to the study.

Chapter 3: Edgars

This chapter provides a background and orientation to Edgars. A brief history of Edgars is provided and Edgars' position in the South African retail environment is discussed. The motivation for the use of Edgars as the subject for this study is also clearly explained.

Chapter 4: Research methodology

Chapter 4 describes, in detail, the research methodology applied for the purposes of this study. The instrument design and statistical procedures for the analysis of collected data are also explained.

Chapter 5: Data analysis and findings

Chapter 5 describes the results of the data collection and discusses the findings in detail. Findings are presented for each question in the research instrument.

Chapter 6: Conclusions and recommendations

The final chapter of this study draws conclusions from the analysed data and presents recommendations with regard to consumer loyalty and loyalty programmes.

1.7 Summary of definitions of key terms

The following key terms are critical to the understanding of the factors that influence consumer loyalty with regard to a retail clothing store (Edgars) in Gauteng:

- **Consumer advocacy.** *Consumer advocacy is defined as when a consumer gives public support to an organisation (Oxford 2012, Reichheld 2006).*
- **Consumer lifetime value (CLV).** *Consumer lifetime value is a measure of how much the consumer is worth to the organisation in terms of profitability over time (Kumar 2006:10).*
- **Consumer loyalty.** *Consumer loyalty is a situation that exists when a consumer consciously selects to repurchase from a particular organisation repeatedly over time even when other options exist; contributing to the ongoing success and profitability of the organisation; and recommending the organisation to their colleagues and peers, where this decision is based on an emotional attachment to the organisation (Griffin 2002, Hallberg 2004 & Reichheld 2006).*
- **Consumer satisfaction.** *Consumer satisfaction is the situation that exists when a consumer's expectations of service delivery and quality have been met (Jordaan & Prinsloo 2004).*

- **Loyalty programmes.** *Loyalty programmes are a loyalty marketing tool that provide incentives or rewards to consumers based on their frequency or volume of purchase with the goal of encouraging consumer loyalty and developing personalised relationships with the consumers (Gomez et al 2006:388, Meyer-Waarden 2006:89).*
- **Relationship marketing.** *Relationship marketing is a form of marketing that evolved from direct response marketing and places emphasis on building longer-term relationships with customers rather than on individual transactions. Relationship marketing involves an understanding of customers' needs and wants and providing a range of products or services accordingly (Anon7 2011:1).*

1.8 Chapter summary

The purpose of this study is to explore the factors that influence consumer loyalty with regard to a retail clothing store in Gauteng. Edgars has been chosen as the retail clothing store to be discussed, owing to its convenient consumer groups. The consumer groups allow for comparison between the groups with regard to the factors that influence consumer loyalty towards Edgars. In the next chapter the concept of loyalty will be discussed in detail by means of a comprehensive literature study.

CHAPTER 2: LOYALTY AND LOYALTY PROGRAMMES

2.1 Introduction

Loyalty programmes, as introduced in Chapter 1, are strategic marketing tools designed to increase consumer loyalty towards an organisation or brand. Loyalty per se, is often measured by the consumer's willingness to recommend the organisation to friends or colleagues; or by the return patronage (repeat buying behaviour) demonstrated by the consumer (Griffin 2002:5 & Reichheld 2006:18).

Loyalty programmes are generally designed with the hope that enrolling more consumers into the programme will result in more referrals and more return patronage or, at the very least, an expression of willingness to return to the organisation.

In this chapter the concept of loyalty will be explored via a study of the marketing literature to infer a comprehensive definition of loyalty, an understanding of the importance of loyalty to organisations, loyalty marketing and loyalty programmes. The focus of this study is to explore the factors that influence consumer loyalty with regard to a retail clothing store in Gauteng, namely Edgars. This chapter will establish a theoretical background of the concept of loyalty while Chapter 3 will introduce Edgars as the clothing retailer that forms the basis of the study.

2.2 Loyalty

One of the greatest paradigm shifts in the setting of marketing objectives has been the shift from a focus on once-off individual transactions between a consumer and the organisation to a longer-term view of relationships between the consumer and the organisation, implying ongoing transactions over time (Allaway, Gooner, Berkowitz and Davis 2006:1318). Relationship marketing, as defined in Chapter 1, encourages purchase behaviour that is repeated over a period of time. Griffin (2002:5) defines

loyalty as a behaviour that occurs more than twice. It is apparent that both loyalty and relationship marketing are based on recurring behaviour.

The link between loyalty and relationship marketing is established more firmly when the basic building blocks of a relationship are considered. Relationships between an organisation and its consumers are based on trust which is derived from communication and compromise, consumer satisfaction and a positive attitude held by both parties (Brink & Berndt 2004:149, Gomez, Arranz & Cillan 2006:388 and Shugan 2005:185). Successful, ongoing relationships between an organisation and a consumer can lead to the development of an emotional attachment between the two parties. It can therefore be surmised that relationships between an organisation and the consumer are built on an emotional attachment between the two parties, consumer satisfaction with the organisation and a positive attitude held by both parties.

Consumer loyalty is regarded by Wendlandt and Schrader (2007:293) as the most important goal of relationship marketing. It can be deduced that consumer loyalty and relationship marketing have their foundations in the same basic building blocks, namely an emotional attachment, consumer satisfaction and a positive attitude as discussed above. Figure 2.1 illustrates the basic building blocks of consumer loyalty.

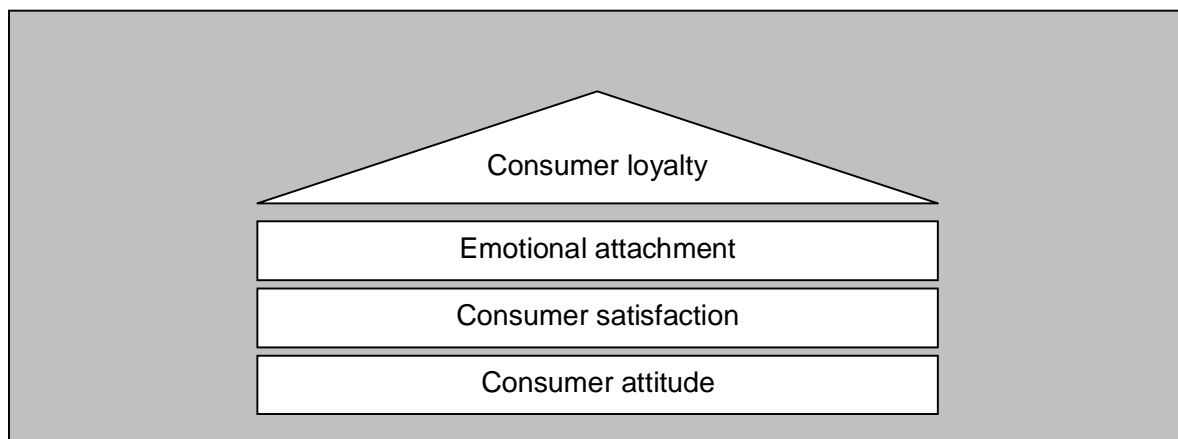


Figure 2.1 Basic building blocks of consumer loyalty

Source: Adapted from Gomez et al 2006:388

The basic building blocks of consumer loyalty as indicated in Figure 2.1 are discussed below.

2.2.1 *Emotional attachment*

The first basic building block of consumer loyalty is an emotional attachment to the organisation. Trust and commitment form the basis of any successful relationship (Brink & Berndt 2004:30). Trust is defined as the belief that something is good, sincere and honest and will not try to harm you (Oxford 2012, sv trust). When applied to a retail relationship, trust would imply that neither the organisation nor the consumer is trying to harm or prejudice the other party. Commitment is defined as a promise to support somebody or something and to continue to behave in a specified way (Oxford 2012, sv commitment). When applied to a retail relationship, this would imply that the consumer promises to support the retailer and continue to behave in a specified manner (preferably in terms of purchase behaviour) with regard to the retailer over time. A successful relationship, based on trust and commitment, between an organisation and a consumer can lead to the development of an emotional attachment between the two parties. It is therefore imperative that organisations build trust and commitment into their relationship with their consumers in order to foster an emotional attachment with them. The greater the emotional attachment between a consumer and an organisation, the more the consumer is inclined to purchase from the organisation (Hallberg 2004:232 and Morrison & Crane 2007:411). Hallberg (2004:232) has found that consumers at the highest level of emotional attachment purchase two to four times more than other consumers. Gomez et al (2006:387) and Bhatti et al (2001:13) also believe that consumer loyalty based on an emotional attachment is difficult to reproduce and thus forms a very strong competitive advantage.

The second basic building block of consumer loyalty as illustrated in Figure 2.1 is consumer satisfaction and is discussed below.

2.2.2 Consumer satisfaction

Consumer satisfaction, as defined in Chapter 1 is the situation that exists when a consumers' expectations of service delivery and quality have been met (Jordaan & Prinsloo 2004). Many factors such as location, pricing strategy, atmospherics and sales personnel have been proven to influence consumer satisfaction with regard to a retail store (Miranda, Konya & Havrila 2005:220). Griffin (2002:3), when discussing consumer satisfaction, goes on to say that most managers assume a positive correlation between consumer satisfaction and buying behaviour, the implication being that the more satisfied consumers are with an organisation, the more they will purchase from the organisation. Keiningham, Aksoy, Cooil and Andreassen (2008:53) and Fullerton and Taylor (2002:125) agree that high levels of consumer satisfaction can be seen as a primary building block of consumer loyalty. Smith and Wheeler (2002:31) however, indicate that satisfied consumers are not necessarily loyal to the organisation and that satisfaction is expected by consumers as their right and is no longer a factor that drives consumer loyalty. This viewpoint is further expounded on by Robinson and Etherington (2006:3) who found that there is no simple linear relationship between consumer satisfaction and their (consumers') willingness to repurchase. In fact, Robinson and Etherington (2006:3) indicate that defection rates amongst satisfied consumers remain as high as 90%.

Authors disagree as to whether or not consumer satisfaction will unquestionably lead to consumer loyalty. However, sufficient evidence by Brink and Berndt (2004), Fullerton and Taylor (2002), Keiningham et al (2008) indicates that consumer satisfaction has a positive correlation to consumer loyalty. It is clear that consumer satisfaction alone does not lead to consumer loyalty, but rather that it is a contributing factor to a consumer's loyalty towards an organisation. The last building block of consumer loyalty as indicated in Figure 2.1 is consumer attitude and is discussed below.

2.2.3 Consumer attitude

Attitude is defined as the way in which an individual thinks and feels about somebody or something (the attitude object), evidenced in the way that they behave towards the object (Oxford 2012, sv attitude). Consumer attitude towards an organisation can therefore be understood as the way in which a consumer thinks and feels about the organisation. Attitude is widely recognised in marketing literature as a foundational influence in consumer decision-making behaviour and is often linked to the concept of loyalty via attitudinal loyalty (Cant, Brink & Brijball 2006:146). Attitudinal loyalty is regarded as a psychological attachment to an organisation and infers a positive mental disposition toward the organisation (Allaway et al 2006:1319). Attitudinal loyalty incorporates a strong positive attitude (Reinartz & Kumar in Fitzgibbon & White 2005:215) and many authors (Allaway et al 2006, Gomez et al 2006, Robinson & Etherington 2006) agree that consumer attitude is an essential building block of consumer loyalty.

The three building blocks of consumer loyalty can be summarised, therefore, as an emotional attachment to the organisation, a positive attitude towards the organisation and consumer satisfaction with the organisation's product, service or brand. The basic building blocks of consumer loyalty as illustrated in Figure 2.1 contribute to the development of a comprehensive definition of consumer loyalty.

2.3 Defining consumer loyalty

The study of loyalty and the struggle to find an all encompassing definition has been ongoing for many years. Loyalty as a noun is defined as "...the quality of being faithful [act] in your support of somebody or something [object]" (Oxford 2012, sv Loyalty). Authors have devised definitions for various manifestations of the noun "loyalty": brand loyalty, retail loyalty and organisational loyalty amongst others. In each expression of the concept, the act of being loyal remains the same but the object to which the act is directed changes. For example, brand loyalty implies being faithful to a particular brand while organisational loyalty implies faithfulness to a specific organisation. For the

purposes of this study consumer loyalty will refer to loyalty expressed by a consumer towards an organisation. A comprehensive definition of consumer loyalty will now be discussed.

According to Griffin (2002:5), loyal purchase behaviour connotes a purchase behaviour that occurs not less than twice from the same organisation, implying that consumers who return to repurchase from an organisation more than twice can be regarded as exhibiting loyal purchase behaviour. Hallberg (2004:231) on the other hand, endorses an emotional attachment to an organisation's brand as a definition of loyalty. Reichheld (2006:18) implies that consumer loyalty is when a consumer is willing to recommend the organisation to a friend or colleague. There is clearly a difference in the focal point of these three definitions: Griffin focuses on the behavioural aspect of loyalty, that is to say, an external, overt demonstration of the act by means of repurchase. Hallberg focuses on emotional attachment which is a more abstract concept that is internalised by the consumer. Reichheld also focuses on external behaviour, but in terms of active organisational advocacy, rather than in terms of repurchase behaviour only.

It becomes clear that a comprehensive definition of loyalty must, therefore, entail internal factors relating to the individual such as attitude or feelings that are directed towards the organisation as well as external factors that result in actions towards or about the organisation.

Therefore, for the purposes of this study a comprehensive definition of consumer loyalty towards an organisation would be: a situation that exists when a consumer consciously elects to repurchase from a particular organisation repeatedly over time, even when other options exist; contributing to the ongoing success and profitability of the organisation and recommending the organisation to their colleagues and peers where this decision is based on an emotional attachment to the organisation. A loyal consumer is, therefore, one who has an emotional attachment to the organisation, acts positively towards the organisation by purchasing repeatedly from the organisation and recommends the organisation to friends and colleagues. Loyal consumers can therefore be said to be important to the organisation as both sources of revenue and recommendation. The importance of consumer loyalty will now be discussed.

2.4 The importance of consumer loyalty

In order to remain competitive, organisations should have as one of their strategic goals, to retain their consumers for longer and make them more profitable by selling more to them and by serving them more efficiently (Peppers & Rogers 2005:2). These strategic goals are summarised in Figure 2.2.

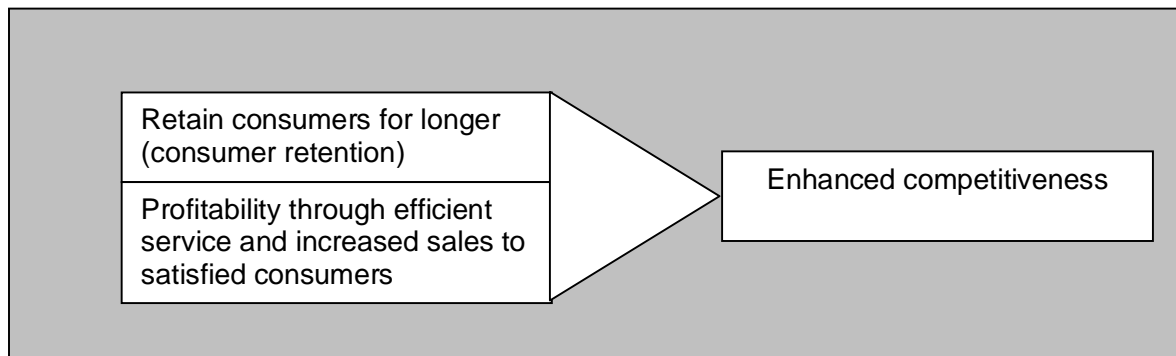


Figure 2.2 Strategic goals that enhance competitiveness

Source: Adapted from Peppers and Rogers (2005:2).

The strategic goals illustrated in Figure 2.2 (consumer retention and increased profitability) are encompassed in the very definition of consumer loyalty by referring to longer-term profitable relationships with satisfied, returning consumers. Having loyal consumers who voluntarily advocate the organisation is also a relatively sustainable competitive advantage (Gomez et al 2006:387). The importance of consumer loyalty to an organisation is indicated in Figure 2.3 which illustrates increased profitability, consumer advocacy and a competitive advantage as the benefits of having loyal consumers.

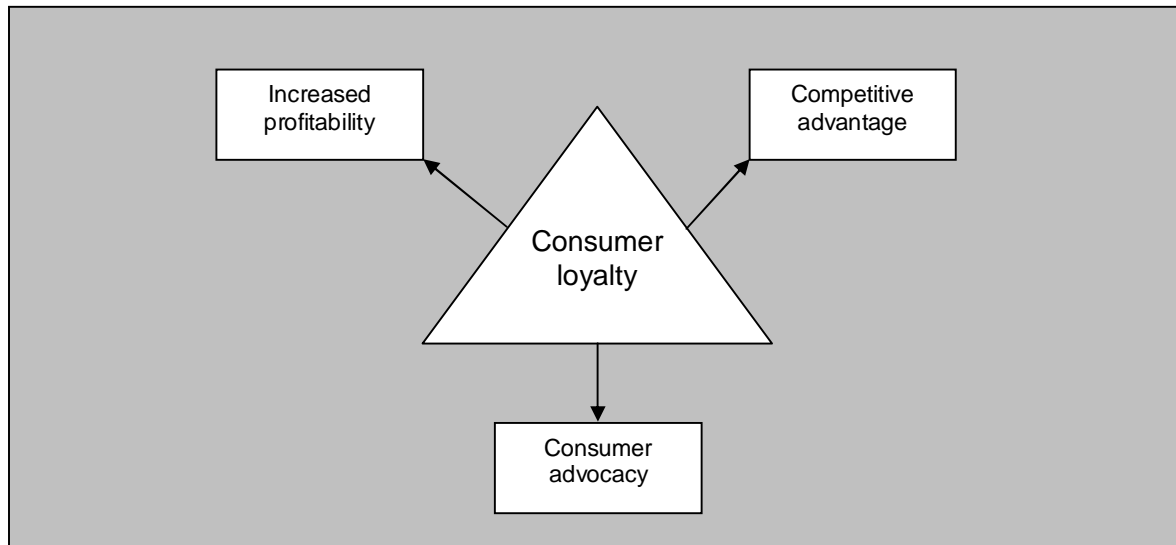


Figure 2.3 The benefits of consumer loyalty

Source: Developed from Peppers & Rogers (2005:2) and Gomez et al (2006:387).

Each of the elements mentioned in Figure 2.3 will now be discussed in more detail.

2.4.1 Increased profitability

Consumers generate profitability for organisations in two ways. First, with their current revenue spend (immediate profit for organisation) and second, with their potential future revenue spend (Peppers & Rogers 2005:8). Consumer lifetime value (CLV), as defined in Chapter 1, is a measure of how much the consumer is worth to the organisation in terms of profitability over time (Kumar 2006:10), that is to say, both present and future revenue combined. By implementing strategies that aim to increase consumer loyalty, organisations aim to increase the CLV. Gable, Fiorito and Topol (2008:34), Reichheld (2006:9) and Helgesen (2006:245) all identify higher profit margins as a result of consumer loyalty. Griffin (2002:12) identifies six ways in which consumer loyalty can increase organisational profitability:

- *Reduced marketing costs.* The costs of marketing to a loyal consumer may be reduced owing to the fact that retaining a consumer is cheaper than acquiring a new one. Consumer acquisition implies more promotion and more consumer

education, which are more expensive than consumer maintenance. When an organisation is spending less on marketing costs, it can, instead, invest more into improving the product quality or employee satisfaction (Griffin 2002:12 and Allaway et al 2006:1318).

- *Lower transaction costs.* Loyal consumers tend to be less price-sensitive and, therefore, not prone to consider the marketing efforts of competitors (Allaway et al 2006:1318), also, when selling to a loyal consumer there is no need for extended negotiations with the consumer regarding price, delivery, packaging etcetera. This lowers the transaction costs over time.
- *Reduced consumer turnover expenses.* As mentioned above, acquiring new consumers after unhappy consumers have defected is expensive as it requires intensive marketing efforts.
- *Increased cross selling.* Because loyal consumers are more familiar with the organisation and its product mix and have developed a trusting relationship, cross selling of additional items becomes easier. When consumers purchase more from the organisation, the organisation has a larger share of the consumer's wallet, which further strengthens the relationship and increases the cost of defection to the consumer.
- *Reduced failure costs.* Over the lifetime of a relationship with the consumer, both the organisation and the consumer learn to act in certain ways and expect certain levels of service or respect. This reduces the costs of errors or failures in service delivery over time.
- *Increased word-of-mouth.* The definition of consumer loyalty implies increased referral of the organisation to friends or colleagues. Word-of-mouth can lead to an increase in the number of consumers, without additional marketing costs (Griffin 2002:12 and Gomez et al 2006:387).

Research by Hallberg (2004:232) presents a clear correlation between consumer loyalty and the amount of sales made to that consumer and concludes that loyal consumers will

purchase at least twice as much as consumers who are less attached to the brand. It is feasible, therefore, that all else being equal, consumers who purchase twice as much may also be twice as profitable for the organisation. Hallberg (2004) identifies five stages of loyalty, with the most loyal consumers having a deep emotional bond with the organisation. Hallberg's five stages of loyalty and the projected sales index are indicated in Figure 2.4 below.

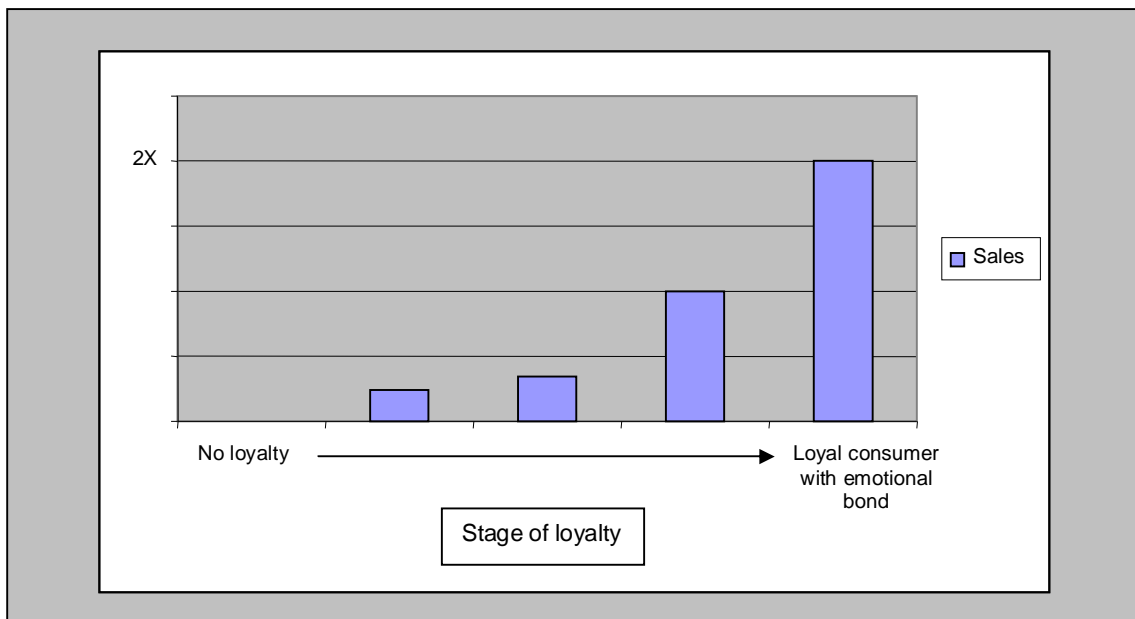


Figure 2.4 Stage of loyalty to sales ratio.

Source: Adapted from Hallberg (2004:232).

The first stage of loyalty as identified by Hallberg (2004) and illustrated in Figure 2.4, is that of no loyalty and is characterised by a consumer who has little or no awareness of the brand and, therefore, no emotional loyalty towards the brand. The second stage is characterised by consumers who are aware of the brand but have developed very little emotional loyalty or understanding of the brand. The third stage, referred to by Hallberg as 'relevance and performance', consists of consumers who feel that the brand is suitable for their needs and budgets and performs adequately. The fourth stage of Hallberg's loyalty scale is called the 'advantage' level and consists of consumers who

feel the brand gives them an advantage that warrants purchasing it over other competing offerings. Consumers who reach Hallberg's highest level of emotional loyalty, namely 'bonding', believe that the brand has unique features and benefits that make it superior to other brands. They do not simply 'like' a brand, they 'love' it.

It is clear from Figure 2.4 that consumers who are at Hallberg's highest level of loyalty purchase at least twice as much as other consumers and can therefore be assumed to be at least twice as profitable. The second reason that consumer loyalty is important to an organisation as indicated in Figure 2.3 is that having loyal consumers can be a competitive advantage. Consumer loyalty as a competitive advantage is discussed below.

2.4.2 *Competitive advantage*

A distinct, sustainable competitive advantage is achieved when consumers consciously, repeatedly select one organisation over another (Gomez et al 2006:387 and Griffin 2002:5). The competitive advantage created by having loyal consumers can be regarded as sustainable due to the fact that it is almost impossible to recreate relationships that took a long time to establish, quickly (Bhatty et al 2001:16). Also, due to their trusting and communicative relationship with the organisation, loyal consumers should not defect even when competitors can match the organisation's product offering in terms of price and quality (Marney 2001:33). Loyal consumers tend to allow the organisation an opportunity to match the competitive offering before they consider defecting (Bhatty et al 2001:16).

The importance of loyal consumers as a competitive advantage is obvious when considering the fact that the average organisation is estimated to be losing 20 to 40 percent of their consumers every year (Griffin 2002:20). The costs of losing a consumer are twofold. First, the organisation loses immediate and future revenue, and second, the marketing costs incurred to acquire a new consumer can be very expensive (Wisskirchen, Vater, Wright, de Backer & Detrick 2006:10). Consumer loyalty can reduce the loss of consumers by maintaining a long-term relationship with the consumer

and thereby making the consumer's life easier (Robinson & Etherington 2006:2). Organisations can not only increase their profitability, but also reduce their marketing costs by retaining loyal consumers.

Consumer loyalty is important to an organisation as a competitive advantage for the following reasons (Allaway et al 2006:1318, Griffin 2002¹², Kumar 2006:9 and Yi & Jeon 2003:230):

- Loyal consumers consciously select the organisation again and again, thereby reducing the market share of competitors.
- Loyal consumers are less price-sensitive and, therefore, will not react to lower price offers from competitors.
- Loyal consumers allow the organisation the opportunity to match a competitive offering or to correct a service failure before defecting.
- Having loyal consumers reduces the marketing costs of acquiring new consumers.
- Consumer loyalty is a deterrent that prevents consumers from changing to a competitive organisation.

The last element in Figure 2.3, indicating the importance of consumer loyalty to an organisation, is consumer advocacy and is discussed below.

2.4.3 Consumer advocacy

Advocacy is defined as the giving of public support to an idea, a course of action or a belief (Oxford 2012, sv advocacy). Consumer advocacy, as defined in Chapter 1, can therefore be understood to be when a consumer gives public support to an organisation. Reichheld (2006:19) believes that a loyal consumer will be an advocate of the organisation. Blasberg, Vishwanath and Allen (2008:16) support Reichheld by arguing that the most useful way to measure consumer loyalty is to ask the question: "How likely

are you to recommend this organisation to a friend or colleague?” Consumers who answer that they are highly likely to recommend the organisation to a friend or colleague are called “promoters” and represent the highest level of loyalty in Reichheld’s Net Promoter Score (NPS) (Reichheld 2006:19). These “promoters” conform directly to the definition of a consumer advocate.

Consumers communicate both positively (advocacy) and negatively regarding their experience with an organisation by using word-of-mouth communication. Word-of-mouth communication has been defined as “...communication about products and services between people who are perceived to be independent of the company providing the product or service, in a medium perceived to be independent of the company...” (Silverman 2001:48). Word-of-mouth communications and, more especially, advocacy by consumers, are valuable to an organisation because of the following reasons suggested by Keiningham et al (2008:81) and Steffes and Burgee (2008:43):

- Consumer advocacy costs virtually nothing.
- Owing to technology, advocacy no longer occurs on a person-to-person basis but rather on a person-to-world basis.
- Consumer advocacy is automatically more credible to a recipient than organisation-sponsored marketing communication.

From the above discussion, based on Figure 2.3, the importance of having loyal consumers is clear: having loyal consumers increases profitability, creates a competitive advantage and loyal consumers are advocates of the organisation. The question that arises at this point is: “How do organisations encourage loyalty from their consumers?”. The strategic process of promoting loyalty amongst consumers is known as loyalty marketing. Loyalty marketing is discussed below.

2.5 Loyalty marketing

Organisations need to have a concerted strategic process in place in order to encourage loyalty from consumers. This strategic process is known as loyalty marketing. Loyalty marketing can be defined as the process of identifying, maintaining and increasing the yield from best customers through interactive value-added relationships (Capizzi, Ferguson & Cuthbertson 2003:199). Loyalty marketing is commonly implemented through the use of recognition and reward to create a relationship with the consumer over and above regular relationship marketing strategies. The most common manifestation of loyalty marketing is the loyalty programme.

2.6 Loyalty programmes

Loyalty programmes are a loyalty marketing tool that offer incentives or rewards to consumers based on their frequency or volume of purchase with the goal of encouraging consumer loyalty and developing personalised relationships with the consumers (Gomez et al 2006:388 and Meyer-Waarden 2006:89). This has led to loyalty programmes also being known as reward schemes or frequent shopper programmes (Rosenbaum et al 2005:222 and Gomez et al 2006:387). For the purposes of this study, a definition of loyalty programmes was derived from interpretations of loyalty programmes by Gomez et al (2006:387), Meyer-Waarden (2006:89) and Rosenbaum et al (2005:222). Loyalty programmes are, therefore, defined as integrated systems of marketing actions that are aimed at developing long-term emotional attachments with member consumers, increasing product or service usage and encouraging repeat purchase behaviour, while increasing profitability over the long-term by rewarding consumers for specific actions. The basic premise of the loyalty programme is that consumer behaviour can be modified in a manner that is advantageous to the organisation by appealing to the consumer's rational reasoning that the more they purchase, the more they will be rewarded (Hallberg 2004: 231 and Lara & Madriaga 2007:37). Typically, loyalty programmes consist of frequent shopper cards, store credit cards with tiered benefits or co-branded credit cards (Cigliano et al 2000:2). Examples of loyalty programmes in South Africa include the Clicks Club Card, the DisChem Benefits Programme and the Woolworths

Loyalty Programme. Successful loyalty programmes are built on four fundamental building blocks (Banasiewicz 2005:333, Marney 2001:2, Rosenbaum et al 2005:222 and Yi & Jeon 2003:230) as illustrated in Figure 2.5.

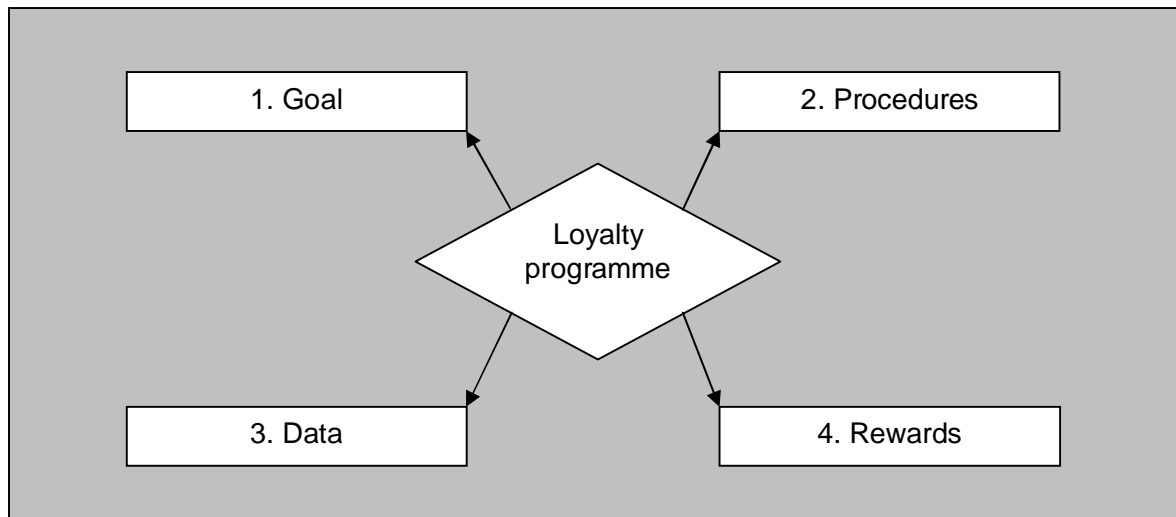


Figure 2.5 The fundamental building blocks of a loyalty programme

Source: Derived from Banasiewicz 2005, Marney 2001, Rosenbaum et al 2005 and Yi & Jeon 2003.

Each one of the four fundamental building blocks of a loyalty programme is discussed below.

2.6.1 *The goal of the loyalty programme*

Banasiewicz (2005:333) describes the goal of a loyalty programme as being one of two possibilities: a net increase in revenue, or an increase in profitability. If the goal of the loyalty programme is to increase revenue, then the formation of the loyalty programme would have to focus on volume discounts and cash rebates, thus influencing the reward structure. If the goal of the loyalty programme is to increase profitability, then the loyalty programme would have to be structured differently in order to encourage repurchase and discourage price-sensitivity.

Another important possible goal of a loyalty programme is the gathering of consumer data in order to provide insights into consumer behaviour (Anon8 2007:19). The data gathered can be used for targeted direct mail campaigns or other personalised communications.

These overall goals are not mutually exclusive and can be combined to align with the organisation's strategic goals and objectives. Potential goals of loyalty programmes can therefore be summarised as follows according to Banasiewicz 2005:332:

- to reduce consumer turnover,
- to grow the organisation's market share,
- to encourage more sales from existing consumers,
- to provide insights into consumer behaviour,
- to encourage long-term relationships with consumers and
- to increase profitability.

Once the strategic goals of the loyalty programme have been established, the organisation must consider the procedures necessary to run the programme. Procedures are the second fundamental building block of loyalty programmes illustrated in Figure 2.5 and are discussed below.

2.6.2 Procedures

The successful functioning of a loyalty programme relies on three procedures being in place according to Banasiewicz 2005:332, Cigliano et al 2000:2 and Lara and Madariaga 2007:38:

1. *Procedures to enrol consumers into the programme.* Loyalty programmes require consumers to enrol and become members. Enrolling a consumer in a loyalty programme requires considerable time and money to be spent on promotional

material in order to generate awareness of the programme, the comprehensive distribution of enrolment materials, the construction of a database in order to record consumer data and additional promotional expenses in order to encourage participation, redemption of rewards and consumer loyalty (Ferguson & Hlavinka 2007:314). Member enrolment inefficiencies are common weaknesses of loyalty programmes because membership is most commonly based on a self-selection process encouraged by mass promotion (Banasiewicz 2005:332). Ferguson & Hlavinka (2007:320) recommend enrolling only high-value consumers while Leenheer and van Heerde (2006:27) argue that the primary reason that loyalty programme members spend more is because they selected themselves to be part of the programme.

2. *Procedure to communicate with consumers.* Procedures must be in place in order to communicate with the loyalty programme members. Members must be informed of the rules of the loyalty programme, the reward structures and what the desired behaviours are in order to achieve the rewards (Cigliano, Georgiadis, Pleasance & Whalley 2000:2).
3. *Procedures to reward consumers for behaving in the desired manner.* The rewards offered by a loyalty programme are the single most important attribute that determine whether or not consumers will participate in the loyalty programme (Lara & Madariaga 2007:43); making the design of rewards a vital ingredient in the design of a successful loyalty programme that aims to retain consumers and reinforce emotional bonds with the organisation (Gomez et al 2006:393). Procedures must be in place in order to measure the consumers' behaviour and to deliver rewards when earned.

The next fundamental building block of loyalty programmes, as illustrated in Figure 2.5, is data and is discussed below.

2.6.3 Data

As discussed in section 2.5.1, the gathering of consumer data is one of the potential goals of a loyalty programme (Lacey & Sneath 2006:461 and Kerr 2009:50). Consumer data drives strategic marketing decisions (Ferguson & Hlavinka 2008:115 and Marney 2001:33) and provides detailed information that allows organisations to develop new ways of measuring and managing their business. Consumer data can be used to develop statistical models that can improve consumer loyalty and consumer satisfaction, develop new market offerings, select the correct merchandise, reduce consumer defection and increase the lifetime value of consumers (Wansink 2003:302). Kerr (2009:50) states that the real value of any loyalty solution lies in the ability to generate and analyse consumer data in order to identify “nuances” of consumer behaviour, sometimes referred to as ‘consumer insight’ (Coyles 2002:86). The integrity of the data collection procedures is critical to the success of the loyalty programme since consumers are providing personal data and exhibiting specific behaviours in order to become members of the programme and are thereby exposing themselves. Consumers are becoming increasingly concerned about their privacy and how their personal information is being used, they resist providing personal information unless the rewards significantly outweigh the risks (Lacey & Sneath 2006:461).

The last fundamental building block of loyalty programmes, as illustrated in Figure 2.5, is rewards and this is discussed below.

2.6.4 Rewards

Successful loyalty programmes require appropriate, attractive and relevant rewards. A proper reward plan is crucial in retaining loyal consumers and reinforcing an emotional bond with the organisation (Gomez et al 2006:393). Loyalty programmes usually provide hard and/or soft rewards. Hard rewards are understood to be economic rewards, such as discounts or rebates, while soft rewards are usually privileges such as member only events or special invitations (Gable et al 2006:36, Hallberg 2004:231 and Shugan 2005:190). If the goal of the loyalty programme is to encourage short-term behaviour,

then tangible, hard benefits such as rebates are more appropriate. However, if the goal of the loyalty programme is to reinforce a long-term relationship with the consumer, then soft, intangible rewards such as preferential or personalised service may be more effective (Lara & Madariaga 2007:39). Both hard and soft rewards can be further divided into direct or indirect rewards (Yi & Jeon 2003:230). Direct rewards relate to the value proposition of the purchased product or brand, while indirect rewards do not relate directly to the product or brand. For example, if a clothing retailer, such as Edgars, rewards members of their loyalty programme with discounts on future purchases, it would be a direct reward but if the reward offered by Edgars was for discounted food vouchers at a local restaurant, the reward would be indirect.

The timing of the reward is also a critical element in loyalty programme design (Ferguson & Hlavinka 2008:121 and Yi & Jeon 2003:230). Lara and Madariaga (2007:39) indicate that in order to modify short-term consumer behaviour, immediate rewards are preferable while longer-term, more stable consumer behaviour modification may require deferred incentives.

The rewards that the loyalty programme offers are the determining attribute that predisposes consumers to participate or not (Lara & Madriaga 2007:43), in fact, Lara and Madriaga (2007) go on to say that non-users' refusal to participate in a loyalty programme is not due to a lack of knowledge about the programme, but rather that they perceive the rewards to be inadequate in comparison to the efforts required. Consumer frustration with rewards can occur when operational procedures surrounding the collecting of rewards are difficult and/or problematic, when the collection of a reward is blocked, when organisations do not have sufficient supply of rewards, or when the promised reward seems of little value (Stauss, Schmidt & Schoeler 2005: 231-232).

Loyalty programmes based on these four basic foundational building blocks present, amongst other relevant benefits, an opportunity for organisations to reinforce their value proposition and, at the same time, gain access to valuable consumer information (Cigliano et al 2000:1).

2.7 Summary

In summary, loyalty has been defined as a situation that exists when a consumer consciously selects to repurchase from a particular organisation repeatedly over time, even when other options exist; contributing to the ongoing success and profitability of the organisation; and recommending the organisation to their colleagues and peers, where this decision is based on an emotional bond with the organisation. The literature does not agree on which of these aspects of loyalty are the most valuable to an organisation, nor on which of these constitutes “true” loyalty. Loyalty programmes have been identified as marketing tools used to engender loyal behaviour in consumers and generate consumer data that can be used to improve merchandise selection, pricing and personalised communication between the organisation and the consumer. Now that consumer loyalty has been discussed, it is pertinent to discuss the clothing retailer in question, namely Edgars, in more detail. The next chapter will focus on Edgars.

CHAPTER 3: EDGARS

3.1 Introduction

The purpose of this study is to explore the factors that influence consumer loyalty towards a clothing retailer in Gauteng. Edgars was introduced in Chapter 1 as the clothing retailer selected to meet the objectives of this study. In this chapter, Edgars will be discussed within a South African retail industry context, beginning with a discussion on retailing.

The primary objective of this study focuses on a retail clothing organisation. A retail organisation can be defined as an organisation that focuses its marketing efforts on selling goods and services to the final consumer (Cant 2010:3) and can be seen as the last link in the retail supply chain before the end consumer (Levy & Weitz 2012:7). A clothing retailer can, therefore, be assumed to be an organisation that sells clothing to the final consumer. In South Africa, the retail trade added 6% value to the gross domestic product (GDP) in 2009 while accounting for 5.2% of employment in the country (Anon2 2010:5) during the same period. Worldwide, retail accounts for 20% of the international labour force and is the single largest industry in most nations (Dunne & Lusch 2008:4). It is prudent, therefore, to discuss retailing in more detail.

3.2 Retailing

Retailing is the last link in the chain that delivers the manufactured product or service to the end consumer (Levy & Weitz 2012:7 and Berman & Evans 2010:8) and is defined as the set of business activities that adds value to products or services sold to consumers for their own personal use (Levy & Weitz 2012:6). A generic supply chain indicating the place of retailers is illustrated in Figure 3.1. Figure 3.1 illustrates a traditional supply chain, beginning with the manufacturer and ending with the consumer as well as the transaction values, the nature of the decision-making and the most common location of the transaction at each level of the chain. The role players in the generic supply chain

are the manufacturer, who produces the product for sale, the wholesaler, who buys the product in bulk from the manufacturer and the retailer, who purchases from the wholesaler in order to sell to the end consumer (Dunne & Lusch 2008:139). It is clear from Figure 3.1 that the transactions between the manufacturer, wholesaler and retailer are of much higher value than those between the end consumer and the retailer. This difference in transaction value is largely due to the quantities being purchased. The nature of the decision-making, as indicated in Figure 3.1, also differs throughout the generic supply chain. The transactions between the manufacturer, wholesaler and retailer usually consist of intense, planned, negotiated decision-making. Transactions between the retailer and the end consumer range from being well planned to impulse decision-making purchase situations that inevitably take place in the retail store (Berman & Evans 2010:11).

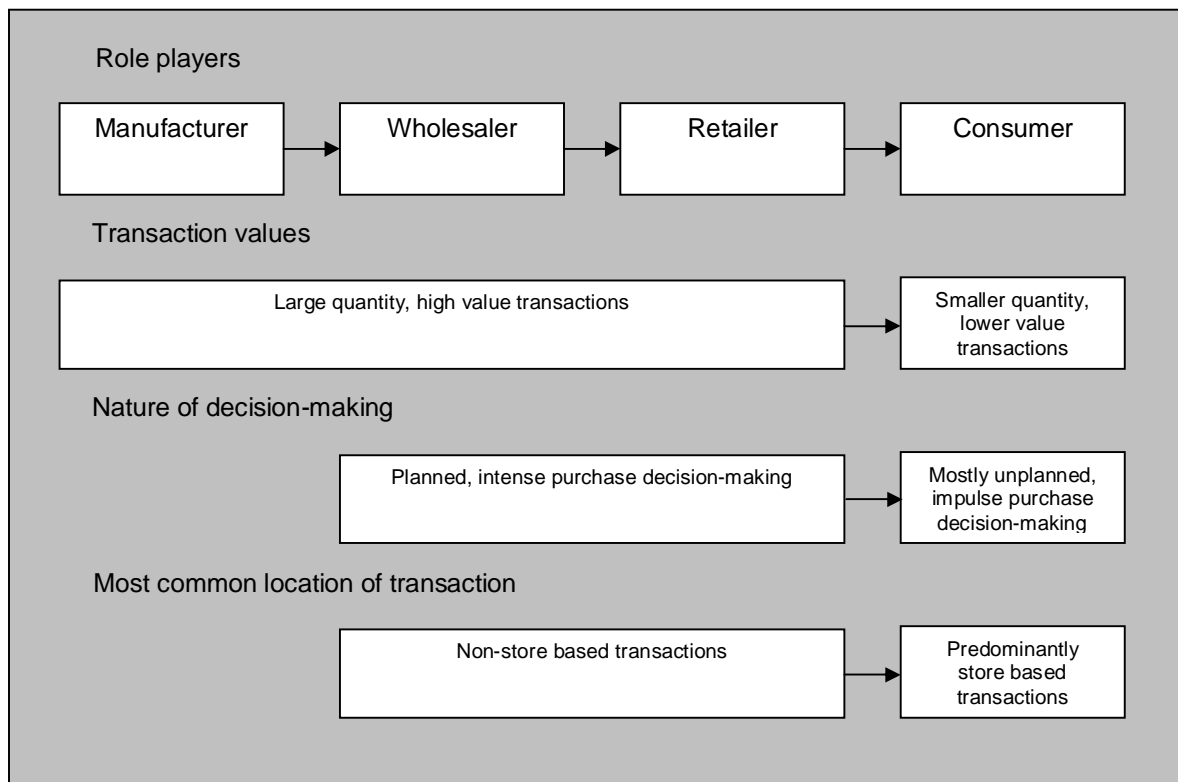


Figure 3.1 A traditional supply chain

Source: Adapted from Levy and Weitz (2012:7) and Berman and Evans (2010:11).

Retailing is distinguished from other businesses in the supply chain in three key areas according to Berman and Evans (2010:11):

- The average value of a retail transaction is lower than that of other members of the supply chain. Due to the fact that retailers supply the quantity desired by consumers for personal use (Cant 2010:8), retailers tend to sell smaller quantities of products or services which implies lower-value transactions on average. A clothing manufacturer would, for example, sell many thousands of units of any clothing item to wholesalers, who in turn would sell thousands of units to retailers. Retailers like Edgars, on the other hand, would only sell one or two items to individual consumers.
- Final consumers make unplanned, impulse purchases. Berman and Evans (2010:11) indicate that a large percentage of retail consumers do not plan their purchases ahead of time, nor do they look at advertisements prior to shopping. This is in stark contrast to the purchase decision-making undertaken by manufacturers, wholesalers and retailers, which tends to be well planned and strategised in advance (Chopra & Meindl 2010:25). Clothing retailers, such as Edgars and their suppliers, need to plan their purchases in advance in order to take into account the future fashions and desires of the end consumers. Wholesale purchases are seldom made impulsively.
- Retail consumers predominantly engage in store-based purchase behaviour. According to Berman and Evans (2010:11), retail consumers continue to prefer to shop at retail stores rather than online, over the phone or through the mail. While the advances in these technologies are acknowledged, according to Berman and Evans (2010), consumers feel more comfortable with immediate gratification that is not delayed by waiting for delivery. This is important for retail stores such as Edgars that need to encourage consumers to visit the store to make their purchases.

As discussed above, retailers are unique within the supply chain, yet can still be grouped into typical classifications.

3.2.1 Common classification of retailers

Retailers can be classified according to a variety of criteria (Dunne & Lusch 2008, Levy & Weitz 2012 and Cant 2010):

- Store and non-store retailers. Store retailers are housed in physical stores while non-store retailers do not have physical storefronts that consumers can enter into (Cant 2010: 6). Store retailers have tangible buildings or locations that consumers can enter into, browse around and purchase from (Dunne & Lusch 2008:15). Non-store retailers require consumers to purchase from a distance via catalogue, telephone or the internet. Edgars, for example, is a store retailer that also offers a non-store retail experience via its website.
- Level and types of service. Consumers demand that retailers continue to provide certain basic services such as displaying the merchandise, providing parking (in the case of store retailers) and being open at convenient hours (Levy & Weitz 2012:33). Beyond these basic services, retailers can be classified as self-service, limited service or full service (Cant 2010:6). In a self-service retailer, consumers would be required to find, select and carry their own merchandise. Limited service retailers would provide assistance if needed and full service retailers would meet the consumer at the door, guide them through the entire purchase process and provide follow-up service afterwards. Non-store retailing is almost exclusively self-service.
- Size and variety of merchandise assortment. Retailers can be classified as speciality, department, supermarket, convenience, superstore, hypermarket or service business based on the size and variety of the merchandise assortment (Cant 2010:6). Retailers such as Edgars are classified as department stores because of the wide variety of merchandise within a limited number of departments or categories (Levy & Weitz 2012:41).
- The pricing strategy followed. Retailers can be classified according to their pricing strategy, which relates directly to their gross profit margins (Dunne & Lusch

2008:17). Retailers classified according to their pricing strategies generally fall into one of three categories based on the ratio between their profit margin and their turnover. Retailers classified as low-margin/high-turnover retailers (also known as discount stores or category killers) are profitable because of their high turnover. High-margin/low-turnover retailers are more likely to be speciality stores that sell high priced items like furniture or jewellery (Levy & Weitz 2012:43). High-margin/high-turnover retailers are generally convenience stores that can charge higher prices for the convenience that they provide to consumers (Dunne & Lusch 2008:18). Edgars claims to provide value to consumers in both price and quality (Anon6 2008:1).

- Type of ownership. Corporate chains, voluntary chains and franchise organisations are classifications of retailers according to the type of ownership. Corporate retail chains operate multiple retail stores under common ownership (Levy & Weitz 2012:52) while franchisors allow franchisees to operate under specific conditions using established brands and procedures (Dunne & Lusch 2008:151). Edgars is an example of a corporate retail chain in South Africa. Franchising is most common in the fast-food industry with popular franchises like King Pie and Steers being good examples in South Africa.

Since the focus of this study is on a retail organisation in South Africa, the retail industry in South Africa will be discussed below, beginning with a short discussion of the importance of the retail industry in the South African economy.

3.3 The importance of the retail industry in the South African economy

The gross domestic product (GDP) is regarded as the most important indicator of the total economic production of a country (Barnes 2011) and has been referred to as a comprehensive scorecard of a country's economic health (Mfalvey 2011). An increase in the GDP per capita indicates economic growth (Madsen 2006). South Africa's GDP at market prices at the end of 2009 was R 2 395 969 million (Anon9 2010:S104), growing

from R 2 274 139 million in 2008. The 2009 statistics were the most complete statistics available at the time of the study, which allowed for calculations and industry comparisons. However, the real growth rate in the economy as indicated by the GDP decreased from 5.6% to 3.6% (Anon3 2010:5). The wholesale trade, retail trade, motor trade and accommodation industry contributed 12.1% of the change in value added to the GDP, with Gauteng accounting for 34.8% of the economic activity within the industry (Anon3 2010:11).

Retail trade specifically (including the repair of household goods and an estimate of the informal sector) added R 135 984 million value to the GDP (Anon3 2010:23) from total retail trade sales of R 524 352 million in 2009 (Anon1 2010:5). In real terms, the total retail sales figures increased by 4.9% in 2009 and 7.8% until November 2010 (Anon1 2010:1), with retailers in textiles, clothing and leather goods growing by 12% from 2009 to November 2010 (Anon1 2010:1). It can, therefore, be calculated that the retail trade added 6% value to the GDP of South Africa in 2009. The transport industry also added 6% value to the GDP of South Africa in 2009, while the finance and insurance sector added 9%. Provincial government added 7% value to the GDP of South Africa in 2009. It can, therefore, be concluded that the retail industry contributed to the GDP similarly to the provincial government.

Anon2 (2010:1) has identified the following key trends in the retail industry in South Africa, while predicting stagnation in the growth rate of the industry in the foreseeable future:

- Rising costs of food, petrol and electricity will continue to dampen retail spending.
- Middle to upper-income consumers will seek more convenience from retail shopping (including the option to purchase online).
- Leading supermarkets will continue to convert outlets to popular brands. Retailers such as Pick 'n Pay are converting their SCORE outlets to the more popular Pick 'n Pay Family brand.
- More supermarket retailers will introduce in-store pharmacies.

- Lower-income consumers will continue to prefer traditional store-based retailing over online purchases.

The importance of the retail industry to the South African GDP having been established, it is pertinent to discuss the composition of the South African retail industry in more detail.

3.4 The composition of the South African retail industry

According to Statistics South Africa, the retail industry in South Africa is made up of the following types of retailers (Anon1 2010:10):

- General dealers who trade in non-specialised stores with food, beverages and tobacco predominating (group type A).
- Retailers of food, beverages and tobacco in specialised stores, including retailers of fresh fruit, meat and meat products, baker products, beverages and tobacco (group type B).
- Retailers in pharmaceutical and medical goods, cosmetics and toiletries (group type C).
- Retailers in textiles, clothing, footwear and leather goods (group type D).
- Retailers in household furniture, appliances and equipment (group type E).
- Retailers in hardware, paint and glass (group type F).
- All other retailers including retailers in reading matter and stationery, jewellery, watches and clocks, retailers in sports goods and entertainment, retail trade in second-hand goods and retail trade not in stores (group type G).

A more common classification of the South African retail industry is simply to distinguish between grocery and non-grocery retailers (Anon2 2010:5). Grocery retailers include hypermarkets, supermarkets, discounters, small grocery retailers, and food or drink or

tobacco specialists. Non-grocery retailers include mixed retailers, health and beauty specialists, clothing and footwear specialists, home and garden specialists, electronics and appliance specialists and leisure and personal goods specialist retailers. Edgars, as a clothing and footwear specialist, clearly falls in to the non-grocery classification.

The non-grocery retail classification contributed R 217 250.4 million of all store-based retail sales in 2009, accounting for 49% of sales in store-based retailing (Anon2 2010:6).

Table 3.1 indicates the sales in store-based retailing by sector for 2004 - 2009.

Table 3.1 Store-based retail sales

	2004	2005	2006	2007	2008	2009
Grocery Retailers	121,084.80	139,299.20	158,512.80	189,826.40	203,626.70	224,221.60
Hypermarkets	5,480.10	6,795.30	9,020.70	10,750.90	13,520.60	15,225.40
Supermarkets	60,511.00	67,072.90	74,439.60	91,436.30	95,120.70	105,977.80
Discounters	452	554.7	622.7	1,020.00	1,181.50	1,320.00
Small Grocery Retailers	41,437.70	48,623.20	55,410.80	63,954.70	68,548.90	73,306.40
Food/Drink & Tobacco Specialists	3,998.40	5,942.90	7,677.90	10,036.00	11,048.00	12,196.00
Other Grocery Retailers	9,205.50	10,310.20	11,341.20	12,628.50	14,207.00	16,196.00
Non-Grocery Retailers	139,276.70	155,642,8	176,036.50	193,818.60	201,578,4	217,250.40
Mixed Retailers	20,142.00	22,171.30	25,377.80	29,859.40	29,980.30	30,808.30
Health and Beauty	22,785.90	23,267.90	24,348.10	25,088.30	25,845.90	28,058.10

Specialist Retailers						
Clothing and Footwear Specialist Retailers	50,298.60	55,831.50	62,835.80	66,602.30	69,619.20	74,698.90
Home and Garden Specialist Retailers	20,323.00	25,475.50	31,678.60	36,987.20	39,374.80	42,361.70
Electronics and Appliance Specialist Retailers	3,568.00	3,900.00	4,300.00	6,000.00	5,730.00	7,520.00
Leisure and Personal Goods Specialist Retailers	12,560.10	14,651.20	16,581.80	17,657.60	18,474.50	20,057.00
Other Non-Grocery Retailers	9,599.00	10,345.40	10,914.40	11,623.80	12,553.70	137,462
Store-based Retailing	260,361.50	29442	334,549.30	383,645.00	495,205.10	441 .472.0

Source: Anon2 (2010:6).

Table 3.1 shows that grocery retailers accounted for R 224 221.6 million of all store-based retail sales in 2009. It is clear from Table 3.1 that clothing and footwear specialist retailers, such as Edgars, generated R 74 698.9 million sales in 2009, by far the highest of all of the non-grocery retailers.

The South African retail industry is dominated by five companies who, together, account for 38.3% share of the total retail value at selling price excluding value added tax (VAT). The five companies and their respective shares are indicated in Table 3.2.

Table 3.2 Percentage retail value at selling price excluding value added tax (VAT)

Company	2005	2006	2007	2008	2009
Shoprite Holdings Ltd	9.8	9.4	9.7	10.9	11.7
Pick 'n Pay Retail Group Pty Ltd	8.6	9	11	10.7	10.5
Spar Group Ltd	6.8	7.1	7.4	7.4	7.7
Edcon Holdings Pty Ltd	4	3.9	3.9	4.3	4.3
Woolworths Holdings Ltd	4	4	4.2	4.3	4.1

Source: Anon2 (2010:7).

Table 3.2 clearly indicates that during 2009 Shoprite Holdings Ltd had the largest percentage retail value at 11.7%. Shoprite holdings Ltd were followed by Pick 'n Pay Retail Group Pty Ltd with 10.5%, Spar Group Ltd with 7.7%, Edcon Holdings Pty Ltd with 4.3% and Woolworths holdings Ltd with 4.1%. Shoprite Holdings Ltd, Pick 'n Pay Retail Group Pty Ltd, Spar Group Ltd and Woolworths Holdings Pty Ltd, listed in Table 3.2, are all grocery retailers and hold the top four positions within grocery retailer company shares. Grocery retailer company shares are indicated in Table 3.3.

Table 3.3 Grocery retailer company shares

Company	2005	2006	2007	2008	2009
Shoprite Holdings Ltd	20.7	19.9	19.6	21.6	22.9
Pick n Pay Retail Group Pty Ltd	18.5	19.3	22.3	21,3	20.7
Spar Group Ltd	12.9	13.2	13	12.7	13.2
Woolworths Holdings Ltd	5.4	5.5	5.5	5.7	5.3
Total South Africa (Pty) Ltd	0.4	0.4	0.4	0.3	0.3
Shell South Africa Marketing (Pty) Ltd	0.4	0.4	0.3	0.2	0.2
BP South Africa (Pty) Ltd	0.4	0.3	0.3	0.2	0.2
Chevron South Africa Ltd	0.3	0.3	0.2	0.2	0.2
Sasol Ltd	0.2	0.2	0.2	0.1	0.1

Others	40.9	40.6	38.2	37.6	37
--------	------	------	------	------	----

Source: Anon2 (2010:8).

Of the top five companies in the retail category, indicated in Table 3.2, Edcon Holdings Pty Ltd is the only non-grocery retail company. Edcon Holdings Pty Ltd is the holding group which owns the Edgars brand and group of stores. Within the non-grocery classification, Edcon dominates the company share, as indicated in Table 3.4.

Table 3.4 Non-grocery retailer company shares

Company	2005	2006	2007	2008	2009
Edcon Holdings Pty Ltd	7.8	7.8	8	8.9	9
JD Group Ltd	4.4	4.3	4.8	4.4	5.8
Massmart Holding Ltd	5.2	5.8	5.5	5.2	5.1
Mr Price Group Ltd	2.6	2.8	2.8	2.8	4.4
Foschini Ltd	3.4	3.5	3.8	3.9	4.3
Pepkor Holdings Ltd	5.1	5.2	4.4	3.9	3.8
Shoprite Holdings Ltd	20.7	19.9	19.6	21.6	22.9
Pick 'n Pay Retail Group (Pty) Ltd	18.5	19.3	22.3	21.3	20.7
Spar Group Ltd	12.9	13.2	13	12.7	13.2
Woolworths Holdings Ltd	5.4	5.5	5.5	5.7	5.3
Total South Africa (Pty) Ltd	0.4	0.4	0.4	0.3	0.3
Shell South Africa Marketing (Pty) Ltd	0.4	0.4	0.3	0.2	0.2
BP South Africa (Pty) Ltd	0.4	0.3	0.3	0.2	0.2
Chevron South Africa Ltd	0.3	0.3	0.2	0.2	0.2
Sasol Ltd	0.2	0.2	0.2	0.1	0.1
Others	40.9	40.6	38.2	37.6	37

Source: Anon2 (2010:8).

The Edgars brand accounted for the highest brand share at percentage retail value of retail selling price of the clothing and footwear category in 2008. Pep (owned by Pepkor Holdings Ltd) was second in the clothing and footwear category. Brand shares are indicated in Table 3.5.

Table 3.5 Brand share percentage

Brand	Company	2005	2006	2007	2008
Edgars	Edcon Group Pty Ltd	10	10.5	10.4	10.4
Pep	Pepkor Holdings Ltd	6.6	7.5	7.5	7.4
Ackermans	Pepkor Holdings Ltd	6.1	6.7	6.7	6.7
Jet	Edcon Group Pty Ltd	6.1	6.7	6.6	6.6
Nike	Nike Inc	3.2	3.4	3.7	3.8
Foschini	Foschini Group Pty Ltd	2.8	3	3	2.9
Mr Price	Mr Price Group Pty Ltd	2.5	2.8	2.8	2.8
Adidas	Adidas (South Africa) Pty Ltd	2.5	2.8	2.6	2.6
Pick'n'Pay	Pick 'n Pay Stores Ltd	1.9	2.1	2.2	2.4
Truworths	Truworths Group Pty Ltd	2	2.2	2.2	2.2
Puma	Puma AG	2	2.1	2.2	2.2
Woolworths	Woolworths (Pty) Ltd	1.6	1.7	1.7	1.7
Toughees	Bata (South Africa) PTY Ltd	1.5	1.5	1.6	1.6
Bubblegummers	Bata (South Africa) PTY Ltd	1.2	1.3	1.3	1.3
Markham	Fosthini Group Pty Ltd	1.2	1.3	1.3	1.3
Sports Scene	Foschini Group Pty	0.9	1	1	1

	Ltd				
Truworths Man	Truworths Group Pty Ltd	0.9	0.9	0.9	0.9
Miladys	Mr Price Group Pty Ltd	0.8	0.9	0.9	0.9
Caterpillar	Wolverine World Wide Inc	0.9	0.9	0.9	0.9
Donna Claire	Foschini Group Pty Ltd	0.6	0.7	0.7	0.8
Hi Tec	Hi-Tec South Africa Pty Ltd	0.5	0.5	0.5	0.6
Daniel Hechter	Truworths Group Pty Ltd	0.5	0.6	0.6	0.6
Bronx	Jordan Footwear	0.4	0.5	0.5	0.5
Jordan	Jordan Footwear	0.4	0.2	0.5	0.5
Reebok	Reebok SA Pty Ltd	0.8	1.8	0.5	0.5
Inwear	Truworths Group Pty Ltd	0.4	0.4	0.4	0.4
Antoni Fabi	Jordan Footwear	0.2	0.2	0.3	0.3
Olympic	Jordan Footwear	0.4	0.3	0.3	0.3
John Drake	Eddels Shoes Pty Ltd	0.3	0.3	0.3	0.3
Exact	Foschini Group Pty Ltd	0.1	0.1	0.2	0.2
Fashion Express	Foschini Group Pty Ltd	0.1	0.1	0.1	0.1
Legit	Edcon Group Pty Ltd	0.1	0.1	0.1	0.1
Sketchers	Skechers USA Inc	0.2	0.2	0.2	0.1
Private label	Private Label	1.4	1.6	1.5	1.5
Others		38.7	33.1	33.7	33.7

Source: Anon10 (2009:7).

It is evident from Table 3.5 that Edgars had the highest brand share percentage of 10.4% in 2008 with the closest clothing competitor being Pep with 7.4%.

Having established Edgars' position at the top of the non-grocery, clothing and footwear category of the retail industry in South Africa, a brief history of the clothing retailer will now be presented.

3.5 Brief history of Edgars

Edgars began operating as a single basement store in Johannesburg selling only women's' fashion in 1929. Since then, the number of Edgars stores has grown to 152 stores in 2010, with Edgars now being represented, not only in South Africa, but also in Zimbabwe, Namibia, Botswana, Lesotho and Swaziland.

The product mix in Edgars retail stores, aimed at middle to upper income consumers, now includes clothing, footwear, cosmetics, mobile phones, homeware and accessories (Anon6 2008:1). In addition to the main Edgars retail brand, selected Edgars stores house Edcon's speciality brands, bearing the Edgars identification, such as Red Square (cosmetics) and Accesoreyes (sunglasses) (Anon6 2008:1).

The Edgars story begins with brothers Eli and Morris Ross, selling women's fashions from a basement store in Johannesburg called M & E Ross, trading as Edgars. They derived the name "Edgars" from Swan and Edgar of Piccadilly (Anon11 1979:3), a popular department store established in the early 19th century in Piccadilly Circus, London (Anon12 2011:1). During 1929, when implementing a change of premises to Cape Town, Eli Ross overheard a discussion between a consumer and the store's first manageress. The discussion concerned a garment that the consumer wished to purchase but could not afford at the time. Mr Ross, anxious to dispose of stock before the relocation of the store, allowed the consumer to take the garment after paying a 25% deposit. The agreement was that the consumer would return every month to pay a portion of the purchase price. This practice, albeit spontaneously spawned, became the cornerstone of Edgars' marketing going forward. Edcon Holdings Pty Ltd currently have

the largest base of consumer credit cards in South Africa with 3.7 million active private label credit cards (Anon13 2011:3).

During the 1930s and 1940s, more branches of Edgars were opened across the country and by 1946 there were ten stores in the group. Edgars Stores Limited was listed on the Johannesburg Stock Exchange (JSE) during the 1950s, and with the listing, came an expansion of the product ranges on offer to include menswear, children's wear, footwear, home textiles and jewellery. During the 1960s the Edgars group acquired Sales House, 26 Werff fashion stores in the United Kingdom and seven JET supermarkets.

In 1982, South African Breweries (SAB) announced that it had acquired a majority share of the Edgars group, effectively making Edgars a subsidiary of SAB. Edgars continued to grow throughout the 1980s and the early 1990s but was unbundled from SAB in 1999, after a few turbulent years which resulted in a steadily declining turnover and decrease in profitability. The Edgars group became known as Edgars Consolidated Stores Limited and traded on the JSE as Edcon Pty Ltd.

In 2007, shareholders of Edcon Pty Ltd voted in favour of a buyout offer by Bain Capital and Edcon was delisted from the JSE.

Edgars' consumers can be clearly identified and separated into groups according to their most common behaviour when it comes to paying for their purchases at Edgars. In the next section, the division of Edgars' consumer groups will be discussed.

3.5.1 *Edgars' consumer groups*

Edgars' consumers can be categorised according to those consumers who pay cash for their purchases, and those who pay for their purchases on account. Cash paying consumers can be further divided into two groups, namely, consumers who are members of the Purple Cash Card loyalty programme, and those who are not. Three consumer groups can, therefore, be identified, namely: the consumers who pay cash for their purchases but are not members of the Purple Cash Card loyalty programme,

hereafter referred to as the cash only group; consumers who pay cash for their purchases and are members of the Purple Cash Card loyalty programme, hereafter referred to as Purple Cash Card members; and consumers who purchase on account, hereafter referred to as account holders. These consumer groups are illustrated in Figure 3.2.

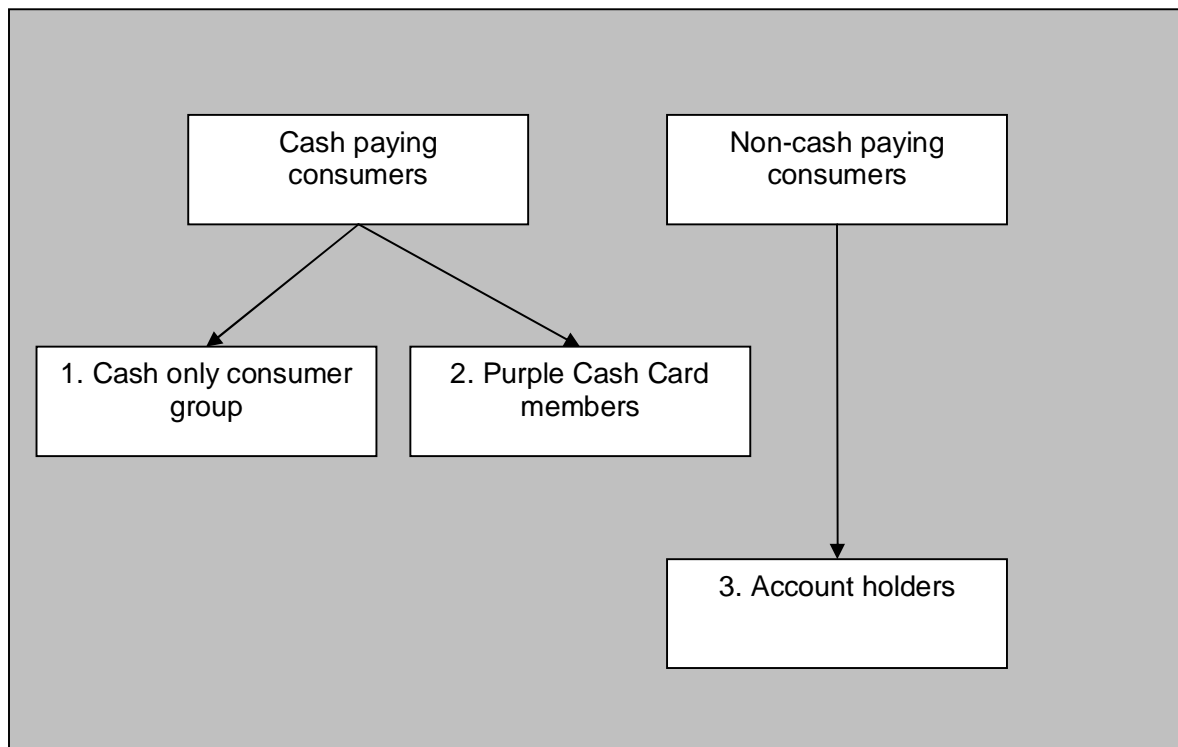


Figure 3.2 Edgars consumer groups

The first consumer group identified in Figure 3.2 is the cash only consumer group. Consumers who are members of the cash only group have no contractual ties with Edgars and are, for all intents and purposes, anonymous persons who enter Edgars stores and purchase products or services. Cash only consumers receive no tangible rewards or recognition from Edgars for their purchases.

The second consumer group identified in Figure 3.2 is the Purple Cash Card members group. Consumers who are members of the Purple Cash Card loyalty programme also pay cash for their purchases, but have entered into a contractual arrangement with Edgars. Purple Cash Card members earn rewards in the form of cash vouchers when

they present their Purple Cash Card when paying for their purchases at Edgars, Red Square, Prato, Temptation, Boardmans or CNA (all subsidiaries of Edcon Holdings Pty Ltd). Cash vouchers can, however, only be redeemed at Edgars stores.

The third prominent consumer group identified in Figure 3.2 is Edgars consumers who most often pay for their purchases at Edgars on account. Account holders are not required to pay for their purchases at the time of purchase, they are instead allowed to pay a minimum amount per month until the full purchase price has been paid off. Edgars offers consumers a 12 month payment option with low interest.

Edgars' position as the leading non-grocery retailer in South Africa makes it the ideal retailer to use for this study, as conclusions and implications for the industry leader can also be inferred to the other retailers in the industry. Edgars' combination of three consumer groups also lends itself to this study in order to explore the factors that influence consumer loyalty towards a clothing retailer in Gauteng, by isolating the consumers into three comparable groups. The aggregate opinions of all the consumer groups combined may, therefore, be used to meet the primary objective of the study (as discussed in Chapter 1) which is to explore the factors that influence consumer loyalty towards a clothing retailer in Gauteng. Furthermore, the clear distinction between the consumer groups lends itself to comparison between the groups contributing to the achievement of the secondary objective of the study (as discussed in Chapter 1) which is to compare the three consumer groups with regard to the factors that influence consumer loyalty towards Edgars.

3.6 Summary

The purpose of this study is to explore the factors that influence consumer loyalty towards a clothing retailer. This chapter has provided a brief introduction to the South African retail industry and Edgars as a prominent role player in that industry. Section 3.3 identified three distinct consumer groups, namely, cash only consumers, Purple Cash Card members and account holders. The clear distinction between the groups provides researchers with three different perspectives on loyalty towards Edgars, allowing for

comparison between the groups with regard to the factors that influence consumer loyalty towards Edgars. In the next chapter, the research methodology employed in this study in order to explore the factors that influence consumer loyalty towards Edgars will be discussed.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

The purpose of this study is to explore the factors influencing consumer loyalty towards a retail clothing store. In this chapter, the research methodology that was implemented for this study will be discussed.

Research can be defined as the careful study of a subject, especially with the purpose of gaining new knowledge of the subject (Oxford 2012, sv research). Marketing research is specifically understood to be research, as defined above, for the purposes of gathering information in order to make marketing decisions (Tustin, Ligthelm, Martins & van Wyk, 2005:7). Marketing research is conducted in a structured, systematic way known as the marketing research process in order to ensure the quality and validity of the data gathered (Zikmund & Babin 2007:58). The marketing research process, as illustrated in Figure 4.1, was used as a guideline for the research methodology applied in this study with appropriate adaptations to suit the research project at hand.

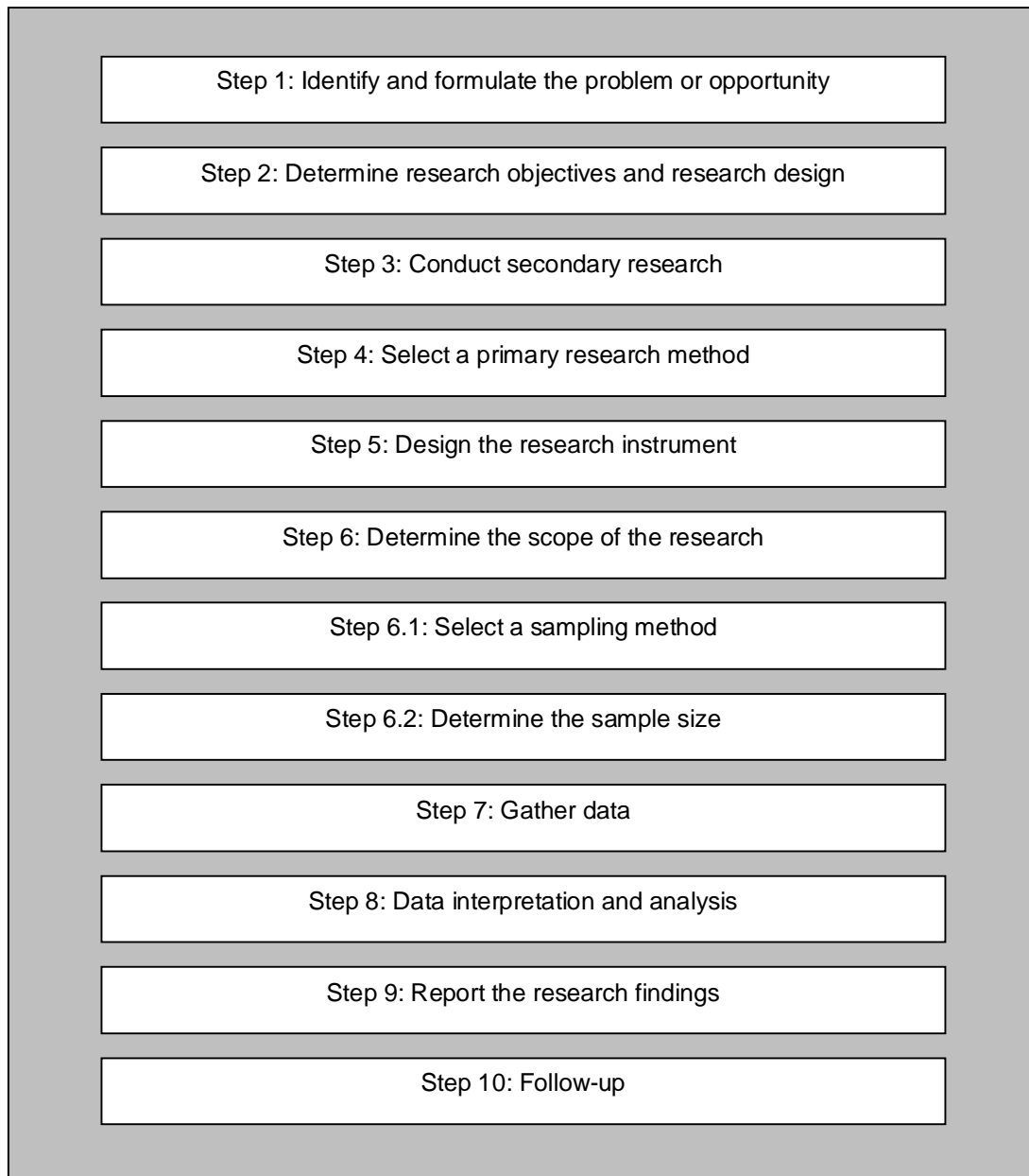


Figure 4.1 The marketing research process

Source: Adapted from Malhotra (2010:41) and Cant, Gerber-Nel, Nel & Kotze (2003:36).

The marketing research process, as applied in this study in order to explore the factors influencing consumer loyalty towards a retail clothing store, will now be discussed in more detail.

4.2 The marketing research process

As indicated in Figure 4.1, the marketing research process consists of a number of steps and begins with the specific identification and formulation of the marketing problem or opportunity.

4.3 Step 1: Identify and formulate the marketing problem or opportunity

Identification and formulation of a marketing problem or opportunity is the first step of the marketing research process (Tustin et al 2005:77). A marketing problem refers to a situation or situations that present difficulties to marketing decision-makers while a marketing opportunity refers to any favourable or unexploited situation in one or more of the marketing environments that can be utilised proactively by decision-makers to the advantage of the organisation (Cant 2010:38).

Identifying a marketing problem or opportunity is probably the most important stage in the marketing research process (Tustin et al, 2005:77). The marketing problem should, therefore, be clearly defined and formulated to ensure that the results obtained through research are relevant.

Chapters 1 and 2 of this study served to outline the marketing problem as the lack of a clear understanding of the factors that influence consumer loyalty towards a retail clothing store in Gauteng. The marketing research question can, therefore, be specified as: "What factors influence consumer loyalty towards a retail clothing store in Gauteng?"

An extensive literature study, as discussed in Chapter 2, led to the purpose of the study being defined as follows: The purpose of this study is to explore the factors that influence consumer loyalty towards a retail clothing store in Gauteng. An analysis of Edgars as discussed in Chapter 3, led to the identification of Edgars as the retail clothing store that became the focus of the study.

The purpose of this study, as stated above, guided the development of a primary objective that served to provide direction to the research process (Cant et al 2003:39 and Malhotra 2010:41). The development of research objectives and the research design is step 2 of the marketing research process as illustrated in Figure 4.1.

4.4 Step 2: Determining the research objectives and research design

Research objectives are precise statements of what a research project will attempt to achieve (Hair, Bush & Ortinau 2003:72) and can only be set once the marketing problem has been clearly defined (Zikmund, Babin, Carr & Griffin 2010:64). The research objective of this study was distilled from the purpose as stated in 4.3 and can be stated as follows:

The primary objective of this study is to identify the factors that influence consumers' loyalty towards a retail clothing store, more specifically, towards Edgars.

The reasons for selecting Edgars as the retail subject for this study were discussed in detail in Chapter 1 and Chapter 3. Edgars is the largest clothing and footwear retailer in South Africa, generating R 10 852 million in retail sales in 2011, and has a consumer base consisting of different consumer groups. Edgars was ideal for this study because of the three consumer groups identified, namely, cash only consumers, Purple Cash Card members and account holders. The consumer groups provide three distinct samples of differing buying behaviour with regard to payment for their purchases. The distinction between the groups led to the identification of a secondary objective of the study. The secondary objective of the study is to compare the three consumer groups with regard to the factors that influence consumer loyalty towards Edgars.

Following on from defining the purpose of the research and the setting of research objectives, yet still part of the second step in the marketing research process as indicated in Figure 4.1, is the development of a research design. A research design is a preliminary plan for conducting research (Tustin et al, 2005:82). The research design requires that the research objectives be translated into specific data needs, and lists the

expected sources of this data. The research design for this study, to explore the factors that influence consumer loyalty towards Edgars, is illustrated in Figure 4.2.

Research design		
Objective	Data required	Data source
1. Primary objective	1.1 Definition of consumer loyalty	Secondary data from literature study
	1.2 Factors that influence consumer loyalty	Secondary data from literature study
	1.3 Consumers' intention (or lack thereof) to purchase from Edgars again	Primary data collected from Edgars consumers
	1.4 Consumers' opinions regarding Edgars service	Primary data collected from Edgars consumers
	1.5 Consumers' opinion regarding Edgars prices	Primary data collected from Edgars consumers
	1.6 Consumer's intention (or lack thereof) to recommend Edgars to friends or colleagues	Primary data collected from Edgars consumers
	1.7 Consumers' opinion regarding Edgars products	Primary data collected from Edgars consumers
	1.8 Consumers cognitive knowledge about Edgars	Primary data collected from Edgars consumers
2. Secondary objective	2.1 Factors that influence consumer loyalty towards Edgars for each consumer group	Primary data collected from Edgars consumers

Figure 4.2 The research design

Figure 4.2 indicates that in order to achieve the primary objective, data was required from existing sources in order to define consumer loyalty and to establish the factors that influence consumer loyalty. Furthermore, data had to be gathered from Edgars consumers in order to establish their purchase intentions towards Edgars, their opinions regarding Edgars' service, their opinions regarding Edgars' prices, their intentions regarding the recommendation of Edgars to friends or colleagues, their opinions regarding Edgars' products and their cognitive knowledge about Edgars. Figure 4.2 also indicates that in order to achieve the secondary objective of the study, which is to compare the three consumer groups with regard to the factors that influence consumer

loyalty towards Edgars, data had to be gathered from each of the consumer groups regarding the factors that influence their loyalty towards Edgars.

The next step in the marketing research process, as illustrated in Figure 4.1, is to collect secondary data.

4.5 Collecting secondary data

Secondary data are historical data previously collected for some other research opportunity or problem (Hair et al 2003:42, Malhotra 2010:132 and Zikmund et al 2010:161). For the purposes of this study, secondary data were analysed in order to develop an understanding of consumer loyalty, the definition thereof and the underlying factors that cause consumers to be loyal. Furthermore, secondary data were analysed in order to investigate the effectiveness of loyalty programmes in the creation and nurturing of consumer loyalty. Secondary data (as reported in Chapter 2) identified significant differences in opinion regarding the definition of consumer loyalty, the factors that influence consumer loyalty and the effectiveness of loyalty programmes. For the purposes of this study, secondary data and existing literature served to further define the marketing problem, rather than to provide a solution.

If, after the analysis of secondary data and the scrutiny of existing literature, a solution to the marketing problem has not yet been found, the marketing research process, as illustrated in Figure 4.1, proceeds to the selection of a primary research method.

4.6 Selecting a primary research method

Primary research is research undertaken in order to gather original data to address the specific problem or opportunity (Malhotra 2010:132 and Kent 2007:71). Researchers can draw on three primary research methods, namely, surveys, observation and experimentation (McDaniel & Gates, 2000:30 and Cant et al 2003:88). No particular primary research method is best in all cases; depending on the problem or opportunity,

one, two or a combination of methods may be appropriate (Tustin et al, 2005:91). Figure 4.3 illustrates the primary research methods which are discussed below.

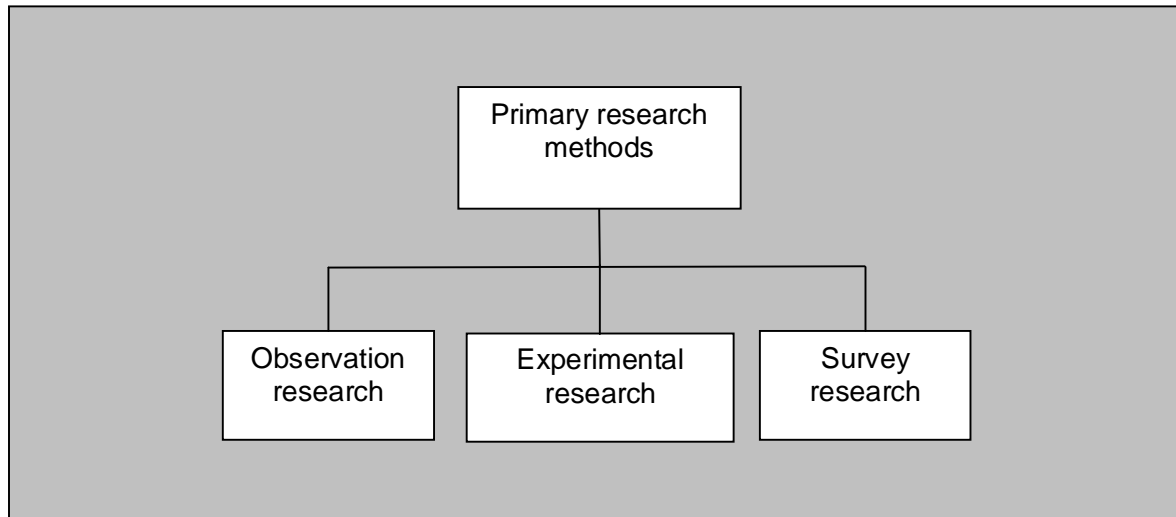


Figure 4.3 Primary research methods

Source: Adapted from Tustin (2005:144).

4.6.1 *Observation research*

Observation research is a research method that monitors respondents' actions without any direct interaction with the respondents (Malhotra 2010:230). Observation as a primary research method has various advantages for the researcher (McDaniel & Gates 2000:136 and Malhotra 2010:237). First, the researcher can observe what people are actually doing rather than relying on what they say they have done. This reduces interviewer and respondent bias or errors. Second, the researcher does not have to face problems associated with the willingness and/or ability of respondents to answer questions since there is no interaction required. Some disadvantages of observational research are, first, the fact that only behavioural and physical personal characteristics can be examined when the research is conducted; concepts such as attitude, motivation, behavioural intention or affect cannot be measured by observation research - they can only be inferred. Second, the observed behaviour may not be indicative of

future behaviour and may only represent the behaviour on the specific day under observation (Zikmund & Babin 2007:161 and Malhotra 2010:237).

The research design, as illustrated in Figure 4.2, indicates the data needs of this study. The data needs include consumers' intentions and opinions towards Edgars. Data of this nature could not be gathered by means of observation research, and therefore, observation research was not appropriate for this study.

The second primary research method, as indicated in Figure 4.3, is experimental research and is discussed below.

4.6.2 *Experimental research*

Experimental research measures the relationship between two or more variables and attempts to identify the cause of changes in the variables through the manipulation of one or more of the variables (Cant, 2003:46). Experimental research can take place in a laboratory or in a field environment (Wiid & Diggins 2009:141). A laboratory is a clinical environment where researchers have complete control over all of the variables. A field environment, on the other hand, is in a real-world situation where researchers relinquish control over some of the variables (Tustin et al 2005:319).

Experimental research was not regarded as appropriate for this study, as the focus of this study is not to manipulate any variables, but rather to explore the factors influencing consumer loyalty towards a retail clothing store.

The last primary research method indicated in Figure 4.3 is survey research and is discussed below.

4.6.3 *Survey research*

Survey research is a marketing research method in which a trained interviewer interacts with respondents via a series of questions to obtain facts, opinions and attitudes (McDaniel & Gates, 2001:30, Malhotra 2010:211 and Zikmund et al 2010:186). Survey

research can be conducted by interviewers moving from door-to-door, intercepting respondents in a shopping mall, arranging personal interviews, phoning respondents, mailing questionnaires, or using electronic means, such as the internet (Zikmund & Babin 2007:209). An advantage of surveys is their ability to reveal factors or concepts that are not directly observable, such as attitude (Hair et al 2003:257). The data required in order to meet the primary research objectives, namely, to explore the factors that influence consumer loyalty towards Edgars, necessitated survey methodology in order to illicit consumers' opinions and intentions with regard to Edgars. All survey methods, except for mall-intercept, require a specific sample frame from which to select respondents. A sample frame is defined by Zikmund et al (2010:391) as a list of elements from which a sample may be drawn. Due to privacy and security concerns, Edgars did not provide consumer details, thus making mall-intercept the only available method of reaching Edgars consumers and administering the research instrument. Mall-intercept interviews are face-to-face interviews that take place in a shopping mall (Tustin et al 2005:152) and hold both advantages and disadvantages for researchers as listed below.

Advantages of mall-intercept interviews:

- The costs of mall-intercept interviews are lower than other forms of personal interviews (Zikmund & Babin 2007:213).
- Mall intercepts, along with personal, in-home and computer assisted interviews yield the highest response rate of all survey methods (Malhotra 2010:225).
- The mall-intercept interview is more flexible than in-house personal surveys, allowing the researcher to demonstrate products or even bring other materials into the facility (Tustin et al 2005:153).
- Mall-intercept interviews can be conducted faster than other forms of personal interviews (Tustin et al 2005:154).

Disadvantages of mall-intercept interviews:

- Owing to the fact that consumers are often in a hurry to conduct their business in the mall, rejection rates for mall-intercept interviews can be as high as 50% (Zikmund & Babin 2007:213).
- The lack of sample control in mall-intercept interviewing is the most obvious disadvantage (Tustin et al 2005:154 and Malhotra 2010:223) leading to a larger potential for biased respondent selection, since regular shoppers are more likely to be present in the mall and selected than with other forms of interviews (Zikmund & Babin 2007:213).

Once the appropriate primary research method with which to gather the required data is selected, the next step in the marketing research process is to design the instrument that will be used for data collection. The design of the research instrument is step 5 of the marketing research process as illustrated in Figure 4.1 and is discussed below.

4.7 Design of the research instrument

The research instrument is the tool used to collect information from the sample, and for survey research, the instrument is by definition a questionnaire (Tustin et al 2005:98). Particular attention must be paid to the development of the questionnaire when using mall-intercept survey methodology, since respondents have very limited time to spend with the interviewer (Cant et al 2003:83). Fieldworkers were instructed to select respondents who had been observed entering or exiting an Edgars store.

The questionnaire used for this study was a structured questionnaire consisting of 18 individual questions with subsections (see annexure A). The questionnaire was designed based on the literature study, as detailed in Chapter 2, to measure the factors that define the basic building blocks of loyalty. In order to achieve the secondary objective of the study, to compare the factors that influence loyalty towards Edgars between the consumer groups, the first question served to separate respondents into their respective consumer groups and eliminate respondents who were not Edgars consumers. Respondents were asked, directly, which one of the following statements applied to them:

1.	I have an Edgars purple cash card
2.	I have an Edgars account
3.	I usually use cash for purchases at Edgars but do not have cash card
4.	I don't purchase much from Edgars

The second question began to address the basic building blocks of loyalty.

The basic building blocks of consumer loyalty as discussed in Chapter 2, Figure 2.1, are: emotional attachment to the organisation, consumer satisfaction with the organisation and the consumer's attitude towards the organisation. The questionnaire, therefore, had to measure each of these building blocks in order to address the data needs as indicated in the research design in Figure 4.2. The first basic building block of loyalty indicated in Figure 2.1, is emotional attachment to the organisation and this will be discussed below.

4.7.1 *Emotional attachment to the organisation*

Emotional attachment to Edgars was measured using a five point Likert scale. The Likert scale was developed by Rensis Likert and is widely used in survey questionnaires, especially for measuring attitudes and feelings (Tustin et al 2005:408). A Likert scale holds various advantages for the researcher (some of these are listed below) (Malhotra 2010:309) and was therefore selected as appropriate for this questionnaire design:

- Likert scales are easy to construct and administer.
- Likert scales are easily understood by respondents.
- Likert scales are suitable for use in mail, telephone, personal or electronic surveys.

Respondents were asked to indicate if they strongly agreed, agreed, neither agreed nor disagreed, disagreed or strongly disagreed with the following statements:

2.2	I am very committed to Edgars
2.13	It would matter a lot to me if I could not buy from Edgars
2.17	I buy most of my clothes from Edgars
2.20	I am likely to buy even more of my clothes from Edgars in the future

The second basic building block of loyalty, indicated in Figure 2.1, is consumer satisfaction with the organisation and will be discussed below.

4.7.2 Consumer satisfaction with the organisation

Consumer satisfaction, as defined in Chapter 1, refers to the consumer's evaluation of expectations versus actual performance. Koo (2003:61) concludes that the level of consumer satisfaction can be improved through the use of in-store atmospherics and perceived value-for-money. Respondents were asked to rate their degree of agreement or disagreement on a five point Likert scale with the following statements, which measured their opinions regarding store atmosphere (including music and layout), merchandise, service and pricing:

2.1	I enjoy the atmosphere in Edgars Stores
2.3	Edgars products are reasonably priced
2.4	I get good service at Edgars
2.5	I always get the products that I want from Edgars
2.6	I like the music that Edgars play in their stores
2.7	I shop where the prices are best
2.8	Edgars has a good selection of products
2.9	I do not wait long when paying at the tills at Edgars
2.10	Edgars products are fashionable and up to date
2.11	There is sufficient help available when I need it

2.12	Edgars has quality products
2.14	Edgars staff are very friendly
2.15	The prices at Edgars are competitive
2.16	I like the design of the store, the way things are arranged
2.17	I buy most of my clothes from Edgars
2.18	I love finding bargains

Attitude towards the organisation is indicated in Figure 2.1 as the last building block of consumer loyalty and is discussed below.

4.7.3 Consumer attitudes towards the organisation

A consumer's attitude towards a retailer, as defined in Chapter 2, is most commonly made up of feelings towards the retailer, current and future behavioural intent with regard to the retailer and cognitive knowledge about the retailer. Koo (2003) in addition, found that overall attitude towards a retail organisation is closely related to consumers' attitudes towards service, atmosphere and merchandise, all three of which contribute strongly towards customer loyalty. Consumer attitudes towards Edgars were, therefore, measured by looking at consumers' feelings towards Edgars, their current behaviour and future behavioural intentions towards Edgars and their cognitive knowledge about Edgars. Responses were recorded using a five point Likert scale in order to indicate the degree of agreement with the following statements:

	Question	Component of attitude measured
2.1	I enjoy the atmosphere in Edgars stores	Feelings
2.3	Edgars products are reasonably priced	Feelings
2.4	I get good service at Edgars	Feelings
2.5	I always get the products that I want from Edgars	Feelings

2.6	I like the music that Edgars plays in their stores	Feelings
2.7	I shop where the prices are best	Feelings
2.8	Edgars has a good selection of products	Feelings
2.9	I do not wait long when paying at the tills at Edgars	Feelings
2.10	Edgars products are fashionable and up to date	Feelings
2.11	There is sufficient help available when I need it	Feelings
2.12	Edgars has quality products	Feelings
2.13	It would matter a lot to me if I could not buy from Edgars	Behaviour
2.14	Edgars staff are very friendly	Feelings
2.15	The prices at Edgars are competitive	Feelings
2.16	I like the design of the store, the way things are Arranged	Feelings
2.17	I buy most of my clothes from Edgars	Feelings
2.18	I love finding bargains	Feelings
2.19	I would recommend Edgars to my friends	Behaviour
2.20	I am likely to buy even more of my clothes from Edgars in the future	Behaviour
13.1	The purple cash card is not an account card	Cognitive knowledge
13.2	Edgars is part of the Edcon group	Cognitive knowledge
13.3	Edgars is South Africa's largest clothing retailer	Cognitive knowledge
13.4	The Purple Cash Card rewards cash purchases with a voucher	Cognitive knowledge
13.5	Edgars is no longer a subsidiary of SAB	Cognitive knowledge

During the development of the questionnaire, care was taken to ensure that the wording of the questions was clear, simple and easy for respondents to understand, without

compromising the objectives of the study. The questionnaire was pre-tested and evaluated by academic researchers and adjusted accordingly.

The next step in the marketing research process, as indicated in Figure 4.1, is to determine the extent of the research. This will be discussed below.

4.8 Determining the scope of the research

Depending on the problem or opportunity under investigation, research will be conducted using either a census or a sample of the research population. The research population is defined as the total group of people or establishments whose opinions, behaviour, preferences or attitudes will yield information for the answering of the specific research question (Tustin et al 2005:97). When conducting a census, data are obtained from or about every member of the research population (Tustin et al 2005:337). A sample, on the other hand, refers to a representative subset of the population of interest (Wiid & Diggins 2009:193). Because census research is costly, researchers will most often draw a sample from the population in which they are interested (Zikmund et al 2010:387). Researchers have two options when selecting respondents to form part of the sample, namely, probability sampling and non-probability sampling. In the former, all the subsets of the population have a known non-zero chance of being selected to be part of the sample, whereas in the latter, certain subsets of the population have little or no chance of being selected for the sample (Kent 2007:231). Probability sampling methods include simple random sampling, systematic sampling, stratified sampling and cluster sampling (Cant 2003:49) and these are discussed below:

- Simple random sampling is based on the premise that all elements have a known, non-zero chance of being included in the sample *and* are selected independently of each other (Malhotra 2010:282). Simple random sampling requires a comprehensive sample frame from which to randomly select elements.
- Systematic sampling begins with a randomly chosen element from the sample frame and then every *n*th element is selected thereafter. Systematic sampling also relies on a comprehensive sample frame (Zikmund & Babin 2007:276).

- Stratified sampling is a two stage sampling process which begins with the entire population being divided into mutually exclusive strata. Individual elements are then selected from each strata using a random technique, normally simple random sampling (Welman & Kruger 2003:54).
- Cluster sampling is also a two stage sampling technique which begins with the population being divided into mutually exclusive clusters. A random sampling technique, such as simple random sampling, is then used to select entire clusters (Keller 2008:164). All of the elements in the selected clusters become part of the sample.

Non-probability sampling methods include convenience sampling, judgement sampling, quota sampling and snowball sampling (Kent 2007:233 and McDaniel & Gates 2001:347-350) which are discussed below:

- Convenience sampling attempts to select elements based on their convenience to the interviewer (Malhotra 2010:377). No sample frame is necessary as elements are chosen based on their accessibility to the interviewer.
- Judgement sampling relies on the interviewer's judgement in selecting representative elements to be part of the sample (Zikmund & Babin 2007:274).
- Quota sampling is a two stage sampling process beginning with the establishment of numerical quotas that guide the selection of the individual elements. The second stage is the selection of individual elements to form part of the sample in order to meet the specific quotas (Tustin et al 2005:347).
- Snowball sampling relies on the first randomly selected respondent to recommend the next. This process continues until the sample size has been met (Tustin et al 2005:349).

The selection of the sampling methodology is based on the availability of a sample frame, budgetary constraints, time frame and the scope of the research (Hair et al

2003:364). Non-probability methodology was deemed appropriate for this study due to the following reasons:

- the lack of a sample frame,
- budgetary constraints and
- the exploratory nature of the study.

Non-probability sampling is, however, prone to bias in the sampling process (Kent 2007: 231). Bias is defined as a strong feeling of favour or agreement with one side of an argument or group, often not based on fair judgement (Oxford 2012, sv bias). In non-probability sampling, bias is often evident in the selection of sample elements (Tustin et al 2005:376) and can be avoided by training the fieldworkers. The fieldworkers used for this study were provided by Complete Statistical Solutions CC and were all well-trained, experienced fieldworkers. Bias can also occur due to the time of day that the interview occurs (Kent 2007:232). For the purposes of this study, the majority of interviews were conducted during the week. This was largely due to the shopping malls being disinclined to allow research on weekends. This may have influenced the demographic characteristics of the sample to include more unemployed respondents or respondents who were not required to work during the week.

4.8.1 *The sampling process*

For the purposes of this study, respondents were selected to be part of the sample after a two stage sampling process. This process of sampling is referred to as multistage sampling. Multistage sampling is when final respondents are selected by one of the aforementioned methods (probability or non-probability), but a number of sampling stages precedes the final selection (Tustin et al 2005:358). The multistage sampling process for this study is illustrated in Figure 4.4.

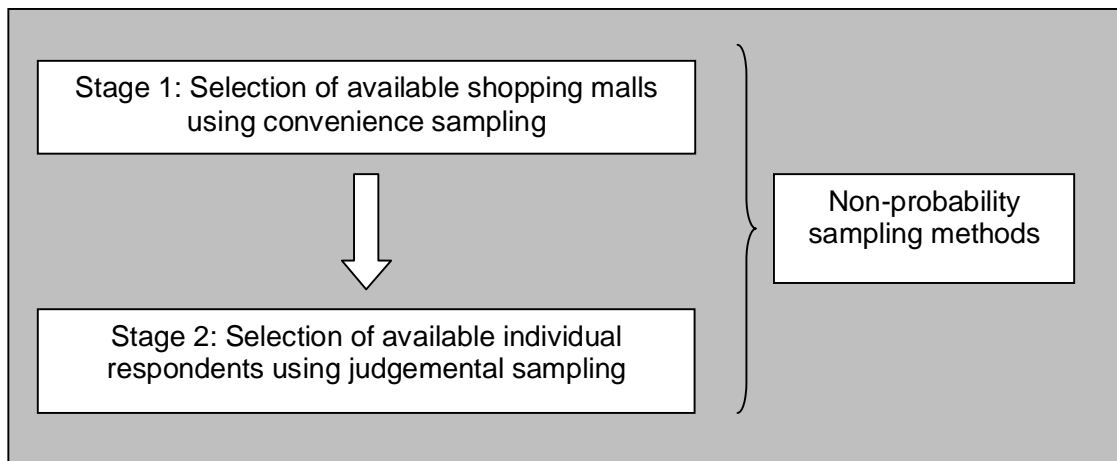


Figure 4.4 Multistage sampling process

The two sampling stages, as illustrated in Figure 4.4, as applied for this study, are discussed below.

Stage 1: Selection of available shopping malls

The first stage of the sampling process used for this study, to explore the factors influencing consumer loyalty towards Edgars, consisted of the selection of shopping malls where the mall-intercept interviewing could take place. During this stage of sampling, the availability of shopping malls, the geographic location of the shopping mall and the demographic representation of consumers were the identifying criteria. Convenience sampling, which is a method of sampling where the sample is selected at the convenience of the researcher (Hair et al 2004:359), was used to identify shopping malls based on their availability for research (some shopping malls do not allow research to be conducted on their premises), their geographic location (the study was limited to Gauteng) and their demographic representation of consumers (malls were selected based on their representation of the various Living Standards Measure (LSM) groups in order to obtain an even spread of consumers from all LSM groups). The Living Standards Measure (LSM) is an index developed by the South African Advertising Research Foundation (SAARF) to segment the South African population according to 29 lifestyle variables. LSM is the most widely used marketing research tool in Southern Africa (Anon14 2012:1). The 29 variables are listed in Annexure B. A list of shopping

malls used is provided in Annexure C. The shopping malls were selected by Complete Statistical Solutions CC, and were based on the Ipsos-Markinor list of approved malls. Markinor is South Africa's most recognised marketing research company and has been conducting marketing research in South Africa since 1972, making their list of approved shopping malls reliable for South African research (Anon15 2011:1). Once the shopping malls had been selected, stage two of the multistage sampling process illustrated in Figure 4.4 was the selection of individual respondents.

Stage 2: Selection of individual respondents

During the second stage of the multistage sampling process, individual respondents were selected as sample elements. Sample elements are defined by Wiid and Diggins (2009:194) as the individuals from whom the necessary information is required. Respondents were selected by using judgmental sampling. Judgemental sampling is a sampling method whereby respondents are selected based on the researcher's judgement of what constitutes a representative sample (Tustin et al. 2005:346). Fieldworkers were instructed to request interviews from individuals in shopping malls until they had met their quota of number of respondents from each of the groups identified to be part of the study, namely, cash only consumers, Purple Cash Card members and account holders. The lack of a sample frame and the fact that judgemental sampling is particularly suited to mall-intercept survey administration (Tustin et al 2005:154) confirmed judgemental sampling as the most appropriate sampling method for this study. As illustrated in Figure 4.1, once the sampling methods have been determined, the next step in the marketing research process is the determination of the sample size and this is discussed below.

4.8.2 *Determining the sample size*

The sample size refers to the number of respondents from the population that will ultimately complete the interview and can be determined using statistical means and proportions (Malhotra 2004:341). The statistical calculation of sample size is, however, only applicable to probability sampling (Tustin et al 2005:361). Judgemental sampling,

as applied in this study to select the individual respondents, is a non-probability technique and as such a less rigid approach to determining sample size may be applied. The statistical analysis methodology selected also influences the sample size, and for purposes of multiple regression and factor analysis, as used in this study, a sample size of between 200 and 500 is recommended (Israel 2009:4). A target sample size of 300 was determined by taking into account the variability of the population, which was estimated to be very small amongst consumers in the same group, and the confidence level required (95%). The target sample of 300 respondents was divided into quotas for each consumer group. The quotas of 100 respondents for each group were selected in order to provide equal numbers of representatives from each of the three consumer groups in order to facilitate objective comparisons with regard to the factors that influence consumer loyalty towards Edgars. Quotas were not specified in terms of any other variable, such as demographics, but only on consumer group. The sample ultimately consisted of approximately 100 respondents from each consumer group, thus:

- 101 respondents from the cash only consumer group.
- 103 respondents from the Purple Cash Card members' consumer group.
- 104 respondents from the account holders' consumer group.

Groups were identified by means of a screening question (question 1 – see Annexure A) and respondents were allocated to one of the three groups based on their primary or most common behaviour, or rejected as not being Edgars consumers. Consumers who were members of two or more groups were classified according to their most common behaviour.

The next step in the marketing research process, illustrated in Figure 4.1, is the collection of the actual data and is discussed below.

4.9 Data collection

During this step of the marketing research process, data is collected from the selected respondents by trained fieldworkers (Malhotra 2010:434 and Tustin et al 2005:425). For the purpose of this study, which is to explore the factors that influence consumer loyalty towards Edgars, fieldworkers had to conduct mall-intercept interviews with Edgars consumers.

Various errors may occur during data collection. These errors are referred to as non-sampling errors. Non-sampling errors are attributable to factors other than the sampling methodology (Cant, 2003:50). Non-sampling errors may include:

- Selecting the wrong sample elements to interview.
- Securing subjects who subsequently refuse to participate.
- Interviewing subjects who supply wrong information intentionally.
- Hiring interviewers who cheat and fill out fictitious survey questionnaires.

These errors are largely controlled by efficient supervision of the fieldworkers. The fieldworkers in this study were trained and supervised by Complete Statistical Solutions CC.

Problems that were experienced by the fieldworkers during data collection for this study included:

- Unwillingness of respondents to participate. Fieldworkers were instructed to select additional respondents until their quotas for each consumer group were filled.
- Lack of cooperation by selected shopping malls. This error only occurred in one instance at a shopping mall in Pretoria. Fieldworkers were instructed to move to a mall in the same area that represented a similar LSM group.

Data collection was completed over a two week period, with the majority of interviews being conducted during the week. Research timing was largely influenced by the shopping malls that would not allow researchers to conduct fieldwork over weekends which may have had an influence on the demographic representation of the respondents.

Data analysis and interpretation is the next step in the marketing research process, as indicated in Figure 4.1 and is discussed below.

4.10 Data analysis and interpretation

The mass of raw data that is collected during fieldwork is worthless to researchers until it is processed in order to extract meaningful information (Tustin et al 2005:451). The raw data should, therefore, be transformed into meaningful information that can be communicated to management.

Data processing consists of two stages; the first stage of data preparation, which consists of editing the data and coding the responses, is followed by a second stage of data analysis. Data preparation is the process of validating, editing, coding, entering and then cleaning the data (Tustin et al 2005:452). Validation and editing ensure the completeness of the questionnaires by eliminating clearly erroneous responses and confirming that all questions have been answered satisfactorily (Zikmund & Babin 2007:479). Coding assigns numerical values to responses in order to simplify the recording of the responses onto computer (Zikmund & Babin 2007:485). The numerical codes are indicated on the questionnaire attached as Appendix A. For the purposes of this study, all numerical codes were recorded directly to a statistical analysis software package, SPSS v17.0, which was used to perform all data analysis.

The selection of data analysis methodology is determined by (i) the formulation of the marketing problem (step 1 in the marketing research process, as illustrated in Figure 4.1); and (ii) the research objectives and design (step 2 of the marketing research process) (Malhotra 2010:465). The marketing problem for this study is the lack of clearly defined factors that influence consumer loyalty towards a retail clothing store in

Gauteng. The primary objective of the study is, therefore, to explore the factors that influence consumer loyalty towards Edgars. The data analysis required an approach that took multiple variables into account and then evaluated them according to their influence on consumer loyalty. The survey instrument recorded multiple variables regarding consumer opinions and intentions towards Edgars. When multiple variables are analysed simultaneously, it is known as multivariate analysis (Wiid & Diggines 2007:242). Multivariate data analysis techniques are concerned with the simultaneous relationships between two or more variables and focus on the degrees of relationships between the variables (Malhotra 2010:466). Multivariate data analysis employs techniques such as correlation analysis, multiple regression analysis and factor analysis (Wiid & Diggines 2009:242). Factor analysis is used to examine the correlations between a number of variables and to identify clusters that reflect underlying themes (factors) within the data (Leedy & Ormrod 2005:274). Malhotra (2004:417) classifies factor analysis as the major technique for examining variable interdependence, making factor analysis the ideal multivariate statistical analytical technique in order to explore the factors that influence consumer loyalty towards Edgars. Multiple regression and correlation analyses were conducted in order to determine the strength of association of the factors identified by the factor analysis and loyalty towards Edgars. The procedure for data analysis that was applied for this study is illustrated in Figure 4.5.

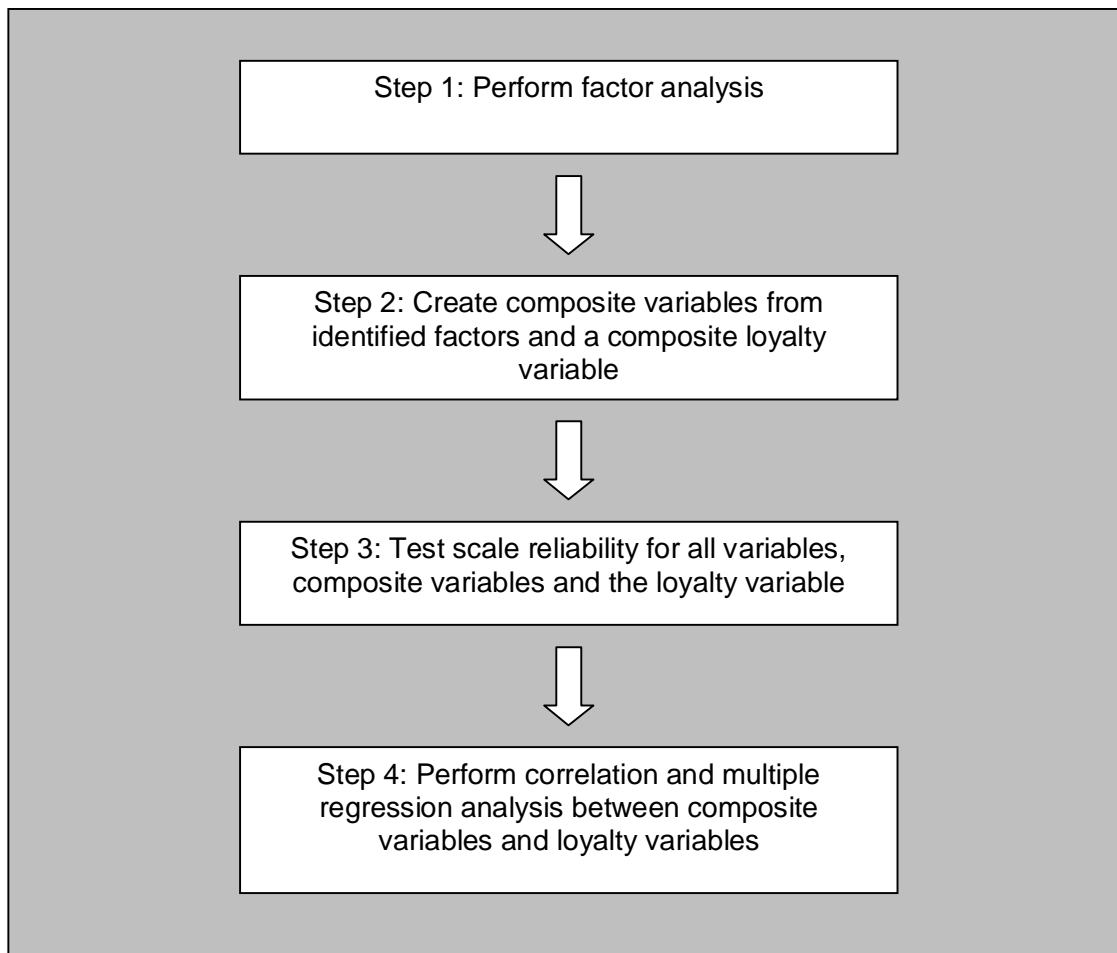


Figure 4.5 Procedure for data analysis

Source: Methodology and procedure provided by Academic Research Support Unit (ARSU) at the University of South Africa.

The procedure for data analysis, as illustrated in Figure 4.5, is discussed below.

The first step in the data analysis procedure used for this study, as illustrated in Figure 4.5, is to perform factor analysis. This procedure will be discussed below.

4.10.1 Perform factor analysis

Factor analysis is generally accepted as a set of statistical methods that describe the interrelationships between a set of variables by statistically deriving a smaller number of

new variables called factors (De Gruijter & Van der Kamp 2008:127). The major aim of factor analysis is to simplify a large number of inter-correlated measures to a few representative constructs (Ho 2006:203). Malhotra (2010:636) recommends the use of factor analysis in the following circumstances:

- To identify underlying dimensions that explain the correlations among a set of variables.
- To identify a new set of uncorrelated variables to replace the original correlated variables.
- To identify a smaller set of salient variables to be used in further multivariate analysis.

The purpose of this study is to explore the factors that influence consumer loyalty towards Edgars, and relates directly to the first reason mentioned above, which is to identify underlying dimensions that explain the correlations amongst a set of variables. Factor analysis was therefore considered as an appropriate data analysis technique for this study.

Factor analysis as a data reduction technique (when used to simplify the number of variables as discussed above) can be expressed as a linear combination of the variables as follows, according to Zikmund and Babin (2007:611):

$$F_k = L_1X_1 + L_2X_2 + L_3X_3 + \dots + L_kX_k$$

Where

F_k is the factor score for the kth factor

L represents the ith factor loading

X represented the value of the corresponding measured variable

The process of conducting a factor analysis is represented in Figure 4.6 and is discussed below.

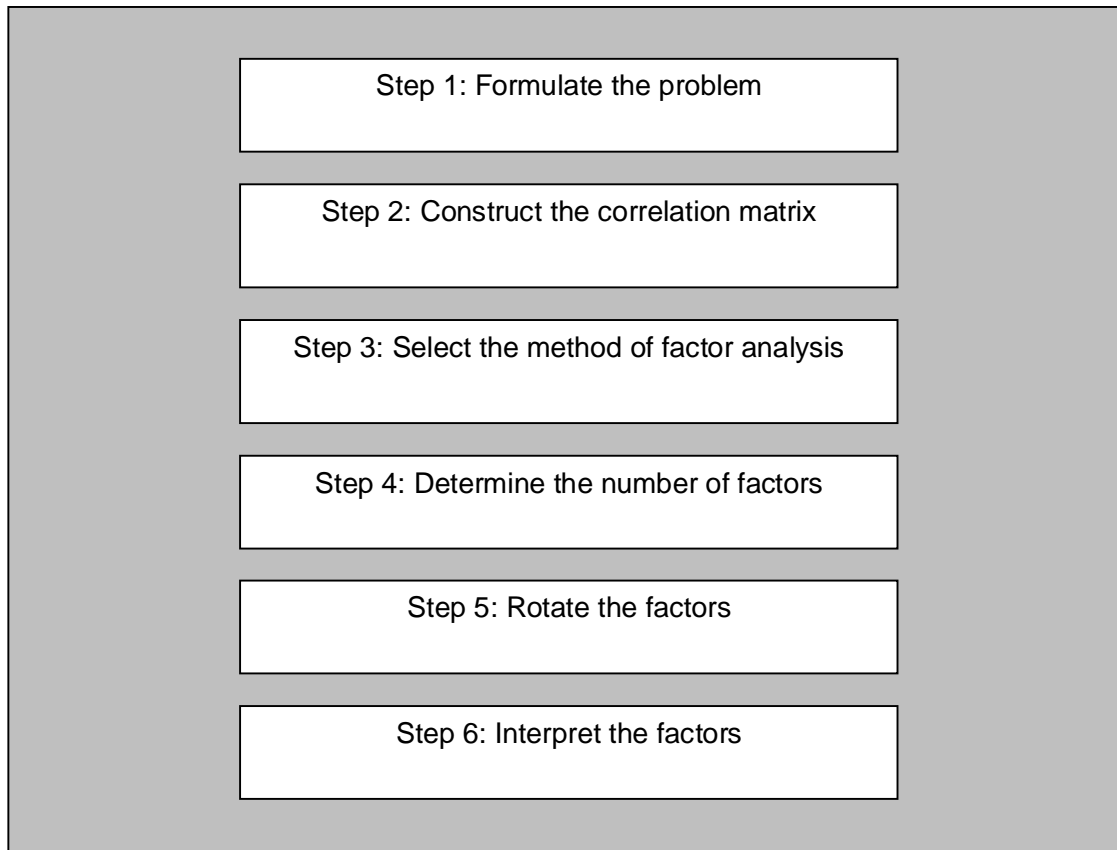


Figure 4.6 Process for conducting factor analysis

Source: Adapted from Malhotra (2004:562).

The process for conducting factor analysis, as illustrated in Figure 4.6, establishes the first step as the formulation of the problem. This step will be discussed below.

The formulation of the problem

Before conducting factor analysis, the research problem needs to be formulated in terms of the objectives of the factor analysis and the description of the variables to be included (Malhotra 2004:562). For the purposes of this study, the objective of the factor analysis was to explore the factors that influence consumers' loyalty towards Edgars. The variables to be included in the analysis were the basic building blocks of consumer loyalty, as discussed in Chapter 2, namely:

4.10.2 Consumers' emotional attachment to Edgars.

4.10.3 Consumers' satisfaction with Edgars.

4.10.4 Consumers' attitude towards Edgars.

The next step in conducting factor analysis is to construct the correlation matrix. This step is illustrated as step 2 in Figure 4.6 and is discussed below.

Construct the correlation matrix

A correlation matrix is a rectangular array of numbers that provides the correlation coefficients between a single variable and all other variables included in the analysis (Tustin et al 2005:669). An extract from the correlation matrix for this study, to explore the factors that influence consumer loyalty towards Edgars, is demonstrated in Table 4.1.

Table 4.1 Extract from correlation matrix

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.883					
Approx. Chi-Square Significance		.000					
		Enjoy atmosphere in Edgars	Very committed to Edgars	Products are reasonably priced	Get good service at Edgars	Always get products I want from Edgars	Like music played in store
Enjoy atmosphere in Edgars	Pearson Correlation Sig. (2-tailed) N	1 308					
Very committed to Edgars	Pearson Correlation Sig. (2-tailed)	.515** .000	1				

	N	308	308				
Products are reasonably priced	Pearson Correlation	.359**	.522**	1			
	Sig. (2-tailed)	.000	.000				
	N	307	307	307			
Get good service at Edgars	Pearson Correlation	.570**	.433**	.349**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	308	308	307	308		
Always get products I want from Edgars	Pearson Correlation	.354**	.464**	.288**	.391**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	308	308	307	308	308	
Like music played in store	Pearson Correlation	.280**	.248**	.299**	.280**	.246**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	305	305	304	305	305	305

Source: SPSS Statistics V17.0.

A correlation matrix as represented in Table 4.2 indicates the approximate chi-square significance level of the data. The chi-square statistic measures the overall departure of a set of observations from the set theoretical position (Kent 2007:346). A chi-square significance figure of less than .000 indicates that the results are significant at the 5% level, which can be regarded as highly significant. The second important indicator on the correlation matrix is the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. The KMO statistic is used to determine the appropriateness of factor analysis for the sample (Malhotra 2004:561). A KMO value of higher than 0.5 indicates that factor analysis is an appropriate statistical technique for analysing the sample.

Once the correlation matrix has been used to confirm factor analysis as the appropriate analysis technique, the specific method of factor analysis must be chosen. The selection of a factor analysis method is illustrated as step 3 in Figure 4.6 and will be discussed below.

Select the method of factor analysis

The two basic methods of factor analysis are principal component analysis and common (or exploratory) factor analysis (Malhotra 2004:564 and De Gruijter & Van der Kamp 2008:127). The two methods differ in their approach used to derive the factor score coefficients. Principal component analysis considers the total variance in the data, while common factor analysis uses common variance (Malhotra 2004:566). Principal component analysis is appropriate when the research objective is to reduce the data in order to obtain a minimum number of factors to represent the original data. Common factor analysis, on the other hand, is appropriate when the research objective is to identify theoretically meaningful underlying dimensions (Ho 2006:204). For the purposes of this study, common factor analysis was therefore most appropriate in order to explore the factors that influence consumer loyalty towards Edgars.

The next step in conducting factor analysis, illustrated in Figure 4.6, is to determine the number of factors. This step is discussed below.

Determine the number of factors

Malhotra (2004:566) mentions multiple methods for determining the number of factors, including: *a priori* determination, which uses established facts and theories, determination based on eigenvalues, determination based on a scree plot, determination based on percentage of variance, determination based on split-half reliability and determination based on significance tests. The three most commonly used methods for determining the numbers of factors to retain are: determination based on eigenvalues (Malhotra 2004: 566), determination using a scree plot (Ho 2006:204) and parallel analysis (Pallant 2005:175):

- Eigenvalues represent the total variance explained by each factor (Malhotra 2010:638).
- A scree plot is a plot of the eigenvalues against the number of factors in order of extraction (Malhotra 2010:638).
- Parallel analysis involves comparing the eigenvalues with those obtained from a randomly generated data set of the same size (Pallant 2005:175).

When using eigenvalues, according to the Kaiser ruling, all eigenvalues less than 1.0 should be ignored (Tustin et al 2005:671). The scree plot is also commonly used, in addition to the eigenvalues, as a method of confirming the number of factors (Pallant 2005:183). A scree plot is illustrated in Figure 4.7.

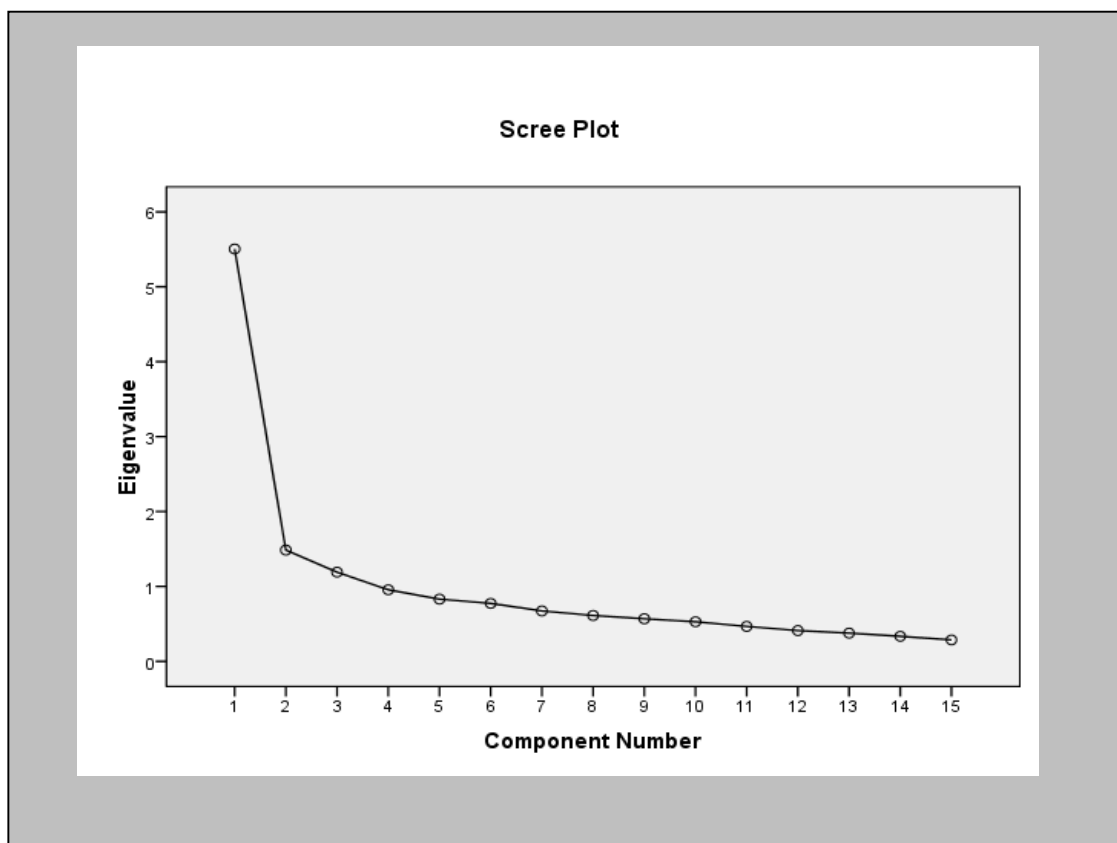


Figure 4.7 Scree plot

Source: SPSS Statistics V17.0.

The number of factors to be included in the factor analysis is indicated on a scree plot by taking note of where the graph begins to flatten out (Pallant 2005:183). In Figure 4.7, the appropriate number of factors is, therefore, three. Parallel analysis compares the size of the eigenvalues with those obtained from a randomly generated data set of the same size and number of variables (Pallant 2005:175). For the purposes of this study, the number of factors differed for all three consumer groups and the total group of respondents. These discrepancies will be discussed in detail in Chapter 5.

Figure 4.6 indicates that the next step in conducting a factor analysis is to rotate the factors and this step will be discussed below.

Rotate the factors

The interpretation of the factors is simplified by the rotation of the factor loadings (Pallant 2005:176) and ultimately results in a simpler, theoretically more meaningful factor pattern (Ho 2006:205). Rotation changes the percentage of variance accounted for by each factor by rotating the variables along their axes on the factor matrix (Malhotra 2010:645). The factor loadings represent the correlation between the factors and the variables (Malhotra 2004:568). There are two main categories of factor rotation: orthogonal rotation and oblique rotation (Ho 2006:205). Orthogonal rotation results in solutions that are often easier to interpret, but they rely on the researcher assuming that the underlying constructs are not correlated (Pallant 2005:176). Orthogonal rotation is also more appropriate when the objective of the factor analysis is to reduce the number of variables in the data set (Ho 2006:206). Oblique rotation should be used when factors are likely to be strongly correlated (Malhotra 2010:645) and when the objective of the factor analysis is to discover theoretically meaningful factors (Ho 2006:206). For the purposes of this study, oblique rotation was used due to the anticipated correlation between the variables and the fact that the objective of this factor analysis is to explore the factors that influence consumer loyalty towards Edgars. An extract from the rotated factor matrix developed for this study is indicated in Table 4.2.

Table 4.2 An extract from the rotated factor matrix

Variable	Factor loadings		
	Factor 1	Factor 2	Factor 3
Enjoy atmosphere in Edgars	.596	.378	.047
Products are reasonably priced	.224	.778	-.081
Get good service at Edgars	.726	.275	.070
Always get products I want from Edgars	.397	.463	.202
Like music played in store	.415	.194	.181
Shop where prices are best	-.053	.152	.717
Edgars has good selection of products	.141	.621	.430

Source: SPSS Statistics V17.0

Table 4.2 illustrates that, for this sample rotated factor matrix, three factors have been determined. Each of the variables listed in Table 4.3 have different factor loadings under each factor, for example: “Enjoy atmosphere in Edgars” has a factor loading of 0.596 on factor 1, 0.378 on factor 2 and 0.047 on factor 3. Interpreting the factor loadings is discussed in the next section.

Orthogonal rotation of the factor matrix simplifies the interpretation of the factors. Interpretation of the factors is indicated in Figure 4.6 as the next step in conducting a factor analysis and is discussed below.

Interpreting the factors

Interpreting the factors relies on the factor loadings on the rotated factor matrix (Malhotra 2004:568 and Ho 2006:207). Variables with large factor loadings indicate that they are representative of the factor, while small factor loadings indicate that they are not (Ho 2006:207). Factor loadings larger than ± 0.33 are considered to meet the minimal level of significance in order to indicate representativeness (Ho 2006:207 and Pallant 2005:189). Factor loadings should, however, be objectively evaluated based on the highest and lowest factor loadings per extracted factor (ARSU).

Once factor analysis had been completed, the next step in the data analysis procedure applied to this study, as indicated in Figure 4.6 was to create composite variables from the results of the factor analysis. This step is discussed below.

4.10.5 Create composite variables from identified factors

The loadings indicated on the rotated factor matrix dictate to the researcher, which variables correlate with which factor. These variables are then all collated into new composite variables in order to represent each of the factors (ARSU). For the purposes of this study, an additional composite variable was created in order to represent consumer loyalty. This composite loyalty variable was created based on the literature study in Chapter 2 and consisted of the following variables: 2.2, 2.13, 2.17, 2.19 and 2.20.

2.2	I am very committed to Edgars
2.13	It would matter a lot to me if I could not buy from Edgars
2.17	I buy most of my clothes from Edgars
2.19	I would recommend Edgars to my friends
2.20	I am likely to buy even more of my clothes from Edgars in the future

The composite variables deduced from the factor analysis could then be compared to this 'loyalty variable' in order to establish correlations and thereby identify factors that influence consumer loyalty towards Edgars.

Reliability tests must then be performed on all of the variables as well as each of the composite variables. Testing the reliability of the variables is the next step of the data analysis procedure, as indicated in Figure 4.6 and is discussed below.

4.10.6 Testing the reliability of all variables, composite variables and the loyalty variable

Reliability is defined as the extent to which the application of a scale produces consistent results if repeated measures are taken (Kent 2007:570). Internal consistency reliability is used to assess the reliability of a summated scale, such as the composite variables created in step two of the data analysis procedure as applied to this study, illustrated in Figure 4.6. The coefficient alpha, also known as Cronbach's alpha, is used to measure the internal consistency of a composite variable (Malhotra 2004:268). A coefficient alpha score of less than 0.6 generally indicates an unreliable scale. For the purposes of this study, each of the individual variables, each of the composite variables and the loyalty variable were tested for internal consistency reliability. Scale reliability results are discussed in Chapter 5.

The next step in the data analysis procedure, illustrated in Figure 4.6, is to perform correlation and multiple regression analyses on the composite variables and the loyalty variable in order to identify any significant relationships between the variables. This step will be discussed below.

4.10.7 Perform correlation and multiple regression analyses on the composite variables

Correlation and multiple regression analyses cannot be discussed separately. Correlation is a measure of interdependence between variables, analysing only the manner in which variables relate to each other (Zikmund & Babin 2007:582). Multiple

regression analysis examines the relationship between at least two independent variables and one dependent variable (Tustin et al 2005:649) and defines both the direction and strength of the relationship. Correlation analysis was utilised in this study to determine the manner in which the composite variables related to each other and to the composite loyalty variable. Multiple regression analysis was utilised in this study to delineate the directions and strength of the relationships between the composite variables created in step two of the data analysis procedure illustrated in Figure 4.6, and the composite loyalty variable. Results of the correlation and multiple regression analyses are discussed in Chapter 5.

While the study did uncover valuable information regarding the factors that influence consumer loyalty towards Edgars, the study was subject to certain limitations which are discussed below.

4.11 Limitations of the study

The study was subject to the following limitations and these limitations must be considered when evaluating the research findings:

- The study was limited to Gauteng and, as such, can only explore the factors that influence Gauteng consumers' loyalty to Edgars.
- Due to privacy concerns, Edgars elected not to participate in the research, which eliminated the possibility of using probability sampling as there was no sample frame.
- The closed-ended, structured questionnaire instrument as designed, was not conducive to probing respondents for deeper understanding.
- Non-probability sampling and, more specifically, mall-intercept interviews, are prone to bias as discussed in section 4.8.

4.12 Conclusion

The purpose of this study is to explore the factors that influence consumer loyalty towards Edgars. This chapter described the research methodology that was applied in order to gather and analyse the data required in order to achieve the primary objective of the study. The study began with a literature study of loyalty and loyalty programmes in order to establish a problem statement. Research objectives were described and a research design was developed. Primary data was gathered by means of survey research conducted using mall-intercept interviews. Data was prepared, cleaned and analysed using factor analysis, correlation analysis and regression analysis. In the next chapter, the research findings will be presented.

CHAPTER 5: DATA ANALYSIS AND RESULTS

5.1 Introduction

The purpose of this study is to explore the factors that influence consumer loyalty towards a retail clothing store. Chapter 1 established the need for, and the purpose of the study. Chapter 2 presented a literature review of the concept of consumer loyalty and Chapter 3 established a background to the clothing retailer that formed the subject of this study, namely, Edgars. Chapter 4 discussed the research methodology employed in the study. This chapter will expound on the research findings. Section 5.2 will present the demographic nature of the total sample. Section 5.3 will present the descriptive statistics of each question on the research instrument that was directed at the total sample and section 5.4 will present the descriptive statistics for the questions that were asked exclusively of each consumer group. Section 5.5 will directly address the primary objective of the study by presenting the factors that influence consumer loyalty towards Edgars. Section 5.6 will address the secondary objective of the study by comparing the consumer groups with regard to the factors that influence consumer loyalty towards Edgars.

In order to further understand the Edgars consumer and to identify the factors that influence loyalty towards Edgars, it was necessary to consider the demographic makeup of the sample. As discussed in Chapter 4, the total sample size was 308, representing each of the three consumer groups, namely, consumers who mostly pay for their purchases with cash but are not members of the Purple Cash Card loyalty programme (Cash only consumer group, N = 101), consumers who mostly pay cash and are members of the Purple Cash Card loyalty programme (Purple Cash Card members, N = 103); and consumers who mostly pay for their purchases at Edgars on account (Account holders, N = 104).

5.2 Demographic nature of the sample

Demographic variables are those variables related to factual characteristics of the sample that can, in principle, be verified (Kent 2007:121). Characteristics such as age, gender, race and income are all examples of demographic characteristics. Demographic variables collected during this study were gender, race, age, and income (questions 15, 16, 17 and 18, respectively). The demographic nature of the sample will now be discussed according to these criteria.

5.2.1 Gender

Gender is defined as the fact of being male or female (Oxford 2012, sv gender). The gender of respondents was recorded by observation and was therefore not asked as a question in the survey. The gender distribution of the sample is illustrated in Figure 5.1.

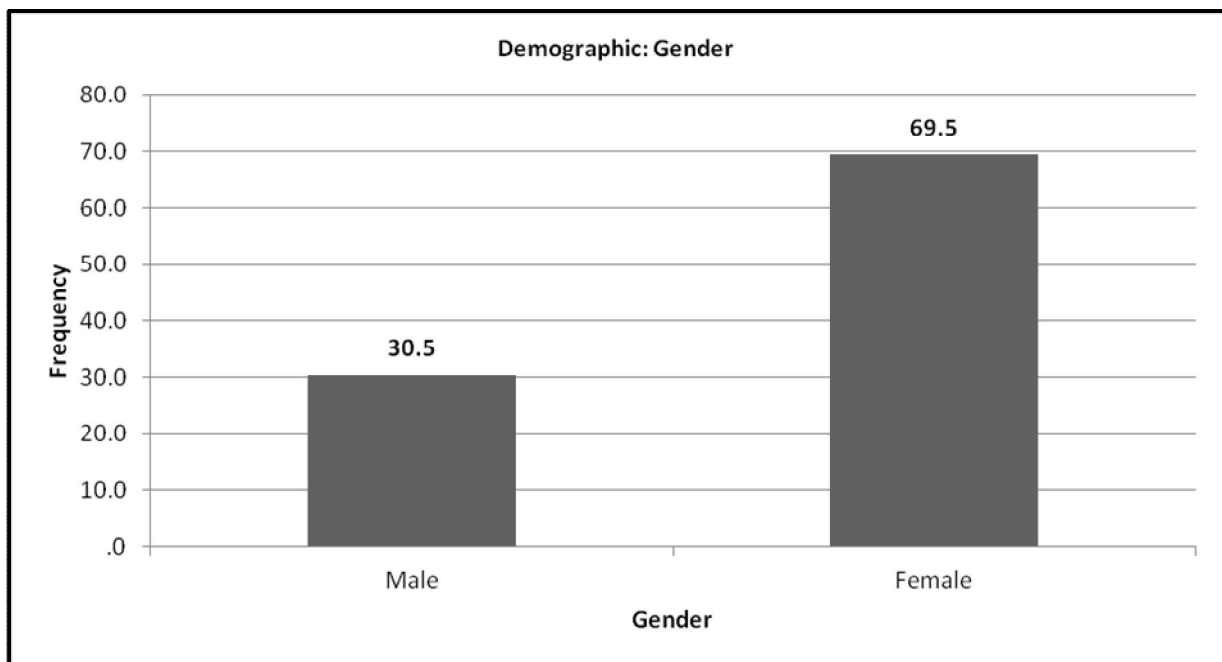


Figure 5.1 Gender distribution of the sample

Figure 5.1 illustrates that female respondents accounted for the majority of the sample, representing 69.5% of the total sample. Male respondents accounted for the remaining

30.5% of the sample. According to store managers at Edgars stores, this ratio of male to female respondents reflects the gender ratio of Edgars consumers in Gauteng.

The next demographic characteristic collected was race and the racial profile of the sample is discussed below.

5.2.2 Racial profile of the sample

Race is defined as the main groups that humans can be divided into based on their physical differences, for example, the colour of their skin (Oxford 2012, sv race). As discussed in Chapter 4, the race distribution of the sample for this study was determined by the judgment of the fieldworkers and was not quota controlled with respect to race. Race was recorded by observation and was not asked as a question in the survey. Figure 5.2 represents the racial distribution of the sample.

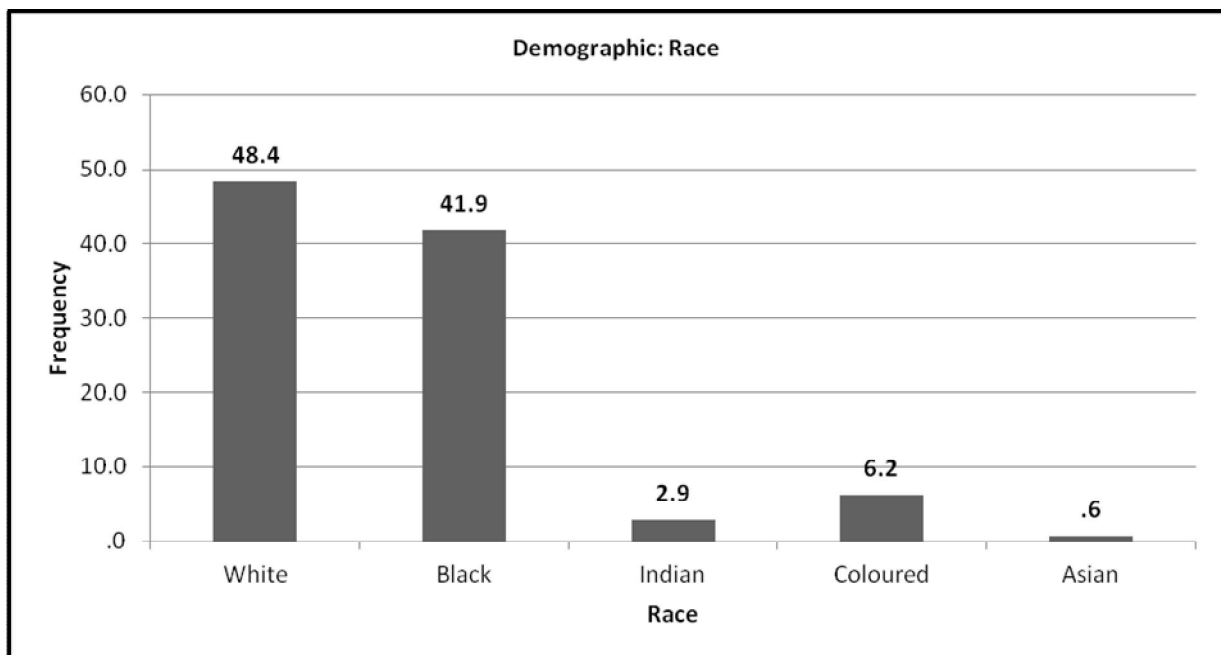


Figure 5.2 Racial distribution of the sample

Figure 5.2 illustrates that 48.4% of the sample consisted of white respondents, 41.9% of the sample consisted of black respondents, 6.2% of the sample were coloured, 2.9% were Indian and 0.6% were Asian. Store managers agree that the largest groups of

consumers in individual stores in Gauteng are either white or black. Therefore, the racial distribution of the sample can be said to reflect the racial distribution of consumers in Edgars stores in Gauteng. It should be noted that the consumer racial profile is very dependent on the geographic location of the individual Edgars store, so, in certain areas, the majority of consumers will be white, while in others, they will be black.

The next demographic characteristic collected from the sample was age. The age distribution of the sample is discussed below.

5.2.3 Age distribution of the sample

Chronological age is defined as the number of years that a person has lived (Oxford 2012, sv age) and for the purposes of this study, age was collected as an ordinal variable so that the actual age of the respondent could be recorded. Table 5.1 indicates the age distribution of the sample.

Table 5.1 Age of respondents

Respondent age (years)	
Minimum	16
Maximum	67
Mean	31.53
Std. Deviation	11.29

From Table 5.1 it is evident that the youngest respondent included in the sample was 16 years old, which is the minimum age for participation in surveys without parental consent, as specified by the South African Market Research Association (SAMRA) code of conduct. The 16-year-old respondent was a member of the cash only consumer group. The two oldest respondents were 67 years of age, and were both account holders. The mean age of respondents was 31.53 years, and the standard deviation was 11.29 years.

The last demographic variable collected was personal monthly income of the sample. The income distribution of the sample is discussed below.

5.2.4 Income distribution of the sample

Owing to the sensitive nature of survey questions regarding income, income was not collected as an open-ended ordinal variable, but rather as a scaled group. Respondents indicated their income in exclusive groups ranging from less than R 2 000.00 per month up to more than R 12 000.00 per month. The income distribution of respondents is illustrated in Figure 5.3.

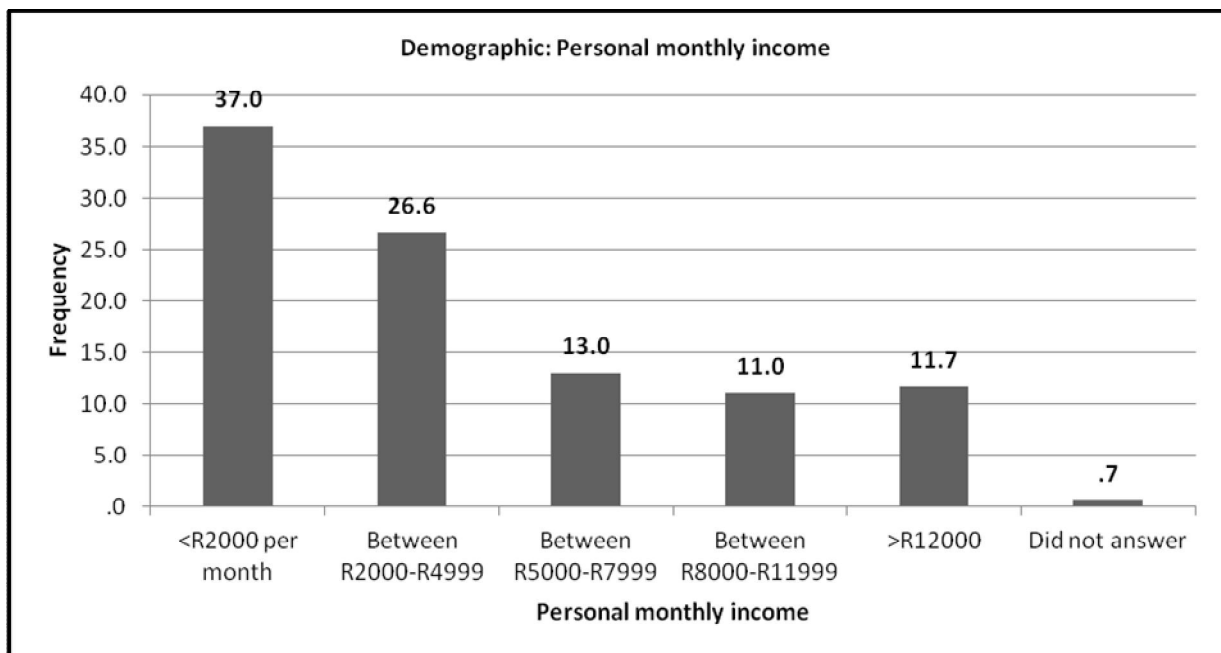


Figure 5.3 Personal monthly income distribution of sample

From Figure 5.3 it can be seen that the majority of the respondents indicated a personal monthly income of less than R 2 000 per month. A total of 26.6% of respondents indicated a personal monthly income of between R 2 000 and R 4 999 per month, while 13.0% indicated an income of between R 5 000 and R 7 999. Figure 5.3 indicates that 11.0% of respondents reported a personal monthly income of between R 8 000 and R 11 999, while 11.7% indicated a personal monthly income of more than R 12 000. Two respondents representing 0.7% of the sample refused to answer the question.

The demographic breakdown of the consumer groups can be described by cross tabulating the answers to the demographic questions with the identified consumer group. Consumer group demographics are discussed in the following sections.

5.2.5 Consumer groups by gender

The gender distribution by consumer group is illustrated in Figure 5.4 below.

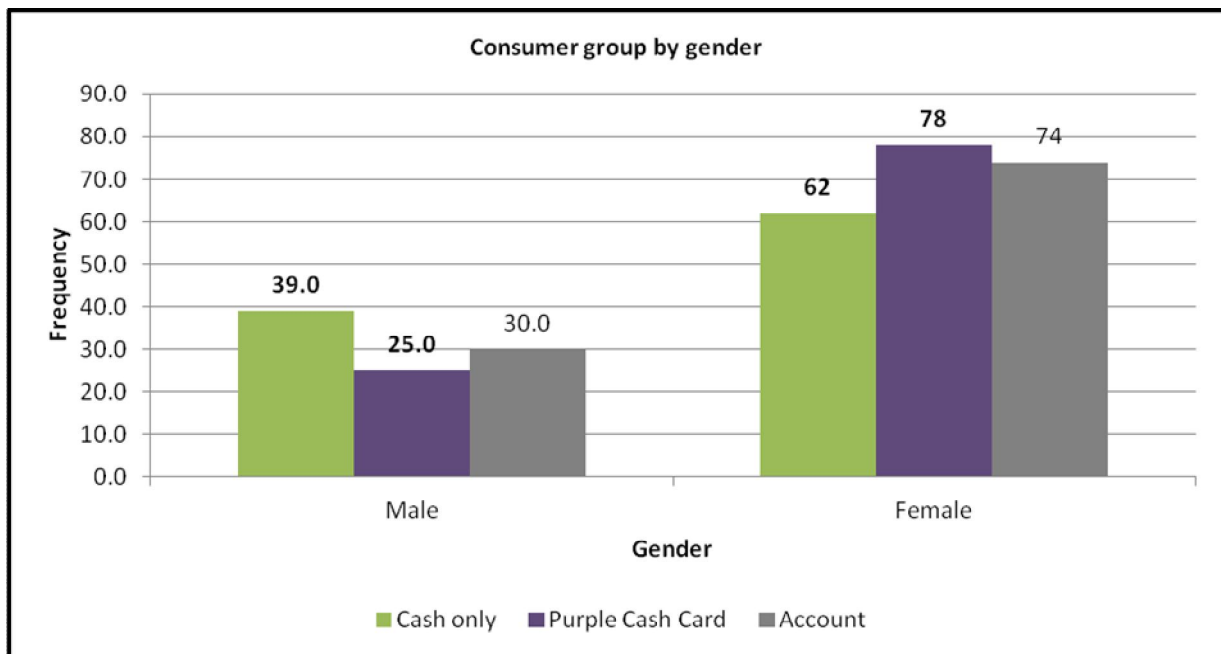


Figure 5.4 Gender distribution by consumer group

Figure 5.4 illustrates that the majority of male respondents belonged to the cash only group (n=39) while 30 out of the 94 male respondents were account holders. The 25 remaining male respondents from the 94 belonged to the Purple Cash Card loyalty programme. The majority of female respondents belonged to the Purple Cash Card (n=78), followed by account holders (n=74), with only 62 of the 214 female respondents belonging to the cash only group. It appears that female respondents find more value in rewards programmes than male respondents, while male respondents prefer to pay cash only over the other payment options.

5.2.6 Consumer groups by race

The race distribution of the sample according to consumer group is illustrated in Figure 5.5.

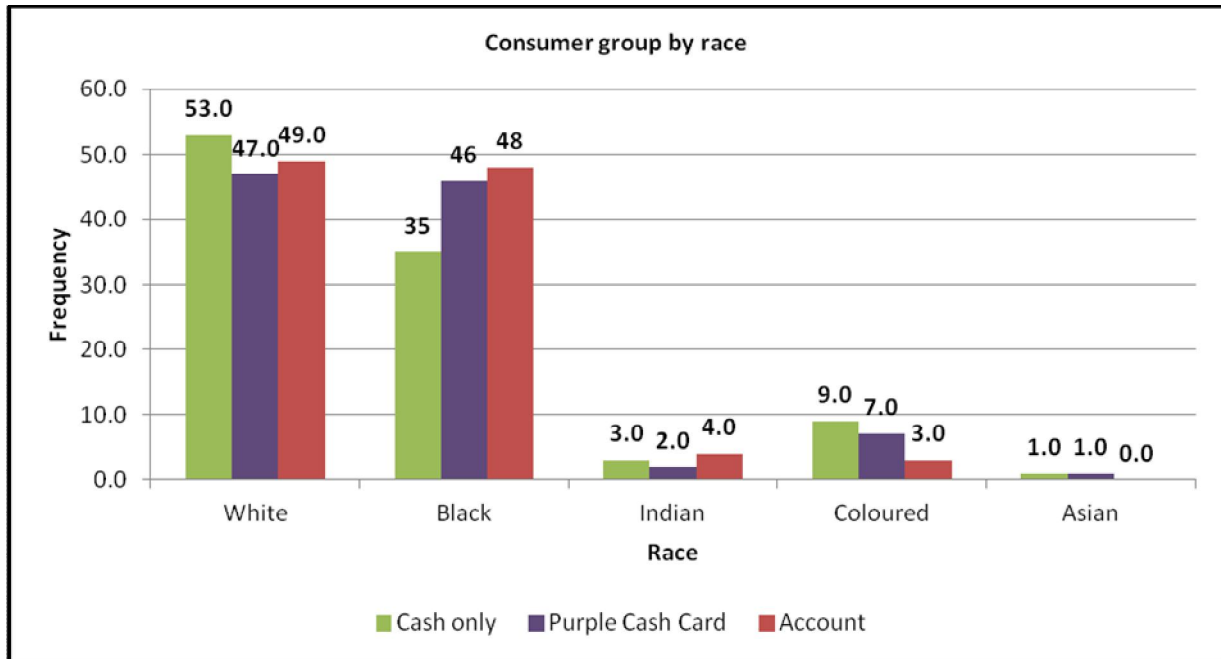


Figure 5.5 Consumer groups by race

It can be seen from Figure 5.5 that the majority of white respondents ($n=53$) belong to the cash only consumer group. Account holders represented the second largest group of white respondents ($n=49$), while Purple Cash Card members were the smallest group with only 47 white respondents belonging to the loyalty programme. Amongst black respondents, the largest consumer group was the account holders ($n=48$), followed by the Purple Cash Card members with 46 respondents indicating that they belonged to the loyalty programme. The smallest consumer group amongst black consumers was the cash only group ($n=35$). Indian respondents represented 3, 2 and 4 members of the cash only group, the Purple Cash Card members and the account holders respectively. The majority of coloured respondents belonged to the cash only consumer group ($n=9$), with 7 belonging to the Purple Cash Card loyalty programme and 3 being account holders. Neither of the 2 Asian respondents were account holders; 1 was a member of the Purple Cash Card and the other paid cash only. It appears that white respondents

favour the option to pay with cash only and have no ties to the retailer, while black consumers prefer the rewards programme or account options.

5.2.7 Consumer group by age

The age distribution of the sample according to age group is illustrated in Figure 5.6.

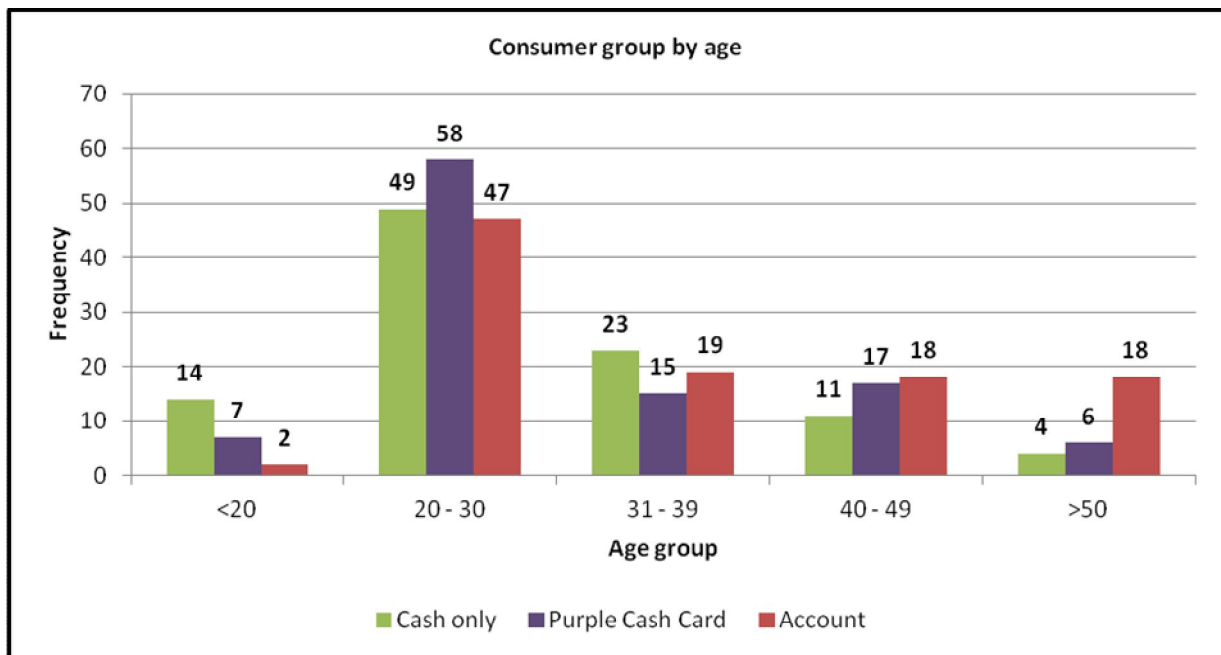


Figure 5.6 Consumer group by age

Figure 5.6 indicates that the youngest respondents (below the age of 20) are dominated by cash only consumers, while the oldest respondents (over the age of 50) are dominated by account holders. This is most probably due to the credit laws in South Africa which limit the age at which an individual may open a credit account. The intermediate age groups do not show any predilection towards any of the consumer groups. The 20-30 year age group was the only group where Purple Cash Card members were in the majority (n=58).

5.2.8 Consumer group by income category

The income distribution of the sample by consumer group is illustrated in Figure 5.7.

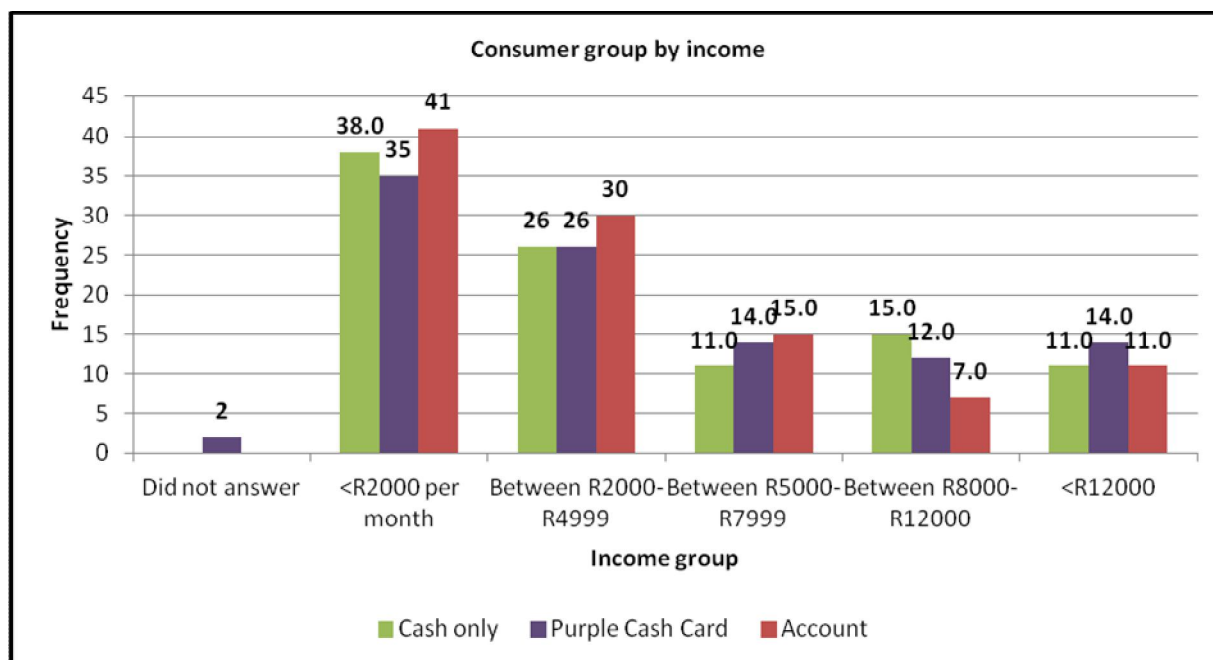


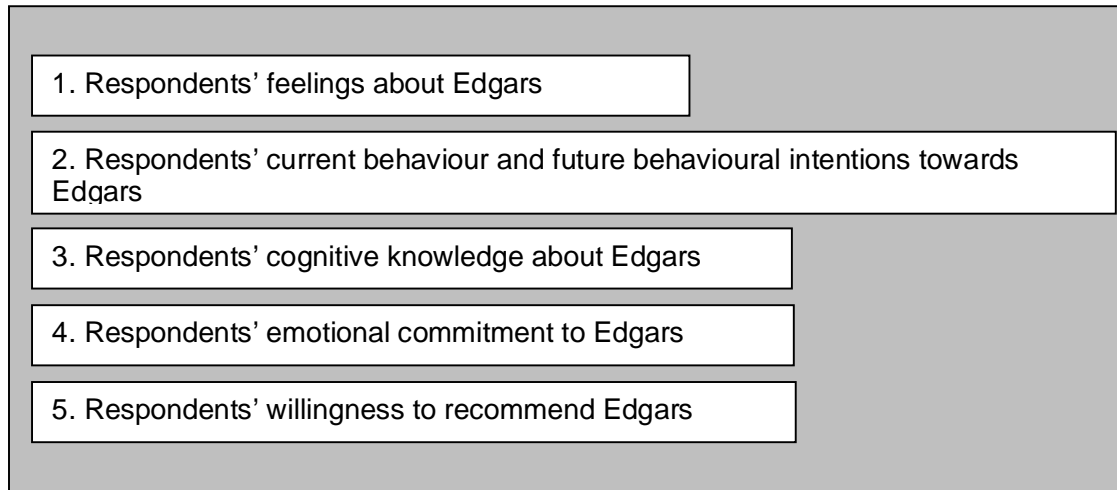
Figure 5.7 Consumer group by income

Figure 5.7 elucidates that the lower three income categories are dominated by account holders with the lowest income category (less than R2 000 per month) accounting for 41 account holders. Respondents who indicated a personal monthly income of between R8 000 and R12 000 accounted for the smallest amount of account holders (n=7). The only income category where the majority of respondents were members of the Purple Cash Card were those respondents who indicated a personal monthly income of greater than R12 000. The two respondents who chose not to disclose their income were also members of the Purple Cash Card loyalty programme. Further demographic crosstabulations that were not pertinent to the objectives of this study are presented in Appendix D.

In order to explore the factors that influence consumer loyalty towards Edgars, the responses to the individual questions, as discussed in Chapter 4, will now be discussed on a question by question basis.

5.3 Descriptive statistics per question for the total sample

The research instrument used for this study, as discussed in Chapter 4, measured:



The design of the research instrument, as explained in Chapter 4, required that questions 1, 2, 13, 14, 15, 16, 17 and 18 be asked to all respondents. These questions were generic in nature and served to gather information in order to achieve the primary objective of the study. Questions 3, 4, 5 and 6 were only directed at the Purple Cash Card members; questions 7, 8, 9 and 10 were only asked to the account holders; and questions 11 and 12 were only directed at the cash only consumer group in order to gather information to address the secondary objective of the study.

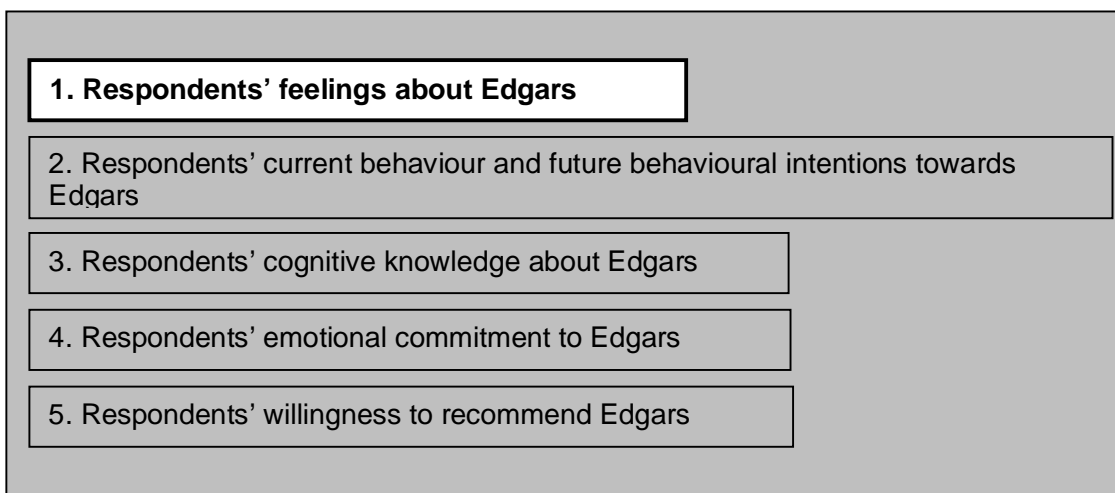
Question 1 served to separate the respondents into one of the three consumer groups based on their most common purchasing behaviour, or to eliminate them as non-Edgars consumers. The final sample size was 308, which consisted of consumers from each of the three consumer groups. Table 5.2 describes the sample in terms of consumer group.

Table 5.2 Consumer groups represented in final sample

Consumer group	Frequency	Percent of sample	Age distribution (years)
Cash only	101	32.79	16 – 56
Purple Cash Card	103	33.44	18 – 59

members			
Account holders	104	33.77	18 – 67
Total	308	100.00	

Table 5.2 shows that the respondents represented each of the consumer groups fairly equally and that the respondents were all of legal age for their consumer group, specifically, there were no account holder respondents under the legal age of 18. Question 2 was asked to all respondents and measured their feelings towards Edgars. As discussed in Chapter 4, respondents' feelings towards Edgars were measured by considering four aspects of retail shopping, namely, atmosphere, merchandise, service and price. Edgars' atmosphere, service, price and merchandise were measured with questions 2.1, 2.3, 2.4, 2.5, 2.6, 2.8, 2.9, 2.10, 2.11, 2.12, 2.14, 2.15, and 2.16. The individual responses to each of these questions in order to determine respondents' feelings towards Edgars will now be discussed, beginning with respondents' feelings about the atmosphere in Edgars stores.



5.3.1 Respondents feelings towards Edgars stores

Respondents' feelings towards Edgars stores considered atmosphere, merchandise, service and price. Store atmosphere includes the physical characteristics and

surrounding influence used to create an image in order to attract customers (Waters 2012:1). Respondents' feelings about the atmosphere in Edgars stores is discussed first.

The atmosphere in Edgars stores

Figure 5.8 illustrates the respondents' feelings towards the atmosphere in Edgars stores.

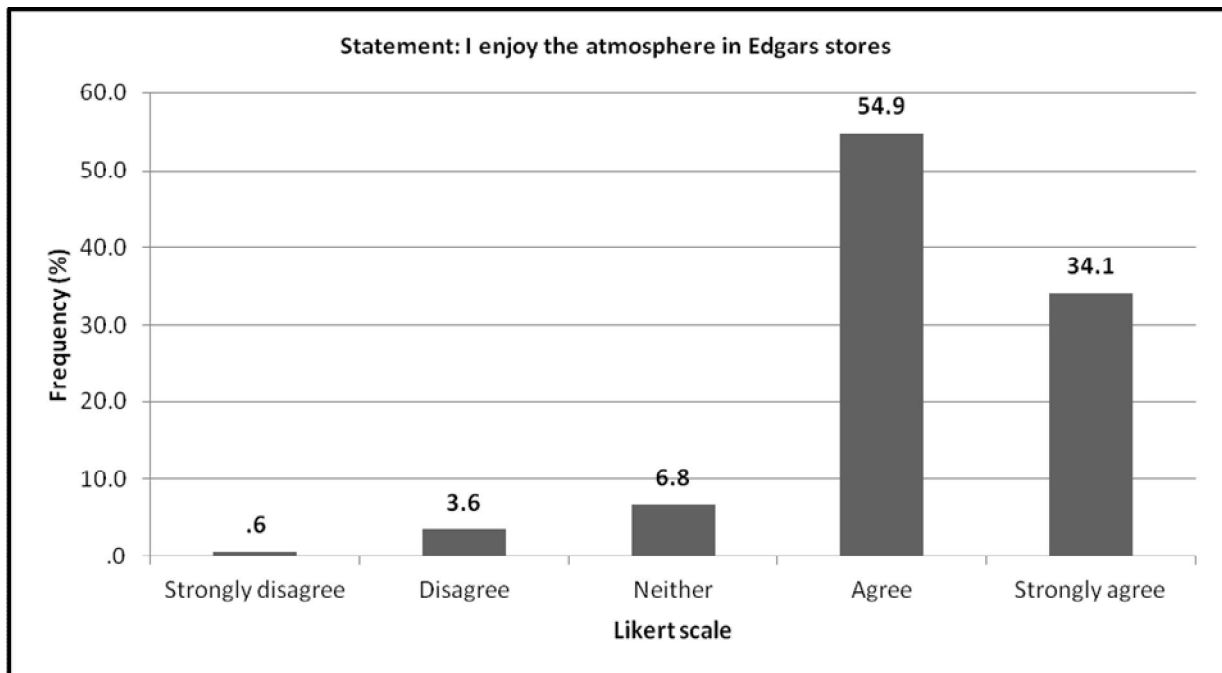


Figure 5.8 The atmosphere in Edgars stores

Figure 5.8 illustrates that 89% of respondents agree or strongly agree that they enjoy the atmosphere in Edgars stores. A total of 4.2% of respondents strongly disagreed or disagreed with the statement that they enjoyed the atmosphere in Edgars stores and 6.8% of respondents neither agreed or disagreed with the statement. This largely positive response suggests that Edgars is creating the correct atmosphere in their stores in order to appeal to their target audience.

The music played in Edgars stores

Figure 5.9 illustrates the respondents' feelings about the music played in Edgars stores.

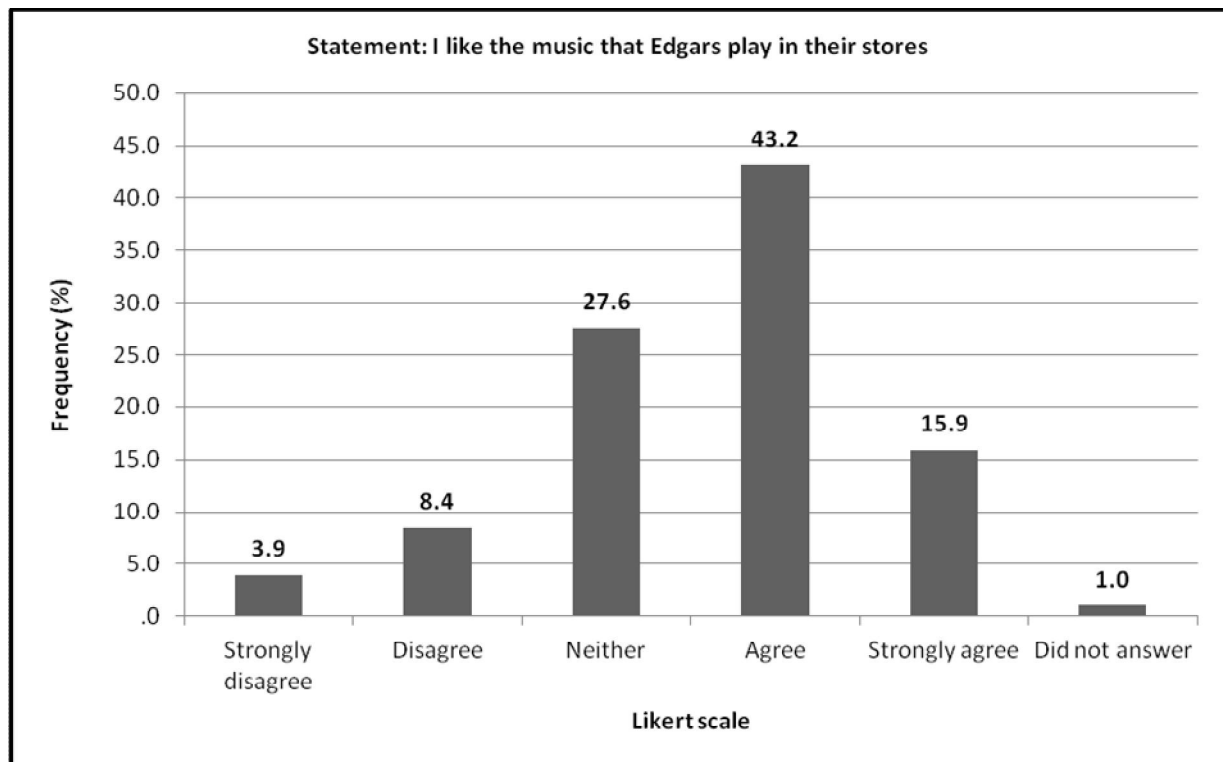


Figure 5.9 The music played in Edgars stores

Figure 5.9 shows that 12.3% of respondents strongly disagreed or disagreed with the statement that they like the music played in Edgars stores, while a total of 59.1% of respondents agreed or strongly agreed with the statement that they liked the music played in Edgars stores. A further 27.6% of respondents indicated neutrality towards the statement, revealing that a total of 39.9% of the respondents were either indifferent or did not like the music that is played in Edgars stores.

Edgars store design and layout

Respondents' feelings towards Edgars store design and layout are indicated in Figure 5.10.

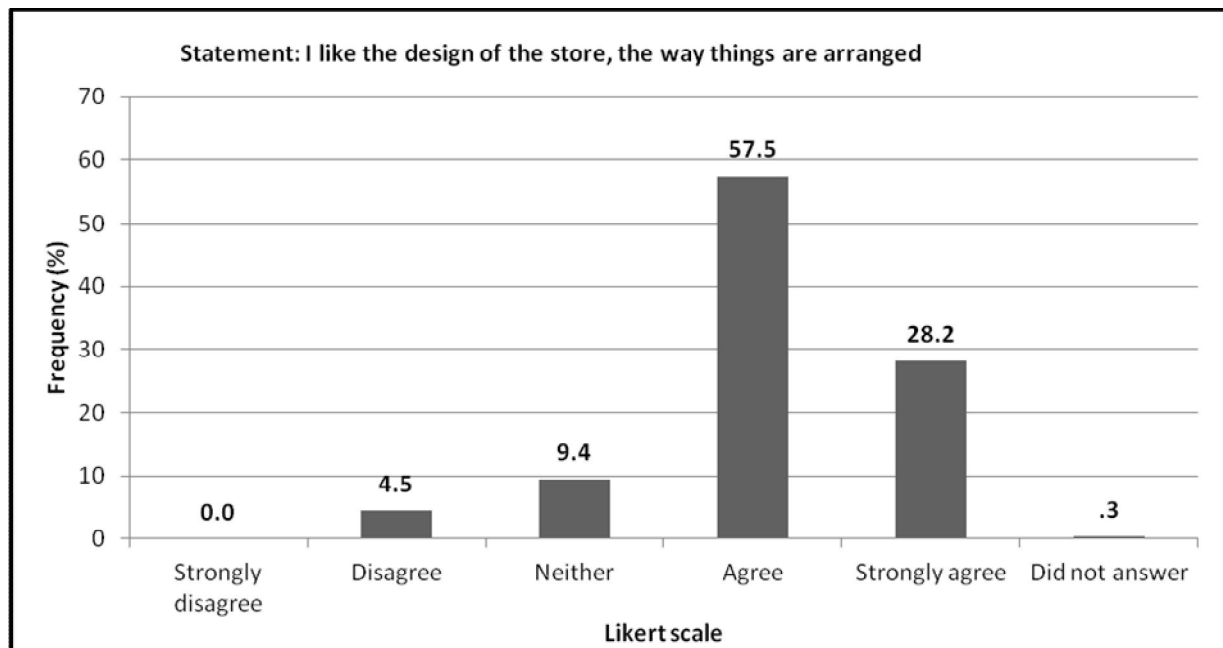


Figure 5.10 Edgars store design and layout

Figure 5.10 illustrates that 85.7% of respondents like the design and the way that things are arranged in Edgars. Only 4.5% of respondents disagreed with the statement, indicating that they do not like the design of Edgars stores or the way that things are arranged in the stores. A total of 9.4% of the respondents were neutral to the design of Edgars stores, revealing that a total 13.9% of respondents either did not like the design of the store or were indifferent to it. Extended to the Edgars consumer base, 13.9% could represent a significant number of unhappy or indifferent consumers and this could require research and specific attention in order to increase the approval ratings.

The questionnaire design, as discussed in Chapter 4, incorporated questions that measured respondents' attitudes towards Edgars merchandise. Questions 2.5, 2.8, 2.10 and 2.12 asked respondents to rate their agreement with statements regarding Edgars products. The responses to these questions are discussed below.

5.3.2 Respondents' feelings about Edgars merchandise

Merchandise is understood to be the goods that are bought and sold by a retailer (Anon16 2012:1). Edgars' merchandise selection consists of clothing, footwear, cosmetics, mobile phones, homeware and accessories.

Desired product availability at Edgars

Figure 5.11 describes consumers' feelings regarding whether or not they always get the products that they want from Edgars.

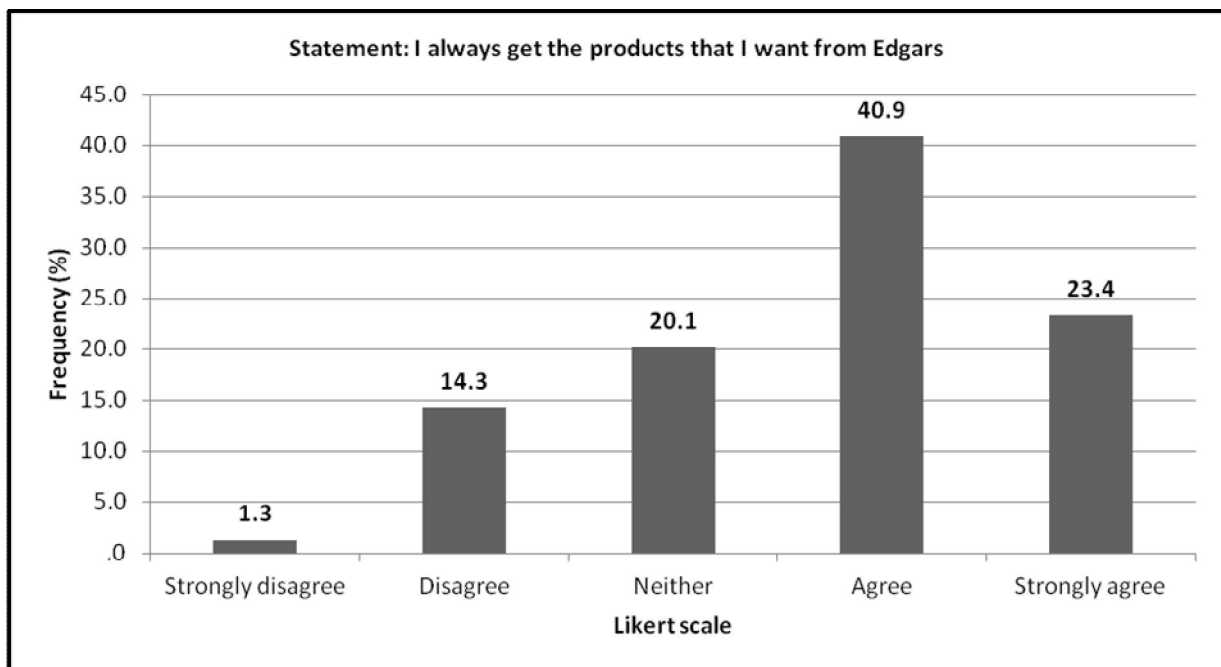


Figure 5.11 Desired product availability at Edgars

Figure 5.11 indicates that 15.6% of respondents strongly disagreed or disagreed with the statement that they always get the products that they want from Edgars, while 20.1% of respondents neither agreed nor disagreed with the statement. The majority, 64.3%, of respondents agreed or strongly agreed that they always get the products that they want at Edgars. The 35.7% of respondents who were indifferent or felt that they do not always get the products that they want from Edgars, warrants further investigation. The reasons for respondents' disagreement or indifference could be a result of bad merchandise

selection or poor stock control that result in out-of-stock situations. Further research is required in order to establish the relationship between actual and ideal merchandise plans.

Edgars' selection of products

Question 2.8 asked respondents to rate their agreement with the statement that Edgars has a good selection of products. The responses to question 2.8 are illustrated in Figure 5.12.

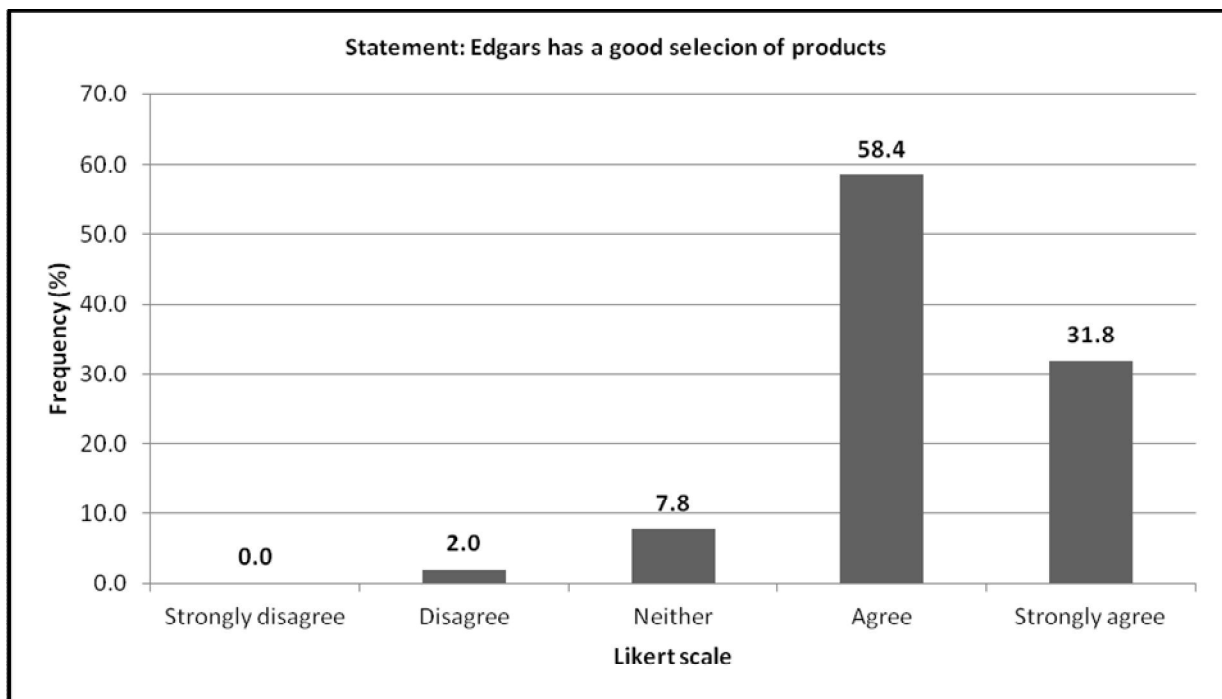


Figure 5.12 Edgars selection of products

From Figure 5.12 it can be calculated that a total of 90.2% of respondents felt that Edgars has a good selection of products. Only 1.9% of respondents disagreed with the statement that Edgars has a good selection of products, and 7.8% neither agreed nor disagreed. This shows that respondents like the products that are in the store even though the previous section illustrated that there could be problems with merchandise availability due to poor stock control.

Product quality at Edgars

Respondents' feelings about Edgars' product quality are illustrated in Figure 5.13.

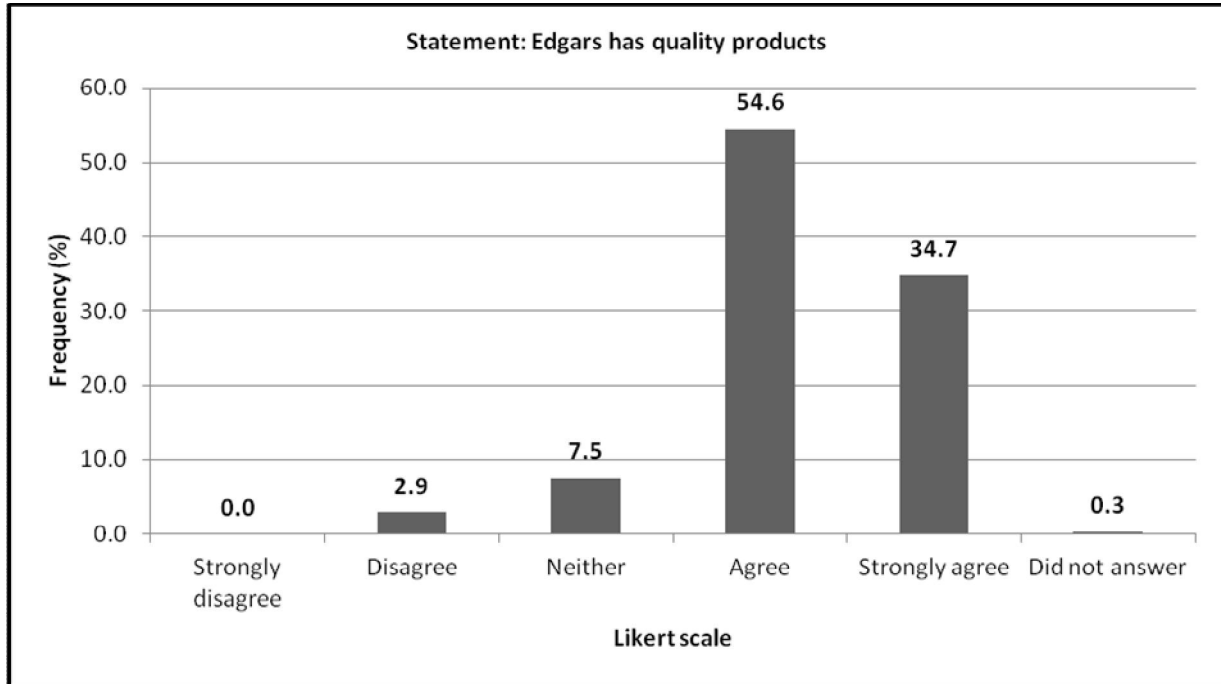


Figure 5.13 Product quality at Edgars

Figure 5.13 reinforces the respondents' positive feelings towards Edgars' products illustrated in Figure 5.8. A total of 89.3% of respondents agreed or strongly agreed with the statement that Edgars has quality products. A total of 10.4% of respondents were neutral or disagreed with the statement that Edgars has quality products. While it is clear that the majority of the respondents were positive regarding the quality of Edgars' products, a total of 10.4% of respondents were either indifferent or negative regarding the product quality. This negative perception amongst respondents may be due to a lack of product knowledge amongst respondents or could be attributed to other factors such as competitive influence. Further research is required in order to establish the reasons for negativity regarding Edgars' product quality.

Fashionableness of Edgars products

Fashionableness is defined as “the state of enjoying widespread approval” (Oxford 2012, sv fashionableness) and can be directly related to a clothing item that reflects popular style, therefore, a fashionable item of clothing. Figure 5.14 represents the respondents’ feelings about the fashionableness and currency of Edgars’ products.

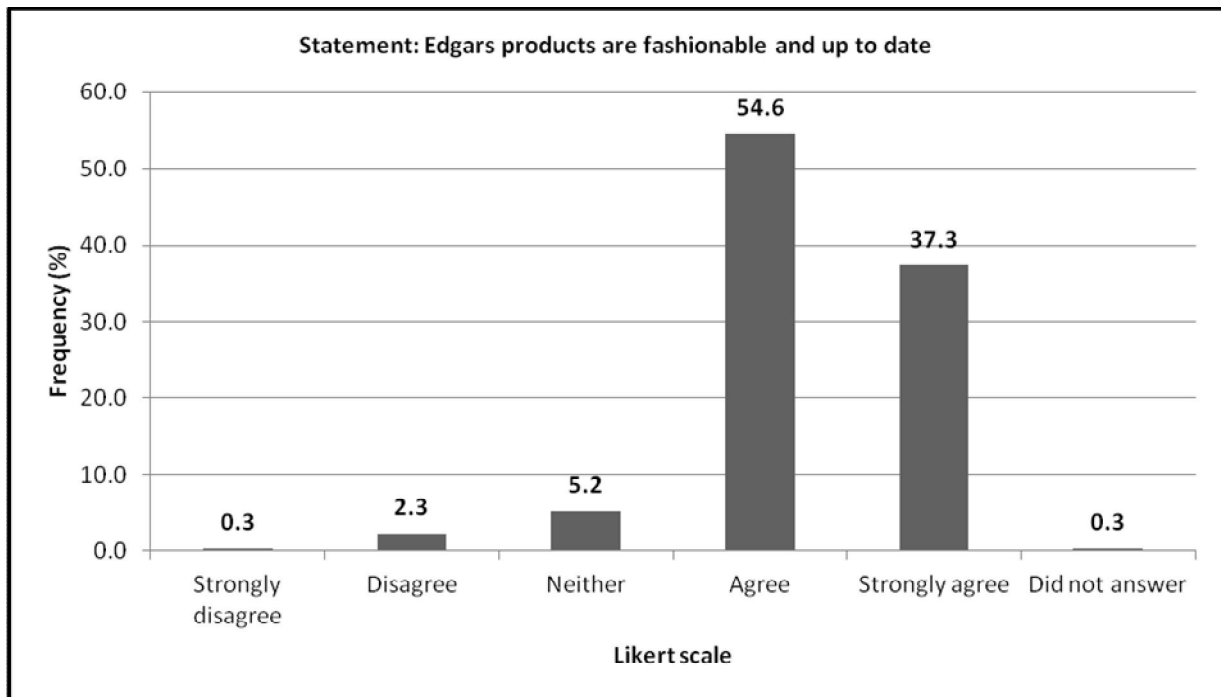


Figure 5.14 Fashionableness of Edgars’ products

Figure 5.14 shows that a total of 91.9% of the respondents agreed or strongly agreed that Edgars’ products are fashionable and up to date. A total of 2.6% of respondents felt that Edgars’ products were not fashionable or up to date, while a further 5.2% of respondents neither agreed nor disagreed with the statement. It reflects positively on Edgars management, especially the merchandise buyers, that such a high percentage of respondents felt that Edgars products are fashionable and up to date.

To achieve the primary objective of the study, questions 2.4, 2.9, 2.11 and 2.14 recorded respondents’ feelings towards the different aspects of customer service

received at Edgars stores. Respondents' feelings about the service received at Edgars stores are discussed below.

5.3.3 Respondents' feelings about service received at Edgars stores

Service received by consumers is understood to be the assistance that a company provides to buyers in order to facilitate the sale (Anon17 2012:1). The respondents' feelings about the service that they receive at Edgars stores will be discussed below.

Overall perception of Edgars' service

Figure 5.15 illustrates the respondents' feelings towards the overall service received at Edgars stores.

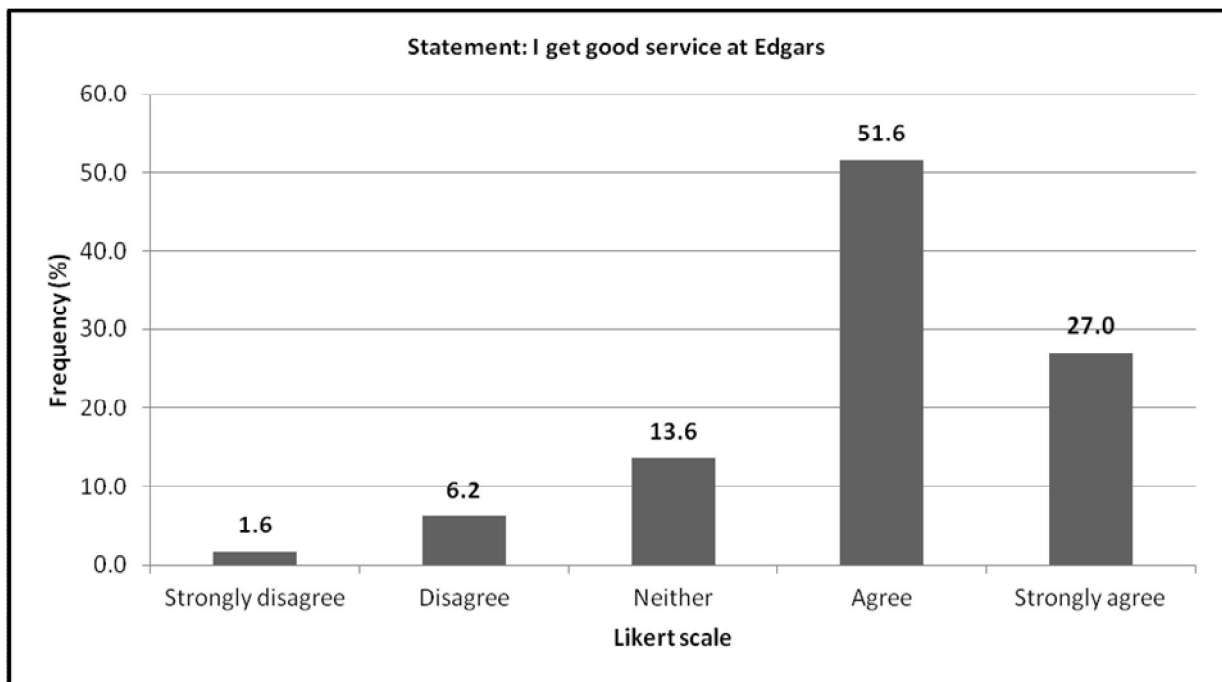


Figure 5.15 Overall perception of Edgars' service

Figure 5.15 illustrates that 78.6% of the respondents are satisfied with the service at Edgars, while 13.6% of respondents neither agreed nor disagreed with the statement and a total of 7.8% of respondents do not feel that they get good service at Edgars. While 78.5% of respondents feel that they get good service at Edgars is an overall good

response, Figure 5.15 indicates that there is definite room for improvement, especially as 21.4% of respondents do not hold a positive view regarding the service received at Edgars. Further research could identify the reasons for almost one in every five respondents not feeling satisfied with the service received at Edgars, and would serve to remove isolated incidents of unrecoverable service failure, leaving only legitimate causes of continued poor service.

Question 2.9, continuing on the subject of service received at Edgars stores, measured whether respondents felt that they waited too long in queues when paying at the tills. The responses to question 2.9 are discussed below.

Time spent in queues waiting to pay at Edgars

Standing in queues is one of the elements of consumer service that is most often complained about (Anon18 2012:1). Edgars consumers have to stand in queues when making payments at the till points. Figure 5.16 illustrates the respondents' feelings about time spent waiting in queues at Edgars till points.

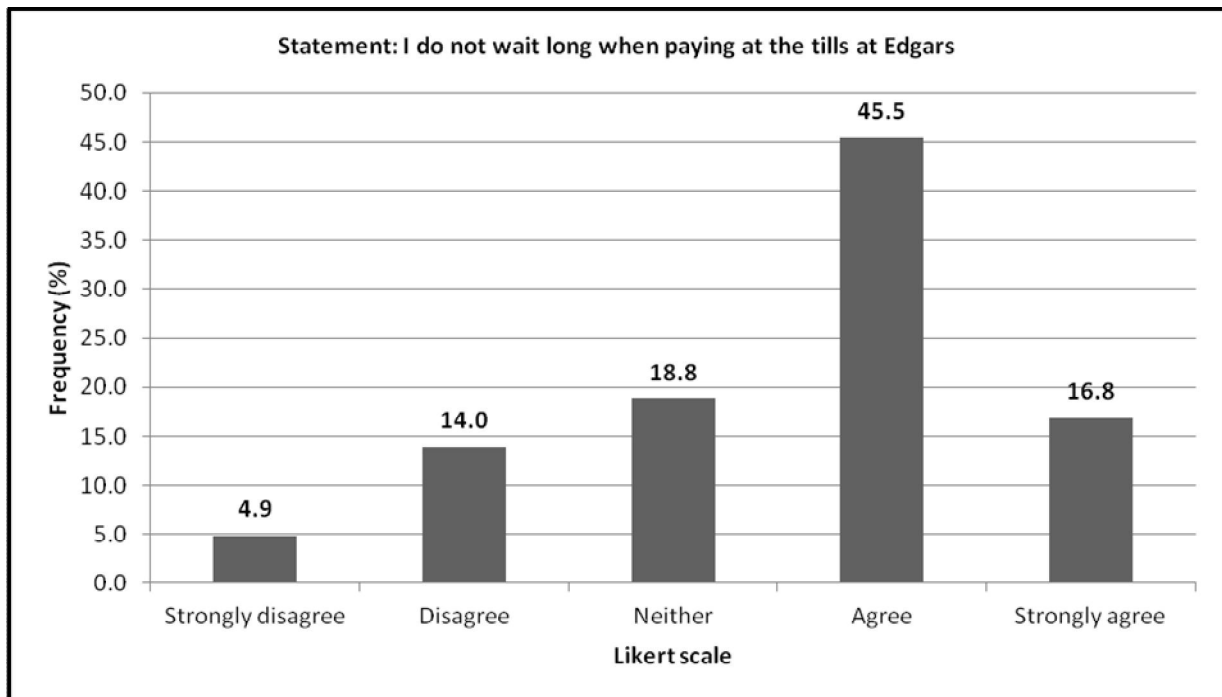


Figure 5.16 Time spent in queues waiting to pay at Edgars

Figure 5.16 illustrates that a total of 62.3% of respondents feel that they do not wait too long when paying at the tills at Edgars. More significantly, however, a total of 37.6% of respondents were either indifferent to the time spent waiting when paying, or felt that they waited too long. Further investigation is required in order to establish consumer expectations and perceptions regarding the time spent in queues at Edgars till points. Figure 5.16 highlights that the time spent waiting to pay at Edgars tills is a problem that requires attention.

Question 2.11 asked respondents to rate their agreement with the statement: “There is sufficient help available when I need it”. The responses to question 2.11 are discussed below.

Sufficiency of help at Edgars

If sufficient help is available when consumers require it, it can be an indication that the retailer is aware of consumer service needs and is able to meet those needs. Figure 5.17 illustrates the respondents’ feelings about the availability of help in Edgars stores when it is needed.

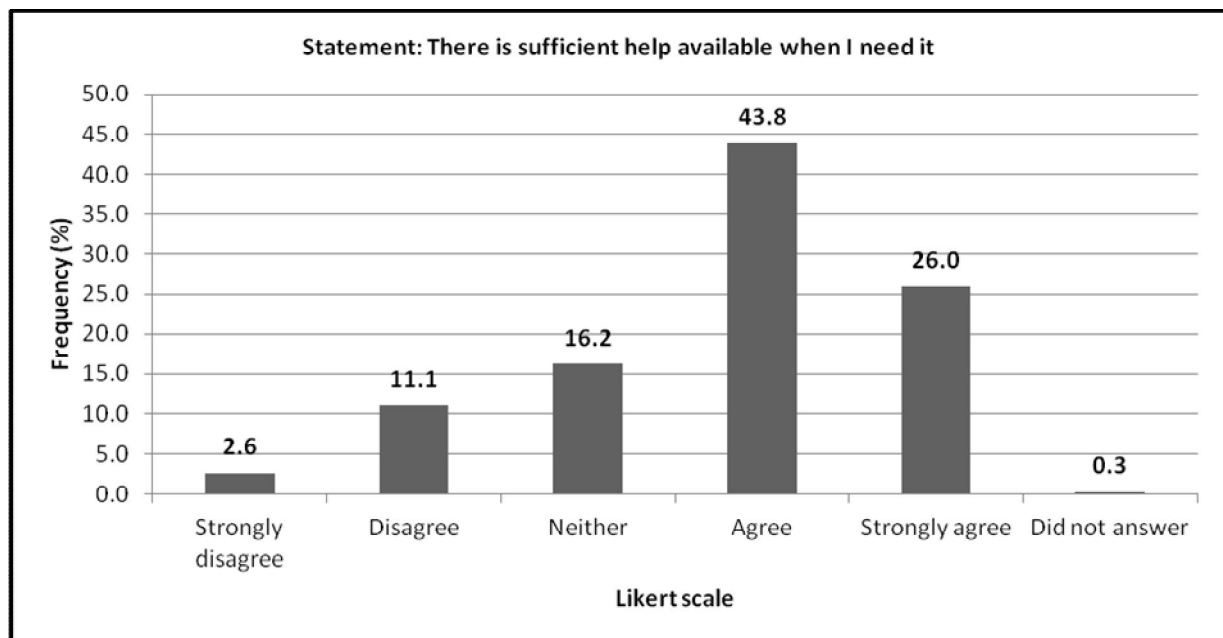


Figure 5.17 Sufficiency of help at Edgars

Figure 5.17 shows that a total of 13.7% of respondents felt that available help was insufficient when they needed it. A total of 69.8% of respondents however, felt that sufficient help was available when they needed it, and a further 16.2% of respondents neither agreed nor disagreed with the statement. From Figure 5.17 it can be seen that a total of 29.8% of respondents were either dissatisfied with the available help or indifferent to it, which highlights areas for further research into the needs of consumers in retail clothing stores with regard to the help that they require when shopping. The findings illustrated in Figure 5.17 serve to further support the 37.6% of respondents who felt that they waited too long in the queues at Edgars, indicating that the availability of Edgars' service staff, especially at till points, could be an issue requiring further investigation.

Friendliness of Edgars staff

Respondents were asked to indicate their levels of agreement with the statement: "Edgars staff are very friendly". Figure 5.18 represents the respondents' responses to question 2.14.

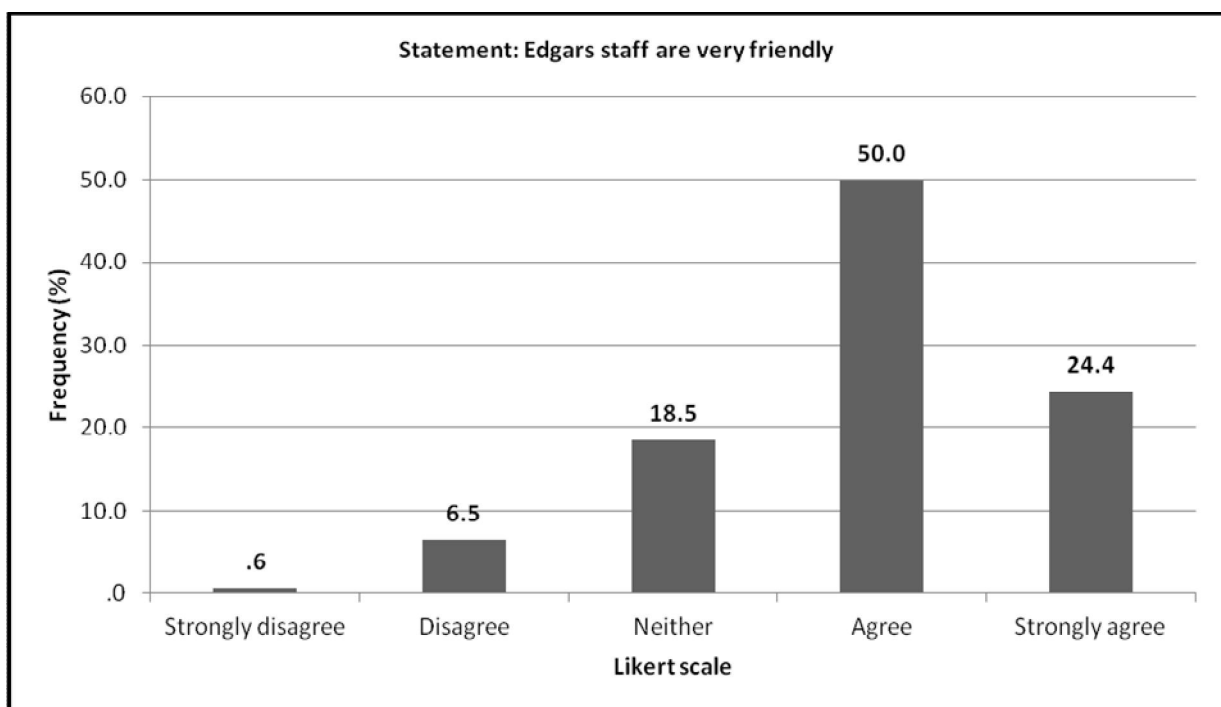


Figure 5.18 Friendliness of Edgars staff

It can be seen from Figure 5.18 that a total of 74.4% of respondents feel that Edgars staff are very friendly, 18.5% of respondents neither agree nor disagree with the statement, and a total of 7.1% of the respondents disagree with the statement that Edgars staff are very friendly. A total of 25.6% of respondents either feel that Edgars staff are unfriendly or are indifferent, which is clearly a cause for concern. It is possible that the perceived friendliness of Edgars staff, as illustrated in Figure 5.18, accounts for the 78.6% of respondents who are satisfied with the service received at Edgars, as illustrated in Figure 5.11. The perceived friendliness of the staff seems to outweigh the perceived length of time spent waiting in queues and the perceived availability of help, when it comes to overall perception of service received at Edgars.

Respondents' feelings towards Edgars were measured by considering four aspects of retail shopping, namely, atmosphere, merchandise, service and price. Respondents' feelings about Edgars' prices are discussed below.

5.3.4 Respondents' feelings about Edgars' prices

Questions 2.3 and 2.15 directly measure the respondents' feelings about Edgars' prices. Question 2.3 investigated the respondents' perceptions about whether or not Edgars' prices are reasonable.

Edgars' prices

The responses to question 2.3, which asked respondents to indicate their agreement with the statement: "Edgars products are reasonably priced", are illustrated in Figure 5.19.

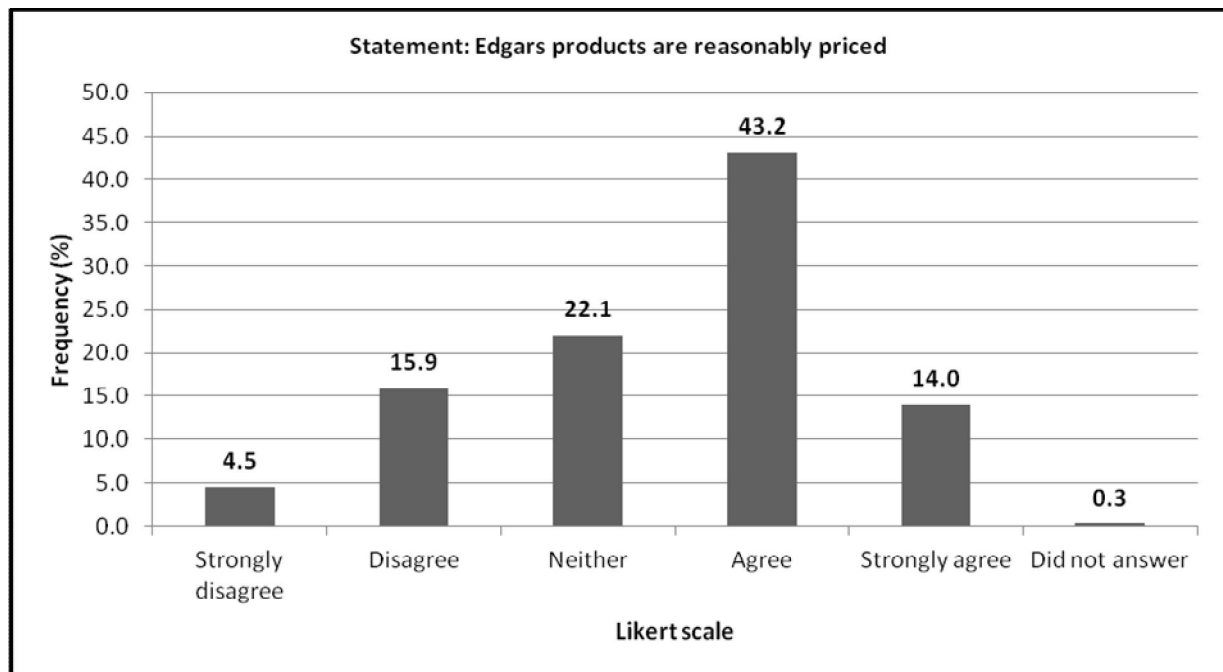


Figure 5.19 Edgars' prices

Figure 5.19 illustrates that only 57.2% of respondents felt that Edgars products are reasonably priced, while a total of 20.4% of respondents disagreed or strongly disagreed with the statement, and a further 22.1% of respondents neither agreed nor disagreed with the statement. Figure 5.19, therefore, shows that a total of 42.5% of respondents are either indifferent or regard Edgars' prices as unreasonable. It was stated in Chapter 2 that pricing can affect consumer satisfaction, which in turn can influence consumer loyalty, making it pertinent, therefore, to note that the 42.5% of respondents who do not feel that Edgars' prices are reasonable, requires further investigation.

Competitiveness of Edgars' prices

Figure 5.20 illustrates the respondents' levels of agreement with the statement: "The prices at Edgars are competitive". Prices are regarded as competitive if they compare favourably to organisations offering competitive products (Anon19 2012:1).

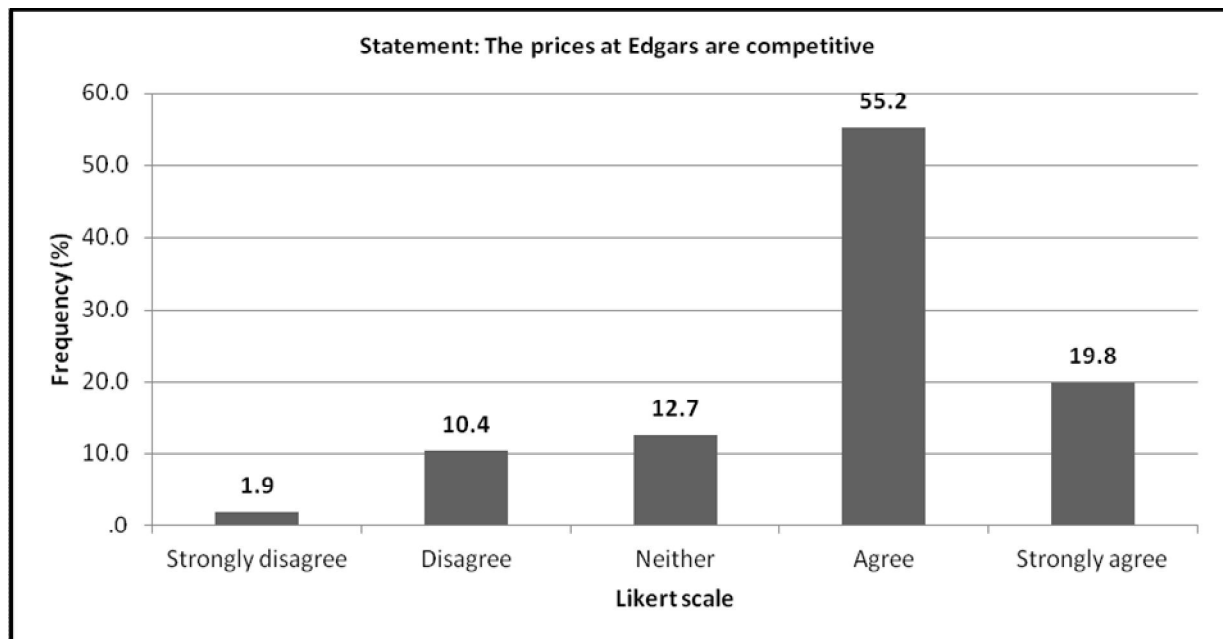
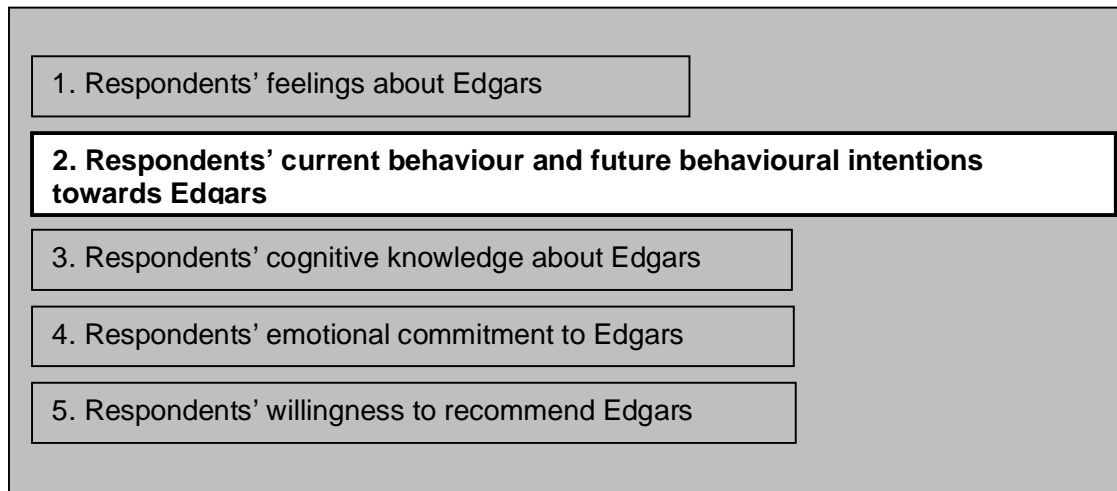


Figure 5.20 Competitiveness of Edgars' prices

Figure 5.20 shows that 75% of the respondents felt that Edgars' prices were competitive relative to other clothing retailers. In total, 12.3% of respondents strongly disagreed or disagreed with the statement, implying that they felt that Edgars' prices were not competitive. A total of 12.7% of the respondents neither agreed nor disagreed with the statement that Edgars' prices are competitive. The findings appear to contradict the fact that only 57.2% of the respondents felt that Edgars' prices were reasonable, as indicated in Figure 5.15. It is possible that respondents also perceive competitive clothing retailer's prices to be "unreasonable" and, therefore, perceive Edgars' prices as comparable.

As indicated in section 5.3, the second element that the questionnaire measured, after respondents' feelings about Edgars, was their current and future buying behaviour with regard to Edgars.



5.3.5 Respondents current behaviour and future buying behaviour towards Edgars

In order to explore the respondents' current and future buying behaviour towards Edgars, the respondents' behaviour with regard to price sensitivity and bargains was measured first. Questions 2.7 and 2.18 measured the respondents' buying behaviour with regard to price sensitivity. Question 2.7 asked respondents to rate their agreement with the statement: "I like to shop where the prices are best". The responses to question 2.7 are discussed below.

Respondents' price sensitivity

The phrasing of question 2.7 did not refer specifically to Edgars, so responses could relate to any purchase occasion or location and must, therefore, be interpreted appropriately. Figure 5.21 illustrates the respondents' levels of agreement with the statement: "I like to shop where the prices are best".

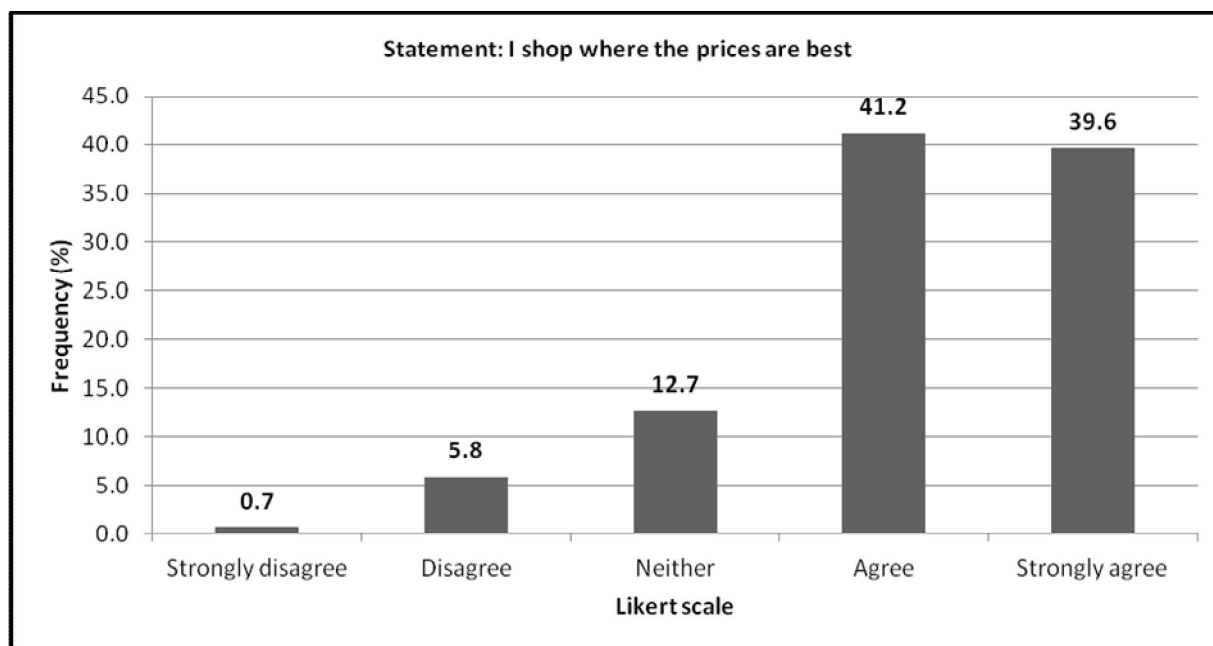


Figure 5.21 Respondents' price sensitivity

A significant number of respondents (80.8%) believe that they shop where prices are best. A total of 6.4% of the respondents disagree or strongly disagree with the statement, implying that price does not have a strong influence on their selection of where to purchase. Figure 5.21 shows that 12.7% of respondents neither agree nor disagree with the statement. These findings seem to indicate that the majority of the respondents consider themselves to be “clever” shoppers who shop where the prices are best, supporting the previous two findings presented in Figure 5.15 and Figure 5.16, where only 20.4% of the respondents felt that Edgars' prices were unreasonable and 12.7% of the respondents felt that Edgars' prices were not competitive. The results for question 2.7 also serve to highlight the importance of pricing to retail organisations.

In order to further explore the respondents' typical buying behaviour, respondents were asked in question 2.18 to rate their agreement with the statement: “I love finding bargains”. Responses to question 2.18 are discussed below.

Respondents' feelings about finding bargains

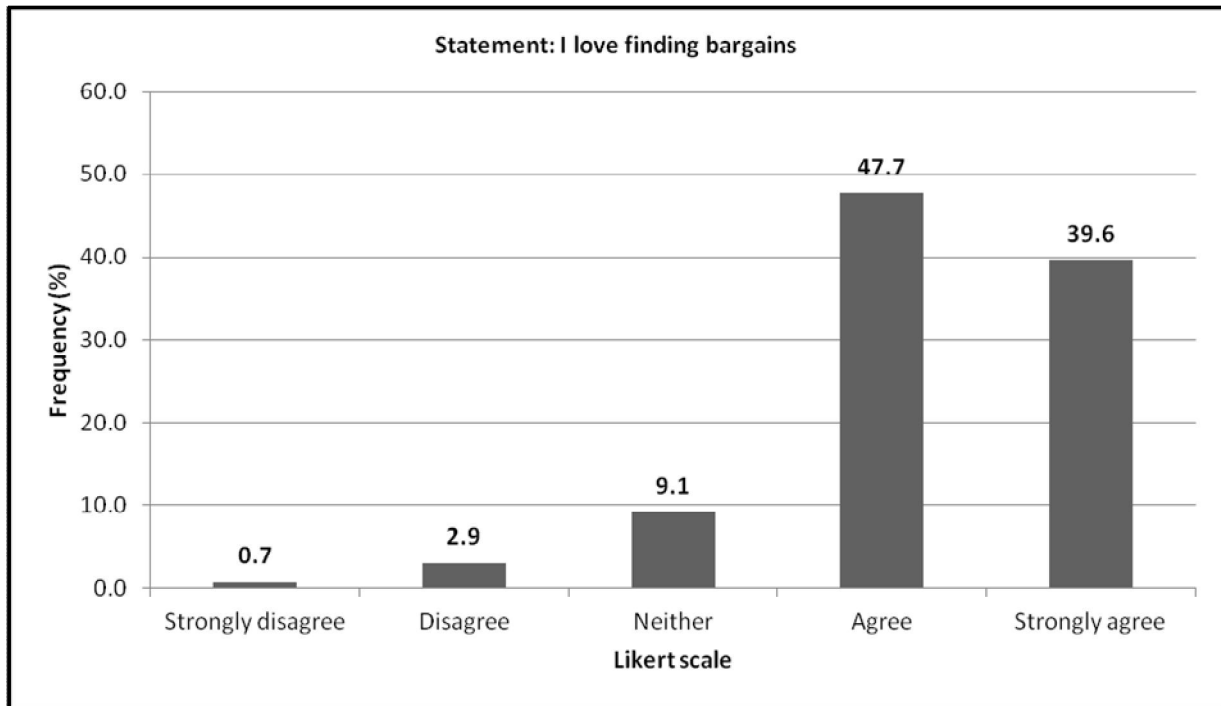


Figure 5.22 Respondent's feelings about finding bargains

From Figure 5.22 it can be seen that a total of 87.3% of respondents agree or strongly agree that they love to find bargains and 9.1% of respondents neither agree nor disagree with the statement. It is evident that for the majority of the respondents, finding a bargain is important to their purchasing behaviour. These findings imply that retail merchandise should always include a product item or line that represents exceptional value to a consumer in order to appeal to the consumer's desire to find a bargain. More research is required in order to establish the relative importance of the price of the bargain or the satisfaction that is found in the seeking out of the bargain.

Questions 2.7 and 2.18 established the respondents' attitudes towards bargains and their predisposition to shop where prices are best. Questions 2.17, 2.20 and 14 measured the respondents' current and future behavioural intentions towards Edgars. Question 2.17 measured consumers' current buying behaviour by asking respondents to rate their agreement with the statement: "I buy most of my clothes from Edgars".

Respondents' responses with regard to whether they currently buy most of their clothes from Edgars are discussed below.

Respondents' current purchasing behaviour with regard to Edgars

Figure 5.23 illustrates the responses to question 2.17.

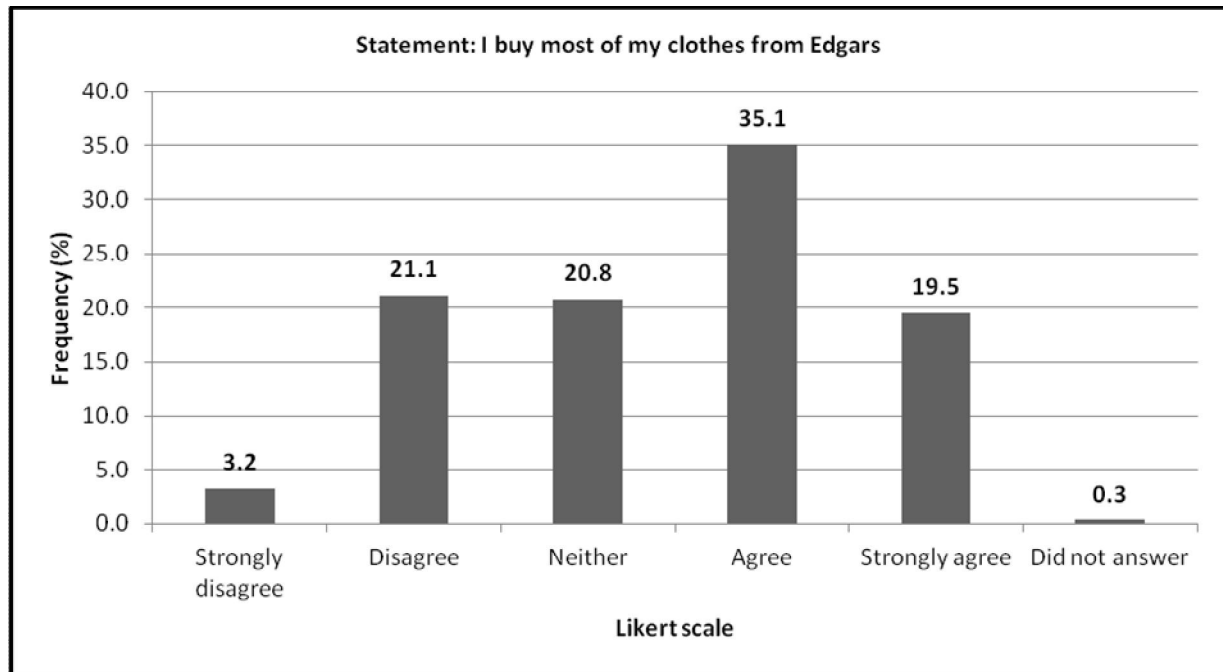


Figure 5.23 Respondents' current purchasing behaviour with regard to Edgars

From Figure 5.23 it is evident that 54.6% of respondents buy most of their clothes from Edgars, while 24.3% do not buy most of their clothes from Edgars. Chapter 2 highlighted that consumers who purchase the majority of their products from a single retailer might be loyal towards that retailer, or alternatively, their choice of retailers may be contractually bound or limited in some other way. This implies that the 54.6% of respondents who purchase most of their clothing from Edgars *may* be more loyal to Edgars, or there may be another reason for their directing the majority of their clothing purchases towards Edgars. These findings correlate strongly with the percentage of respondents (57.2%) who felt that Edgars' prices were reasonable, implying that one of the reasons for purchasing most of their clothes from Edgars could be the reasonable

prices. The reasons behind consumers' purchase choices and/or level of preference warrants further investigation.

Questions 2.20 and 14 measured the respondents' future behavioural intentions towards Edgars.

Respondents' intended future purchasing behaviour with regard to Edgars

Question 2.20 asked respondents to rate their agreement with the statement: "I am likely to buy even more of my clothes from Edgars in the future". The responses to question 2.20 are illustrated in Figure 5.24.

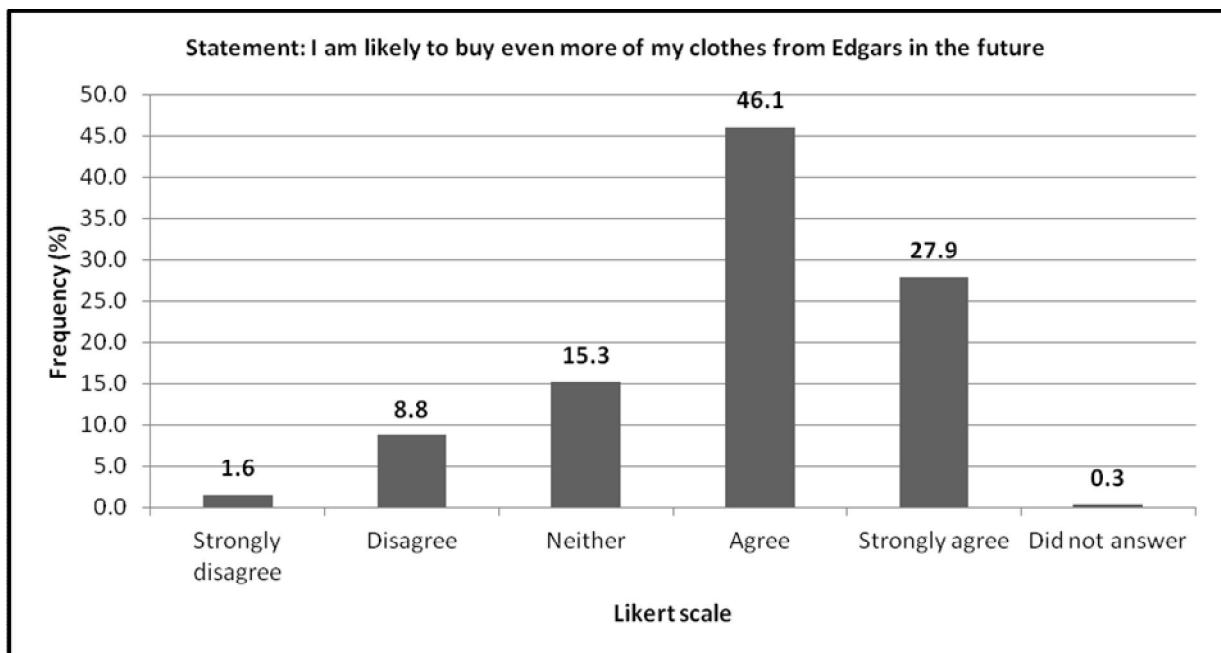


Figure 5.24 Respondents' intended future purchasing behaviour with regard to Edgars

Figure 5.24 illustrates that a total of 74% of respondents are likely to purchase even more clothes from Edgars in the future. While the likelihood of purchases may not translate into actual purchases in the future, it is promising to note that such a large percentage of respondents have positive future purchase intentions with regard to Edgars. A total of 25.7% of respondents do not plan to purchase even more clothes from Edgars in the future, or are indifferent to purchasing more clothing from Edgars in the

future. This may be a worrying finding, since one in every four of the respondents does not plan to purchase more of their clothes from Edgars in the future. The reasons for their responses warrant further investigation.

Question 14 asked respondents to express the likelihood that they would continue to use Edgars as one of the stores that they would purchase from in the future. The responses to question 14 are discussed below.

Respondents' likelihood of continuing to purchase from Edgars

Respondents were asked how likely it was that they would continue to use Edgars as one of the stores they purchased from. Responses are illustrated in Figure 5.25.

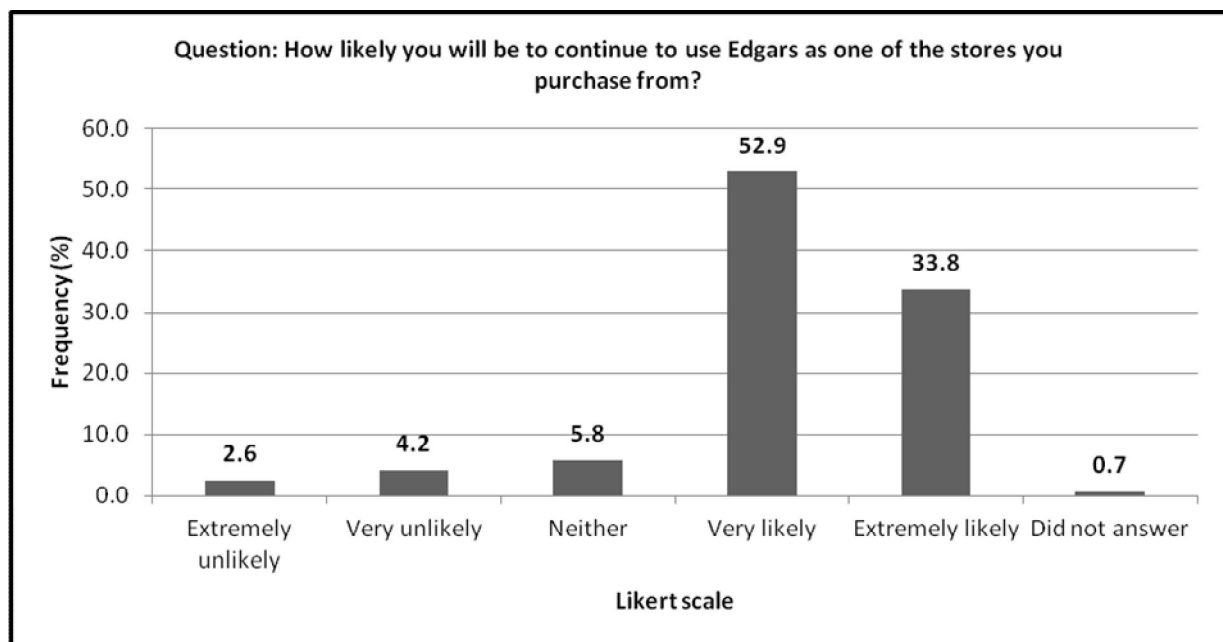
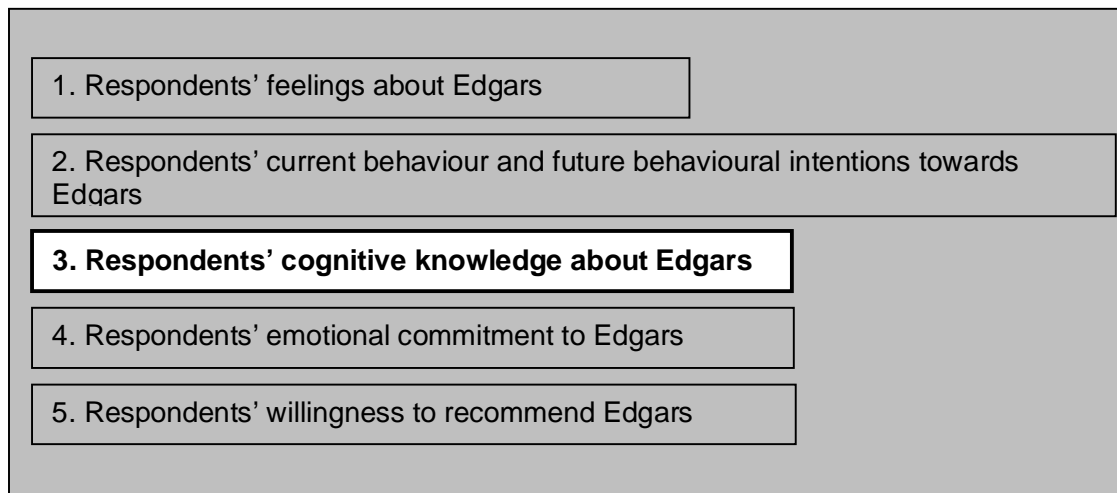


Figure 5.25 Respondents' likelihood of continuing to purchase from Edgars

It is evident from Figure 5.25 that a total of 86.7% of respondents are likely to continue to purchase from Edgars. This does not imply that respondents will only purchase from Edgars, but rather that Edgars will remain one of the potential retailers for future purchases. Figure 5.25 shows that a total of 6.8% of the respondents were unlikely to include Edgars as a retailer that they would purchase from. This would imply that these respondents have not been satisfied with their experiences with Edgars and this

warrants further investigation. Respondents who were undecided about including Edgars in their future purchases amounted to 5.8% of the respondents. Again, as with question 2.20 the reasons for this require further investigation.

The next element discussed is respondents' cognitive knowledge about Edgars.



5.3.6 Respondents' cognitive knowledge about Edgars

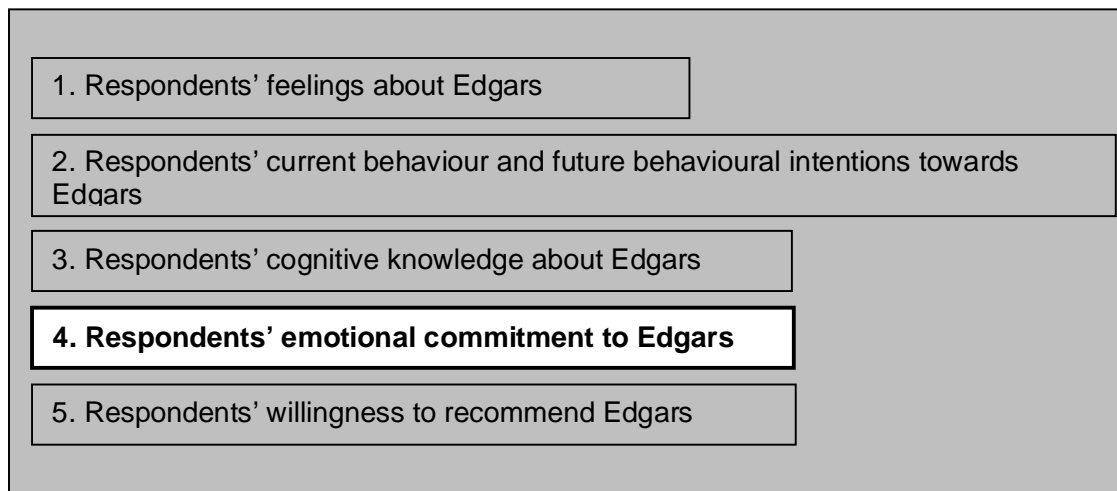
The respondents' cognitive knowledge about Edgars was measured by asking five yes or no questions (question 13.1 – 13.5). The results of these questions are illustrated in Table 5.3.

Table 5.3 Cognitive knowledge about Edgars

Question	Yes	No
13.1 The purple cash card is not an account card	65.6%	33.8%
13.2 Edgars is part of the Edcon group	51.0%	48.7%
13.3 Edgars is South Africa's largest clothing retailer	61.2%	38.8%
13.4 Purple cash card rewards cash purchases with a voucher	56.2%	43.5%
13.5 Edgars is no longer a subsidiary of SAB	14.0%	85.4%

The correct answer for each of the questions was “Yes”. Table 5.3 indicates that 65.6% of respondents were aware that the Purple Cash Card was not an account card, while 56.2% knew that the Purple Cash Card rewards cash purchases with a voucher. A slight majority (51.0% compared to 48.7%) of respondents were aware that Edgars is part of the Edcon group, while a substantial number of respondents (85.4%) believed that Edgars was still part of South African Breweries. Almost two thirds of the respondents (61.2%) were aware that Edgars is South Africa’s largest clothing retailer. The majority of the respondents correctly answered four of the five questions, indicating an adequate cognitive knowledge about Edgars. While the cognitive knowledge about Edgars is not convincing, it cannot be ignored as a potential factor that influences consumer loyalty towards Edgars. The high percentage of incorrect answers indicates that there is still a need for Edgars to educate their consumers regarding their payment options and competitive offerings.

Questions 2.2 and 2.13 measured the respondents’ emotional commitment towards Edgars and these responses are discussed below.



5.3.7 Respondents’ emotional commitment towards Edgars

Respondents’ emotional commitment towards Edgars was measured by questions 2.2 and 2.13. Question 2.2 asked respondents to rate their agreement with the statement: “I am very committed to Edgars”. The expression of commitment towards a retailer is an

outward sign of consumer loyalty and retailers such as Edgars desire to have a large percentage of consumers agree or strongly agree with the statement that they are very committed to the retailer.

Respondent's perception of their commitment to Edgars

Respondents' responses to question 2.2 are illustrated in Figure 5.26.

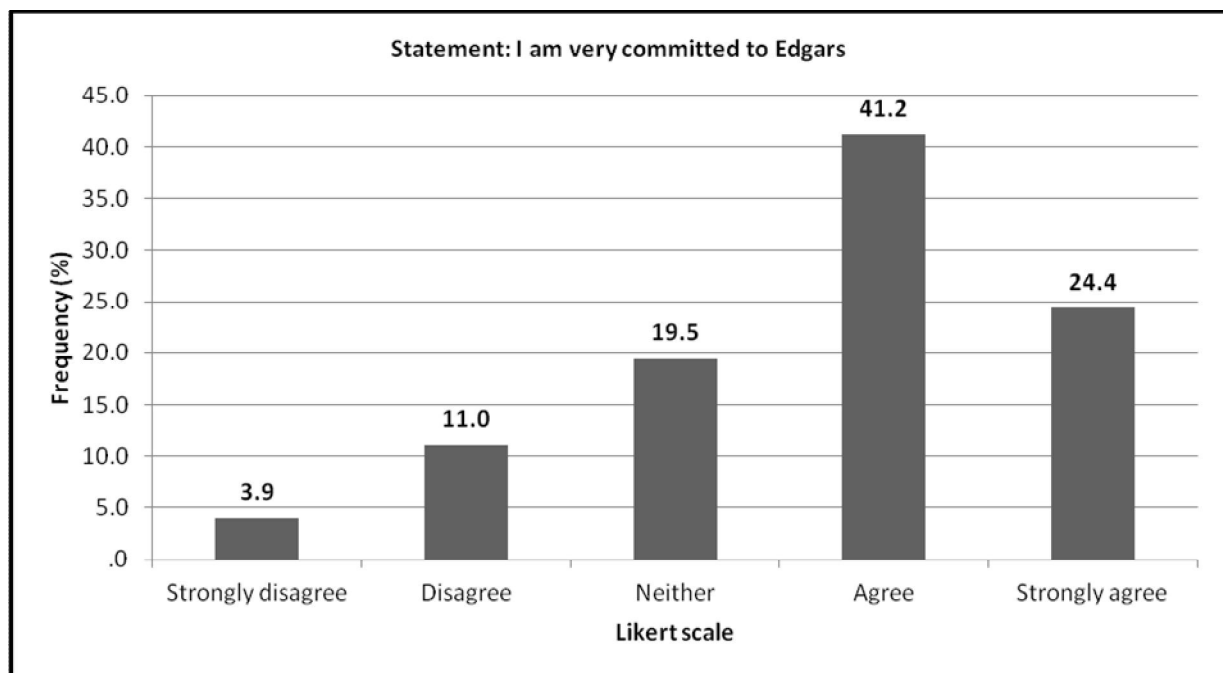


Figure 5.26 Respondents' perception of their commitment to Edgars

Figure 5.26 shows that a total of 65.6% of the respondents felt that they were very committed to Edgars, 19.5% neither agreed nor disagreed with the statement, while 14.9% of the respondents felt they were not very committed to Edgars. The total of 34.4% of respondents who were either indifferent with regard to their commitment to Edgars or were not committed, requires attention by Edgars and further research in order to discover why they were not committed to Edgars. Possible reasons for respondents not feeling that they are committed to Edgars include dissatisfaction with the prices, products or service received at Edgars stores, as discussed earlier in the chapter.

Respondents' feelings about not being able to purchase from Edgars

Question 2.13 asked respondents to rate their agreement with the statement: "It would matter a lot to me if I could no longer buy from Edgars". Respondents' feelings about not being able to purchase from Edgars anymore are illustrated in Figure 5.27.

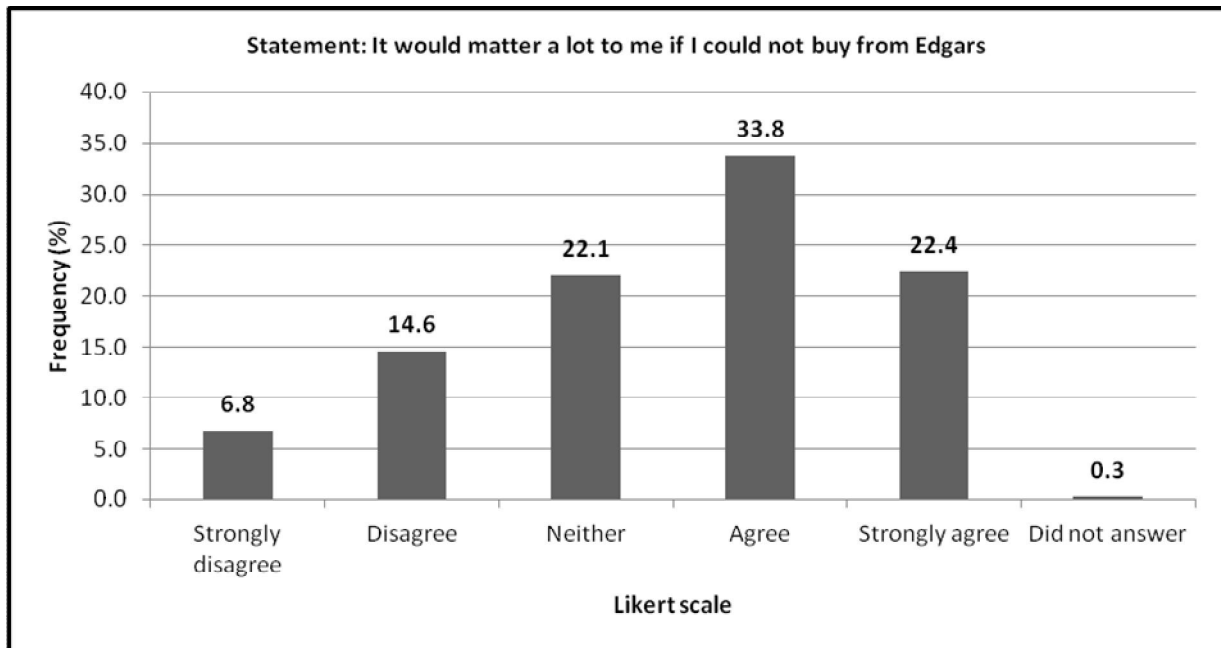
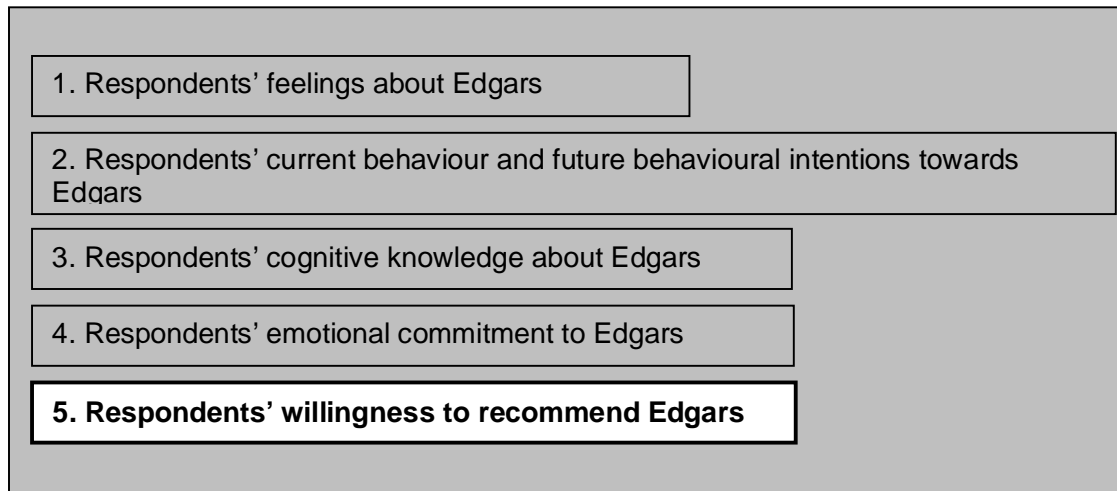


Figure 5.27 Respondents' feelings about not being able to purchase from Edgars

Figure 5.27 shows that it would matter a lot to 56.2% of the respondents if they could not purchase from Edgars anymore. A total of 43.5% of respondents were either indifferent or stated that it would not matter to them if they could not purchase from Edgars anymore. These findings draw attention to the fact that, while many consumers (86.7%) indicate that they are likely to purchase from Edgars in the future (as shown in Figure 5.21), it would only matter to 56.2% of respondents if they could not purchase from Edgars anymore. The high percentage of respondents who were indifferent to being able to purchase from Edgars anymore (22.1%) is also a reason for concern, although it must be interpreted in conjunction with the 65.6% of respondents who felt that they were committed to Edgars.

As discussed in Chapters 2 and 4, the willingness to recommend a retailer to a friend or colleague is a recognised indicator of consumer loyalty. Respondents' willingness to recommend Edgars to their friends is discussed below.



5.3.8 Respondents' willingness to recommend Edgars

A consumer's willingness to recommend a retailer to friends or colleagues is regarded by Reichheld (2006:19) as a key indicator of loyalty towards the retailer, forming the basis of the Net Promoter Score to predict organisational growth based on consumer loyalty. Figure 5.28 illustrates respondents' levels of agreement with the statement: "I would recommend Edgars to my friends".

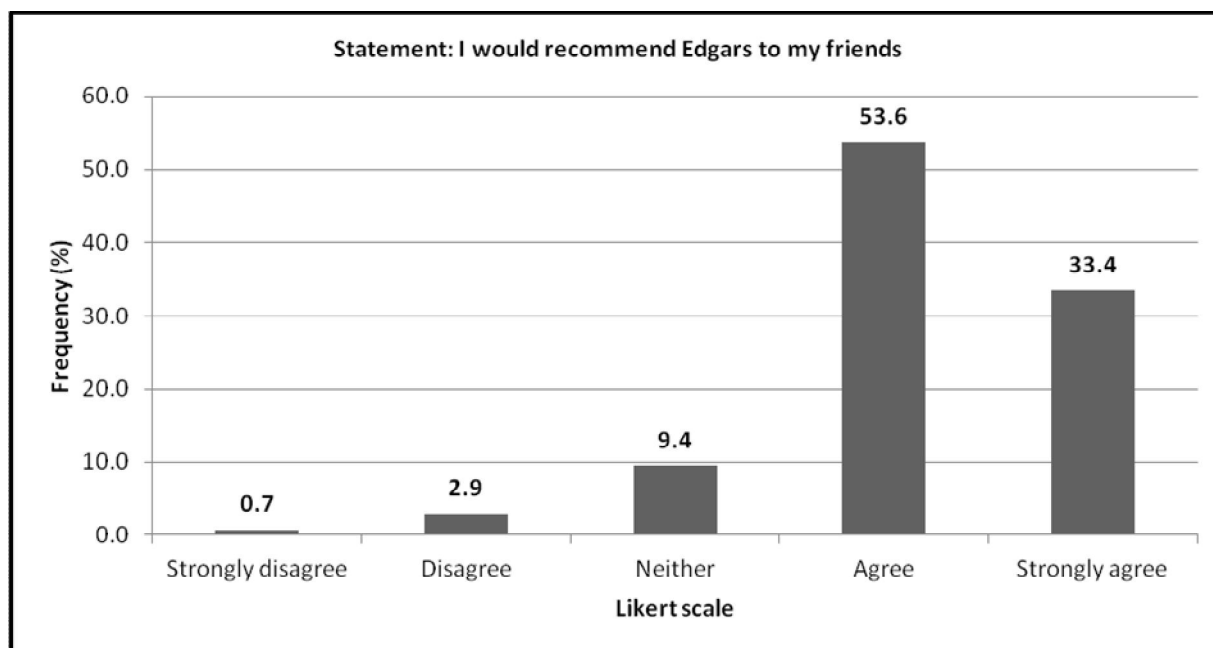


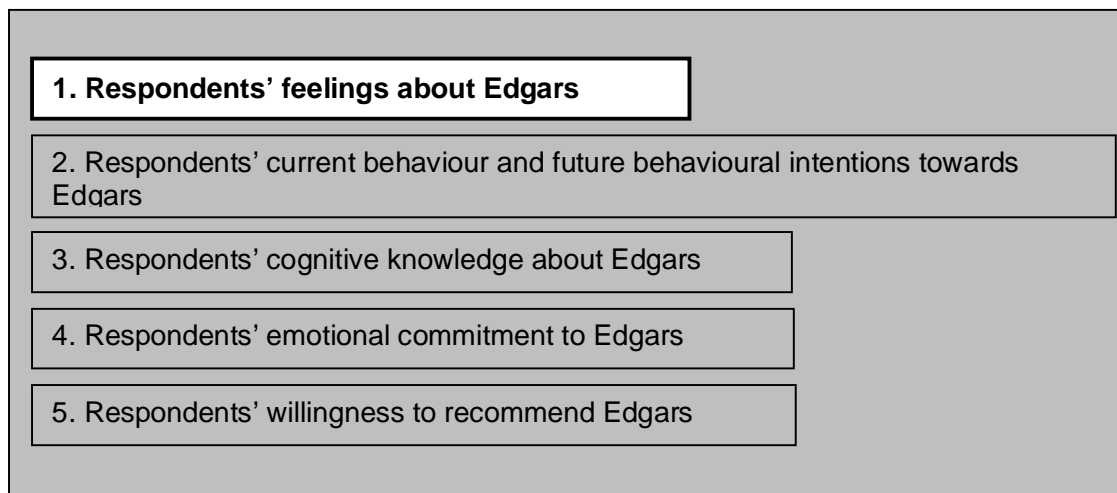
Figure 5.28 Respondents' willingness to recommend Edgars

Figure 5.28 shows that the majority of the respondents (87%) indicated that they would recommend Edgars to their friends, while a total of 12.9% of the respondents would not recommend Edgars to their friends or were indifferent to the statement. Since willingness to recommend is a good indicator of consumer loyalty, the fact that 12.9% of the respondents are not willing to recommend Edgars raises questions regarding their loyalty. It is interesting to note, however, that the percentage of respondents who are willing to recommend Edgars (87%) is greater than those who perceive themselves to be committed to Edgars (65.6%) and is more in line with the percentage of respondents who thought it likely that they would continue to include Edgars as a store that they would purchase from in the future (86.7%).

In order to achieve the secondary objective of the study, which is to compare the consumer groups in terms of the factors that influence consumer loyalty towards Edgars, certain questions were asked only to specific consumer groups. In the next section, descriptive statistics will present the responses to the consumer group specific questions.

5.4 Descriptive statistics per question for each consumer group

Descriptive statistics are those analyses of data that describe, show or summarise the data in a meaningful way (Anon20 2012:1). Findings were measured by, once again, looking at respondents' feelings about Edgars, their current and future behavioural intentions towards Edgars, their cognitive knowledge about Edgars, their emotional commitment towards Edgars and their willingness to recommend Edgars to their friends. Each of these aspects is analysed below, beginning with the respondents' feelings about Edgars.



5.4.1 Respondents' feelings towards Edgars stores (by consumer group)

Each of the questions will now be described in terms of the individual consumer groups.

The atmosphere in Edgars stores (by consumer group)

Figure 5.29 represents the respondents' feelings towards the atmosphere in Edgars stores by consumer group.

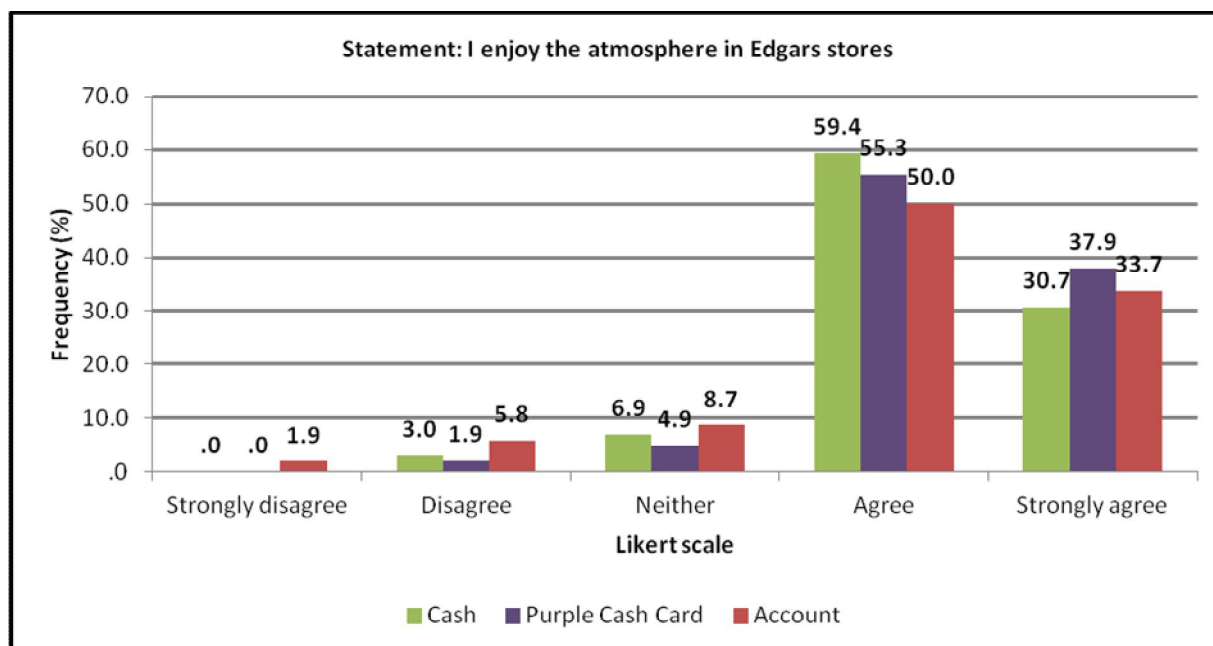


Figure 5.29 The atmosphere in Edgars stores (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

It can be seen from Figure 5.29 that the three consumer groups are fairly similar in their feelings about the atmosphere in Edgars stores. Purple Cash Card members displayed the most positive responses with a total of 93.2% of the group agreeing or strongly agreeing that they enjoy the atmosphere in Edgars stores. Cash only consumers were the second most positive group with a total of 90.1% enjoying the atmosphere in Edgars stores. Account consumers were still largely positive, but less so than the other two consumer groups with only 83.7% agreeing or strongly agreeing with the statement. Account holders also had the highest percentage of respondents who were indifferent to the atmosphere in Edgars stores with 8.7% of respondents neither agreeing nor disagreeing with the statement; and the only consumer group to have respondents (1.9%) who strongly disagreed with the statement and 5.8% reporting that they did not enjoy the atmosphere in Edgars stores.

Table 5.4 indicates the descriptive statistics for question 2.1 in order to further describe the findings.

Table 5.4 Descriptive statistics for question 2.1

Statement: I enjoy the atmosphere in Edgars stores	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	4.18	4.18	4.29	4.08
Minimum	1	2	2	1
Maximum	5	5	5	5

From Table 5.4 it can be seen that the mean score for the cash only consumers directly reflects that of the total sample at 4.18. The account holders have the lowest mean score of 4.08 while the Purple Cash Card members have the highest with 4.29. Cash only consumers and Purple Cash Card members appear to feel the most positive towards the atmosphere in Edgars stores as they have no respondents who strongly disagree with the statement.

The music played in Edgars stores (by consumer group)

Figure 5.30 represents the respondents' feelings about the music played in Edgars stores according to consumer group.

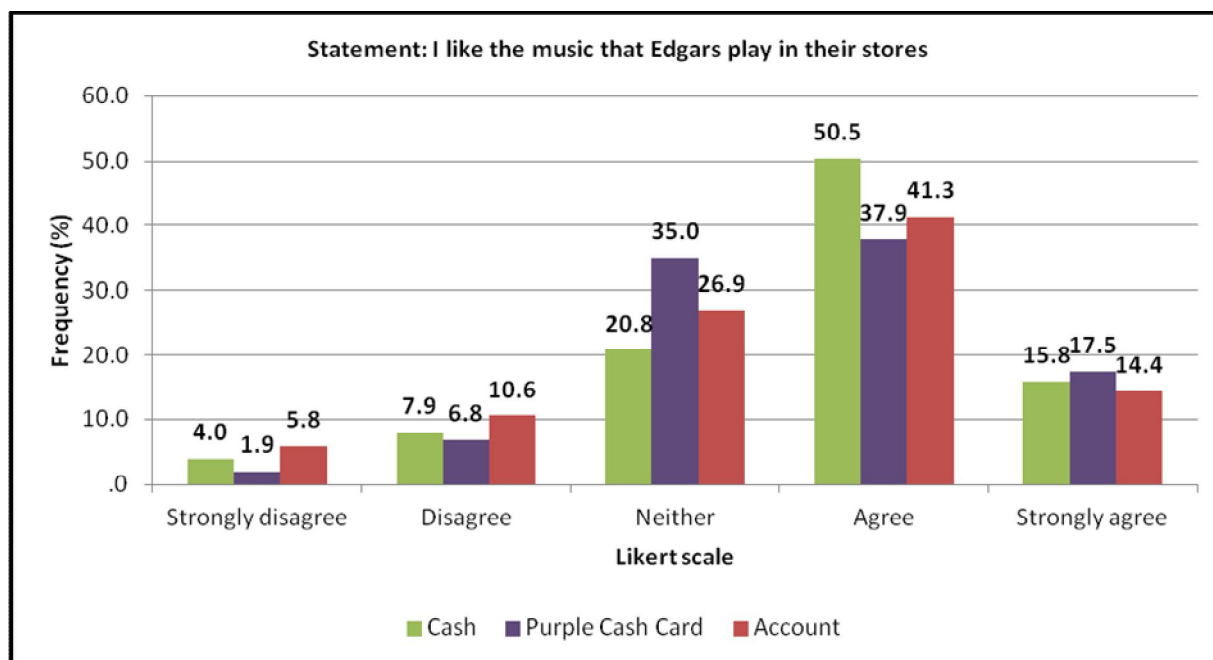


Figure 5.30 The music played in Edgars stores (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.30 illustrates that there is a larger spread of responses regarding the music than the atmosphere (as illustrated in Figure 5.29). Account holders were the most negative, with a total of 16.4% disagreeing or strongly disagreeing with the statement that they liked the music that Edgars plays in their stores. A total of 11.9% of cash only consumers also strongly disagreed or disagreed, while only 8.7% of the Purple Cash Card members did not like the music played in Edgars stores. Purple Cash Card members were the most indifferent to the music played in the store by a considerable margin, 35% of respondents neither agreed nor disagreed with the statement, versus only 26.9% of the account holders and 20.8% of the cash only consumers showing indifference to the statement. It can be seen from Figure 5.30 that the cash only consumers were the most positive about the music played in Edgars stores with a total of 66.3% of respondents liking the music that is played in Edgars stores. Account holders and Purple Cash Card members were very similar in their agreement or strong agreement with the statement with 55.4% and 55.7%, respectively.

Table 5.5 indicates the descriptive statistics for question 2.6 in order to further describe the findings.

Table 5.5 Descriptive statistics for question 2.6

Statement: I like the music played in Edgars stores	Total Sample	Cash	Purple Cash Card	Account
N	305	100	102	103
Missing	3	1	1	1
Mean	3.59	3.67	3.63	3.49
Minimum	1	1	1	1
Maximum	5	5	5	5

Table 5.5 indicates that account holders have a considerably lower mean score than the other two consumer groups and a score lower than the total sample. Cash only consumers feel the most positive about the music played in Edgars stores, with a mean score of 3.67. Purple Cash Card members scored slightly lower at 3.63 which is still higher than the mean for the total sample. The account holder respondents' apparent dislike for the music played in Edgars stores could be one of the reasons that they also had the most negative feelings about the atmosphere in Edgars stores.

Respondents' feelings towards Edgars' store design and layout by consumer group are discussed below.

Edgars store design and layout (by consumer group)

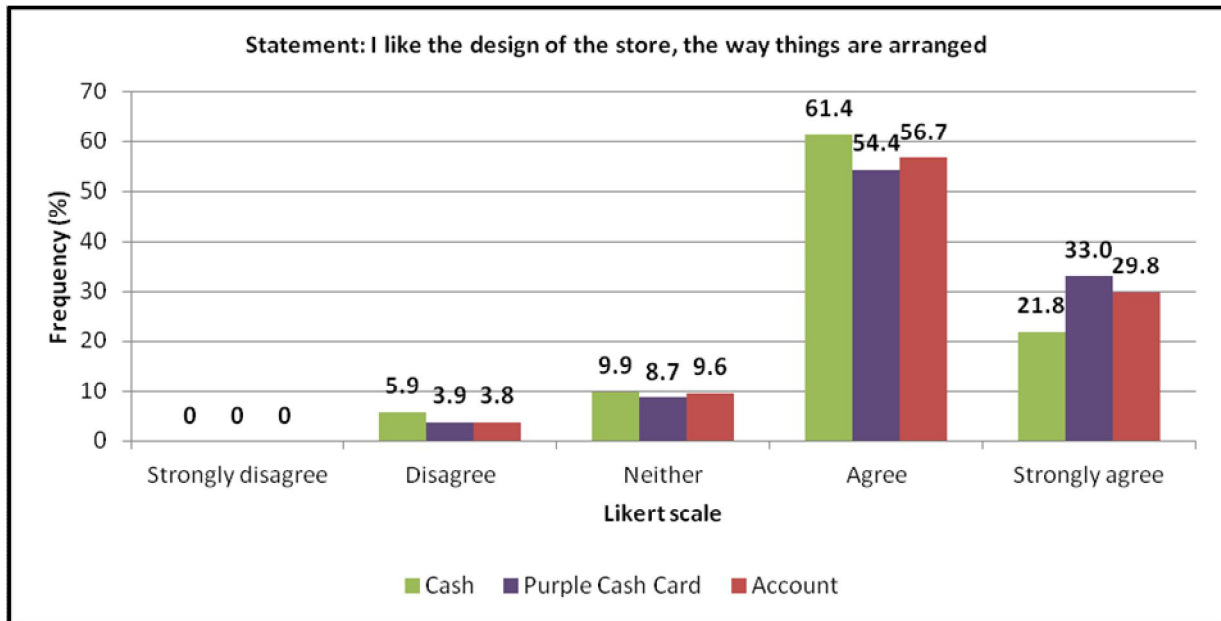


Figure 5.31 Edgars store design and layout (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.31 illustrates a general positive feeling about the design of Edgars' stores and the way that things are arranged. Purple Cash Card members and account holders agreed or strongly agreed with the statement the most, with totals of 87.4% and 86.5%, respectively. A total of 83.2% of cash only consumers liked the design of the store and the way that things are arranged. A large percentage of respondents in all three groups were indifferent to the design of the stores and the way that things are arranged, with 9.9% of the cash only consumers, 8.7% of the Purple Cash Card members and 9.6% of the account holders neither agreeing nor disagreeing with the statement. Cash only consumer group respondents had the highest number of respondents who disagreed with the statement, while Purple Cash Card members and account holders had a very similar number of respondents who did not like the design of the stores and the way that things are arranged.

Table 5.6 indicates the descriptive statistics for question 2.16 in order to further describe the findings.

Table 5.6 Descriptive statistics for question 2.16

Statement: I like the design of the store, the way things are arranged	Total Sample	Cash	Purple Cash Card	Account
N	307	100	103	104
Missing	1	1	0	0
Mean	4.10	4.00	4.17	4.13
Minimum	2	2	2	2
Maximum	5	5	5	5

Table 5.6 indicates that Purple Cash Card members had the highest mean score and felt the most positively about the design of the store and the way that things were arranged with a mean score of 4.17, which was 0.07 higher than the mean for the total sample. Cash only consumers had a mean score of 0.10 lower than the total sample at 4.00. Table 5.7 represents a collation of the highest and lowest means of all atmosphere related questions for the consumer groups.

Table 5.7 High and low means for store atmosphere related questions by consumer group

	Question 2.1	Question 2.6	Question 2.16
Highest Mean	Purple Cash Card	Cash	Purple Cash Card
Lowest Mean	Account	Account	Cash

Table 5.7 indicates that Purple Cash Card respondents had the highest mean scores on two out of the three store atmosphere questions, while account holders scored lowest on two out of the three questions. This implies that account holder respondents feel the most negatively about the atmosphere in Edgars stores, while Purple Cash Card

respondents feel the most positively. It would be pertinent for Edgars to pay attention to elements of store atmosphere, such as music, in order to accommodate all of their consumer groups.

Questionnaire design, as discussed in Chapter 4, incorporated questions that measured the respondents' attitudes towards Edgars' merchandise. The responses to these questions according to consumer group are discussed below.

5.4.2 Respondents' feelings about Edgars' merchandise (by consumer group)

Questions 2.5, 2.8, 2.10 and 2.12 asked respondents to rate their agreement with statements regarding Edgars products. The first question asked respondents to rate their agreement with the statement that they always get the products that they want from Edgars.

Desired product availability at Edgars (by consumer group)

Figure 5.32 describes consumers' feelings of whether or not they always get the products that they want from Edgars.

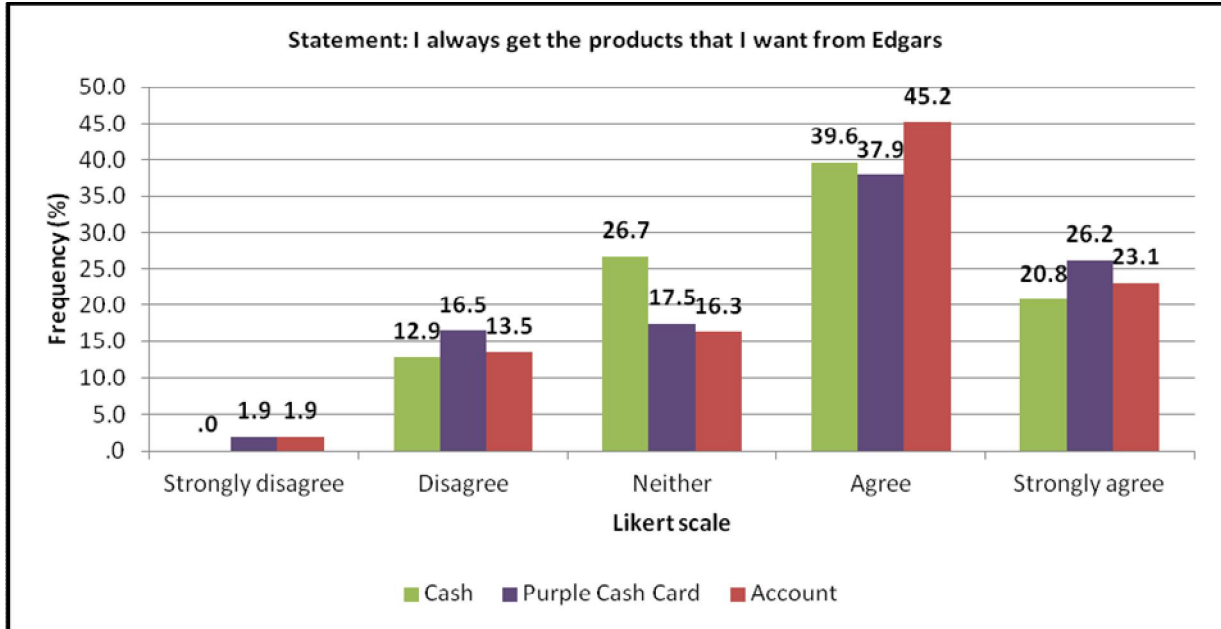


Figure 5.32 Desired product availability at Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

It can be seen from Figure 5.32 that a total of 60.4% of cash only consumer group respondents feel that they always get the products that they want from Edgars. A total of 64.1% of Purple Cash Card member respondents felt the same, while a total of 68.3% of account holders strongly agreed or agreed with the statement. Account holders had the least amount of neutral responses with only 16.3% of account holder respondents neither agreeing nor disagreeing with the statement, versus totals of 18.4% and 12.9% for the Purple Cash Card members and the cash only consumers, respectively. It would appear that since cash only consumers have the smallest percentage of respondents who strongly disagreed or disagreed with the statement, that they feel the most positive about the availability of desired merchandise at Edgars, however, they also have the largest percentage of respondents who neither agreed nor disagreed with the statement (a total of 26.7%).

Table 5.8 indicates the descriptive statistics for question 2.5 in order to further describe the findings.

Table 5.8 Descriptive statistics for question 2.5

Statement: I always get the products that I want from Edgars	Total Sample	Cash	Purple Cash Card	Account
N	308.00	101	103	104
Missing	0	0	0	0
Mean	3.71	3.68	3.70	3.74
Minimum	1	2	1	1
Maximum	5	5	5	5

Table 5.8 indicates that account holders have the highest mean score of 3.74 and feel the most positively about always getting the products that they want from Edgars. Cash only consumers had the lowest mean score of 3.68, yet were the only group to not have any respondents who strongly disagreed with the statement. There are no significant differences between the mean scores of the three consumer groups, with each of the groups' means being within 0.03 of the mean for the total sample. These findings indicate, specifically, that account holders are satisfied with the procurement processes at Edgars and that they consistently find the products that they are looking for at Edgars.

Edgars' selection of products (by consumer group)

Question 2.8 asked respondents to rate their agreement with the statement that Edgars has a good selection of products. The responses to question 2.8 are illustrated in Figure 5.33.

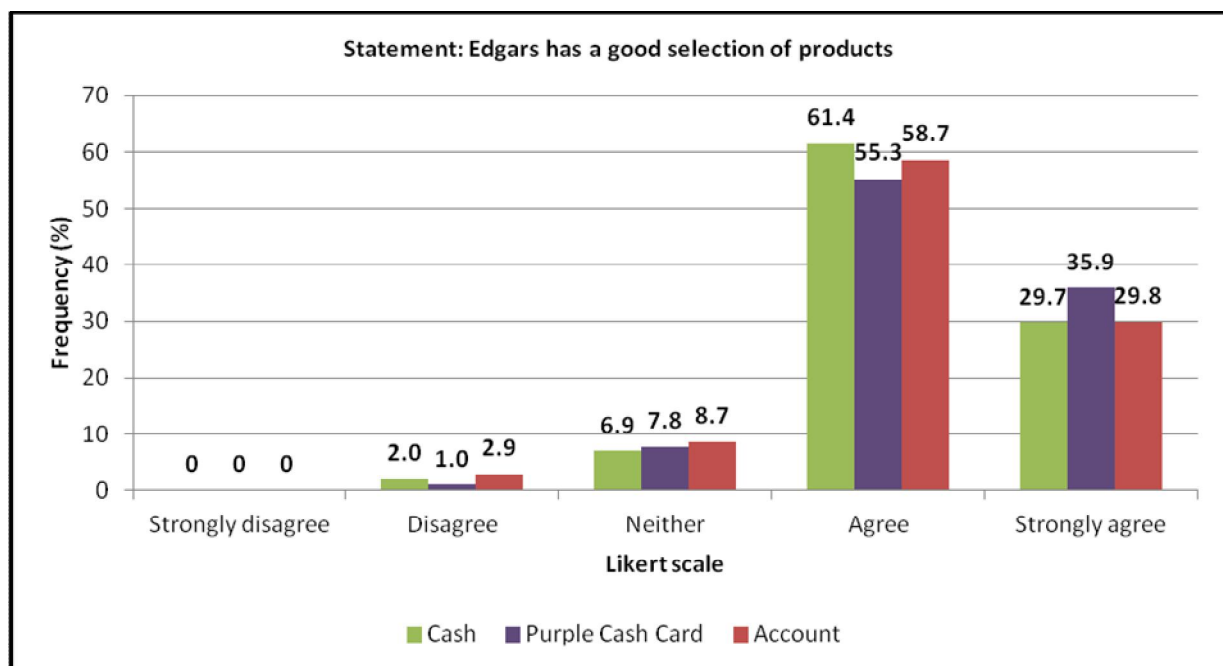


Figure 5.33 Edgars' selection of products (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

From Figure 5.33 it becomes evident that Purple Cash Card members feel the most positively about Edgars' selection of products, with 91.2% of respondents agreeing or strongly agreeing with the statement. Cash only consumers feel similarly positive with 91.1% of respondents agreeing or strongly agreeing that Edgars has a good selection of products. Account holders only had 88.5% of respondents who agreed or strongly agreed with the statement, while also having the highest percentage of respondents who disagreed (2.9%) and the highest percentage of indifferent respondents (8.7%). Purple Cash Card members had the lowest percentage of respondents who disagreed with the statement that Edgars has a good selection of products (1%).

Table 5.9 indicates the descriptive statistics for question 2.8 in order to further describe the findings.

Table 5.9 Descriptive statistics for question 2.8

Statement: Edgars has a good selection of products	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	4.20	4.19	4.26	4.15
Minimum	2	2	2	2
Maximum	5	5	5	5

Table 5.9 shows that Purple Cash Card consumers felt the most positively about Edgars' selection of products with a mean score of 4.26, which was 0.06 higher than the mean for the total sample, and 0.09 higher than the account holders' mean. Cash only consumers were slightly below the mean of the total sample at 4.19. It appears to be highly contradictory that account holders feel the least positive that Edgars has a good selection of products, yet feel the most positive about always getting the products that they want from Edgars. The account holder respondents appear to have a more complex relationship with Edgars than the other consumer groups, which could possibly

be due to the rigid nature of the credit contract. The relationship between Edgars and the account holders warrants further investigation.

The next question regarding Edgars' merchandise was question 2.12 which asked respondents to rate their agreement with the statement: "Edgars has quality products". Respondents' attitudes towards Edgars' product quality is displayed in Figure 5.34.

Edgars's product quality (by consumer group)

Respondents' feelings about Edgars' product quality are illustrated in Figure 5.34.

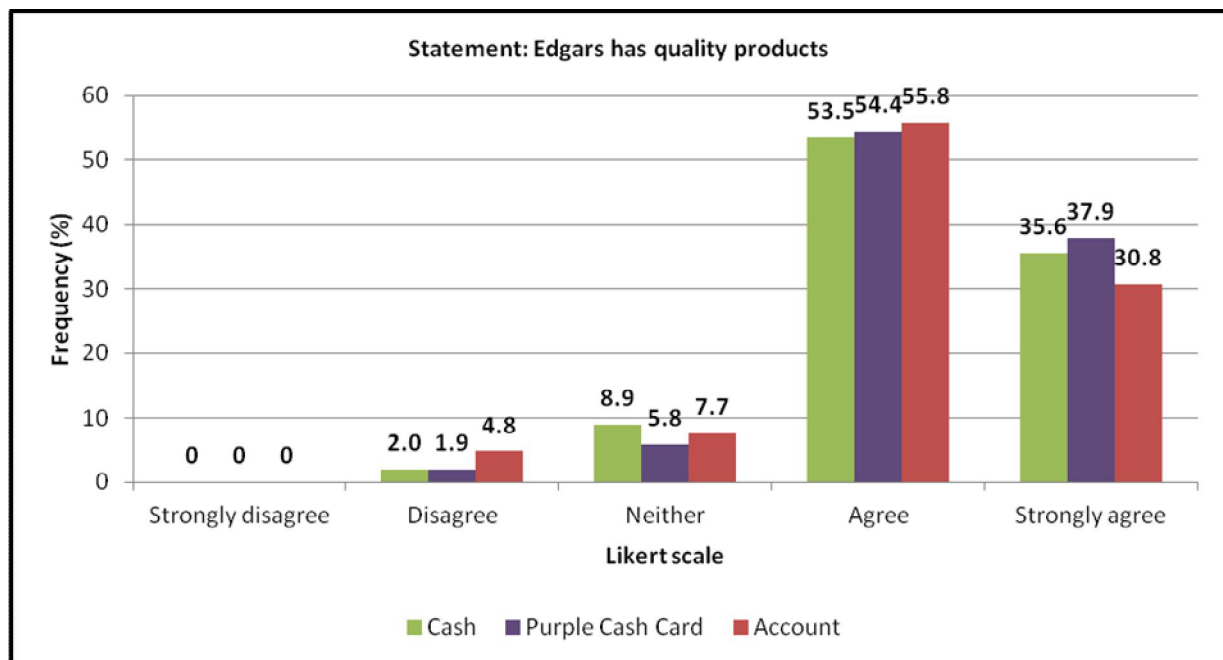


Figure 5.34 Edgars' product quality (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.34 illustrates that while none of the respondents strongly disagreed with the statement that Edgars have quality products, a large percentage of respondents disagreed or were neutral regarding Edgars' product quality. A total of 12.5% of account holder respondents indicated that they either disagreed with the statement or neither disagreed nor agreed. A total of 10.9% of cash only consumers felt the same, with only

7.7% of Purple Cash Card members either disagreeing with the statement or indicating a neutral position. The account holder respondents felt the least positive about Edgars' product quality with 4.8% less than the cash only group and 7.1% less than the Purple Cash Card members, who strongly agreed with the statement. These anomalies, again, highlight the need for further research into the nature of the account holders' relationships with Edgars.

Table 5.10 indicates the descriptive statistics for question 2.12 in order to further describe the findings.

Table 5.10 Descriptive statistics for question 2.12

Statement: Edgars has quality products	Total Sample	Cash	Purple Cash Card	Account
N	307	101	103	103
Missing	1	0	0	1
Mean	4.21	4.23	4.28	4.14
Minimum	2	2	2	2
Maximum	5	5	5	5

Table 5.10 further confirms the account holders' negativity with regard to Edgars' product quality with a mean score of 4.14, which was 0.07 lower than the mean score for the total sample; 0.14 lower than the Purple Cash Card respondents and 0.09 lower than the cash only respondents.

Fashionableness of Edgars' merchandise (by consumer group)

Fashionableness was previously defined as "the state of enjoying widespread approval". The fashionableness of Edgars' merchandise is now discussed by consumer group.

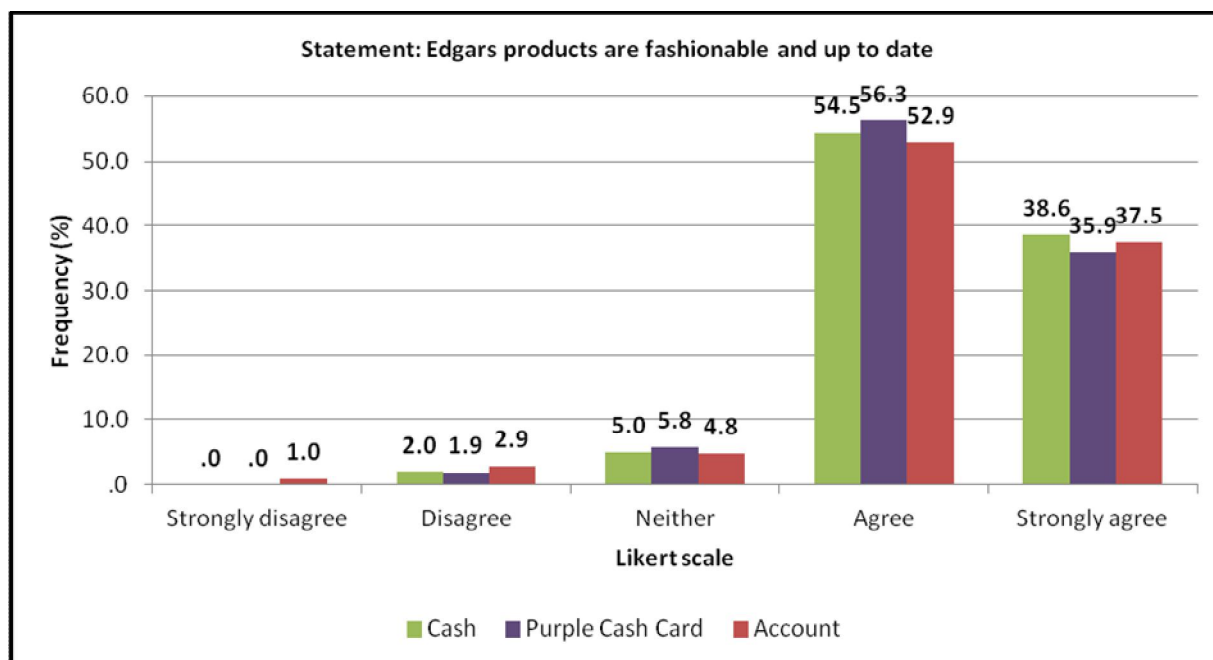


Figure 5.35 Fashionableness of Edgars' merchandise (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.35 shows that all three consumer groups have totals of more than 90% of respondents who agree or strongly agree with the statement that Edgars products are fashionable and up to date. Cash only consumers have the most positive feelings about Edgars merchandise, with a total of 93.1% of cash only respondents agreeing or strongly agreeing with the statement. Purple Cash Card members were the second most positive with a total of 92.2% who agree or strongly agree that Edgars' products are fashionable and up to date. Account holders were the least positive with a total of only 90.4% agreeing or strongly agreeing with the statement. Account holders were also the only consumer group that had respondents (1.0%) who strongly disagreed with the statement, and the most respondents who disagreed (2.9%).

Table 5.11 indicates the descriptive statistics for question 2.10 in order to further describe the findings.

Table 5.11 Descriptive statistics for question 2.10

Statement: Edgars products are fashionable and up to date	Total Sample	Cash	Purple Cash Card	Account
N	307	101	103	103
Missing	1	0	0	1
Mean	4.27	4.30	4.26	4.24
Minimum	1	2	2	1
Maximum	5	5	5	5

Table 5.11 reiterates that cash only consumers felt the most positive about Edgars' products being fashionable and up to date with a mean score of 4.30, which was 0.03 above the mean for the total sample. Account holders were, once again, the most negative of the groups with the lowest mean score of 4.24. Table 5.12 represents a collation of the highest and lowest means for the merchandise related questions for all consumer groups.

Table 5.12 High and low means for merchandise related questions by consumer group

	Question 2.5	Question 2.8	Question 2.10	Question 2.12
Highest Mean	Account	Purple Cash Card	Cash	Purple Cash Card
Lowest Mean	Cash	Account	Account	Account

It is clear from Table 5.12 that the account holders have the lowest mean in three out of the four merchandise related questions, implying that, on average, they have the most negative feelings towards Edgars merchandise out of the three consumer groups. Purple Cash Card respondents had the highest means in two out of the three merchandise questions, implying that they have the most positive feelings towards Edgars merchandise.

As discussed in Chapter 4, questions 2.4, 2.9, 2.11 and 2.14 measured respondents' attitudes towards the different aspects of customer service received at Edgars stores. These will be discussed below.

5.4.3 Respondents' feelings about service received at Edgars stores

Overall perception of Edgars' service (by consumer group)

Figure 5.36 depicts respondents' attitudes towards the overall service received at Edgars stores.

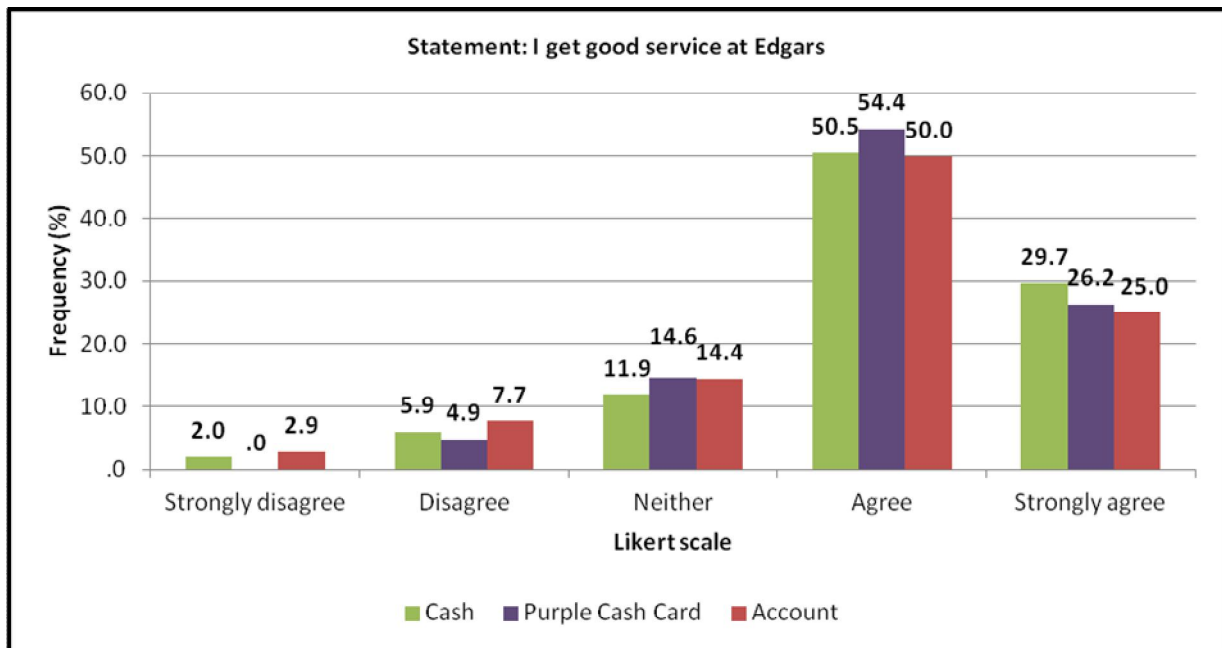


Figure 5.36 Overall perception of Edgars' service (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

From Figure 5.36 it is evident that a total of 7.9% of cash only respondents feel that they do not get good service at Edgars, a total of 4.9% of Purple Cash Card members feel the same and a total of 10.6% of the account holders also strongly disagree or disagree with the statement that they get good service at Edgars. It can be assumed that respondents who neither agreed nor disagreed with the statement that they get good

service at Edgars have not had positive service experiences at Edgars and can, therefore, be identified as a group worthy of further research. On the positive side, a total of 75% of account holders feel that they do get good service at Edgars, as do a total of 80.2% of cash only consumers. A total of 80.6% of Purple Cash Card respondents agree or strongly agree with the statement that they get good service at Edgars.

Table 5.13 indicates the descriptive statistics for question 2.4 in order to further describe the findings.

Table 5.13 Descriptive statistics for question 2.4

Statement: I get good service at Edgars	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	3.96	4.00	4.02	3.87
Minimum	1	1	2	1
Maximum	5	5	5	5

From Table 5.13 it is clear that the account holder consumer group scored a mean of only 3.87, which is 0.09 lower than the mean for the total sample. Purple Cash Card members had the highest mean score of 4.02, which was .06 higher than the mean for the total sample. Cash only respondents' mean score was 4.00.

Question 2.9, continuing on the subject of service received at Edgars stores, measured whether respondents felt that they waited too long in queues when paying at the tills. The responses to question 2.9 are discussed below.

Time spent in queues waiting to pay at Edgars (by consumer group)

Figure 5.37 represents respondents' feelings about time spent waiting in queues at Edgars till points.

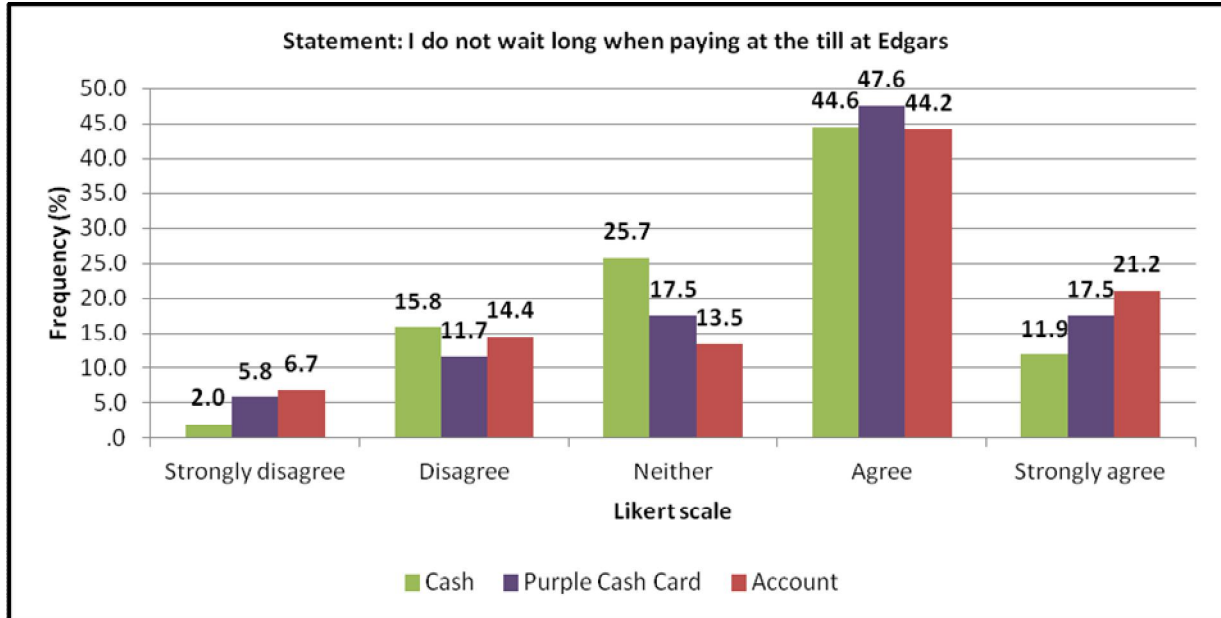


Figure 5.37 Time spent waiting to pay at Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.37 illustrates that a total of 17.8% of cash only respondents feel that they wait too long when paying at the tills at Edgars. A total of 17.5% of Purple Cash Card respondents and a total of 21.1% of account holder respondents also strongly disagreed or disagreed with the statement that they do not wait long when paying at the tills at Edgars. From Figure 5.37 it is apparent that a further 25.7% of cash only respondents, 17.5% of Purple Cash Card members and 13.5% of account holders neither agree nor disagree with the statement. The high percentage of cash only consumers who neither agreed nor disagreed with the statement may imply that time spent waiting in queues is not important to this consumer group. A total of only 56.5% of cash only respondents felt that they do not wait long when paying at the tills at Edgars as opposed to a total of 65.1% of Purple Cash Card respondents and a total of 65.4% of account holders. It is pertinent to note that the account holder group had the highest percentage of

respondents who strongly agreed with the statement. This could be indicative of increased tolerance on the part of these consumers or a different perspective with regard to consumer service. The high number of respondents who felt that they wait long when paying at the till at Edgars warrants further investigation, especially with regard to staff allocation and scheduling.

Table 5.14 indicates the descriptive statistics for question 2.9 in order to further describe the findings.

Table 5.14 Descriptive statistics for question 2.9

Statement: I do not wait long when paying at the tills at Edgars	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	3.56	3.49	3.59	3.59
Minimum	1	1	1	1
Maximum	5	5	5	5

From Table 5.14 it is apparent that Purple Cash Card members and account holders have similar mean scores of 3.59, which are 0.03 above the mean score for the total sample. Cash only consumers have the lowest mean score of 3.49, which is 0.10 below the mean scores of the other two consumer groups. It is clear from the low mean scores of all three consumer groups that the consumer groups perceive that they wait long when paying at the tills at Edgars.

Question 2.11 asked respondents to rate their agreement with the statement: "There is sufficient help available when I need it". These responses are discussed below.

Sufficient help available at Edgars (by consumer group)

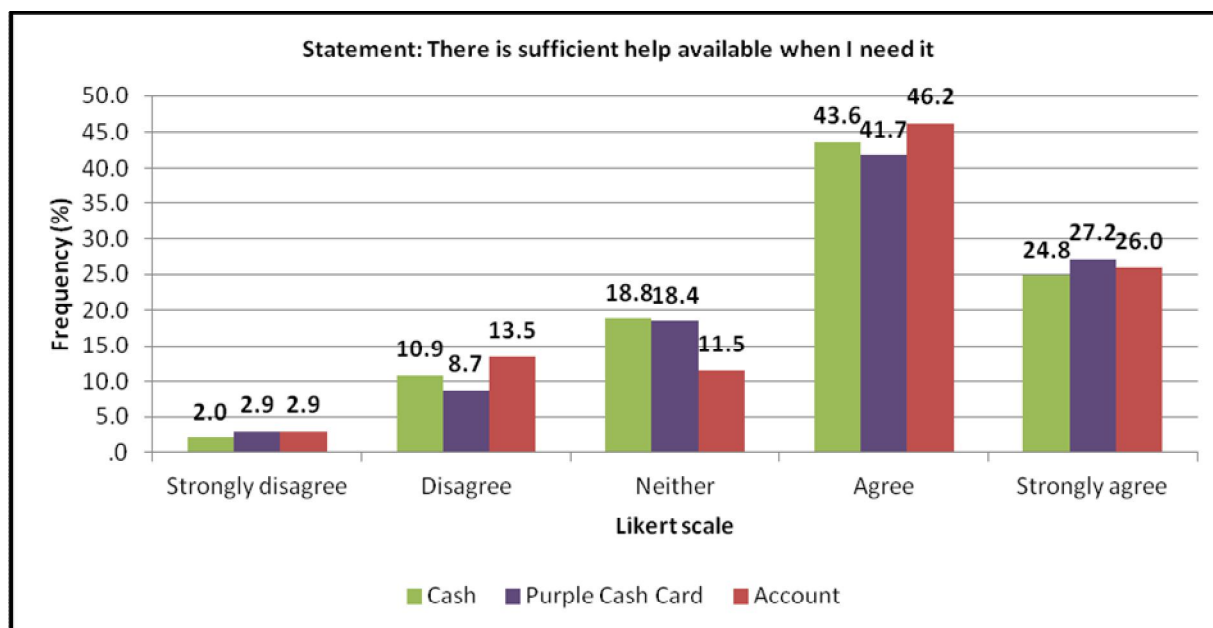


Figure 5.38 Sufficient help available at Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.38 shows that a total of 12.9% of cash only respondents felt that there was not sufficient help available when needed at Edgars. A total of 11.6% of Purple Cash Card respondents also strongly disagreed or disagreed with the statement. A total of 16.4% of account holder respondents also felt that there was not sufficient help available when needed. Account holder respondents were, however, the most positive with a total of 72.2% agreeing or strongly agreeing with the statement. A total of 68.9% of the Purple Cash Card respondents, and a total of 68.4% of cash only respondents felt that there was sufficient help available when they needed it. It is clear from Figure 5.38 that a large number of respondents in each group neither agreed nor disagreed with the statement that there is sufficient help available when needed. Account holders represented both the most positive and most negative responses with the least number of indifferent respondents.

Table 5.15 indicates the descriptive statistics for question 2.11 in order to further describe the findings.

Table 5.15 Descriptive statistics for question 2.11

Statement: There is sufficient help available when I need it	Total Sample	Cash	Purple Cash Card	Account
N	307	101	102	104
Missing	1	0	1	0
Mean	3.80	3.78	3.82	3.79
Minimum	1	1	1	1
Maximum	5	5	5	5

Table 5.15 indicates that the mean score for the total sample was 3.80. Purple Cash Card respondents were the only consumer group that scored a marginally higher mean, with 3.82. Account holders were the next highest, with a mean score of 3.79, followed by cash only respondents who scored 3.78.

As discussed in section 5.4.4, the next question to address the levels of service received at Edgars was question 2.14, which asked respondents to indicate their agreement with the statement: “Edgars staff are very friendly”. Respondents’ feelings about the friendliness of Edgars’ staff are discussed below.

Friendliness of Edgars’ staff (by consumer group)

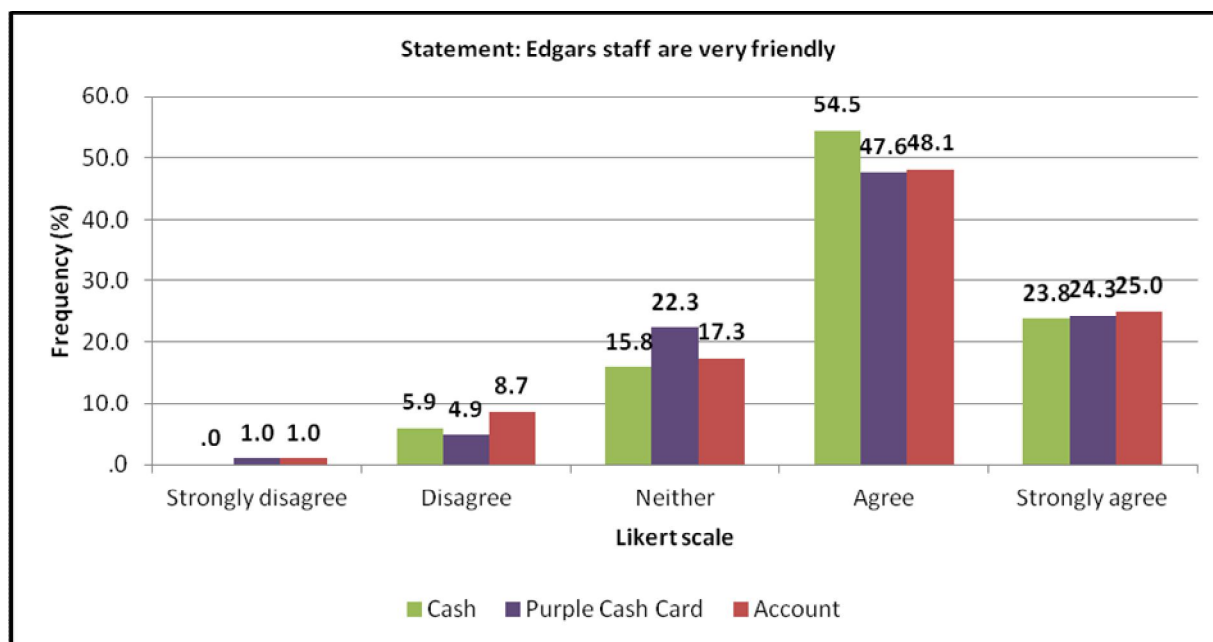


Figure 5.39 Friendliness of Edgars' staff (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.39 shows that a total of 5.9% of cash only respondents and a total of 5.9% of Purple Cash Card member respondents felt that Edgars' staff were not very friendly, a total of 9.7% of account holders also disagreed or strongly disagreed with the statement. A total of 78.3% of cash only respondents felt that Edgars' staff are very friendly, while 15.8% neither agreed nor disagreed with the statement. A total of 71.9% of Purple Cash Card respondents agreed or strongly agreed that Edgars staff are very friendly, while 22.3% of the Purple Cash Card respondents neither agreed nor disagreed with the statement. A total of 73.1% of account holder respondents agreed or strongly agreed with the statement, while 17.3% of the account holder respondents were indifferent with regard to the friendliness of Edgars' staff. The responses from all three consumer groups were consistent, as indicated in Table 5.16. Table 5.16 represents the descriptive statistics for question 2.14 in order to further describe the findings.

Table 5.16 Descriptive statistics for question 2.14

Statement: Edgars staff are very friendly	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	3.91	3.96	3.89	3.88
Minimum	1	2	1	1
Maximum	5	5	5	5

Table 5.16 shows that cash only consumer respondents have a higher mean score, of 3.96, than the total sample score of 3.91. Purple Cash Card respondents and account holders had similar mean scores of 3.89 and 3.88, respectively.

From section 5.4.3 it is clear that the sample was not overwhelmingly positive about the service at Edgars. None of the service related questions (2.4, 2.9, 2.11 and 2.14) had a mean score higher than 3.96, which is clearly indicative of a problem area. Table 5.17 indicates which of the consumer groups had the highest and lowest mean scores for each of the four service related questions. Table 5.17 indicates a collation of the highest and lowest means for the service related questions over all consumer groups.

Table 5.17 High and low means for service related questions by consumer group

	Question 2.4	Question 2.9	Question 2.11	Question 2.14
Highest Mean	Purple Cash Card	Purple Cash Card & Account	Purple Cash Card	Cash
Lowest Mean	Account	Cash	Cash	Account

From Table 5.17 it is clear that the Purple Cash Card respondents had the highest mean scores for three out of the four questions. Account holders and cash only respondents had the lowest means for two out of the four questions, each. It is apparent that cash

only respondents and account holder respondents feel the most negatively about the service at Edgars, while Purple Cash Card respondents feel the most positively.

Respondents' feelings towards Edgars were measured by considering four aspects of retail shopping, namely, atmosphere, merchandise, service and price. Respondents' attitudes towards Edgars' prices are discussed below.

5.4.4 Respondents' feelings about Edgars' prices (by consumer group)

Questions 2.3 and 2.15 directly measure respondents' feelings about Edgars' prices. The responses to question 2.3, which asked respondents to indicate their agreement with the statement: "Edgars' products are reasonably priced", are discussed below.

Edgars' prices (by consumer group)

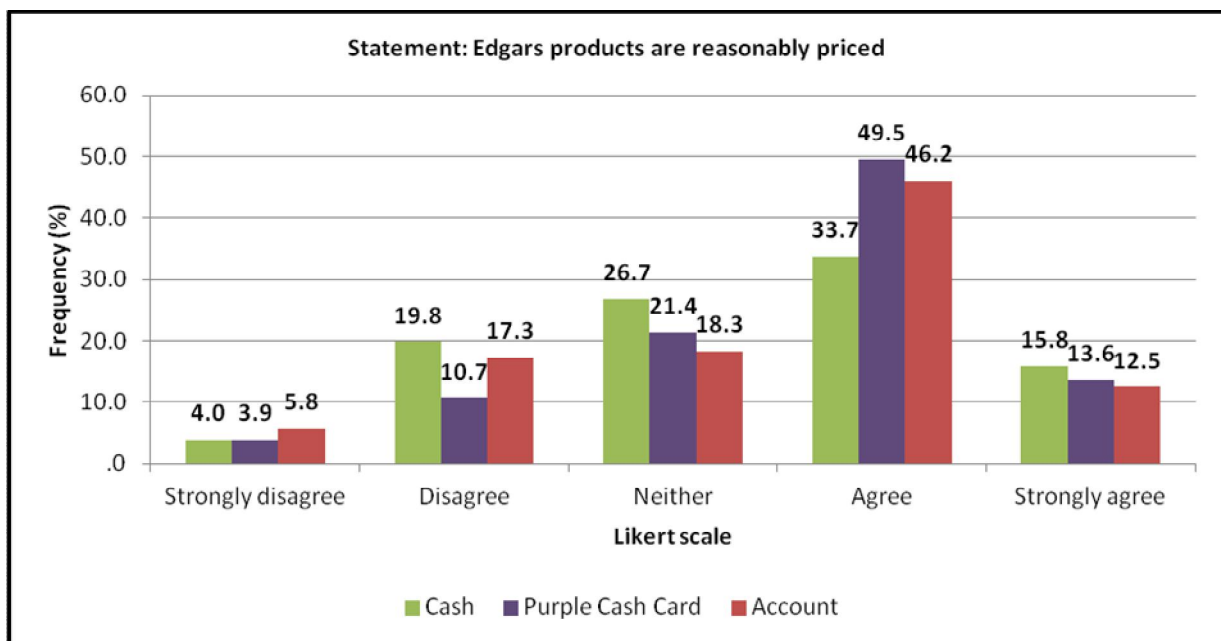


Figure 5.40 Edgars' prices (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.40 illustrates that a total 23.8% of cash only respondents do not feel that Edgars' prices are reasonable. A total of 14.6% of Purple Cash Card respondents strongly disagreed or disagreed with the statement that Edgars' prices are reasonable, while 23.1% of account holder respondents also felt that Edgars' products are not reasonably priced. Figure 5.40 further illustrates that 26.7% of cash only respondents neither agreed nor disagreed with the statement, as opposed to 21.4% and 18.3% for Purple Cash Card respondents and account holder respondents, respectively. A total of 49.5% of cash only respondents agreed or strongly agreed with the statement that Edgars' products are reasonably priced. A total of 63.1% of Purple Cash Card respondents felt that Edgars' prices were reasonable. A total of 58.7% of account holder respondents felt that Edgars' prices were reasonable.

Table 5.18 indicates the descriptive statistics for question 2.3 in order to further describe the findings.

Table 5.18 Descriptive statistics for question 2.3

Statement: Edgars products are reasonably priced	Total Sample	Cash	Purple Cash Card	Account
N	307	101	102	104
Missing	1	0	1	0
Mean	3.46	3.38	3.59	3.42
Minimum	1	1	1	1
Maximum	5	5	5	5

From Table 5.18 it is clear that the Purple Cash Card respondents had a higher mean than the other consumer groups and the total sample. Purple Cash Card respondents had a mean of 3.59, which was 0.17 higher than the account holders and 0.21 higher than the cash only respondents. It is apparent that Purple Cash Card respondents felt more positive about Edgars' prices being reasonable than the other consumer groups.

Competitiveness of Edgars' prices (by consumer group)

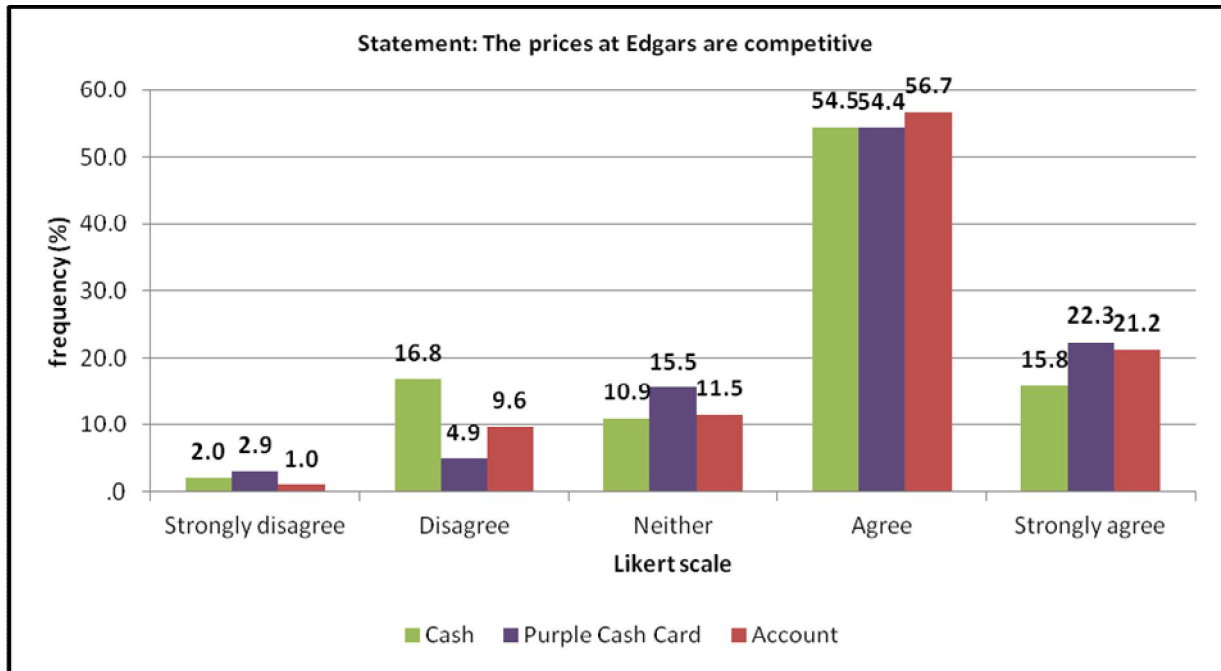


Figure 5.41 Competitiveness of Edgars' prices (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

From Figure 5.41 it is evident that a total of 70% of cash only respondents feel that Edgars' prices are competitive. A total of 76.7% of Purple Cash Card respondents, and a total of 77.9% account holders also agreed or strongly agreed with the statement that the prices at Edgars are competitive. The highest percentage of respondents who strongly disagreed or disagreed that Edgars' prices are competitive came from the cash only respondents, where a total of 18.8% felt that Edgars' prices were not competitive. A total of 7.8% of Purple Cash Card respondents felt that Edgars' prices were not competitive, while a total of 10.6% of account holders felt the same. The highest percentage of respondents who neither agreed nor disagreed with the statement came from the Purple Cash Card respondents, with 15.5% being neutral about the competitiveness of Edgars' prices. Account holder respondents and cash only

respondents who neither agreed nor disagreed amounted to 11.5% and 10.9%, respectively.

Table 5.19 Descriptive statistics for question 2.15

Statement: The prices at Edgars are competitive	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	3.81	3.65	3.88	3.88
Minimum	1	1	1	1
Maximum	5	5	5	5

Table 5.19 shows that the cash only respondents scored the lowest mean of all three groups, 0.16 below the mean of the total sample. Both Purple Cash Card respondents and account holders mean scores were 3.88, 0.07 above the mean for the total sample. These findings further serve to highlight the fact that cash only respondents do not feel positively that the prices at Edgars are reasonable or competitive.

Table 5.20 represents a collation of the highest and lowest means for the price related questions over all consumer groups.

Table 5.20 High and low means for price related questions by consumer group

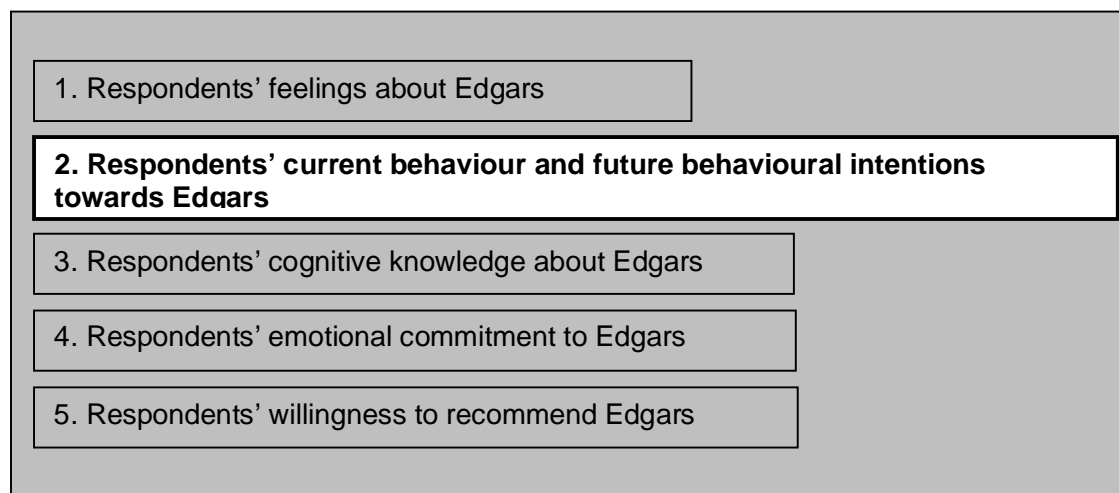
	Question 2.3	Question 2.15
Highest Mean	Purple Cash Card	Purple Cash Card & Account
Lowest Mean	Cash	Cash

Table 5.20 shows that cash only respondents had the lowest means for both price related questions, indicating negative feelings about Edgars' prices. Purple Cash Card respondents scored highest on both questions, while account holder respondents shared the highest mean score for question 2.15 with the Purple Cash Card

respondents. It is apparent that there is a problem with the perception of Edgars' prices amongst cash only respondents, which warrants further investigation.

5.4.5 Respondents current behaviour and future buying behaviour towards Edgars (by consumer group)

As discussed in Chapter 4, in order to explore respondents' current and future buying behaviour towards Edgars, respondents' behaviour with regard to price sensitivity and bargains was measured. Questions 2.7 and 2.18 measured respondents' buying behaviour with regard to price sensitivity. Question 2.7 asked respondents to rate their agreement with the statement: "I like to shop where the prices are best". The responses to question 2.7 are discussed below.



Respondents' price sensitivity (by consumer group)

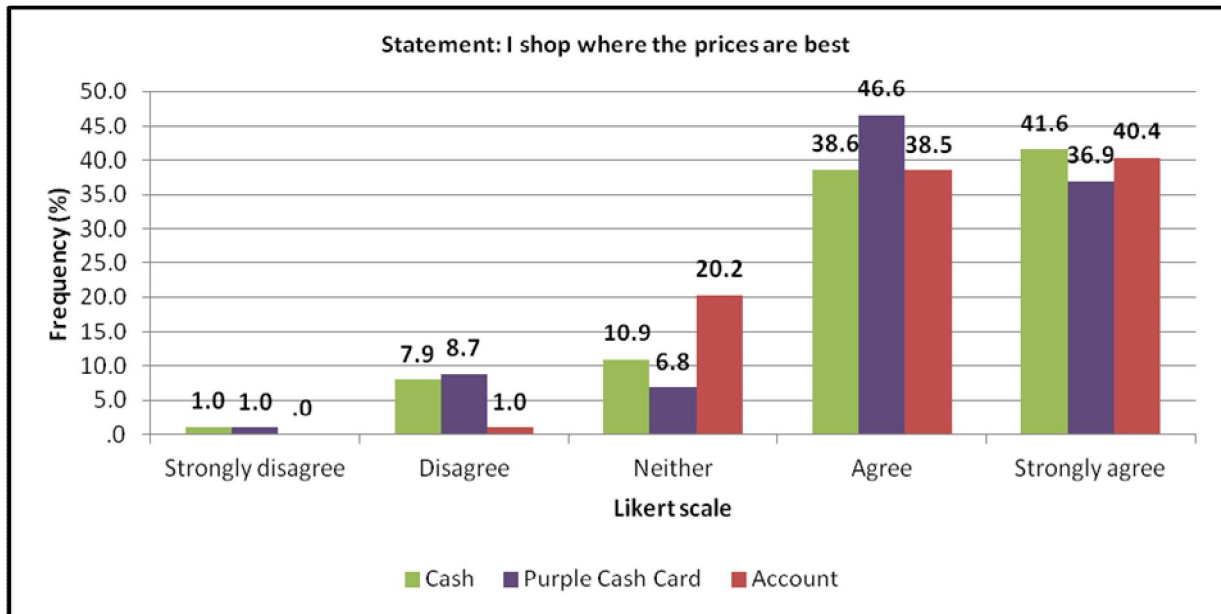


Figure 5.42 Respondents' price sensitivity (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

From Figure 5.42 it can be seen that very few respondents strongly disagreed with the statement that they shop where prices are best. Only 1% of account holder respondents disagreed with the statement, while 8.7% and 7.9% of Purple Cash Card respondents and cash only respondents, respectively, also disagreed with the statement. A large percentage (20.2%) of account holder respondents neither agreed nor disagreed with the statement. A further 6.8% and 10.9% of Purple Cash Card respondents and cash only respondents, respectively, also responded that they neither agree nor disagree with the statement. A total of 78.9% of account holder respondents felt that they shopped where prices were best. A total of 83.5% of Purple Cash Card respondents agreed or strongly agreed that they shop where prices are best. A total of 80.2% of cash only respondents also felt that they shopped where prices were best. Table 5.21 indicates the descriptive statistics for question 2.7 in order to further describe the findings.

Table 5.21 Descriptive statistics for question 2.7

Statement: I shop where the prices are best	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	4.13	4.12	4.10	4.18
Minimum	1	1	1	2
Maximum	5	5	5	5

From Table 5.21 it is evident that Purple Cash Card respondents had the lowest mean of the three consumer groups. Account holders had the highest mean, even though they had the largest percentage of respondents who neither agreed nor disagreed with the statement.

In order to further explore respondents' typical buying behaviour, respondents were asked in question 2.18 to rate their agreement with the statement: "I love finding bargains". Responses to question 2.18 are discussed below.

Respondents' feelings about finding bargains (by consumer group)

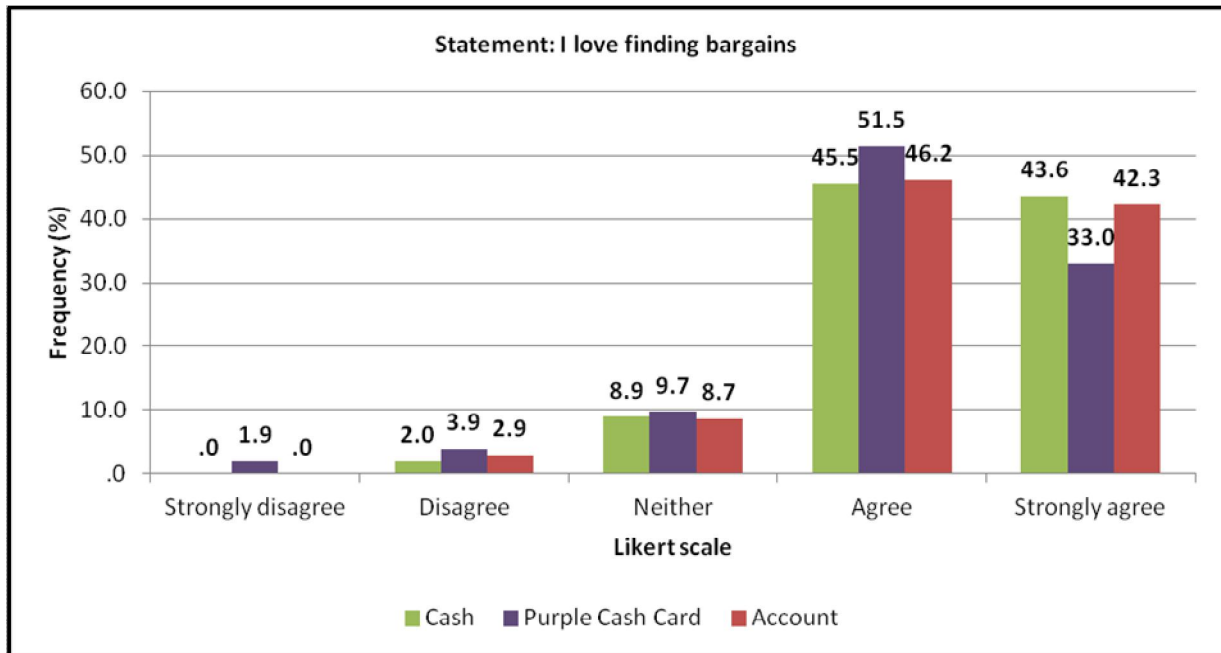


Figure 5.43 Respondents' feelings about finding bargains (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

It is evident from Figure 5.43 that the three consumer groups differ in their feelings regarding bargains. A total of 5.8% of Purple Cash Card respondents disagree or strongly disagree with the statement that they love finding bargains. Only 2.0% of cash only consumers and 2.9% of account holders disagreed with the statement. Figure 5.43 further shows that less than 10% of all three consumer groups, respectively, were neutral with regard to finding bargains. Purple Cash Card respondents were the least positive about finding bargains, with a total of 84.5% agreeing or strongly agreeing with the statement. A total of 88.5% of account holder respondents also agreed or strongly agreed that they love finding bargains, with a total of 89.1% of cash only respondents also agreeing or strongly agreeing with the statement. Purple Cash Card respondents showed the most fluctuation in their positivity, having the highest percentage of respondents who agreed with the statement and the lowest percentage of respondents who strongly agreed. The other consumer groups were more consistent in their positivity

about finding bargains. Table 5.22 indicates the descriptive statistics for question 2.18 in order to further describe the findings.

Table 5.22 Descriptive statistics for question 2.18

Statement: I love finding bargains	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	4.23	4.31	4.10	4.28
Minimum	1	2	1	2
Maximum	5	5	5	5

Table 5.22 indicates that Purple Cash Card respondents had the lowest mean for question 2.18. The Purple Cash Card respondents' mean was 4.10, which was 0.13 lower than the mean for the total sample. Account holder respondents and cash only respondents were clearly more positive about finding bargains, with means of 4.28 and 4.31, respectively. From Table 5.22 it can be seen that the cash only respondents felt the most positive about finding bargains.

Questions 2.7 and 2.18 established the respondents' attitudes towards bargains and their predisposition to shop where prices are best. Questions 2.17, 2.20 and 14 measured the respondents' current and future behavioural intentions towards Edgars. Question 2.17 measured consumers' current buying behaviour by asking respondents to rate their agreement with the statement: "I buy most of my clothes from Edgars". Respondents' responses with regard to whether or not they currently buy most of their clothes from Edgars are discussed below.

Respondents' current purchasing behaviour with regard to Edgars (by consumer group)

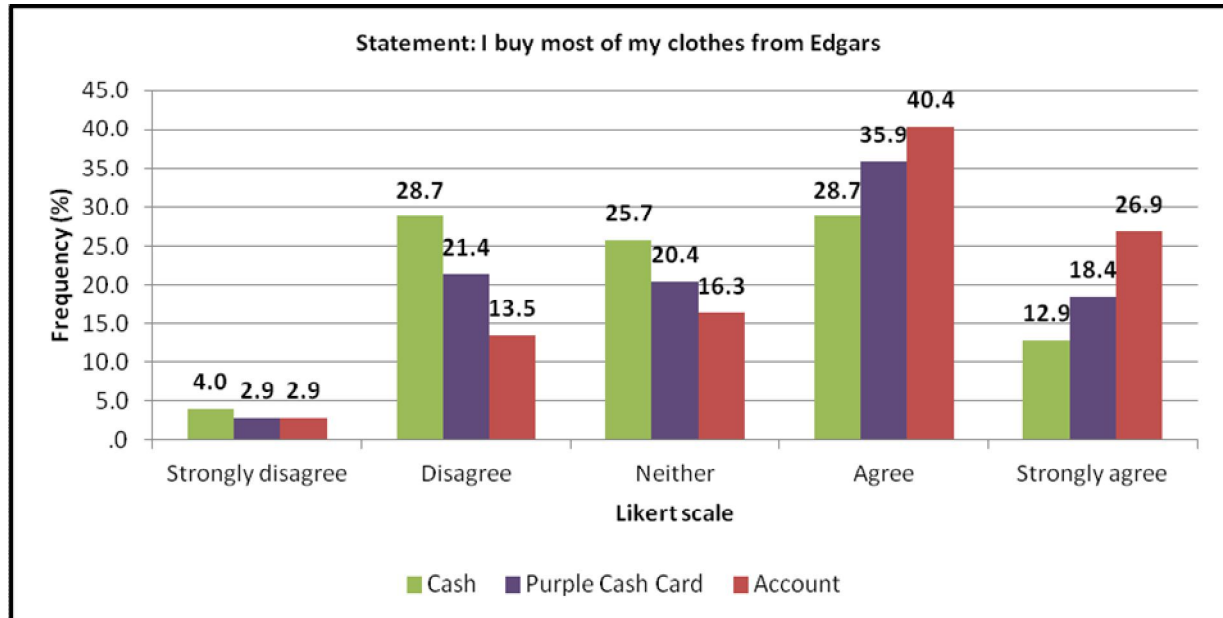


Figure 5.44 Respondents' current purchasing behaviour with regard to Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.44 illustrates that a total of 32.7% of cash only respondents do not buy most of their clothes from Edgars. A total of 24.3% of Purple Cash Card respondents do not buy most of their clothes from Edgars, while only 16.4% of account holder respondents do not buy most of their clothes from Edgars. A total of only 41.6% of cash only respondents buy most of their clothes from Edgars, while 25.7% neither agreed nor disagreed with the statement. A higher total of 54.3% of Purple Cash Card respondents agreed or strongly agreed that they buy most of their clothes from Edgars, while 20.4% remained neutral by neither agreeing nor disagreeing with the statement. The highest total of 67.3% of account holder respondents agreed or strongly agreed that they buy most of their clothes from Edgars. Only 16.3% of account holder respondents were neutral with regard to buying most of their clothes from Edgars. Table 5.23 indicates the descriptive statistics for question 2.17 in order to further describe the findings.

Table 5.23 Descriptive statistics for question 2.17

Statement: I buy most of my clothes from Edgars	Total Sample	Cash	Purple Cash Card	Account
N	307	101	102	104
Missing		0	1	0
Mean	3.47	3.18	3.46	3.75
Minimum	1	1	1	1
Maximum	5	5	5	5

It is clear from Table 5.23 that the account holder respondents have the highest mean of 3.75, which is 0.28 higher than the mean for the total sample. Purple Cash Card respondents had the second highest mean of 3.46, followed by cash only respondents, with a mean of 3.18. The account holder respondents in the sample for this study clearly purchase the majority of their clothes from Edgars. The significant difference between consumer groups highlights an area for future research into the relationships between Edgars and the different consumer groups, especially the account holders.

Questions 2.20 and 14 measured respondents' future behavioural intentions with regard to Edgars. Question 2.20 asked respondents to rate their agreement with the statement: "I am likely to buy even more of my clothes from Edgars in the future". The responses to question 2.20 are discussed below.

Respondents' intended future purchasing behaviour with regard to Edgars (by consumer group)

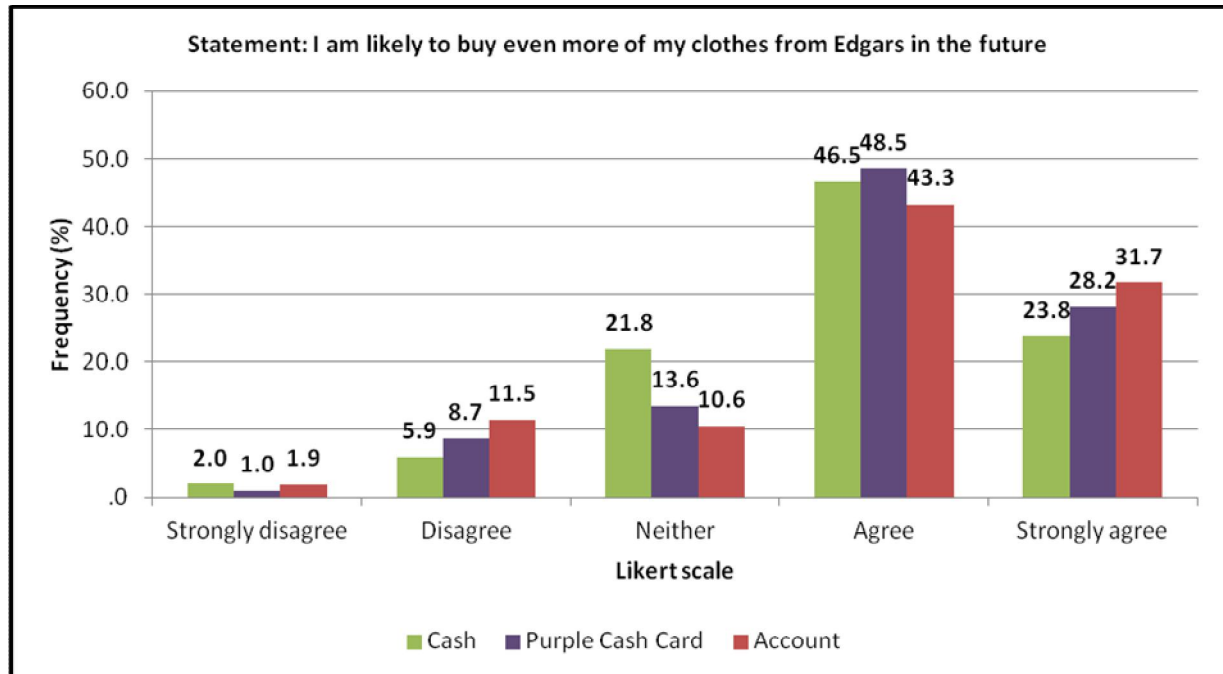


Figure 5.45 Respondents' intended future purchasing behaviour with regard to Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.45 illustrates that a total of 7.9% of cash only respondents felt that it was unlikely that they would buy even more of their clothes from Edgars in the future. Totals of 9.7% and 13.4% for Purple Cash Card and account holder respondents, respectively, strongly disagreed or disagreed with the statement that they were likely to buy even more of their clothes from Edgars in the future. The largest percentage of respondents (21.8%) who neither agreed nor disagreed with the statement were from the cash only respondents, followed by Purple Cash Card respondents, with 13.6%, and account holder respondents, with 10.6%. From Figure 5.45 it is evident that the highest percentage of respondents that agreed or strongly agreed with the statement (a total of 76.7%) came from the Purple Cash Card respondents. The second highest percentage

of respondents that agreed or strongly agreed with the statement that they were likely to buy more of their clothes from Edgars in the future came from the account holder respondents, with a total of 75%, followed by cash only respondents, with a total of 70.3%. Table 5.24 indicates the descriptive statistics for question 2.20 in order to further describe the findings.

Table 5.24 Descriptive statistics for question 2.20

Statement: I am likely to buy even more of my clothes from Edgars in the future	Total Sample	Cash	Purple Cash Card	Account
N	307	101	103	103
Missing	1	0	0	1
Mean	3.90	3.84	3.94	3.92
Minimum	1	1	1	1
Maximum	5	5	5	5

Table 5.24 more clearly indicates the differences between the consumer groups with regard to their future behavioural intentions towards Edgars. The Purple Cash Card consumer group respondents had a mean of 3.94, which was 0.04 higher than the mean for the total sample. The account holder respondents had a mean of 3.92, which was also higher than the mean for the entire sample. Cash only respondents had the lowest mean, 0.06, lower than the mean for the total sample. Purple Cash Card respondents have the most positive feelings about purchasing even more of their clothes from Edgars in the future, even though the account holder respondents had the highest percentage of respondents who strongly agreed with the statement.

Question 14 asked respondents to express the likelihood that they would continue to use Edgars as one of the stores that they would purchase from in the future. The responses to question 14 are discussed below.

Respondents' likelihood of continuing to purchase from Edgars (by consumer group)

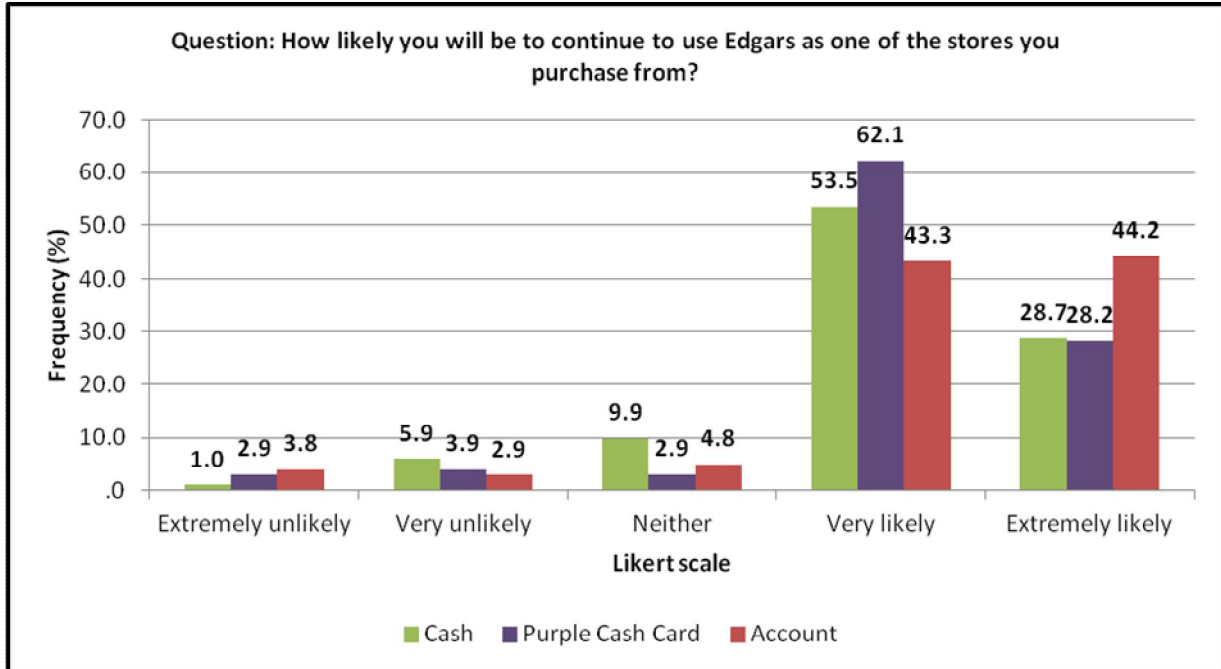


Figure 5.46 Respondents' likelihood of continuing to purchase from Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.46 illustrates that a total of 6.9% of cash only respondents felt that it was not likely that they would include Edgars as one of the stores that they would purchase from in the future. Cash only respondents were followed by Purple Cash Card respondents, with a total of 6.8% who felt it extremely unlikely or very unlikely that they would include Edgars as one of the stores that they would purchase from in the future. Account holder respondents had the lowest percentage of respondents that felt it unlikely or extremely unlikely that they would include Edgars as one of the stores that they would purchase from in the future, with 6.7%. Cash only respondents had the highest percentage of respondents that felt it was neither likely nor unlikely that they would continue to use Edgars as one of the stores that they would purchase from in the future, with 9.9%. Cash only respondents were followed by account holder respondents, with 4.8% and

Purple Cash Card respondents, with 2.9%. Purple Cash Card respondents had the highest percentage of respondents (a total of 90.5%) that felt it was very likely or extremely likely that they would continue to use Edgars as one of the stores that they would purchase from in the future. Purple Cash Card respondents were followed by account holder respondents, with a total of 87.5%, and cash only respondents, with 82.2%. Table 5.25 indicates the descriptive statistics for question 14 in order to further describe the findings.

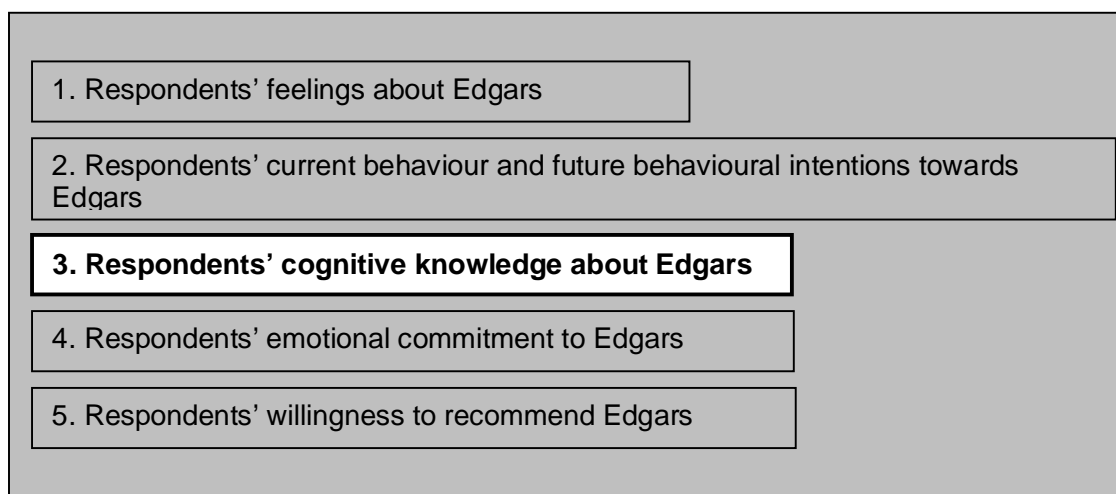
Table 5.25 Descriptive statistics for question 14

Question: How likely you will be to continue to use Edgars as one of the stores you purchase from?	Total Sample	Cash	Purple Cash Card	Account
N	306	100	103	103
Missing	2	1	0	1
Mean	4.12	4.04	4.09	4.22
Minimum	1	1	1	1
Maximum	5	5	5	5

Table 5.25 shows that the cash only respondents had the lowest mean of 4.04, which was 0.08 lower than the mean for the total sample. Purple Cash Card respondents had a mean of 4.09, which was 0.03 lower than the mean for the total sample, while account holder respondents had the highest mean of all, with 4.22, which was 0.10 higher than the mean for the total sample.

It is evident that account holder respondents are more likely to continue to use Edgars as one of the stores that they purchase from in the future than the other two consumer groups.

The next element discussed is respondents' cognitive knowledge about Edgars.



5.4.6 Respondents' cognitive knowledge about Edgars (by consumer group)

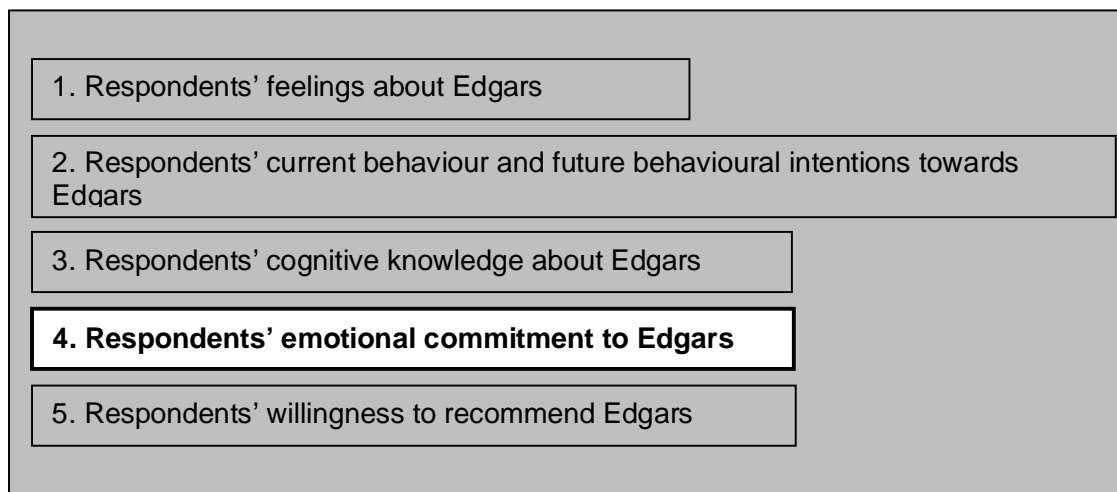
The respondents' cognitive knowledge about Edgars was measured by asking five yes or no questions (question 13.1 – 13.5). The results of these questions are illustrated in Table 5.26.

Table 5.26 Cognitive knowledge about Edgars (by consumer group)

	Consumer group		
	Cash only	Purple Cash card	Account
Question	% correct		
The purple cash card is not an account card	38.6	99.0	58.7
Edgars is part of the Edcon group	50.5	52.4	50.0
Edgars is South Africa's largest clothing retailer	53.5	68.0	61.5
Purple cash card rewards cash purchases with a voucher	34.7	80.6	52.9
Edgars is no longer a subsidiary of SAB	10.9	13.6	17.3

Table 5.26 indicates the percentages of respondents in each consumer group who answered the cognitive knowledge questions about Edgars correctly. It is clear from Table 5.26 that in four out of the five questions, Purple Cash Card members had the highest percentage of correct answers, indicating a greater cognitive knowledge about Edgars than the other consumer groups. Cash only respondents had the highest number of incorrect answers in four out of the five questions, indicating the least cognitive knowledge about Edgars. Cognitive knowledge about an attitude object is necessary for attitude formation, it can be deduced, therefore, that less cognitive knowledge about Edgars provides less of a basis for positive attitude formation, which in turn could lead to less consumer loyalty.

Questions 2.2 and 2.13 measured the respondents' emotional commitment towards Edgars.



5.4.7 Respondents' emotional commitment towards Edgars (by consumer group)

Respondents' emotional commitment to Edgars was measured by questions 2.2 and 2.13. Question 2.2 asked respondents to rate their agreement with the statement: "I am very committed to Edgars". Respondents' responses to question 2.2 are discussed below.

Respondents' perceptions of their commitment to Edgars (by consumer group)

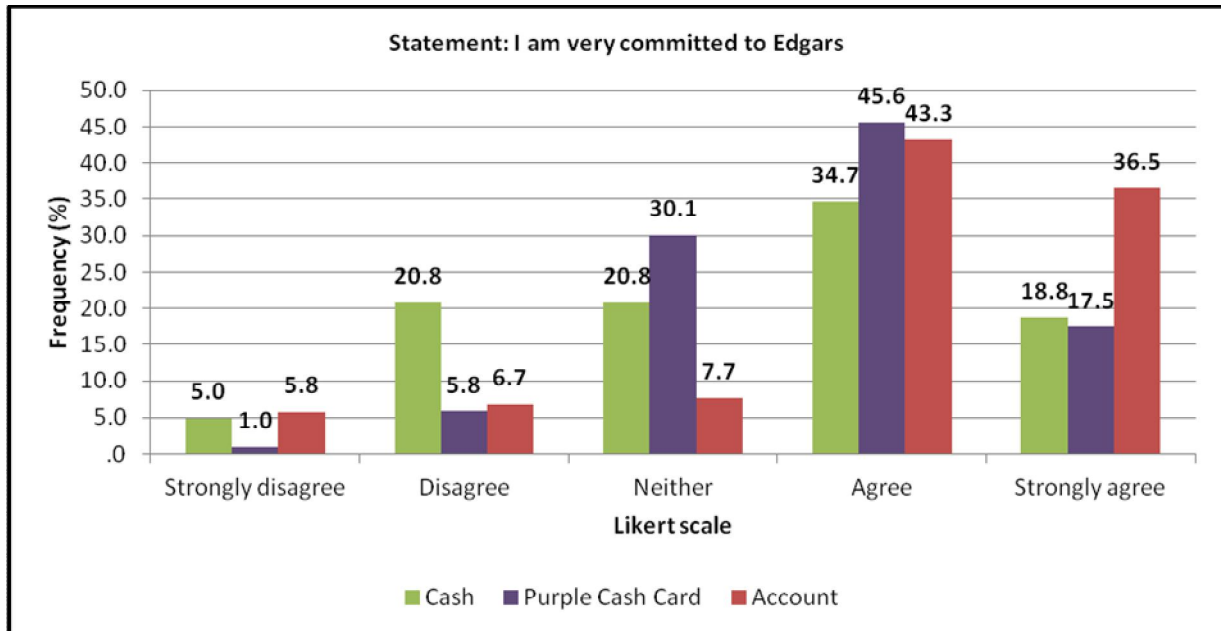


Figure 5.47 Respondents' perceptions of their commitment to Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

From Figure 5.47 it is evident that the largest percentage of respondents who feel that they are not very committed to Edgars come from the cash only consumer group, with a total of 25.8%. Account holder respondents had the second highest percentage of respondents (a total of 12.5%) who strongly disagreed or disagreed with the statement that they are very committed to Edgars. The Purple Cash Card respondents had the lowest percentage of respondents who felt that they were not very committed to Edgars, with a total of 6.8%. It can be seen from Figure 5.47 that Purple Cash Card respondents had the highest percentage of respondents who neither agreed nor disagreed with the statement that they were very committed to Edgars. Cash only respondents had the second highest percentage of neutral respondents, with 20.8%, followed by account holder respondents, with 7.7%. Account holder respondents had the highest percentage

of respondents who agreed or strongly agreed that they were very committed to Edgars, with a total of 79.8%, Purple Cash Card respondents were the second highest in this category, with a total of 63.1%, followed by cash only respondents, with a total of only 53.5%. Account holder respondents had the highest percentage of respondents who strongly agreed with the statement that they are very committed to Edgars (36.5%). Further research is required in order to establish the exact nature of their commitment to Edgars.

Table 5.27 indicates the descriptive statistics for question 2.2 in order to further describe the findings.

Table 5.27 Descriptive statistics for question 2.2

Statement: I am very committed to Edgars	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing		0	0	0
Mean	3.71	3.42	3.73	3.98
Minimum	1	1	1	1
Maximum	5	5	5	5

From Table 5.27 it can be seen that account holder respondents felt that they were more committed to Edgars than the other consumer groups, with a mean of 3.98, which was 0.27 higher than the mean for the total sample. Purple Cash Card respondents had the second highest mean of 3.73, which was also marginally higher than the mean of the total sample. Cash only respondents had the lowest mean of all three consumer groups with 3.42, which was 0.29 lower than the mean of the sample.

Question 2.13 asked respondents to rate their agreement with the statement: “It would matter a lot to me if I could no longer buy from Edgars”. Respondents’ feelings about not being able to purchase from Edgars anymore are discussed below.

Respondents' feelings about not being able to purchase from Edgars (by consumer group)

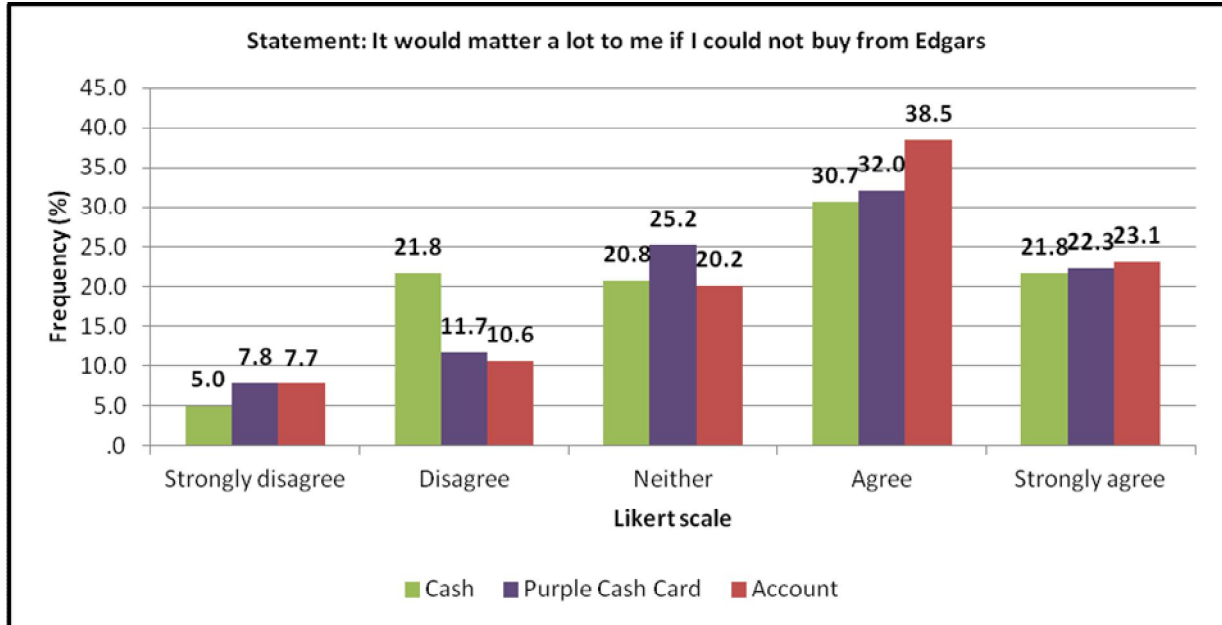


Figure 5.48 Respondents' feelings about not being able to purchase from Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.48 illustrates that the highest percentage of respondents who disagreed or strongly disagreed with the statement in question 2.13 came from the cash only respondents, with a total of 26.8%. Purple Cash Card respondents had the next highest percentage of respondents who felt that it would not matter a lot to them if they could no longer buy from Edgars, with a total of 19.5%, followed by account holder respondents, with a total of 18.3%. All three consumer groups had significant numbers of respondents who neither agreed nor disagreed with the statement that it would matter a lot to them if they could no longer buy from Edgars. From Figure 5.48 it is evident that account holder respondents felt most strongly that it would matter to them if they could no longer buy from Edgars, with a total of 61.6% agreeing or strongly agreeing with the statement. Purple Cash Card respondents were the second highest in this category, with a total of

54.3%, followed by cash only respondents with a total of 52.5%. Table 5.28 indicates the descriptive statistics for question 2.13 in order to further describe the findings.

Table 5.28 Descriptive statistics for question 2.13

Statement: It would matter a lot to me if I could not buy from Edgars	Total Sample	Cash	Purple Cash Card	Account
N	307	101	102	104
Missing	1	0	1	0
Mean	3.50	3.43	3.50	3.59
Minimum	1	1	1	1
Maximum	5	5	5	5

From Table 5.28 it is clear that account holder respondents had the highest mean of 3.59, 0.09 higher than the mean of the total sample. Purple Cash Card respondents were second highest with a mean of 3.50, which was exactly the same as the mean for the total sample. Cash only respondents had the lowest mean of 3.43, 0.07 lower than the mean for the total sample.

As discussed in Chapters 2 and 4, the willingness to recommend a retailer to a friend or colleague is an indicator of consumer loyalty. Respondents' willingness to recommend Edgars to their friends is discussed below.

1. Respondents' feelings about Edgars
2. Respondents' current behaviour and future behavioural intentions towards Edgars
3. Respondents' cognitive knowledge about Edgars
4. Respondents' emotional commitment to Edgars
- 5. Respondents' willingness to recommend Edgars**

5.4.8 Respondents' willingness to recommend Edgars (by consumer group)

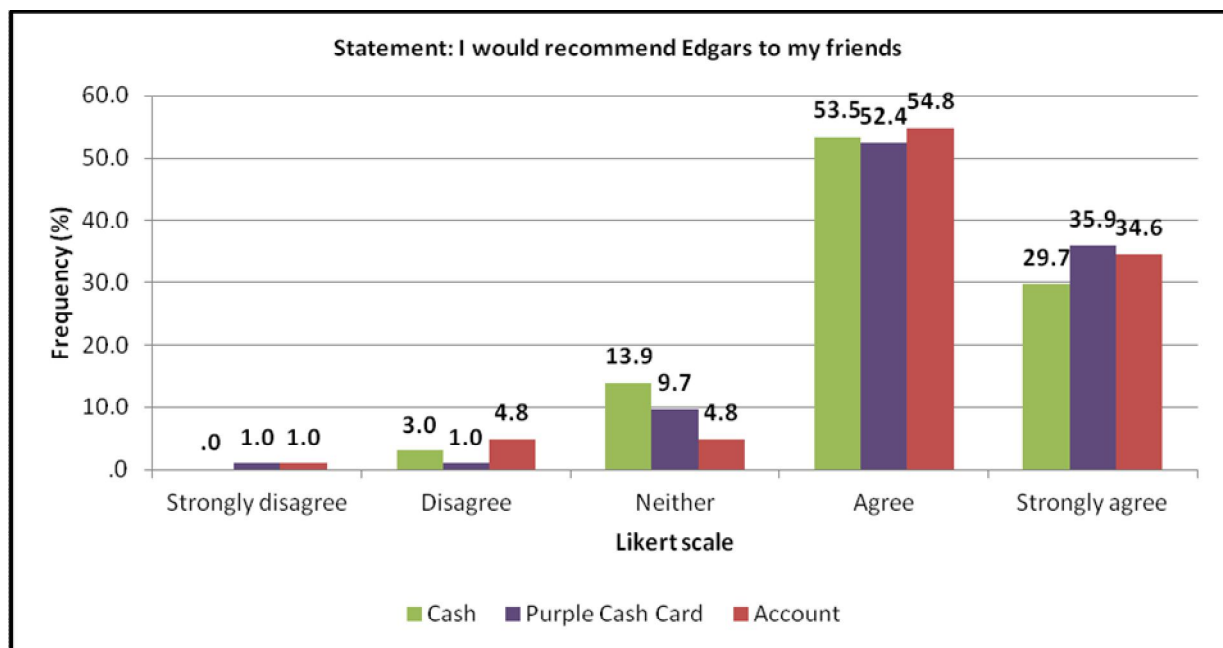


Figure 5.49 Respondents' willingness to recommend Edgars (by consumer group)

*Note that not all frequencies add up to 100% as missing values have been omitted from the figure.

Figure 5.49 illustrates that the majority of the respondents from each of the three consumer groups would recommend Edgars to their friends. Account holder

respondents had the highest percentage of respondents who felt that they would not recommend Edgars to their friends, with a total of 5.8% of respondents strongly disagreeing or disagreeing with the statement in question 2.19. Only 3% of cash only respondents felt that they would not recommend Edgars to their friends and only a total of 2% of Purple Cash Card respondents felt the same. Cash only respondents had the highest percentage of respondents who neither agreed nor disagreed with the statement, with a total of 13.9%, followed by Purple Cash Card respondents, with 9.7% and account holder respondents, with 4.8%. The account holder respondents had the highest percentage of respondents who would recommend Edgars to their friends, with a total of 89.4%, followed by Purple Cash Card respondents, with a total of 88.3% and then cash only respondents, with a total of 83.2%. Table 5.29 indicates the descriptive statistics for question 2.19 in order to further describe the findings.

Table 5.29 Descriptive statistics for question 2.19

Statement: I would recommend Edgars to my friends	Total Sample	Cash	Purple Cash Card	Account
N	308	101	103	104
Missing	0	0	0	0
Mean	4.16	4.10	4.21	4.17
Minimum	1	2	1	1
Maximum	5	5	5	5

From Table 5.29 it is clear that, on average, Purple Cash Card consumers are more likely to recommend Edgars to their friends than the other consumer groups. Purple Cash Card consumers have the highest mean of 4.21, which is 0.05 higher than the mean for the total sample. Account holder respondents were the second most likely group to recommend Edgars to their friends, with a mean of 4.17. Cash only respondents were the least likely of the three groups to recommend Edgars to their friends, with a mean of 4.10, 0.06 lower than the mean for the total sample.

In order to achieve the secondary objective of the study, which is to compare the consumer groups in terms of the factors that influence consumer loyalty towards Edgars, certain questions were asked only to specific consumer groups. In the next section, descriptive statistics of responses to the consumer group-specific questions will be presented.

5.5 Descriptive statistics for consumer group-specific questions

5.5.1 Cash only consumers

Questions 11 and 12 were asked only to cash only consumers. Question 11 asked the respondents who were categorised as cash only consumers why they did not have a Purple Cash Card. The results of question 11 are depicted in Table 5.30.

Table 5.30 Reasons for cash only consumers not having a Purple Cash Card

Question: Why don't you have/use a Purple Cash Card?		
Reason	Frequency	Percent
Didn't know about it	49	48.5
Don't purchase that often from Edgars	7	6.9
Shop around for clothing	1	1.0
Don't see any benefit	3	3.0
Not aware of where or how to get the card or how it works	5	5.0
No longer employed or not yet employed	1	1.0
Use family member's card	1	1.0
Am planning to get one	2	2.0
Not necessary	2	2.0
Don't know/no reason	6	5.9
Use my Sales House cards	1	1.0

Haven't taken the time to get one	4	4.0
Edgars is too expensive	2	2.0
Don't like cards at all	5	5.0
Never been offered one	4	4.0
Applied, but haven't received it yet	1	1.0
Don't want any form of account	2	2.0
Had one but lost it	2	2.0
Total	98	97.0
Missing	3	3.0
System total	101	100.0

A total of 48.5% of the cash only consumers had not yet heard of the Purple Cash Card, 5.0% were not aware of how it worked, and 4.0% had never been offered a Purple Cash Card. A total of 3% of the respondents were in the process of getting a card, while 2% had a card but had lost it. The high percentage of cash only respondents who had not heard about the Purple Cash Card is pertinent and highlights an opportunity for Edgars to promote the Purple Cash Card.

Question 12a asked cash only respondents if they had accounts or loyalty cards with other retailers and question 12b investigated their motives for applying for the loyalty card or account with other retailers. The results of these questions are reported in Table 5.31 and 5.32, respectively.

Table 5.31 Cash only consumers who have accounts or loyalty cards with other retailers

Question: Do you have accounts or loyalty cards with other stores?		
Response	Frequency	Percent
Yes	28	27.7
No	72	71.3
Total	100	99.0

Missing	1	1.0
System total	101	100.0

From Table 5.31 it is apparent that 71.3% of cash only consumers reported not having a loyalty card or account with other retailers. This can be seen in a positive light for Edgars since the lack of a loyalty card appears to be part of these consumers' behaviour patterns and not directed at Edgars only. Cash only consumers are consistent in their lack of affiliation to other retailers. The 27.7% of respondents who did have an account or loyalty card with another retailer were asked what their motivation was for applying for one of these cards with another retailer. A total of 5 of the respondents who answered "yes" to question 12a refused to answer question 12b, therefore, the remaining 23 responses are recorded in Table 5.32 below.

Table 5.32 Reasons for applying for a loyalty card or account with another retailer

Question: What motivated you to apply for an account or card with the other retailer?		
Reason	Frequency	Percent
Liked other stores clothing and convenience	11	39.3
Other stores are cheaper	4	14.3
Points accumulated quicker/better benefits	3	10.7
Always been with them	2	7.1
Convinced by the store to get one	1	3.6
Someone else applied for me	1	3.6
Special offer at other store	1	3.6
Total	23	82.1
Did not answer	5	17.9
System total	28	100.0

From the responses recorded in Table 5.32, the most common reason that respondents applied for a loyalty card or account with another retailer was that the other store's clothing and convenience appealed to the consumer (39.3%). A total of 14.3% of the

respondents felt that the other stores were cheaper than Edgars, while 10.7% felt that the other retailers' loyalty programmes accumulated reward points more quickly.

As explained in Chapter 4, questions 3, 4, 5 and 6 were asked only to Purple Cash Card members. The results from these questions will be discussed below.

5.5.2 Purple Cash Card members

The first question directed only at Purple Cash Card members measured the length of time that respondents had been members of the Purple Cash Card loyalty programme. Table 5.33 represents the responses to question 3.

Table 5.33 Length of time that Purple Cash Card members have been members (months)

Question: How long have you had your Cash Card for (in months)?	
Minimum	1
Maximum	144
Mean	27.76
Std. Deviation	21.33

The longest period recorded was 144 months (12 years) and the minimum was 1 month. While two respondents did not answer the question, the sample represents consumers who have been members of the Purple Cash Card loyalty programme for a wide variety of periods. The mean period was 27.76 (just over 2 years).

Question 4 measured the frequency of use of the Purple Cash Card by members. The responses to question 4 are depicted in Table 5.34.

Table 5.34 Frequency of use of Purple Cash Card by members

Question: Do you always, sometimes or almost never use your cash card when making purchases?		
Usage	Frequency	Percent
Always	68	66.0
Sometimes	29	28.2
Almost never	5	4.9
Missing	1	1.0
Total	103	100.0

Table 5.34 indicates that a total of 94.2% of respondents always or sometimes used their Purple Cash Card when making purchases at Edgars. It is significant to note that a considerable percentage of Purple Cash Card respondents (28.2%) only use their cards sometimes when purchasing at Edgars. Only 4.9% almost never used their cards when paying for purchases at Edgars. Respondents who answered “sometimes” or “almost never” were asked question 5 in order to probe the reasons that respondents do not always use the Purple Cash Card. The results for question 5 are presented in Table 5.36.

Table 5.35 Reasons why Purple Cash Card members do not always use their card

Question: Why don't you always use it when buying from Edgars?		
Reason	Frequency	Percent
Forget to use card	9	25.0
Don't carry card with me	7	19.4
Use account when not carrying cash	4	11.1
Use it for specials at Edgars	4	11.1
Prefer to shop at other stores like Truworths	3	8.3
Use credit card with purple card	3	8.3
Have cash available	2	5.6

Account is more convenient	1	2.8
Previous problems with card	1	2.8
Occasionally use account	1	2.8
Total	35	97.2
Missing	1	2.8
System Total	36	100

Table 5.35 reveals that the reasons for Purple Cash Card members not using the Purple Cash Card vary, with the highest frequency forgetting to use their card (25.0%), followed by respondents who do not carry the card with them (19.4%). Equal numbers of respondents use their Edgars account cards when they do not have cash with them or use the Purple Cash Card only for specials at Edgars. A possible reason for the high percentage of respondents who forget to use the card is a lack of prompting by the staff at the till point. This highlights a further possible avenue of promotion for Edgars by encouraging consumer service staff to ask if consumers wish to make use of the Purple Cash Card when paying.

Question 6a asked respondents whether they were likely, somewhat likely or not at all likely to continue shopping at Edgars if they did not have the Purple Cash Card. Table 5.36 represents the results of question 6a.

Table 5.36 Respondents likelihood of continuing to shop at Edgars if they did not have a Purple Cash Card

Question: Would you be very, somewhat or not at all likely to still be buying from Edgars even if you did not have a Purple Cash Card?		
Likelihood	Frequency	Percent
Very likely	88	85.4
Somewhat likely	11	10.7
Not at all	3	2.9
Total	102	99.0
Missing	1	1.0

System total	103	100.0
--------------	-----	-------

According to table 5.36, 85.4% of the Purple Cash Card members felt that they were very likely to continue shopping at Edgars even if they did not have a Purple Cash Card. A total of 10.7% of respondents were somewhat likely to continue shopping at Edgars without the Purple Cash Card, while only 2.9% of respondents responded that they were not at all likely to continue shopping at Edgars if they did not have a Purple Cash Card. It is apparent from Table 5.36 that the Purple Cash Card is not the primary reason that members shop at Edgars, since the vast majority of the respondents indicated that they would continue to shop at Edgars, even if they did not have the Purple Cash Card. This finding does not support the assertion that loyalty programmes such as the Purple Cash Card improve consumer loyalty towards a retailer, however, these findings must be interpreted in conjunction with the findings of Question 6b which will be discussed below.

Question 6b asked Purple Cash Card members if they felt that they got real advantages from the Purple Cash Card. Table 5.37 represents the responses to question 6b.

Table 5.37 Members' perception of Purple Cash Card membership advantages

Question: Do you feel you get real advantages from using a Cash Card?		
Response	Frequency	Percent
Yes	74	71.8
No	26	25.2
Total	100	97.1
Missing	3	2.9
System total	103	100.0

Table 5.37 shows that 71.8% of the respondents felt that they received real advantages from using the Purple Cash Card, while only 25.2% of respondents did not. These findings appear contradictory to the findings of question 6a, since the Purple Cash Card members appear to feel that they get real advantages from the card. This apparent contradiction warrants further investigation. While the majority of the responses are

positive, it must be noted that it is problematic that 25.2% of the respondents do not feel that they are getting real advantages from the Purple Cash Card. This could possibly be due to insufficient marketing of the advantages of the Purple Cash Card by Edgars.

Questions 7, 8, 9 and 10 were asked only to the account holders.

5.5.3 Account holders

Question 7 asked respondents how long they had had their Edgars accounts. The results of question 7 are depicted in Table 5.38.

Table 5.38 Length of time that respondents had had their Edgars account

Question: How long have you had your account for? (Months)	
Minimum	1
Maximum	480
Mean	87.06
Std. Deviation	104.06

The results depicted in Table 5.38 indicate that one respondent had had their Edgars account for 480 months (40 years), while the youngest account was only one month old. The mean age of the accounts was 87.06 months (7.2 years). Question 8 asked respondents if they always, sometimes or almost never used their account when paying for their purchases at Edgars. Table 5.39 represents the results of question 8.

Table 5.39 Frequency of use of account facility when purchasing at Edgars

Question: Do you always, sometimes or almost never make use of your Account Card when making purchases?		
Usage	Frequency	Percent
Always	90	86.5
Sometimes	12	11.5
Almost never	1	1.0

Total	103	99.0
Missing	1	1.0
System total	104	100.0

Table 5.39 reveals that 86.5% of the respondents who were account holders said that they always used their account when paying for purchases at Edgars. Only 11.5% answered “sometimes” and only 1% said that they almost never used their Edgars account to pay for purchases. The high percentage of respondents who always use their card when making purchases at Edgars could possibly be due to the credit nature of the account holder relationship, implying that respondents always use the card because they need the credit facility. The nature of the account holder relationship with Edgars warrants further investigation. Question 9 probed respondents who answered “sometimes” or “almost never” for the reasons why they do not always use their account when paying for purchases at Edgars. The results for question 9 are depicted in Table 5.40.

Table 5.40 Reasons why account holders do not always use their account when paying for purchases at Edgars

Question: Why don't you always use it when buying from Edgars?		
Reason	Frequency	Percent
Use it for specials at Edgars	4	30.8
Keep account low	2	15.4
No credit on account	2	15.4
Prefer to pay cash	2	15.4
Use account when cannot afford cash	2	15.4
Total	12	92.3
Missing	1	7.7
System total	13	100.0

It is apparent from Table 5.40 that the most dominant reason indicated for not always using the Edgars account when paying for purchases, was that respondents only used

their account when purchasing specials (30.8%). The other reasons were all financial in nature, such as not having credit on the account, or trying to keep the account balance low. Question 9 asked the account holders how likely it was that they would continue to purchase at Edgars if they did not have an account with Edgars. The results for question 9 are depicted in Table 5.41.

Table 5.41 Likelihood of continuing to purchase from Edgars if respondent did not have an account with Edgars

Question: Would you be very, somewhat or not at all likely to still be buying from Edgars even if you did not have an account with them?		
Likelihood	Frequency	Percent
Very likely	81	77.9
Somewhat likely	12	11.5
Not at all	9	8.7
Total	102	98.1
Missing	2	1.9
System total	104	100.0

It appears from Table 5.41 that the Edgars account is not the primary reason that the account holders shop at Edgars, since 77.9% of the account holders would continue to shop at Edgars even if they did not have an account with the retailer. This high percentage indicates a strong presence of consumer loyalty amongst account holder respondents, since account holder respondents did not feel positively about the Edgars merchandise, service or prices, yet felt that they were the most committed to the retailer.

The primary objective of this study is to explore the factors that influence consumer loyalty towards Edgars. In order to achieve this objective, factor analysis and statistical regression were applied to the sample data. The secondary objective of the study is addressed in section 5.6. The results of the factor analysis and statistical regression used to achieve the primary objective of the study are discussed below.

5.6 Statistical analysis of sample data

The procedure for analysing the data gathered during the primary research stage of the study was discussed in Chapter 4 and is illustrated again in Figure 5.50 below. It shows that the first stage of data analysis was to perform factor analysis.

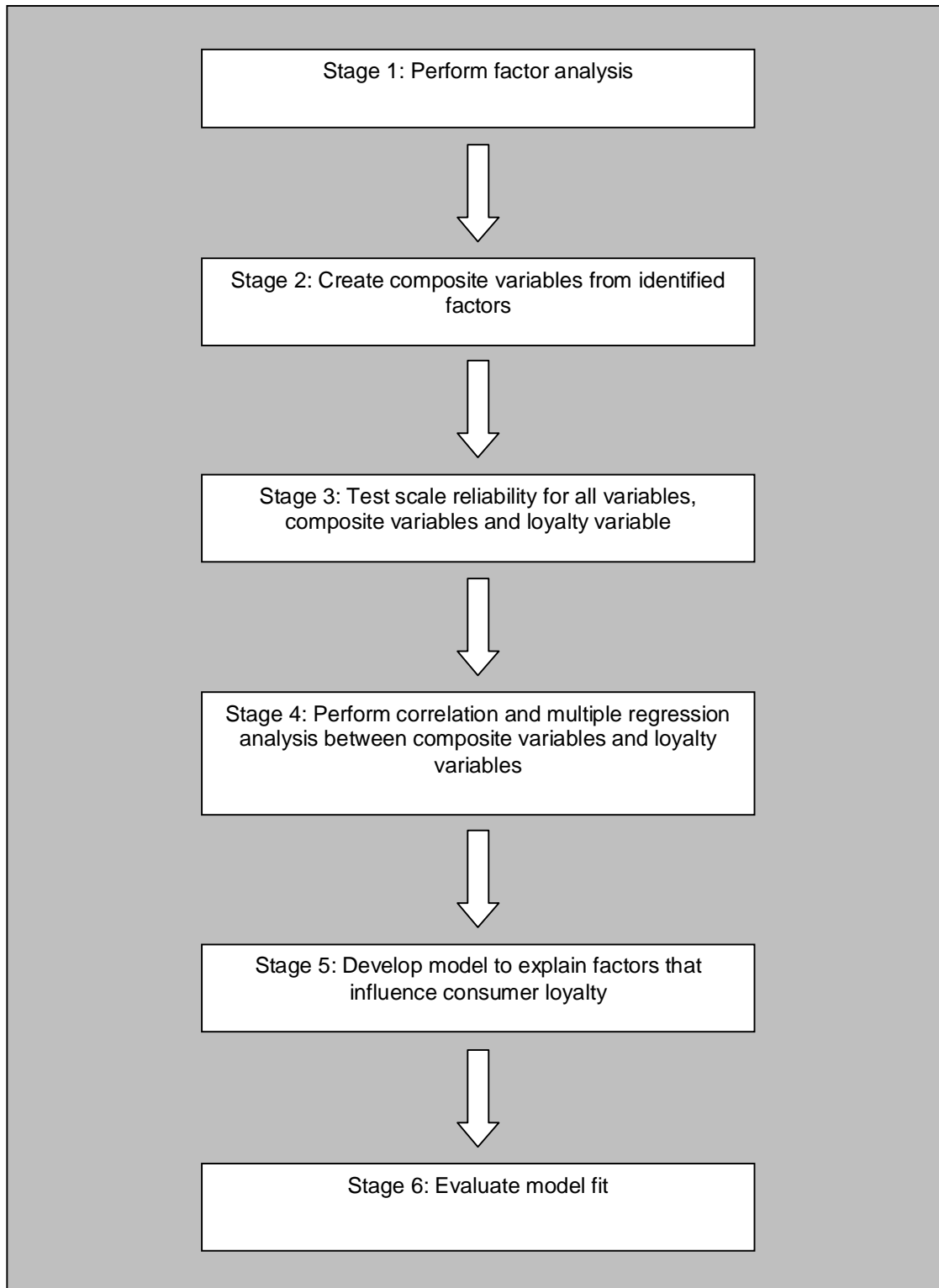


Figure 5.50 Procedure for data analysis

During stage one of the data analysis procedure illustrated in Figure 5.50, factor analysis was performed in order to identify the underlying factors that influence consumer loyalty towards Edgars. The KMO measure of sampling adequacy and significance statistics, as discussed in Chapter 4, are depicted in Table 5.43.

Table 5.42 KMO and significance statistics for sample

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.883
Sig.	.000

It can be seen from Table 5.42 that the results are highly significant at the 5% level ($P < 0.05$) and that the value of the KMO statistic is also greater than 0.5, indicating that factor analysis is appropriate for the analysis of the dataset.

The rotated component analysis of the factor analysis identified three factors that accounted for 54.54% of the variance in the dataset. The three factors each clearly illustrate different aspects of the consumers' shopping experience with Edgars. The rotated component matrix is illustrated in Table 5.43.

Table 5.43 Rotated factor matrix – total sample

	Component		
	1	2	3
2.1 Enjoy atmosphere in Edgars	<u>.596</u>	.378	.047
2.3 Products are reasonably priced	.224	<u>.778</u>	-.081
2.4 Get good service at Edgars	<u>.726</u>	.275	.070
2.5 Always get products I want from Edgars	.397	<u>.463</u>	.202
2.6 Like music played in store	<u>.415</u>	.194	.181
2.7 Shop where prices are best	-.053	.152	<u>.717</u>
2.8 Edgars has good selection of products	.141	<u>.621</u>	.430
2.9 Do not wait long when paying at Edgars tills	<u>.756</u>	.053	.061
2.10 Edgars' products are fashionable and up to date	.244	.470	<u>.509</u>
2.11 Sufficient help is available when needed	<u>.778</u>	.181	.173
2.12 Edgars has	.280	.482	<u>.486</u>

quality products			
2.14 Edgars staff are very friendly	<u>.763</u>	.130	.132
2.15 Edgars' prices are competitive	.199	<u>.800</u>	.096
2.16 Like design of store, way things are arranged	.370	.271	<u>.478</u>
2.18 Love finding bargains	.176	-.137	<u>.706</u>
Cumulative Rotation Sums of Squared Loadings = 54.54%			

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

It is clear from Table 5.43 that variables 2.1, 2.4, 2.6, 2.9, 2.11 and 2.14 all loaded strongly on factor one. These variables are listed in Table 5.44.

Table 5.44 Factor loadings for factor one

Variable	Factor loading
2.6 Like music played in store	.415
2.1 Enjoy atmosphere in Edgars	.596
2.4 Get good service at Edgars	.726
2.9 Do not wait long when paying at Edgars tills	.756
2.14 Edgars staff are very friendly	.763
2.11 Sufficient help is available when needed	.778

Two of the variables, 2.1 and 2.6, relate to the overall atmosphere in the store, while the vast majority (and highest loaded) of the variables (2.4, 2.9, 2.11 and 2.14) all relate to elements of consumer service. The higher loadings on the service oriented variables led to factor one being labelled “service”.

Variables 2.3, 2.5, 2.8 and 2.15 loaded highly on the second identified factor. These variables are listed in Table 5.45.

Table 5.45 Factor loadings for factor two

Variable	Factor loading
2.5 Always get products I want from Edgars	.463
2.8 Edgars has good selection of products	.621
2.3 Products are reasonably priced	.778
2.15 Edgars' prices are competitive	.800

The variables that loaded highly on factor two related to issues surrounding price as well as merchandise. The two highest loadings, 2.3 and 2.15, both relate to the price of Edgars products. Factor two was, therefore, named “price”.

Factor three was, by far, the least impressive factor and accounted for only 7.9% of the variation in the dataset. The variables that loaded strongly on factor three are listed in Table 5.46.

Table 5.46 Factor loadings for Factor three

Variable	Factor loading
2.16 Like design of store, way things are arranged	.478
2.12 Edgars has quality products	.486
2.10 Edgars' products are fashionable and up to date	.509
2.18 Love finding bargains	.706
2.7 Shop where prices are best	.717

Variables 2.7, 2.10, 2.12, 2.18 and 2.16 all loaded heavily on factor three. The variables represent store design, merchandise quality, fashion and consumer behaviour in terms of price. The variables that relate to consumer price behaviour loaded highest on factor three, and do not reflect on Edgars' prices but rather on the way that consumers behave towards low prices such as bargains. Two of the remaining three variables that relate to Edgars concern merchandise, therefore, this factor was labelled "merchandise".

The next step in the data analysis procedure illustrated in Figure 5.50 was to create composite variables based on the factors. The composite variables were, therefore, created and named as indicated above: service, price and merchandise. Table 5.47 represents the composite variables and their scale reliability scores.

Table 5.47 Composite variables and their scale reliability

Composite variables	Individual variables	Cronbach's Alpha
Service	Enjoy atmosphere in Edgars Get good service at Edgars Like music played in store Do not wait long when paying at Edgars tills Sufficient help is available when needed Edgars staff are very friendly	0.807
Price	Products are reasonably priced Always get products I want from Edgars Edgars has good selection of products Edgars' prices are competitive	0.736
Merchandise	Shop where prices are best Edgars' products are fashionable and up to date Edgars has quality products Love finding bargains Like design of store, way things are arranged	0.688

As discussed in Chapter 4, a scale is considered reliable if the Cronbach's Alpha score is higher than 0.6. All of the composite variables, as indicated in Table 5.47, scored higher than 0.6 and can, therefore, be regarded as reliable scales.

In order to explore the factors that influence consumers' loyalty towards Edgars, a loyalty measure was also necessary. The variables selected to construct the composite loyalty variable were based on the literature study from Chapter 2 and consisted of variables that measured consumers' emotional commitment to Edgars, their existing behaviour and their future behavioural intentions with regard to Edgars. The composite variable, called Loyalty, and its five individual variables are listed in Table 5.48.

Table 5.48 Composite variable “Loyalty” and scale reliability

Composite variable	Individual variables	Cronbach's Alpha
Loyalty	Very committed to Edgars It would matter a lot if I could not buy from Edgars Buy most of clothes from Edgars Would recommend Edgars to friends Likely to buy even more clothes from Edgars	0.848

The composite variable “Loyalty” also scored higher than 0.6 on the Cronbach’s Alpha statistic, indicating a reliable scale.

The next step in the data analysis procedure used for this study, as indicated in Figure 5.50, was to perform correlation and multiple regression analyses on the four composite variables. The correlation table is shown in Table 5.49.

Table 5.49 Correlation analysis of sample

Correlations					
		Service	Price	Merchandise	Loyalty
Service	Pearson Correlation	1	.564**	.493**	.649**
	Sig. (2-tailed)		.000	.000	.000
	N	304	303	302	302
Price	Pearson Correlation	.564**	1	.524**	.728**
	Sig. (2-tailed)	.000		.000	.000
	N	303	307	304	305
Merchandise	Pearson Correlation	.493**	.524**	1	.536**
	Sig. (2-tailed)	.000	.000		.000
	N	302	304	305	303
Loyalty	Pearson Correlation	.649**	.728**	.536**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	302	305	303	306

Table 5.49 indicates the Pearson Correlation coefficient (r) for each pair of variables. The Pearson correlation coefficient (r) is a measure of association between the two variables and indicates the direction of the relationship. It is clear from Table 5.50 that the “price” variable correlates most with the “loyalty” variable (r = .728), the “service” variable correlates the second most with the “loyalty” variable (r = .649), and the “merchandise” variable shows the weakest correlation (r = .536). All correlations are highly significant at the 5% level (P < 0.05).

Multiple regression analysis served to establish the strengths of the composite variables as predictors of the “loyalty” variable. The first output of the regression analysis was the model summary, which is depicted in Table 5.50.

Table 5.50 Regression analysis model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790 ^a	.624	.621	2.53317

a. Predictors: (Constant), Factor3, Factor1, Factor2

The R Square statistic in Table 5.50 indicates the amount of variation in the dependent variable that can be accounted for by the independent variables. In this study, R Square equals 0.624, indicating that 62.4% of the variation in the “loyalty” variable is explained by a combination of the “service” variable, the “price” variable and the “merchandise” variable. The regression coefficient table is indicated in Table 5.51, which indicates the strength of prediction of the loyalty variable by each of the composite variables.

Table 5.51 Regression coefficients

Model	Unstandardised Coefficients	
	B	Sig.
(Constant)		0.004
Service	0.315	0.000
Price	0.714	0.000
Merchandise	0.203	0.004

a. Dependent Variable: Loyalty

The B value indicated in Table 5.51 is used to indicate the strength of the prediction of each independent variable on the dependent variable. It is clear that the “price” variable is the strongest predictor of the “loyalty” variable (B = 0.714). The “service” variable is the second strongest (B = 0.315) and the “merchandise” variable is the weakest

predictor of the three ($B = 0.203$). The next step in the data analysis procedure indicated in Figure 5.50 was to develop a model that illustrated the factors that influenced consumers' loyalty towards Edgars. The model is represented graphically in Figure 5.51.

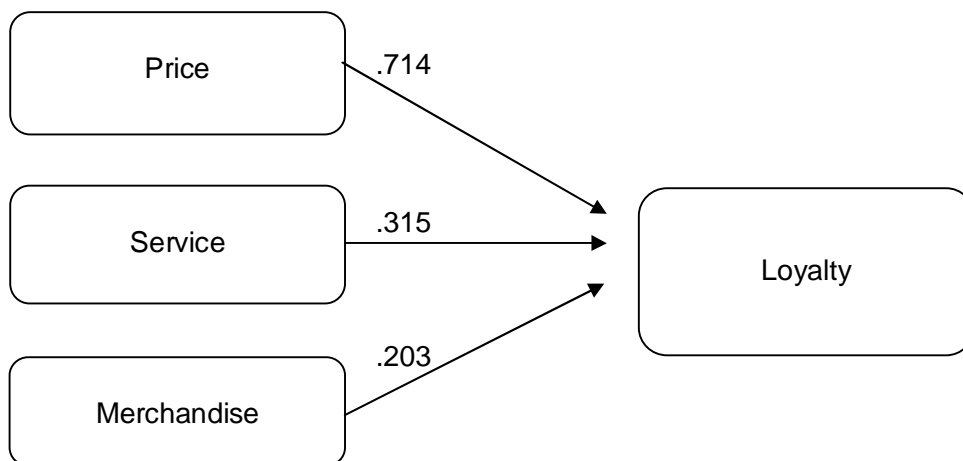


Figure 5.51 The factors that influence consumers' loyalty towards Edgars

Figure 5.51 illustrates the strengths of association between the three composite variables determined by the factor analysis, namely, price, service and merchandise, to the composite loyalty variable. Figure 5.51 illustrates that changes in the "price" composite variable, including all components listed in Table 5.47, at Edgars would have the greatest influence on consumer loyalty. Changes to the "service" composite variable would have the second highest influence on consumer loyalty, while changes to the "merchandise" composite variable will have the weakest effect on consumer loyalty.

The final step in the data analysis procedure applied for this study in order to explore the factors that influence consumers' loyalty towards Edgars was to evaluate the model fit. The model fit was evaluated by using analysis of variance (ANOVA). The ANOVA results are indicated in Table 5.52.

Table 5.52 ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3147.186	3	1049.062	163.483	.000 ^a
	Residual	1893.001	295	6.417		
	Total	5040.187	298			
a. Predictors: (Constant), Factor3, Factor1, Factor2						
b. Dependent Variable: Factor4						

The F value indicated in Table 5.52 is far greater than 1, indicating that the variability in the loyalty factor is more than would be expected by random fluctuations in the dataset. The results are highly significant at the 5% level ($P < 0.05$), indicating that the model is indeed a good fit as a predictor of the influence of the three factors on the loyalty variable. It can, therefore, be concluded that the three factors influencing consumer loyalty towards Edgars are price, service and merchandise, in order of decreasing importance.

The secondary objective of the study is to compare the three consumer groups with regard to factors that influence loyalty towards Edgars. Data analysis to address the secondary objective of the study is discussed in the next section.

5.7 Comparative data analysis for consumer groups

Factor analysis was performed on each of the three consumer groups separately in order to identify similarities or discrepancies in the factors that influence consumer loyalty towards Edgars. The results of the factor analysis performed on the cash only consumer group is discussed below.

5.7.1 Cash only consumers

The procedure for conducting data analysis, as indicated in Figure 5.50, was also followed when conducting a factor analysis for the cash only consumer group, resulting in the following findings, as indicated in Table 5.53.

Table 5.53 Factor analysis statistics summary for cash only consumer group

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.819
Sig.	.000

It can be seen from Table 5.53 that the results are significant at the 5% level ($P < 0.05$). The KMO statistic is 0.819, confirming that factor analysis is appropriate for the dataset consisting of cash only consumers ($KMO > 0.5$).

The rotated component matrix for the dataset is illustrated in Table 5.54.

Table 5.54 Rotated factor matrix – cash only consumer group

	Component		
	1	2	3
2.1 Enjoy atmosphere in Edgars	<u>.787</u>	.031	.167
2.3 Products are reasonably priced	<u>.244</u>	<u>.153</u>	<u>.769</u>
2.4 Get good service at Edgars	<u>.760</u>	.071	.243
2.5 Always get products I want from Edgars	<u>.513</u>	.138	.344
2.6 Like music played in store	<u>.112</u>	<u>-.196</u>	<u>.637</u>
2.7 Shop where prices are best	<u>-.064</u>	<u>.750</u>	.144

2.8 Edgars has good selection of products	<u>.474</u>	<u>.487</u>	.344
2.9 Do not wait long when paying at Edgars tills	<u>.665</u>	.101	.090
2.10 Edgars products are fashionable and up to date	<u>.461</u>	<u>.502</u>	.136
2.11 Sufficient help is available when needed	<u>.711</u>	.137	.203
2.12 Edgars has quality products	<u>.464</u>	<u>.564</u>	.086
2.14 Edgars staff are very friendly	<u>.630</u>	.118	.305
2.15 Edgars' prices are competitive	<u>.206</u>	<u>.352</u>	<u>.699</u>
2.16 Like design of store, way things are arranged	<u>.698</u>	.216	-.032
2.18 Love finding bargains	<u>.137</u>	<u>.744</u>	-.114
Cumulative Rotation Sums of Squared Loadings = 55.47%			

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

The rotated factor matrix outlined in Table 5.54 resulted in variables 2.1, 2.4, 2.5, 2.9, 2.11, 2.14 and 2.16 loading heavily on factor one. Four of the seven variables relate directly to consumer service, resulting in the first factor being labelled “service”.

Variables 2.7, 2.8, 2.10, 2.12 and 2.18 loaded heavily on factor two. Three of the five variables related directly to Edgars merchandise, therefore, the second factor was labelled “merchandise”.

Variables 2.3, 2.6 and 2.15 loaded heavily on the third factor. Variable 2.6 was the only non-price related variable that loaded on factor three. Reliability analysis also indicated that if variable 2.6 was removed from the scale, the reliability of the scale would increase. Factor three was, therefore, labelled “price”.

Reliability analysis was performed on all three composite variables. The results of the reliability analyses are indicated in Table 5.55.

Table 5.55 Results of reliability analyses of composite variables

Composite variable	Number of items in scale	Cronbach's Alpha
Service	7	.842
Merchandise	5	.731
Price	3	.633

It is clear from Table 5.55 that all three of the composite variables were reliable as each scale had a Cronbach’s Alpha of higher than 0.6. In order to explore the factors that influence cash only consumers’ loyalty towards Edgars, a composite variable to represent loyalty was also needed. The composite loyalty variable had to be recalculated for each of the three consumer groups since the sample was divided into three separate datasets. The variables that were included in the loyalty variable remained the same as for all Edgars consumers as discussed in section 5.5, namely, variables 2.2, 2.13, 2.17, 2.19 and 2.20. The results of the reliability test on the loyalty variable are indicated in Table 5.56.

Table 5.56 Results of reliability analysis on loyalty variable

Composite variable	Number of items in scale	Cronbach's Alpha
Loyalty	5	.844

Table 5.56 indicates that the composite loyalty variable is reliable (Cronbach's Alpha > 0.6).

Table 5.57 depicts the correlations between the four composite variables, namely, service, merchandise, price and loyalty.

Table 5.57 Correlations between service variable, merchandise variable, price variable and loyalty variable

Correlations					
		Service	Merchandise	Price	Loyalty
Service	Pearson Correlation	1	.518**	.498**	.675**
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	99	100
Merchandise	Pearson Correlation	.518**	1	.348**	.530**
	Sig. (2-tailed)	.000		.000	.000
	N	100	101	100	101
Price	Pearson Correlation	.498**	.348**	1	.653**
	Sig. (2-tailed)	.000	.000		.000
	N	99	100	100	100
Loyalty	Pearson Correlation	.675**	.530**	.653**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	101	100	101

It is evident from Table 5.57 that service correlates the most with loyalty ($P = 0.675$), followed by price ($P = 0.653$). Merchandise has the weakest correlation with loyalty amongst cash only consumers ($P = 0.530$). The results of multiple regression analysis on the dataset are depicted in Table 5.58.

Table 5.58 Multiple regression analysis on the four composite variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.787 ^a	.619	.607	2.57594

a. Predictors: (Constant), Price, Merchandise, Service

The multiple regression analysis confirms that 61.9% (R Square = 0.619) of the variation in the loyalty variable is accounted for by variations in the three composite variables. The total sample had a R Square of 62.4%, indicating slightly more influence of the composite variables on the loyalty variable, however, since the composite variables differ for each of the consumer groups, the inter-group differences in the R Square values have little significance. The regression coefficients are indicated in Table 5.59.

Table 5.59 Regression coefficients for cash only group

Model	Unstandardised Coefficients	
	B	Sig.
(Constant)	-5.705	0.013
Service	0.351	0.000
Price	0.721	0.000
Merchandise	0.304	0.013

a. Dependent Variable: Loyalty

It is evident from Table 5.59 that price is the strongest predictor of loyalty amongst cash only respondents (B = 0.721), followed by service (B = 0.351) and then merchandise (B = 0.304). The predictors of loyalty amongst cash only respondents mirror those of the total sample in name and order, but not in the strength of the prediction. Price was the strongest predictor of loyalty for both the total sample (B = 0.714) and for the cash only consumers (B = 0.721). Price was, however, a stronger predictor for the cash only

respondents. The strength of service as a predictor of loyalty was very similar for both the total sample and the cash only respondents ($B = 0.315$ and 0.351 , respectively), while merchandise was significantly less of a predictor for the total sample ($B = 0.203$) than it was for the cash only respondents ($B = 0.304$). The results of the analysis of the variance test (ANOVA) are listed in Table 5.60.

Table 5.60 ANOVA results for cash only consumer group

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1022.541	3	340.847	51.368	.000 ^a
Residual	630.368	95	6.635		
Total	1652.909	98			

a. Predictors: (Constant), Price, Merchandise, Service

b. Dependent Variable: Loyalty

Table 5.60 confirms at a highly significant level ($P < 0.05$), that the variation in loyalty is not due to random fluctuations in the dataset ($F = 51.368$). It can, therefore, be concluded that the factors that influence cash only consumers' loyalty towards Edgars are price, service and merchandise, in decreasing order of importance.

The next consumer group identified in Chapter 3 was the members of the Purple Cash Card loyalty programme. The factor analysis conducted on the dataset for Purple Cash Card members is discussed below.

5.7.2 Purple Cash Card members

The procedure for conducting data analysis, as indicated in Figure 5.50, was also followed when conducting a factor analysis for the Purple Cash Card members, resulting in the following findings, as indicated in Table 5.61.

Table 5.61 Factor analysis statistics for Purple Cash Card members

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.818
Sig.	.000

Table 5.61 confirms the appropriateness of factor analysis as a statistical technique for analysing the dataset consisting of Purple Cash Card members only (results are significant at the 5% level and KMO > 0.6). The rotated factor matrix for Purple Cash Card respondents is displayed in Table 5.62.

Table 5.62 Rotated factor matrix - Purple Cash Card members

	Component	
	1	2
2.1 Enjoy atmosphere in Edgars	<u>.578</u>	.340
2.3 Products are reasonably priced	<u>.736</u>	.180
2.4 Get good service at Edgars	<u>.163</u>	<u>.768</u>
2.5 Always get products I want from Edgars	<u>.398</u>	<u>.529</u>
2.6 Like music played in store	<u>.358</u>	<u>.515</u>
2.7 Shop where prices are best	<u>.454</u>	.051
2.8 Edgars has good selection of products	<u>.745</u>	.061
2.9 Do not wait long when paying at Edgars tills	<u>.054</u>	<u>.741</u>

2.10 Edgars' products are fashionable and up to date	<u>.573</u>	.268
2.11 Sufficient help is available when needed	<u>.201</u>	<u>.779</u>
2.12 Edgars has quality products	<u>.602</u>	.292
2.14 Edgars staff are very friendly	<u>.170</u>	<u>.767</u>
2.15 Edgars' prices are competitive	<u>.786</u>	.141
2.16 Like design of store, way things are arranged	<u>.581</u>	.239
2.18 Love finding bargains	.223	.215
Cumulative Rotation Sums of Squared Loadings = 46.88%		

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

The rotated factor matrix displayed in Table 5.62 resulted in only two factors. Variables 2.1, 2.3, 2.7, 2.8, 2.10, 2.12, 2.15 and 2.16 loaded heavily on the first factor. Four of the eight variables related directly to merchandise, two related to price, one related to atmosphere and one related to buying behaviour. The factor was, therefore, named “merchandise”.

Variables 2.4, 2.5, 2.6, 2.9, 2.11 and 2.14 loaded heavily on factor two. Four of the six variables related directly to consumer service at Edgars, therefore, the factor was labelled “service”. Variable 2.18 did not load heavily on either factor and was, therefore, ignored.

Reliability analyses were performed on the two composite variables, and the results are indicated in Table 5.63.

Table 5.63 Results of reliability analyses for merchandise and service variables

Composite variable	Number of items in scale	Cronbach's Alpha
Service	6	.809
Merchandise	8	.813

Table 5.63 indicates that both the merchandise and service composite variables are reliable (Cronbach's Alpha = 0.813 and 0.809, respectively). The composite loyalty variable was, again, created and tested for reliability. The results of the reliability analysis of the loyalty variable are indicated in Table 5.64.

Table 5.64 Reliability analysis for composite loyalty variable

Composite variable	Number of items in scale	Cronbach's Alpha
Loyalty	5	.819

Cronbach's Alpha, as indicated in Table 5.64, is 0.819, which indicates a reliable scale (Cronbach's Alpha > 0.6). Multiple regression analysis performed on the dataset consisting only of Purple Cash Card members revealed the extent to which the composite variables influence the loyalty variables. Results of the multiple regression analysis are depicted in Table 5.65.

Table 5.65 Results of multiple regression analysis for Purple Cash Card members

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770	.592	.584	2.44357

a. Predictors: (Constant), Merchandise, Service

Table 5.65 indicates that 59.2% (R Square = 0.592) of the variation in the loyalty variable is accounted for by variations in the merchandise and service variables. This R

Square value is the lowest of all the consumer groups; however, interpretation must take into account the fact that for this consumer group there are only two composite variables influencing the loyalty variable. Correlations between the loyalty variable, the merchandise variable and the service variable are indicated in Table 5.66.

Table 5.66 Correlations between merchandise, service and loyalty

		Loyalty	Merchandise	Service
Loyalty	Pearson Correlation	1	.690**	.665**
	Sig. (2-tailed)		.000	.000
	N	102	101	100
Merchandise	Pearson Correlation	.690**	1	.550**
	Sig. (2-tailed)	.000		.000
	N	101	102	100
Service	Pearson Correlation	.665**	.550**	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	101

** . Correlation is significant at the 0.01 level (2-tailed).

Table 5.66 indicates that merchandise correlates more strongly with loyalty ($P = 0.690$) when compared to service ($P = 0.665$). The strength of the correlation is indicated by the Beta value B, as depicted in Table 5.67.

Table 5.67 Regression coefficients for Purple Cash Card members

Model	Unstandardised Coefficients	
	B	Sig.
(Constant)	-3.372	0.093
Service	0.370	0.000
Merchandise	0.421	0.000
a. Dependent Variable: Loyalty		

Table 5.67 indicates that variations in the merchandise variable have the strongest influence on variations in loyalty (B = 0.421), followed by variations in service (B = 0.370). For the total sample and for cash only respondents, merchandise was the weakest predictor of loyalty; however, for Purple Cash Card respondents, merchandise is the strongest. The analysis of variance (ANOVA) results are depicted in Table 5.68.

Table 5.68 ANOVA results for the Purple Cash Card members

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	833.325	2	416.662	69.780	.000 ^a
Residual	573.221	96	5.971		
Total	1406.545	98			

a. Predictors: (Constant) Merchandise, Service

b. Dependent Variable: Loyalty

The ANOVA results depicted in Table 5.68 indicate that the variation in loyalty is due to variations in merchandise and service and not to random fluctuations in the dataset ($P <$

0.05 and $F > 1$). It can be concluded that merchandise and service are the factors that influence consumer loyalty towards Edgars amongst the Purple Cash Card members.

The last consumer group identified in Chapter 3 consisted of consumers who mostly paid for their purchases at Edgars on account. The factor analysis for account holders is discussed below.

5.7.3 Account holders

The procedure for conducting a factor analysis, as indicated in Figure 5.50, was also followed when conducting a factor analysis for the account holders, resulting in the following findings, as indicated in Table 5.69.

Table 5.69 Factor analysis statistics for Account holders

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.811
Sig.	.000

Table 5.69 indicates that the results are significant at the 5% level ($P < 0.05$) and the KMO statistic is larger than 0.6 ($KMO = .811$), indicating that factor analysis is appropriate for the dataset consisting of only account holder respondents. The rotated factor matrix indicated in Table 5.70, identified four factors.

Table 5.70 Rotated factor matrix - Account holders

	Component			
	1	2	3	4
2.1 Enjoy atmosphere in Edgars	<u>.622</u>	.250	.122	.123
2.3 Products are reasonably priced	.166	.137	-.009	.899
2.4 Get good service at Edgars	<u>.670</u>	.182	.128	.324
2.5 Always get products I want from Edgars	<u>.301</u>	<u>.743</u>	-.126	.140
2.6 Like music played in store	<u>.327</u>	-.012	<u>.577</u>	.376
2.7 Shop where prices are best	-.161	<u>.488</u>	<u>.637</u>	-.077
2.8 Edgars has good selection of products	<u>.100</u>	<u>.731</u>	.131	.171
2.9 Do not wait long when paying at Edgars tills	<u>.784</u>	.011	.117	.126
2.10 Edgars' products are fashionable and up to date	<u>.198</u>	<u>.741</u>	.370	.076
2.11 Sufficient help is available when needed	<u>.791</u>	.294	.066	.146
2.12 Edgars has	<u>.283</u>	<u>.735</u>	.090	.238

quality products				
2.14 Edgars staff are very friendly	<u>.812</u>	.169	.144	-.040
2.15 Edgars' prices are competitive	<u>.179</u>	<u>.443</u>	<u>.118</u>	<u>.731</u>
2.16 Like design of store, way things are arranged	<u>.251</u>	<u>.428</u>	<u>.623</u>	-.007
2.18 Love finding bargains	<u>.178</u>	<u>-.037</u>	<u>.762</u>	.026
Cumulative Rotation Sums of Squared Loadings = 66.69%				

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Variables 2.1, 2.4, 2.9, 2.11 and 2.14 all loaded heavily on the first factor. Four of the five variables are directly related to service. Factor one was, therefore, labelled “service”.

Variables 2.5, 2.8, 2.10 and 2.12 all loaded heavily on the second factor. All of these variables relate to Edgars’ merchandise selection. The second factor was, therefore, labelled “merchandise”.

Variables 2.6, 2.7, 2.16 and 2.18 loaded heavily on factor three. Two of the four factors relate to consumer behaviour, one relates to atmosphere and the other relates to merchandise. This factor was, therefore, labelled “behaviour”.

Variables 2.3 and 2.15 loaded heavily on factor four. Both variables relate directly to price, therefore, the fourth factor was labelled “price”.

Reliability analysis was performed on the four composite variables created from the factor analysis. The results of the reliability analysis are indicated in Table 5.71.

Table 5.71 Reliability analysis for composite variables

Composite variable	Number of items in scale	Cronbach's Alpha
Service	5	.844
Merchandise	4	.816
Behaviour	4	.665
Price	2	.766

It can be seen from Table 5.71 that the four composite variables can all be regarded as reliable scales (Cronbach's Alpha > 0.06).

Reliability analysis was also performed on the composite loyalty variable consisting of variables 2.3, 2.13, 2.17, 2.19 and 2.20. The results of the reliability analysis on the loyalty variable are depicted in Table 5.72.

Table 5.72 Reliability analysis of loyalty variable

Composite variable	Number of items in scale	Cronbach's Alpha
Loyalty	5	.884

Table 5.72 indicates that the loyalty variable is indeed reliable (Cronbach's Alpha > 0.6). Multiple regression analysis was performed on the account holders' dataset to confirm the percentage of variation in the loyalty variable that can be accounted for by the composite variables. Table 5.73 represents the results of the multiple regression analysis.

Table 5.73 Multiple regression analysis of account holders

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.825	.681	.668	2.49790

a. Predictors: (Constant), Merchandise, Service, Behaviour, Price

Table 5.73 indicates that 68.1% of the variation in the loyalty variable can be accounted for by variation in the four composite variables (R Square = 0.681). This represents the highest R Square of all of the consumer groups. Interpretation must, however, consider that there are four composite variables influencing the loyalty variable. Table 5.74 represents the correlation between the five variables.

Table 5.74 Correlations between service, merchandise, behaviour, price and loyalty

		Service	Merchandise	Behaviour	Price	Loyalty
Service	Pearson Correlation	1	.501**	.417**	.429**	.724**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	104	102	103	104	103
Merchandise	Pearson Correlation	.501**	1	.457**	.484**	.701**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	102	102	102	102	101
Behaviour	Pearson Correlation	.417**	.457**	1	.286**	.437**
	Sig. (2-tailed)	.000	.000		.003	.000
	N	103	102	103	103	102
Price	Pearson Correlation	.429**	.484**	.286**	1	.487**
	Sig. (2-tailed)	.000	.000	.003		.000
	N	104	102	103	104	103
Loyalty	Pearson Correlation	.724**	.701**	.437**	.487**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	103	101	102	103	103

** . Correlation is significant at the 0.01 level (2-tailed).

It is evident from Table 5.74 that there is a positive correlation between all four variables and loyalty ($P > 0$). The strengths of the correlations between the variables are illustrated by the regression coefficients. Regression coefficients are depicted in Table 5.75.

Table 5.75 Regression coefficients for account holders

Model	Unstandardised Coefficients	
	B	Sig.
(Constant)	-3.532	.069
Service	.512	.000
Merchandise	.666	.000
Behaviour	.052	.667
Price	.198	.228
a. Dependent Variable: Loyalty		

Table 5.75 reveals that variations in the merchandise variable have the strongest influence on variations in the loyalty variable ($B = 0.666$), followed by variations in the service variable ($B = 0.512$) and then variations in the price variable ($B = 0.198$). Variations in the behavioural variable have a negligible impact on variations in the loyalty variable ($B = 0.052$). Analysis of variance analysis (ANOVA) was performed in order to confirm that variations in the loyalty variable attributed to the composite variables, as indicated in Table 5.75, cannot be attributed to random fluctuations in the dataset. Results of the ANOVA analysis are depicted in Table 5.76.

Table 5.76 ANOVA results for account holders

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1278.949	4	319.737	51.244	.000 ^a
Residual	598.991	96	6.239		
Total	1877.941	100			

a. Predictors: (Constant) Merchandise, Service, Behaviour, Price

b. Dependent Variable: Loyalty

Table 5.76 confirms that the variation in loyalty attributed to the composite variables is not due to random variations in the dataset ($F > 1$ and $P < .05$). It can be concluded, therefore, that the factors that influence consumer loyalty towards Edgars amongst Edgars account holders are merchandise, service, price and behaviour, in descending order of importance.

The secondary objective of the study is to compare the factors that influence consumer loyalty towards Edgars amongst the three consumer groups. Table 5.77 compares the factors and ranks their influence on consumer loyalty towards Edgars for each group.

Table 5.77 Factors that influence consumer loyalty towards Edgars by consumer group (ranked)

Rank	Cash only	Purple Cash Card	Account
1	Price (0.721)	Merchandise (0.421)	Merchandise (0.666)
2	Service (0.351)	Service (0.370)	Service (0.512)
3	Merchandise (0.304)		Price (0.198)
4			Behaviour (.052)

Table 5.77 illustrates that as the relationship with Edgars is formalised, as is the case with Purple Cash Card members and account holders, price becomes less important as a driver of loyalty towards Edgars. Merchandise selection and levels of consumer service become more important as drivers of loyalty. It is clear from Table 5.77 that cash only respondents' loyalty towards Edgars is driven by price, which is the strongest driver amongst all factors and all consumer groups (0.721). Price is the least important driver of loyalty for account holders and is the least important variable across all factors and consumer groups (0.198).

5.8 Conclusion

This chapter served to present the findings of the study in order to explore the factors that influence consumer loyalty towards Edgars. Findings were presented according to the primary and secondary objectives of the study.

The primary objective of this study was to explore the factors that influence consumer loyalty towards Edgars. This was achieved by performing factor analyses on data collected from the sample that recorded respondents' feelings towards Edgars, respondents' current and future behavioural intentions with regard to Edgars, respondents' cognitive knowledge about Edgars, respondents' emotional commitment towards Edgars and respondents' willingness to recommend Edgars to friends. The data gathered to achieve the primary objective of the study was detailed in sections 5.2 to 5.5 of this chapter. The factor analysis showed that price, service and merchandise were the three factors that influenced consumer loyalty towards Edgars. The analysis revealed that price was the strongest driver of consumer loyalty towards Edgars, followed by service and then merchandise.

The secondary objective of the study was to compare the three consumer groups identified in Chapter 3, namely, cash only consumers, Purple Cash Card members and account holders, with regard to the factors that influence their consumer loyalty towards Edgars. This was achieved by performing factor analyses on the data collected from the sample separately for each consumer group. The data gathered to achieve the secondary objective of this study was detailed in section 5.6 of this chapter. The factor analysis showed that the factors that influence consumer loyalty towards Edgars varied across the three consumer groups. The analysis showed that cash only consumers' loyalty towards Edgars was driven firstly by price, then by service and lastly by merchandise. Purple Cash Card members' loyalty towards Edgars was driven firstly by merchandise and then by service. Price did not feature as a factor that influenced consumer loyalty towards Edgars amongst Purple Cash Card members. Account holders were influenced mostly by merchandise, followed by service and then by price.

In Chapter 6, conclusions will be drawn from the findings and recommendations with regard to the factors that influence consumer loyalty towards Edgars will be made.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The purpose of this study was to explore the factors that influence consumer loyalty towards a retail clothing store in Gauteng. The research results were discussed in Chapter 5 and specific findings from the questionnaire were presented. In this chapter the research objectives will be revisited, conclusions will be drawn based on the data collected and final recommendations will be made. Opportunities for further research will also be presented.

First, the purpose of the study will be revisited below.

6.2 The purpose of the study

Consumer loyalty ranks as one of the most valuable assets in any organisation, and yet it remains an ambiguous term and subject of much debate (Shugan 2005:185). The importance of having loyal consumers is especially evident in the retail industry where there are three main reasons for wanting to create and maintain loyal consumers. First, loyal consumers are more profitable than disloyal consumers (Reichheld 2006:15). Second, having loyal consumers creates a competitive advantage that is both sustainable and difficult to duplicate (Bhatty, Skinkle & Spalding 2001, Marney 2001 and Budhwani 2002). Third, loyal consumers are advocates of the organisation (Reichheld 2006:15).

The existing literature on consumer loyalty, as discussed in Chapter 2, focuses on the importance of consumer loyalty to organisations and the struggle to engender loyalty amongst an existing consumer base, and not on the factors that influence consumer loyalty. The purpose of this study in exploring the factors that influence consumer loyalty towards a retail clothing store in Gauteng, therefore, flowed from the lack of research regarding the factors that influence consumer loyalty, specifically towards retail stores.

Retail trade generated by South African retailers (including the repair of household goods and an estimate of the informal sector) contributed 6% to the South African GDP during 2009 (Anon3 2010:23), making the retail sector a very important sector in the economy – one that deserves attention. The importance of the retail trade in the South African economy was discussed in detail in Chapter 3 and this importance was made clear.

Edgars was selected as the retail clothing store that would form the focus of the study, owing to its position as the largest clothing retailer in South Africa as well as its unique blend of consumer groups consisting of consumers who pay cash only (the cash only consumer group), consumers who pay cash in return for rewards (Purple Cash Card members) and consumers who purchase on credit (account holders). Edgars, like any other retail organisation, needs loyal consumers in order to drive profitability, reduce marketing and consumer acquisition costs and to secure an advantage over their competitors (Griffin 2002, Wisskirchen et al 2006 and Allaway, Gooner, Berkowitz, & Davis 2006).

The objectives of the study will be revisited below.

6.3 Primary objective of the study

The primary objective of the study, as indicated in Chapter 1, was to explore the factors that influence consumer loyalty towards Edgars in Gauteng. The primary objective of the study was achieved by conducting factor analysis on the responses to a structured questionnaire. The research methodology implemented to achieve the primary objective is summarised below.

6.3.1 *Research methodology applied to achieve the primary objective*

Factor analysis was defined in Chapter 4 and is used to examine the correlations between a number of variables and to identify clusters that reflect underlying themes (factors) within the data. Factor analysis was used to examine the correlations between

the variables that influence consumer behaviour at Edgars and to identify underlying themes that influenced consumer loyalty towards Edgars. In total, 308 respondents completed the questionnaire, allowing for valid and reliable statistical analysis. Findings related to the primary objective are discussed below.

6.3.2 Primary objective findings

In general, the respondents were found to have positive feelings about Edgars. The majority of the respondents felt positively about the store atmosphere, pricing, merchandise and service in Edgars stores and displayed tendencies of being loyal consumers of Edgars. When asked, 65.6% of the respondents felt that they were very committed to Edgars and a total of 87.% of the respondents were willing to recommend Edgars to their friends.

Exploring the factors that influence consumer loyalty towards Edgars

The factor analysis described in Chapter 4 resulted in three factors that accounted for 54.5% of the variance in the dataset. The three factors, each consisting of between four and six individual variables, were named “service”, “price” and “merchandise” based on the factor loadings of the underlying variables. Each of the variables was then correlated to a composite variable called “loyalty” that consisted of variables directly related to consumer loyalty as described in Chapter 2.

The price variable had the highest correlation with the loyalty variable ($r = 0.728$) and was also the strongest predictor of the loyalty variable ($B = 0.714$). The service variable correlated with the loyalty variable ($r = 0.649$) and was the next best predictor of the loyalty variable ($B = 0.315$). The merchandise variable had the weakest correlation with the loyalty variable ($r = 0.536$) and was the weakest predictor of the loyalty variable ($B = 0.203$). The relative strengths of prediction of the loyalty variable by the three composite variables are illustrated in Figure 6.1.

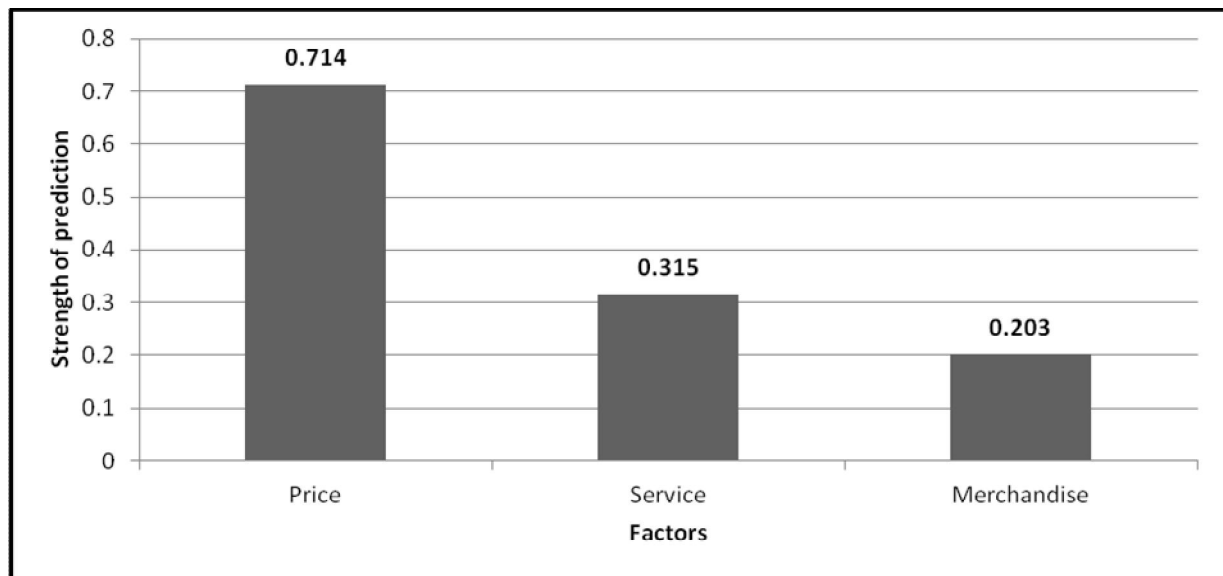


Figure 6.1 Relative strengths of prediction of composite variables for total sample

These findings indicate that the respondents' perceptions of Edgars' prices most strongly predicted their commitment to Edgars, their concern about whether or not they could purchase from Edgars, their intention to purchase the majority of their clothes from Edgars, their intention to purchase even more; clothes from Edgars in the future and, most importantly, their willingness to recommend Edgars to their friends.

With the identification and exploration of price, service and merchandise as factors that influence consumer loyalty of respondents towards Edgars, the primary objective of the study was achieved. The factors that influence consumer loyalty towards Edgars are illustrated in Figure 6.2.

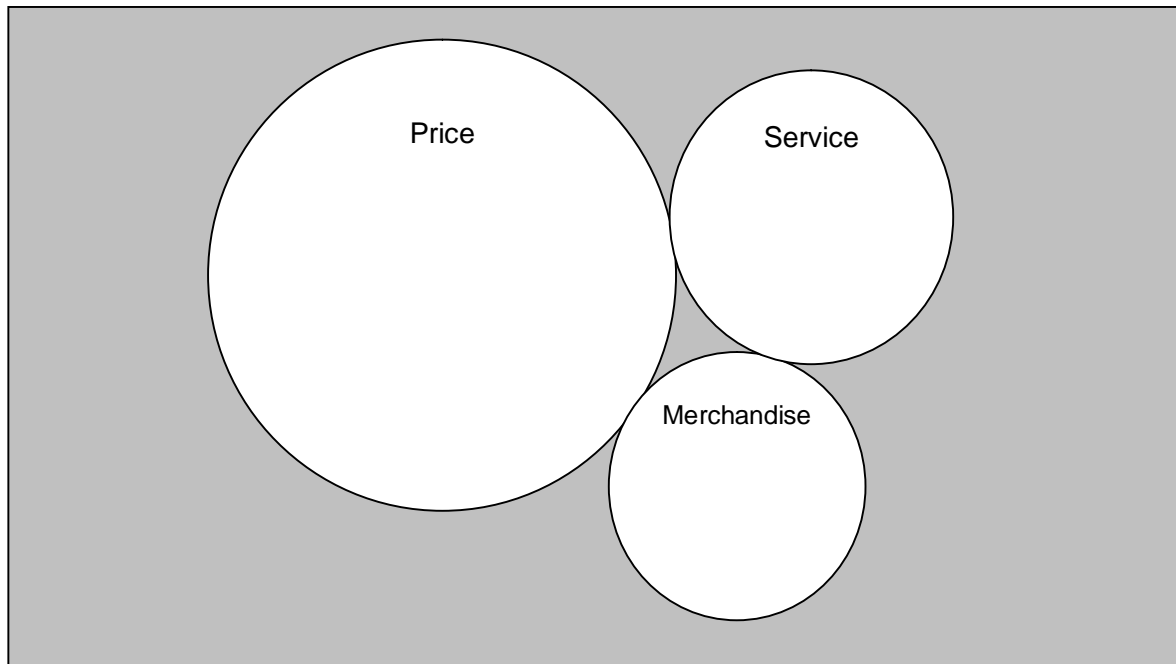


Figure 6.2 The factors that influence consumer loyalty towards Edgars

The secondary objective of the study was to compare the three consumer groups in terms of the factors that influence consumer loyalty towards Edgars. The secondary objective is discussed below.

6.4 Secondary objective of the study

The secondary objective of the study was developed from the identification of the three consumer groups evident at Edgars namely, cash only consumers, Purple Cash Card members and account holders. Cash only consumers (N = 101) pay cash and have no contractual or financial links to the retailer. Purple Cash Card members (N = 103) also pay cash for their purchases, but earn loyalty rewards base on the Rand value of their purchase. These consumers are linked to Edgars, as members of a loyalty programme, via a contract that guarantees them a reward voucher based on their spending. Account holders (N = 104) do not pay cash for their purchases but rather purchase on credit, agreeing to pay for their purchases in instalments at a later stage. These consumers are contractually bound to Edgars. By comparing the factors that influence consumer loyalty

towards Edgars for each group, conclusions could be drawn regarding the effectiveness of the loyalty programmes and the way forward with regard to marketing strategies for each consumer group.

6.4.1 *Research methodology applied to achieve the secondary objective*

Factor analysis is used to examine the correlations between a number of variables and to identify clusters that reflect underlying themes (factors) within the data. Factor analysis was used to examine the correlations between the variables that influence consumer behaviour at Edgars and to identify underlying themes that indicated loyalty towards Edgars for each of the identified consumer groups. The 308 respondents who completed the questionnaire were selected according to their belonging to one of the three consumer groups as indicated. The sampling procedures were discussed in Chapter 4. The final sample consisted of 101 cash only respondents, 103 Purple Cash Card members and 104 account holders, allowing for statistical comparison between the groups and the total sample. Findings related to the secondary objective are discussed below.

6.4.2 *Secondary objective findings*

The study revealed that the overall feelings amongst all consumer groups towards Edgars were positive, however, distinct differences were found in terms of the factors that influenced consumer loyalty towards Edgars and the respondents' intended future behaviour towards Edgars. Findings related to the secondary objective are briefly summarised below according to the respondents' feelings about the atmosphere at Edgars stores, Edgars merchandise, Edgars' service, Edgars' prices and respondents' behaviour towards Edgars.

Consumer groups' feelings towards the atmosphere in Edgars stores

The study found that the Purple Cash Card members felt the most positively about the atmosphere in Edgars stores overall, scoring higher means in two out of three atmosphere-related questions. Purple Cash Card members felt the most positively about

the overall atmosphere in Edgars stores ($\mu = 4.29$) and the design of the store and the way that things are arranged ($\mu = 4.17$). The account holders felt the most negatively about the atmosphere in Edgars stores, particularly disliking the music that is played in the stores (see Question 2.6). Cash only consumers felt the most positively about the music that was played in Edgars stores and most negatively about the way things were arranged (see Question 2.16). The average mean scores for all atmosphere-related questions are illustrated in Figure 6.3.

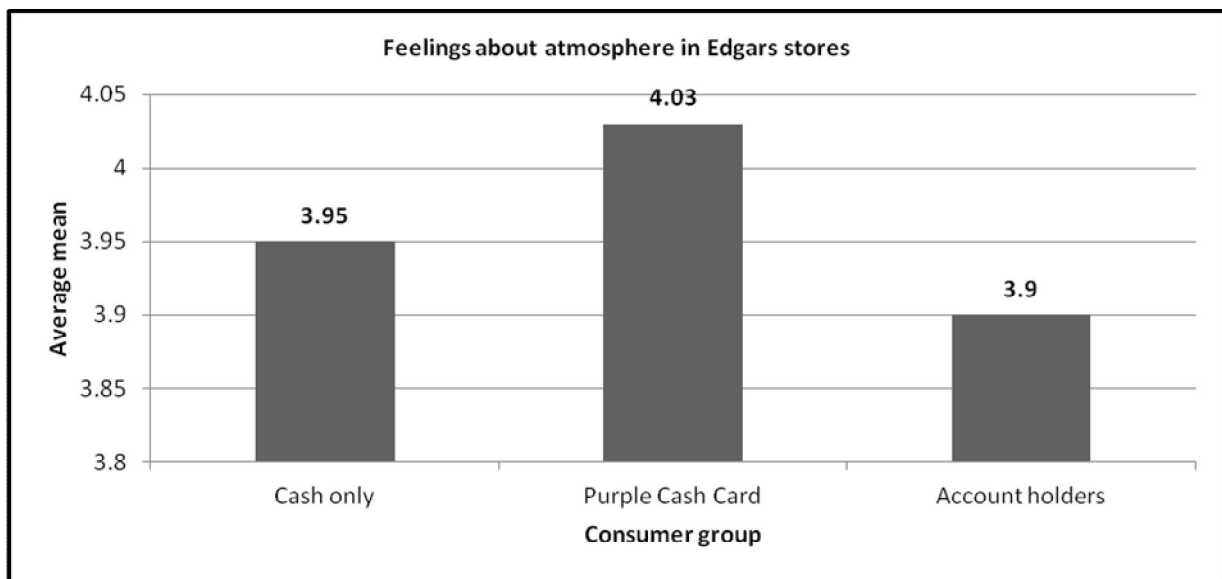


Figure 6.3 Average means for consumer groups for atmosphere-related questions

Consumer groups' feelings about Edgars merchandise

The most overwhelming finding with regard to the consumer groups' feelings about Edgars' merchandise was that the account holders felt the most negatively of all the groups. Account holders felt the most negatively in three out of the four categories, with an average mean of 4.07. This is an interesting finding which highlights an apparent incongruity within the feelings of account holders. One would expect account holders to be more positive about Edgars merchandise as they have an account with the retailer, which implies a long-term commitment to purchasing from Edgars. Purple Cash Card members were the most positive, but only by a small margin (two out of the four

categories), scoring an average mean of 4.13. The most negative response from all three groups concerned the availability of the desired products from Edgars (see Question 2.5), which could indicate a problem in the stock control rather than in the buying, since the responses to the questions regarding the merchandise selection were largely positive (see Question 2.8). The strongly negative feelings expressed by account holders warrants further research. Negativity could stem from a reliance on credit for purchasing, thus, limiting the consumer's choice of retailer and thereby the choice of merchandise. The average means for the three consumer groups for the merchandise-related questions are depicted in Figure 6.4.

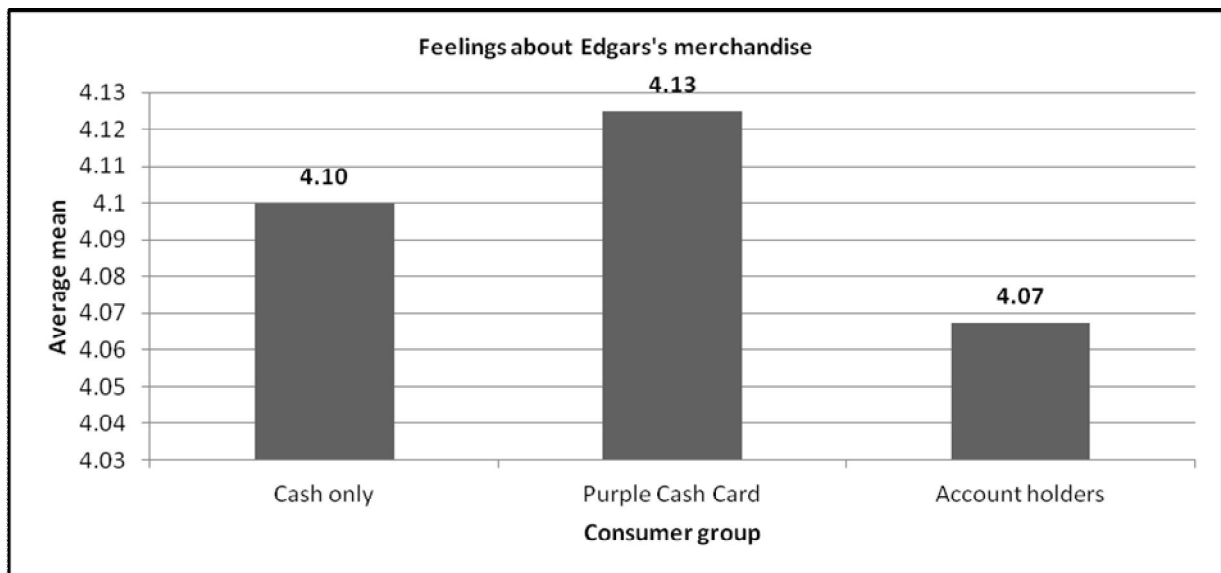


Figure 6.4 Average means for consumer groups for merchandise related questions

Consumer groups' feelings about Edgars' service

The study found that Purple Cash Card members felt the most positively about all aspects of the service received at Edgars, with an average mean score of 3.83. Purple Cash Card members felt that they always received good service at Edgars (see Question 2.4), that help was readily available when needed (see Question 2.11) and that they did not wait too long in the queues when paying (see Question 2.9). Account

holders and cash only consumers were equally negative about the service received at Edgars stores, with cash only consumers having a slightly higher average mean score of 3.81 as opposed to account holders, with an average mean of 3.78. The average means for service related questions are indicated in Figure 6.5.

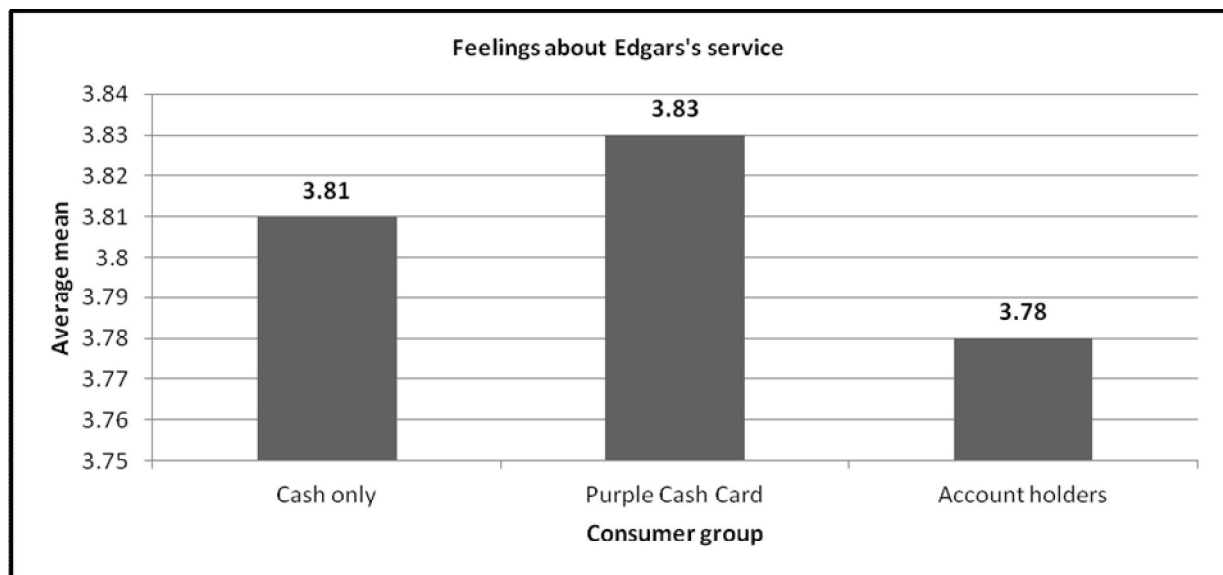


Figure 6.5 Average means for consumer groups for service related questions

Consumer groups' feelings about Edgars' prices

The study found that Purple Cash Card members felt the most positively about Edgars' prices, with an average mean score of 3.74. Purple Cash Card members felt that Edgars' prices were both reasonable and competitive (see Questions 2.3 and 2.15). Cash only consumers felt the most negatively about Edgars' prices with an average mean score of 3.52, while account holders were neutral, with an average mean score of 3.65. Account holders did, however, feel that Edgars' prices were competitive. The average means for the price-related questions are indicated in Figure 6.6.

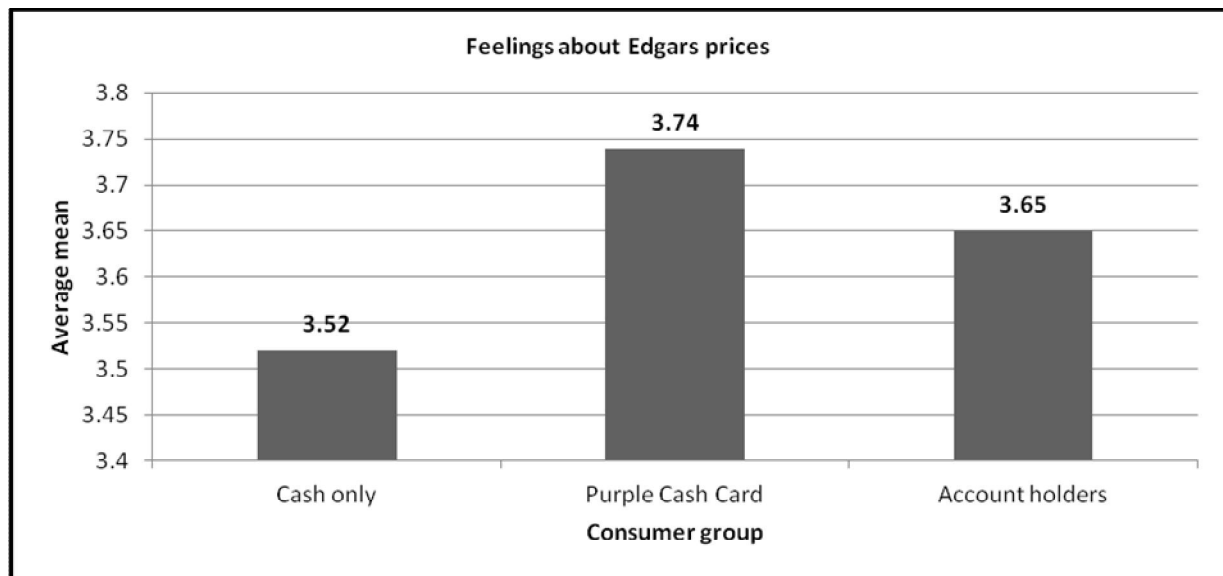


Figure 6.6 Average means for consumer groups for price related questions

Consumer groups' behaviour towards Edgars

In terms of the relative amounts of clothing purchased from Edgars, the account holders indicated that they currently purchased most of their clothes from Edgars ($\mu = 3.75$), followed by Purple Cash Card members (mean = 3.46) and, finally, cash only consumers ($\mu = 3.18$). Purple Cash Card members were the most likely, however, to buy even more clothes from Edgars in the future ($\mu = 3.94$).

Account holders were, by far, the consumer group that expressed the highest likelihood of continuing to purchase from Edgars ($\mu = 4.22$) and were also the group that considered themselves to be the most committed to Edgars ($\mu = 3.98$). The account holders' relationship towards Edgars warrants further research in order to determine the nature of their commitment. It is hypothesised that the contractual relationship based on financial obligations could be forcing these consumers to continue to purchase from Edgars, making the relationship one of necessity rather than a voluntary relationship.

Purple Cash Card members indicated the highest willingness to recommend Edgars to their friends. It was asserted in Chapter 2 that the willingness to recommend a retailer is

one of the strongest indicators of consumer loyalty, allowing for the conclusion that Purple Cash Card members are, by this one measure, the most loyal of the three consumer groups. This conclusion needs to be tempered with the fact that Purple Cash Card members were not the most concerned if they could no longer purchase from Edgars, nor were they the consumer group most likely to continue to purchase from Edgars in the future. Mean scores depicting the willingness to recommend Edgars to friends are indicated in Figure 6.7.

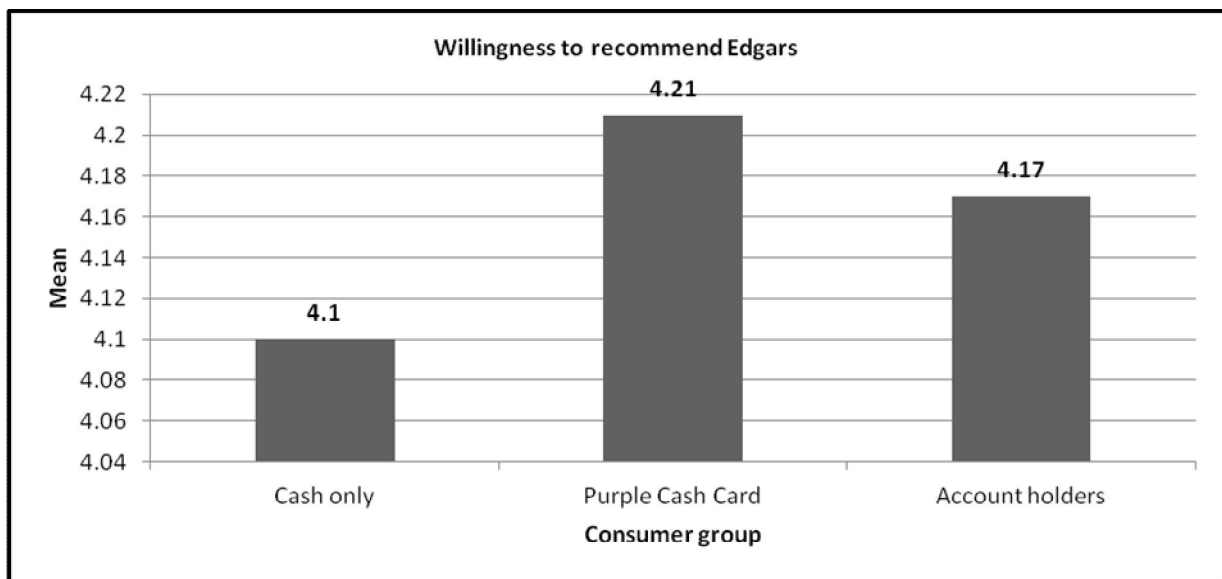


Figure 6.7 Mean scores for willingness to recommend Edgars

Comparison of the factors that influence consumer loyalty towards Edgars between the consumer groups

The factor analysis resulted in different factors that influence consumer loyalty towards Edgars for each consumer group. In cases where the factors were the same for each group, the importance of the factor as a driver of consumer loyalty differed. A summary of the factors that influence consumer loyalty towards Edgars for each consumer group is presented below in Table 6.1.

Table 6.1 Summary of the factors that influence consumer loyalty towards Edgars by consumer group

Rank	Cash only	Purple Cash Card	Account
1	Price (0.721)	Merchandise (0.421)	Merchandise (0.666)
2	Service (0.351)	Service (0.370)	Service (0.512)
3	Merchandise (0.304)		Price (0.198)

It can be concluded from Table 6.1 that cash only consumers' loyalty towards Edgars was most strongly influenced by the price of Edgars' products, followed by the service received at Edgars stores and then by the merchandise that was available. Price was more than twice as important as service and merchandise to cash only consumers. The factors that influence cash only consumers' loyalty towards Edgars are illustrated in Figure 6.8.

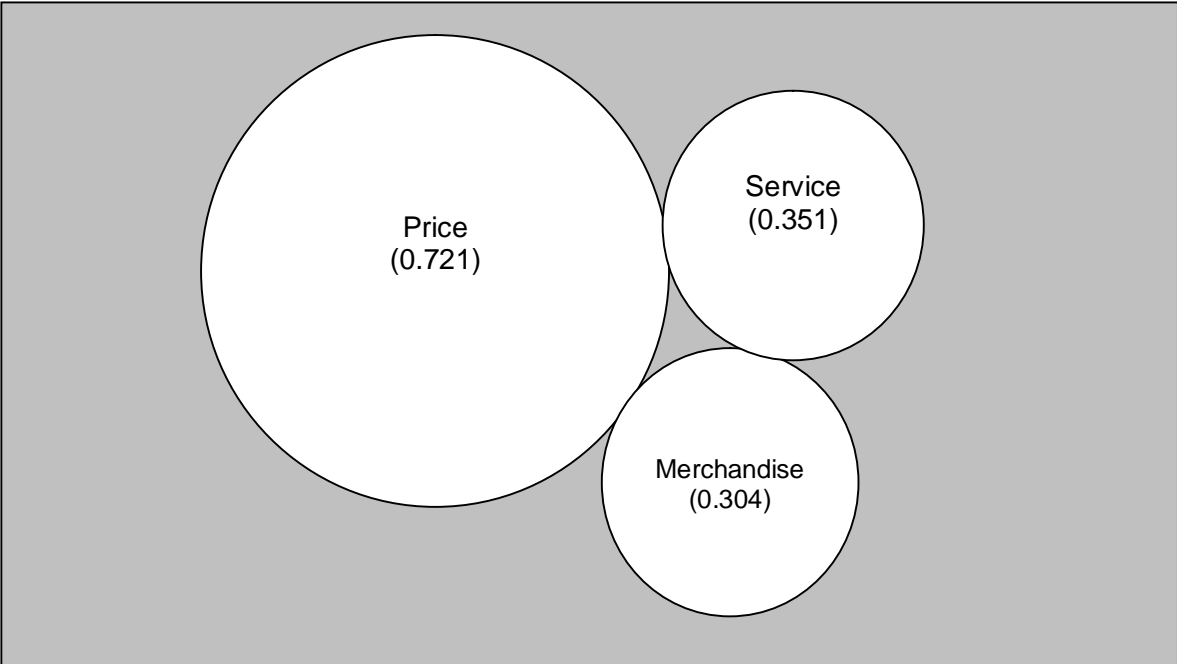


Figure 6.8 The factors that influence cash only consumers' loyalty towards Edgars

The study showed that Purple Cash Card members' loyalty towards Edgars was most strongly influenced by Edgars' merchandise, followed by the service received at Edgars. The two factors were relatively similar in their importance to Purple Cash Card members. The factors that influence Purple Cash Card members' consumer loyalty towards Edgars are illustrated in Figure 6.9.

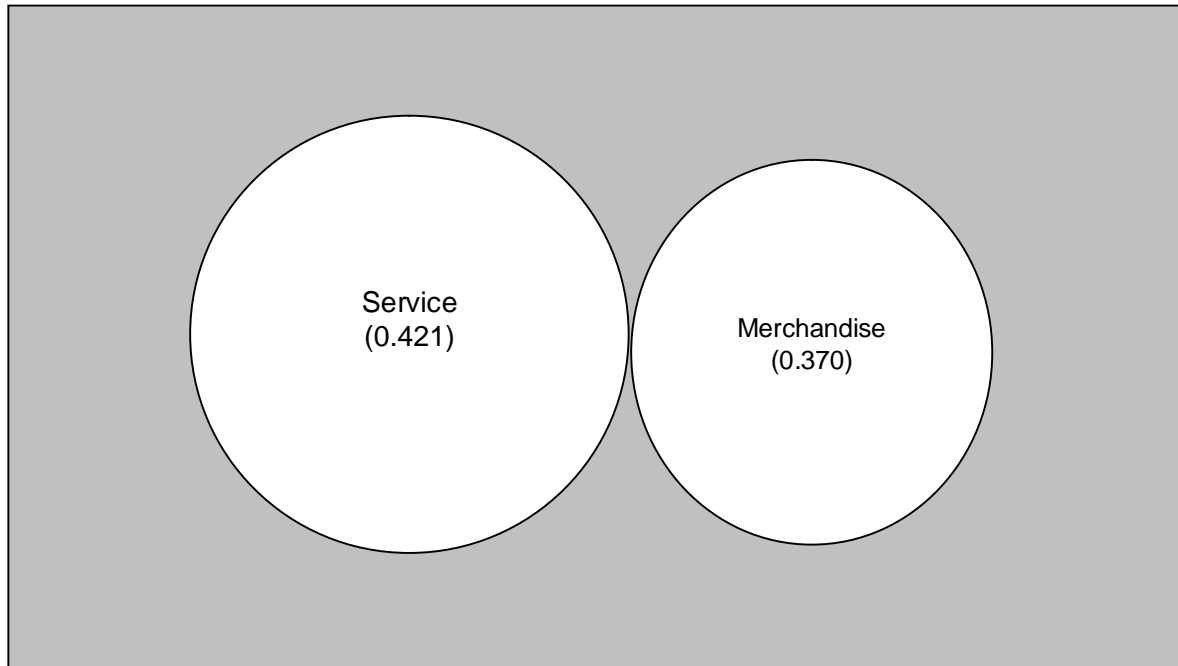


Figure 6.9 The factors that influence Purple Cash Card members' consumer loyalty towards Edgars

Account holders were found to be most strongly influenced by Edgars' merchandise, followed closely by the service received at Edgars. As a factor that influences account holders' loyalty towards Edgars, price was found to be relatively unimportant. The factors that influence account holders' consumer loyalty towards Edgars are illustrated in Figure 6.10.

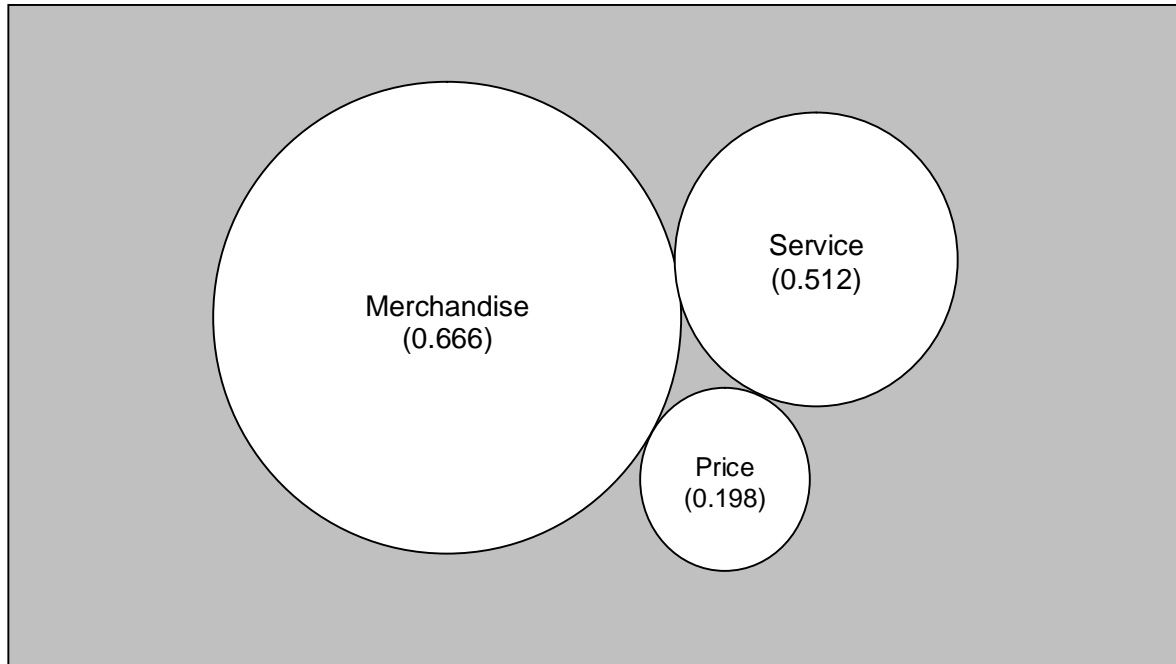


Figure 6.10 The factors that influence account holders' consumer loyalty towards Edgars

It is worth mentioning that price was not at all important to Purple Cash Card members and almost negligible for account holders. This indicates that consumers that are engaged in contractual arrangements with Edgars and receive rewards (either in the form of deferred payment or cash vouchers) are less concerned with price of products, and may be willing to pay more for their purchase at Edgars. Cash only consumers, on the other hand, are freer to purchase from other retailers and are therefore more inclined to consider prices before making a purchase.

The identification and comparison of the factors that influence consumer loyalty towards Edgars, for each consumer group, achieves the secondary objective of the study. Recommendations for Edgars are discussed below.

6.5 Recommendations

Recommendations are listed first for Edgars in terms of all of their consumers and then in terms of the individual consumer groups. Recommendations are based on the

findings of this study, which explored the factors that influence consumer loyalty towards Edgars.

6.5.1 Recommendations regarding Edgars consumers as a whole

- The atmosphere in Edgars stores is largely enjoyed by consumers and should be maintained, however, attention should be given to the music played in the stores. Almost 40% of the respondents were unhappy or indifferent about the music played in the stores, indicating that this aspect of the store atmosphere might influence consumers' decisions to enter the store or purchase from the store. Any aspects of store atmosphere that do not seem inviting to consumers or encourage them to purchase should receive attention.
- Product availability is clearly an issue that requires closer attention. Edgars should strive to avoid out-of-stock situations and have the products desired by consumers more readily available. The problem does not appear to be due to poor buying or merchandise selection, but rather due to merchandise availability. The issue of merchandise availability affects consumers directly and consistent unavailability of desired merchandise can lead to consumers switching retailers, with a consequent decline in loyalty towards Edgars. This issue requires further research and managerial attention.
- Edgars should continue to buy products that are fashionable and current in terms of the latest trends, as demanded by their target market. The needs and wants of their consumers must be continuously monitored and merchandise planning should be adapted accordingly.
- While only 10% of respondents were of the opinion that Edgars did not offer quality products, the issue of quality should still be addressed in Edgars' total marketing effort. Focus should be placed on the quality and value of the offerings and not only on the price or whether the merchandise is fashionable.

- Edgars can address the perception that their prices are not reasonable (as indicated in the findings, where 22.1% of the respondents felt that Edgars' prices were unreasonable) by stressing the quality of their products in their marketing efforts. Consumers are generally willing to pay more if they are convinced that the quality of the products purchased is high.
- Consumers' perceptions of Edgars' service is not overly positive; and since consumer perceptions may influence their buying behaviour, it would be wise for Edgars to address service issues in their retail operational training. Edgars must ensure that floor staff members are well trained, available to help customers when this is needed and friendly in the execution of their duties.
- Time spent waiting in queues to pay at Edgars should be reduced as far as possible. The issue can be addressed by having more till points open and more staff available to assist when consumers feel that they have waited in a queue for too long. The floor manager should be well trained in issues relating to this aspect and should constantly be on the lookout to address the issue when it arises. This can, again, be addressed through staff training.

6.5.2 *Recommendations regarding cash only consumers*

- Prices and value-for-money are issues of importance to customers and should, therefore, be emphasised in Edgars' marketing efforts in order to reinforce price as a predictor of loyal behaviour.
- Edgars' marketing should positively reinforce consumer opinions regarding their "skill" as shoppers by highlighting the bargains to be found at Edgars. This can be done by hiding special offers in the store and not advertising them broadly. Consumers who then find the special offers will reinforce their opinion of themselves as skilful shoppers who can find bargains.

6.5.3 Recommendations regarding Purple Cash Card members

- Edgars should promote the Purple Cash Card loyalty programme in order to entice consumers to return to purchase more of their clothes from the retailer. Research should be conducted in order to determine why consumers are not purchasing the majority of their clothes from Edgars and corrective loyalty strategies should be put into place based on the results from this research.
- Consumers should be encouraged to recommend Edgars to their friends and colleagues and should be rewarded for doing so. A “referral for rewards” programme could be added to the Purple Cash Card programme in order to stimulate active members to refer new members.

6.5.4 Recommendations regarding account holders

- Account holders’ loyalty towards Edgars was largely driven by merchandise and service. Personalised special service programmes should be put in place for account holders in order to enhance their exclusivity. Personal attendants and private pay points for account holders only, would improve the perception of service received at Edgars and encourage account holders to return more often.
- Private showings and early access to merchandise will also serve to improve the relationship between account holders and Edgars, and thereby drive their loyalty towards the store.
- Early warning of out-of-stock situations would greatly enhance the account holders’ perceptions of Edgars’ service. A pre-order system would allow account holders to reserve desired items and be notified of Edgars’ stock levels.
- Customised direct mail marketing systems that highlight certain products or product categories based on past shopping history could serve to make account holders feel special and recognised as individuals. This recognition can also help to drive loyalty to the store by appealing to account holders’ feelings of belonging.

Based on the aforementioned findings and recommendations, opportunities for further research have been identified.

6.6 Opportunities for further research

The findings of this study (to explore the factors that influence consumer loyalty towards Edgars) have identified several opportunities for further research. The opportunities for further research are listed below in no particular order of preference or importance:

- Due to the large number of respondents who did not agree or strongly agree that they always get the products that they want from Edgars, additional research should be conducted in order to further explore respondents' feelings and opinions in this regard. Researchers should identify the reasons for respondents not finding the products that they want at Edgars and also for the high number of respondents who neither agreed nor disagreed.
- The perceived levels of service at Edgars require further investigation. Researchers should identify the reasons for respondents feeling that they do not get good service at Edgars, the reasons for respondents feeling that insufficient help is available when needed and the reasons for respondents feeling that they waited too long in queues when paying at Edgars in order to identify possible points of improvement for Edgars.
- Due to the fact that account holders had the most negative feelings about the atmosphere and the merchandise in Edgars stores, further research should be conducted with regard to account holders and their relationships with the retailer. The focus should be on the remedial actions that can be taken in this regard.

6.7 Conclusion

This study explored the factors that influence consumer loyalty towards a clothing retailer in Gauteng, namely, Edgars. The literature study led to a comprehensive

definition of consumer loyalty and identified aspects of consumer behaviour that were used to develop a questionnaire which was distributed to Edgars consumers.

By completing the questionnaire, respondents enabled the researcher to identify three factors that influence the Edgars consumers' loyalty towards the retailer. The three factors identified were price, service and merchandise. The study concluded that consumer perceptions about Edgars' prices, Edgars' service and Edgars' merchandise all contributed to the degree of loyalty demonstrated by the consumer towards Edgars.

Furthermore, the study compared the three identified consumer groups at Edgars, namely, cash only consumers, Purple Cash Card members and account holders, with regard to the factors that influence consumer loyalty towards Edgars. The study found that the factors that influence consumer loyalty towards Edgars varied between the consumer groups and that the strength of the influence of the factors also varied dramatically. The study concluded that consumers who are contractually bound to the retailer were less inclined to be influenced by price but rather looked to service levels and merchandise selections in order to drive their loyalty. Price was the strongest driver of loyalty amongst cash only consumers.

Understanding the factors that influence consumer loyalty towards Edgars provides Edgars with important strategic information that can be used in order to influence their strategic marketing decisions going forward; and provides marketing academics with statistical evidence to further analyse loyalty marketing theory.

BIBLIOGRAPHY

Allaway, AW, Gooner, RM, Berkowitz, D & Davis, L. 2006. Deriving and exploring behaviour segments within a retail loyalty card program. *European Journal of Marketing* 40(11/12): 1317-1339.

Anon1. 2010. *Statistics South Africa. Retail trade sales (preliminary)*. Statistical release P6242.1.

Anon2. 2010. *Retailing South Africa*. Euromonitor International: Country Insight.

Anon3. 2010. *Statistics South Africa. Gross Domestic Product*. Statistical release P0441.

Anon4. [Sa]. Gauteng. Available at:
<http://www.southafrica.info/about/geography/gauteng.htm> (accessed on 16/06/2012).

Anon5. 2010. *Edcon Holdings Pty Ltd – Retailing – South Africa*. Euromonitor International: Local Company Profile.

Anon6. 2008. About us. Available at:

http://www.edgars.co.za/Edgars/About_Edgars/about_us.htm?MenuItem=About_Edgars
(accessed on 16/06/2012).

Anon7. 2011. Relationship Marketing. Available at:

<http://www.iclployalty.com/glossary/relationship-marketing.aspx> (accessed on 16/06/2012).

Anon8. 2007. Tesco leads the way in the loyalty program stakes. *STRATEGIC DIRECTION* 23(2): 18-21.

Anon9. 2010. *Quarterly Bulletin. December 2010*. South African Reserve bank.

Anon10. 2010. *Clothing and Footwear South Africa*. Euromonitor International: Country Market Insight.

Anon11. 1979. "The Edgars group: Golden Anniversary Perspective". *The Buyer* November 1979.

Anon12. 2011. Swan & Edgar. Available at:

http://en.wikipedia.org/wiki/Swan_%26_Edgar (accessed on 15/06/2012).

Anon13. 2011. Edcon Annual Report 2011.

Anon14. 2012. South African Advertising Research Foundation. Available at: <http://www.saarf.co.za> (accessed on 15/06/2012).

Anon15. 2011. South African Directory of Marketing Research. Available at: <http://www.rainbownation.com/directory/index.asp?CatID=1031> (accessed on 15/06/2012).

Anon16. 2011. Dictionary.com. Available at: <http://dictionary.reference.com/browse/merchandise> (accessed on 15/06/2012).

Anon17. 2012. Dictionary.com. Available at: <http://dictionary.reference.com/browse/customer+service> (accessed on 15/06/2012).

Anon18. 2010. A quick fix for queues. Available at: <http://www.physorg.com/news194606250.html> (accessed on 15/06/2012)

Anon19. 2012. Competitive pricing. Available at: <http://www.investopedia.com/terms/c/competitive-pricing.asp#ixzz1pkQEWSoo> (accessed on 15/06/2012).

Anon20. 2012. Descriptive statistics. Available at: http://www.investopedia.com/terms/d/descriptive_statistics.asp#axzz1xsPNsKvB (accessed on 15/06/2012).

Banasiewicz, A. 2005. Loyalty program planning and analytic. *Journal of Consumer Marketing* 22(6): 332-339.

Barnes, R. 2011. Economic Indicators: Gross Domestic Product (GDP). Available at: <http://www.investopedia.com/university/releases/gdp.asp> (accessed on 24/01/2011).

Berman, B & Evans, JR. 2010. *Retail Management. A strategic approach*. Eleventh Edition. USA: Prentice Hall

Bhatty, M, Skinkle, R & Spalding, T. 2001. Redefining customer loyalty, the customer's way. *Ivey Business Journal* 65(3): 13-17.

Blasberg, J, Vishwanath, V & Allen, J. 2008. Tools for converting consumers into advocates. *Strategy and Leadership* 36(2): 16-23.

Brink, A & Berndt, A. 2004. *Customer relationship management & customer service*. Landsdowne: Juta & Co.

Budhwani, K. 2002. Once you've found them, never let them go. *CMA Management* 76(2): 13-15.

Cant, M (Editor). 2010. *Introduction to retailing*. Claremont: Juta and Company Ltd.

Cant, MC, Brink, A & Brijball, S. 2006. *Consumer behaviour*. Cape Town: Juta & Co.

Cant, MC, Gerber-Nel, C, Nel, D & Kotze, T. 2003. *Marketing research*. Second Edition. Claremont: New Africa Books.

Capizzi, M, Ferguson, R & Cuthbertson, R. 2004. Loyalty trends for the 21st century. *Journal of Targeting, Measurement and analysis for Marketing* 12(3): 199-212.

Chopra, S & Meindl, P/ 2010. *Supply Chain Management. Strategy, Planning and operation*. Pearson: New Jersey

Cigliano, J, Georgiadis, M, Pleasance, D & Whalley, S. 2000. The power of loyalty creating winning retail loyalty programs. *McKinsey on Retail*. McKinsey & Company.

Coyles, S & Gokey, TC. 2002. *Customer retention is not enough*. McKinsey Quarterly 2002(2):81-89

De Gruijter, DNM & van der Kamp, LJ. 2008. *Statistical test theory for the behavioural sciences*. Florida: Chapman & Hall/CRC Taylor & Francis Group, LLC

Dunne, PM & Lusch, RF. 2008. *Retailing*. Sixth Edition. Mason: Thomson Higher Education

Fergusin, R & Hlavinka, K. 2008. SegmentTalk: the difference engine: a comparison of loyalty marketing perceptions among specific US consumer segments. *Journal of Consumer Marketing* 25(2): 115 - 127

Ferguson, R & Hlavinka, K. 2007. The COLLOQUY loyalty marketing census: sizing up the US loyalty marketing industry. *Journal of Consumer Marketing* 24(5): 313-321.

Fullerton, G & Taylor, S. 2002. Mediating, Interactive, and Non-linear Effects in Service Quality and Satisfaction with Services Research. *Canadian Journal of Administrative Sciences* 19(2): 124-136.

Gable, M, Fiorito, SS & Topol, MT. 2008. An empirical analysis of the components of retailer customer loyalty programs. *International Journal of Retail & Distribution Management* 36(1): 32-49.

Gomez, BG, Arranz, AG & Cillan, JG. 2006. The role of loyalty programs in behavioural and affective loyalty. *Journal of Consumer Marketing* 23(7): 387-396.

Griffin, J. 2002. *Customer loyalty. How to earn it and keep it*. San Francisco: Jossey-Bass.

Griffin, J. 2003. Twelve laws of loyalty. *The Canadian Manager* 28(2): 20-21.

Hair, JF, Bush, PR & Ortinau, D. 2003. *Marketing research*. Second Edition. McGraw-Hill Irwin

Hallberg, G. 2004. Is your loyalty programme really building loyalty? Why increasing emotional attachment, not just repeat buying, is key to maximising programme success. *Journal of Targeting, Measurement and Analysis for Marketing* 12(3): 231-241.

Helgensen, O. 2006. Are Loyal Customers Profitable? Customer Satisfaction, Customer (Action) Loyalty and Customer Profitability at the Individual Level. *Journal of Marketing Management* 2006(22): 245-266.

Ho, R. 2006. *Handbook of univariate and multivariate data analysis and interpretation with SPSS*. Florida: Chapman & Hall/CRC Taylor & Francis Group, LLC

Israel, GD. 2009. *Determining sample size*. University of Florida, Institute of Food and Agricultural Sciences. PEOD6.

Jordaan, Y & Prinsloo, M. 2004. *Grasping service marketing*. Second Edition. South Africa: Self published.

Keiningham, T, Aksoy, L, Cooil, B & Andreassen, T. 2008. Linking Customer Loyalty to Growth. *MIT Sloan Management Review* 2008: 51-57.

Keiningham, T, Aksoy, L, Cool, B, Andreassen, T & Williams, L. 2008. A holistic examination of Net Promoter. *Database Marketing & Customer Strategy Management* 15(2): 79-90.

Keller, G. 2008. *Managerial statistics*. Eight Edition. Mason: South-Western Cengage Learning

Kent, R. 2007. *Marketing research. Approaches, methods and applications in Europe*. London: Thomson.

Kerr, B. 2009. Shopping for loyalty: an executive's wish list. *Journal of Consumer Marketing* 26(1): 49-51

Koo, D. 2003. Inter-relationships among store images, store satisfaction, and store loyalty among Korea discount retail patrons. *Asia Pacific Journal of Marketing and Logistics* 15(4): 42-71.

Kumar, V. 2006. CLV: The Databased Approach. *Journal of Relationship Marketing* 5(2/3): 7-35.

Lacey, R & Sneath, JZ. 2006. Customer loyalty programs: are they fair to consumers? *Journal of Consumer Marketing* 23(7): 458-464.

Lara, PR & de Madariaga, JG. 2007. The importance of rewards in the management of multisponsor loyalty programmes. *Database Marketing & Customer Strategy Management* 25(1): 37-48.

Leedy, PD & Ormrod, JE. 2005. *Practical research. Planning and design*. Eighth Edition. New Jersey: Pearson Prentice Hall.

Lenheer, J & van Heerde, HJ. 2006. Do loyalty programs really enhance behavioural loyalty? An empirical analysis accounting for self-selecting members. *ERIM Report Series Research in Management* ERS-2006-076-MKT: 1-53.

Levy, M & Weitz, BA. 2012. *Retailing management*. Eighth Edition. New York: McGraw-Hill Irwin

Madsen, C. 2006. *The importance of GDP per capita*. Available at: <http://www.nationmaster.com/article/The-Importance-of-GDP-Per-Capita> (accessed on 24/01/2012).

Malhotra, NK. 2004. *Marketing research. An applied orientation*. Fourth Edition. New Jersey: Pearson Prentice Hall.

Malhotra, NK. 2010. *Marketing research. An applied orientation*. Sixth Edition. New Jersey: Pearson Prentice Hall.

Marney, J. 2001. Bringing consumers back for more: recent research shows that value, not satisfaction, is key to creating loyal customers. *Marketing Magazine* 106(36): 33.

McDaniel, C & Gates, R. 2000. *Marketing research essentials*. Third Edition. USA: Taylor & Francis.

McDaniel, C & Gates, R. 2001. *Marketing research essentials*. Third Edition. USA: South-Western College Publishing.

Meyer-Waarden, L. 2008. The influence of loyalty programme membership on customer purchase behaviour. *European Journal of Marketing* 42(1/2): 87-117.

Mfalvey@richinvest.com. 2009. Definition and importance of GDP (Gross Domestic Product). Available at: <http://thestrategicmile.com/2009/12/22/definition-and-importance-of-gdp-gross-domestic-product> (accessed on 24/01/2012).

Miranda, MJ, Konya, L & Havrila, I. 2005. Shoppers satisfaction levels are not the only key to store loyalty. *Marketing intelligence and planning* 23(2): 220-232.

Morrison, S & Crane, FG. 2007. Building the service brand by creating and managing an emotional brand experience. *BRAND MANAGEMENT* 14(5): 410-421.

Oxford Dictionaries Online. 2012. Available at: <http://oxforddictionaries.com/> (accessed on 17/06/2012)

Pallant, J. 2005. *SPSS Survival manual*. Glasgow: Open University Press. McGraw-Hill.

Peppers, D & Rogers, MR. 2005. *Return on customer. Creating maximum value from your scarcest resource*. USA: DOUBLEDAY.

Reichheld, F. 2006. *The ultimate question: driving good profits and true growth*. Boston: Harvard Business School Publishing Corporation.

Reinartz and Kumar in Fitzgibbon, C & White, L. 2005. The role of attitudinal loyalty in the development of customer relationship management strategy within service firms. *Journal of Financial Services Marketing* 9 (3) 214 – 230.

Robinson, S & Etherington, L. 2006. *Customer loyalty. A guide for time travelers*. New York: PALGRAVE MACMILLAN.

Rosenbaum, MS, Ostrom, AL & Kuntze, R. 2005. Loyalty programs and a sense of community. *Journal of Services Marketing* 19(4): 222-233.

Shugan, SM. 2005. Brand Loyalty Programs: Are They Shams? *Marketing Science* 24(2): 185-193.

Silverman, G. 2001. The power of word of mouth. *Direct Marketing* 64(5): 47-52

Smith, S & Wheeler, J. 2002. *Managing the customer experience – turning customers into advocates*. London: Pearson.

Stauss, B, Schmidt, M & Schoeler, A. 2005. Customer frustration in loyalty programs. *International Journal of Service Industry Management* 16(3): 229-252.

Steffes, EM & Burgee, LE. 2009. Social ties and online word of mouth. *Internet Research* 19(1): 42-59.

Tustin, DH, Ligthelm, AA, Martins, JH & de J van Wyk, H. 2005. *Marketing research in practice*. Pretoria: Unisa Press.

Wansink, B. 2003. Developing a cost-effective brand loyalty program. *JOURNAL OF ADVERTISING RESEARCH* (September 2003): 301-309

Waters, S. Atmosphere. Available at:

<http://retail.about.com/od/glossary/g/atmosphere.htm> (accessed on 20/03/2012).

Welman, JC & Kruger, SJ. 2003. *Research methodology*. 2nd Edition. Cape Town: Oxford University Press.

Wendlandt, M & Schrader, U. 2007. Consumer reactance against loyalty programmes. *Journal of Consumer Marketing* 24(5): 293-304

Wiid, J & Diggines, CD. 2009. *Marketing research*. Cape Town: Juta

Wisskirchen, C, Vater, D, Wright, T, de Backer, P & Detrick, C. 2006. The customer-led bank: converting customers from defectors into fans. *STRATEGY AND LEADERSHIP* 34(2): 10-20.

Yi, Y & Jeon, H. 2003. Effects of Loyalty Programs on Value Perception, Program Loyalty, and Brand Loyalty. *Journal of the Academy of Marketing Science* 31(3): 229-240.

Zikmund, WG, Babin, BJ, Carr, JC & Griffin, M. 2010. *Business research methods*. 8th Edition. Canada: South-Western Cengage Learning

Zikumnd, WG & Babin, BJ. 2007. *Exploring marketing research*. USA: Thomson South-Western

APPENDIX A

Name	Mr	Mrs	ms	Prof/ Dr							
						Day	Month	Year			
City/town:.....Code:.....						Respondent: I certify that the details of my address and phone numbers are correct as recorded.					
Telephone: Work (.....).....E-mail:.....						Name:					
Fax:						Signed:					

INTERVIEWER: Hello, My name is I am helping a student at UNISA to do research on what people think about Edgars. Would you mind answering a few questions for me? It will only take about 10 minutes of your time.

IF YES: Please be assured that your information will never be given to Edgars. Only the final combined results will be published and your individual responses will be kept in the strictest confidence. There are no right or wrong answers, we are only looking for honest own opinion.

1. Which of the following applies to you?	1. I have an Edgars purple cash card	5 -1	Record to quota
READ OUT. MULTI MENTION POSSIBLE	2. I have an Edgars account	-2	
	3. I usually use cash for purchases at Edgars but do not have cash card	-3	
	4. I don't purchase much from Edgars	-4	Close

2. Using the scale on this card, please tell me if you agree or disagree with these statements.	STRONGLY DISAGREE	DISAGREE	NEITHER AGREE NOR DISAGREE	AGREE	STRONGLY AGREE
SHOW CARD. ROTATE ORDER OF STATEMENTS. TICK STARTING POINT					
2.1 I enjoy the atmosphere in Edgars Stores					
2.2 I am very committed to Edgars					
2.3 Edgars products are reasonably priced					
2.4 I get good service at Edgars					
2.5 I always get the products that I want from Edgars					
2.6 I like the music that Edgars play in their Stores					
2.7 I shop where the prices are best					
2.8 Edgars has a good selection of products					
2.9 I do not wait long when paying at the tills at Edgars					
2.10 Edgars products are fashionable and up to date					
2.11 There is sufficient help available when I need it					
2.12 Edgars has quality products					
2.13 It would matter a lot to me if I could not buy from Edgars					
2.14 Edgars staff are very friendly					
2.15 The prices at Edgars are competitive					
2.16 I like the design of the store, the way things are arranged					
2.17 I buy most of my clothes from Edgars					
2.18 I love finding bargains					
2.19 I would recommend Edgars to my friends					
2.20 I am likely to buy even more of my clothes from Edgars in the future					

ONLY FOR CASH CARDS		
IF CASH CARD IN QUESTION 1		
3	How long have you had your cash card?	
4	Do you always, sometimes or almost never use your Cash Card when making purchases?	1. Always 2. Sometimes 3. Almost never
IF SOMETIMES OR ALMOST NEVER ASK Q5		
5	Why don't you always use it when buying from Edgars?	
6a	Would you be very, somewhat or not at all likely to still be buying from Edgars even if you did not have a Purple Cash Card?	1. Very likely 2. Somewhat likely 3. Not at all likely
6b	Do you feel you get real advantages from using a Cash Card?	1. Yes
		2. No

ONLY FOR EDGARS ACCOUNT		
IF ACCOUNT IN QUESTION 1		
7	How long have you had your account for?	Write in
8	Do you always, sometimes or almost never use your Account Card when making purchases?	1. Always 2. Sometimes 3. Almost never
IF SOMETIMES OR ALMOST NEVER ASK Q9		
9	Why don't you always use it when buying from Edgars?	
10	Would you be very, somewhat or not at all likely to still be buying from Edgars even if you did not have a account with them?	1. Very likely 2. Somewhat likely 3. Not at all likely

IF ONLY CASH		
IF CASH IN QUESTION 1		
11	Why don't you use/have an Edgars Purple Cash Card?	
12a	Do you have accounts or loyalty cards with other stores?	1. Yes
		2. No
12b	IF YES: What motivated you to apply for an account or card with the other retailer?	

ASK ALL				
13. Did you know that...?				
13.1	The purple cash card is not an account card	Yes -1	No -2	
13.2	Edgars is part of the Edcon group	Yes -1	No -2	
13.3	Edgars is South Africa's largest clothing retailer	Yes -1	No -2	
13.4	The Purple Cash Card rewards cash purchases with a voucher	Yes -1	No -2	
13.5	Edgars is no longer a subsidiary of SAB	Yes -1	No -2	

SHOW CARD		
14. Please use the scale on this card and tell me how likely you will be to continue to use Edgars as one of the stores you purchase from	1. Extremely unlikely 2. Very unlikely 3. Neither likely nor unlikely 4. Very likely 5. Extremely likely	

DEMOGRAPHICS		
15. How old are you?	Write in.....	
16. Record gender by observation	1. Male 2. Female	
17. Record race by observation	1. White 2. Black 3. Indian 4. Coloured 5. Asia	
SHOW CARD 18. Lastly, please look at this card and tell me into which of these categories your personal monthly income falls.	1 Less than R2000 per month 2 Between R2000 - R4 999 3 Between R5 000 - R7 999 4 Between R6000 - R12 000 5 Between R12 000- R20 000 6 More than R20 000	

APPENDIX B

SAARF UNIVERSAL LSM VARIABLES

1	Hot running water	16	Less than 2 radio sets in household
2	Fridge/freezer	17	Hi-fi/music centre
3	Microwave oven	18	Rural outside Gauteng/W.Cape
4	Flush toilet in/outside house	19	Built-in kitchen sink
5	No domestic in household	20	Home security service
6	VCR	21	Deep freezer
7	Vacuum cleaner/floor polisher	22	Water in home/on plot
8	No cell phone in household	23	M-Net/DStv subscription
9	Traditional hut	24	Dishwasher
10	Washing machine	25	Electricity
11	PC in home	26	Sewing machine
12	Electric stove	27	Gauteng
13	TV set	28	Western Cape
14	Tumble dryer	29	Motor vehicle in household
15	Home telephone		

Source: <http://www.saarf.co.za/LSM/lsm.asp>

APPENDIX C

List of shopping malls used in phase 1 of the sampling process

- Atterbury Value Mart
- Birchleigh North Centre
- Brooklyn Mall
- Centurion Mall
- Cresta Shopping Centre
- Eastgate Shopping Centre - Bedfordview
- Edenvale Shopping Centre
- Gateway Mall
- Hatfield Plaza Shopping Centre
- Killarney Mall
- Kolonnade
- Mall @ Reds
- Menlyn Retail Park
- Northgate Shopping Centre
- Northmead Mall
- Northpark Mall
- Pick 'n Pay Hypermarket - Faerie Glen
- Quagga Centre
- Sanlam Centre - Kempton Park
- Southgate Mall - Johannesburg

- Sunnypark Shopping Centre
- The Boulders Shopping Centre
- The Zone @ Rosebank
- Waverley Plaza
- Westgate Shopping Centre
- Wonderpark Shopping Centre

APPENDIX D

Additional demographic cross tabulation

Atmosphere related questions

Demographic characteristic		Mean score for statement		
		Enjoy atmosphere in Edgars	Like music played in store	Like design of store, way things are arranged
Gender	Male	4.29	3.55	4.13
	Female	4.14	3.61	4.08
Race	White	4.00	3.49	4.01
	Black	4.34	3.63	4.19
	Indian	4.11	3.67	4.22
	Coloured	4.47	4.00	4.05
	Asian	5.00	4.50	4.50
Age group	<20	4.52	4.09	4.17
	20 - 30	4.27	3.48	4.12
	31 - 39	4.16	3.59	4.04
	40 - 49	4.11	3.87	4.17
	>50	3.61	3.36	3.89
Income	Did not answer	4.50	3.50	4.50
	<R2000 per month	4.31	3.54	4.10
	Between R2000-R4999	4.20	3.76	4.15
	Between R5000-R7999	4.05	3.45	4.08
	Between R8000-R12000	4.03	3.64	4.00
	Between R12000-R20000	4.25	3.75	4.30
	>R20000	3.75	3.19	3.80

Merchandise related questions

Demographic characteristic		Mean score for statement				
		Average mean of merchandise questions by age group	Always get products I want from Edgars	Edgars has good selection of products	Edgars' products are fashionable and up to date	Edgars has quality products
Gender	Male	4.07	3.71	4.12	4.22	4.23
	Female	4.11	3.71	4.24	4.29	4.21
Race	White	3.98	3.50	4.14	4.19	4.07
	Black	4.20	3.84	4.26	4.34	4.34
	Indian	4.25	4.00	4.22	4.33	4.44
	Coloured	4.21	4.11	4.16	4.26	4.32
	Asian	5.00	5.00	5.00	5.00	5.00
Age group	<20	4.41	3.83	4.52	4.70	4.61
	20 - 30	4.14	3.78	4.22	4.29	4.26
	31 - 39	4.04	3.67	4.16	4.23	4.11
	40 - 49	4.08	3.74	4.20	4.18	4.22
	>50	3.76	3.25	3.93	4.00	3.86
Income	Did not answer	4.13	3.50	4.50	4.50	4.00
	<R2000 per month	4.20	3.91	4.24	4.40	4.27
	Between R2000-R4999	4.15	3.77	4.26	4.27	4.29
	Between R5000-R7999	3.99	3.50	4.20	4.20	4.05
	Between R8000-R12000	3.99	3.56	4.12	4.15	4.15
	Between R12000-R20000	3.95	3.30	4.15	4.20	4.15
	>R20000	3.78	3.31	3.88	3.81	4.13

Service related questions

Demographic characteristic		Mean score for statement			
		Get good service at Edgars	Do not wait long when paying at Edgars tills	Sufficient help is available when needed	Edgars staff are very friendly
Gender	Male	4.12	3.67	4.00	4.02
	Female	3.89	3.50	3.71	3.86
Race	White	3.83	3.46	3.57	3.81
	Black	4.05	3.62	3.98	4.02
	Indian	3.89	3.67	4.00	3.56
	Coloured	4.32	3.63	4.05	4.05
	Asian	5.00	5.00	5.00	5.00
Age group	<20	4.26	4.04	4.35	4.30
	20 - 30	4.05	3.41	3.87	3.90
	31 - 39	3.89	3.86	3.79	4.02
	40 - 49	3.98	3.83	3.83	3.91
	>50	3.32	2.89	2.93	3.39
Income	Did not answer	3.50	3.50	4.00	4.00
	<R2000 per month	4.05	3.61	3.96	4.01
	Between R2000-R4999	3.93	3.55	3.84	3.99
	Between R5000-R7999	3.95	3.58	3.65	3.88
	Between R8000-R12000	3.91	3.62	3.62	3.74
	Between R12000-R20000	3.90	3.25	3.60	3.75
	>R20000	3.75	3.38	3.38	3.44

Price related questions

Demographic characteristic		Mean score for statement	
		Products are reasonably priced	Edgars' prices are competitive
Gender	Male	3.53	3.90
	Female	3.43	3.76
Race	White	3.22	3.60
	Black	3.73	4.03
	Indian	3.56	3.78
	Coloured	3.47	3.95
	Asian	3.50	3.50
Age group	<20	3.96	4.17
	20 - 30	3.53	3.94
	31 - 39	3.16	3.53
	40 - 49	3.65	3.70
	>50	3.00	3.54
Income	Did not answer	4.00	3.50
	<R2000 per month	3.61	3.96
	Between R2000-R4999	3.52	3.91
	Between R5000-R7999	3.40	3.75
	Between R8000-R12000	3.18	3.32
	Between R12000-R20000	3.25	3.80
	>R20000	3.06	3.31

Current and future buying behaviour towards Edgars

Demographic characteristic		Mean score for statement				
		Shop where prices are best	Love finding bargains	Buy most of clothes from Edgars	Likely to buy even more clothes from Edgars	How likely will you continue to use Edgars as one of the stores you purchase from
Gender	Male	4.09	4.19	3.67	4.10	4.12
	Female	4.15	4.24	3.38	3.82	4.12
Race	White	4.01	4.26	3.16	3.69	3.97
	Black	4.23	4.19	3.81	4.11	4.28
	Indian	4.11	4.33	3.67	4.00	4.00
	Coloured	4.37	4.16	3.37	4.05	4.16
	Asian	5.00	4.50	4.00	4.50	4.50
Age group	<20	4.43	4.39	3.61	4.26	4.23
	20 - 30	4.11	4.21	3.49	3.95	4.11
	31 - 39	4.19	4.30	3.51	3.91	4.18
	40 - 49	3.87	4.22	3.57	3.91	4.11
	>50	4.32	4.07	2.96	3.29	3.96
Income	Did not answer	3.50	2.50	3.50	4.00	4.00
	<R2000 per month	4.18	4.25	3.71	4.00	4.22
	Between R2000-R4999	4.23	4.23	3.56	4.01	4.10
	Between R5000-R7999	4.08	4.18	3.30	3.75	4.13
	Between R8000-R12000	3.97	4.24	3.15	3.94	4.03
	Between R12000-R20000	4.35	4.60	3.20	3.75	3.95
	>R20000	3.56	3.88	2.69	3.13	3.88

Commitment related questions

Demographic characteristic		Mean score for statement		
		Very committed to Edgars	It would matter a lot if I could not buy from Edgars	Would recommend Edgars to friends
Gender	Male	3.84	3.53	4.21
	Female	3.65	3.49	4.14
Race	White	3.31	3.20	4.05
	Black	4.10	3.81	4.26
	Indian	3.78	3.56	4.00
	Coloured	4.05	3.63	4.42
	Asian	5.00	5.00	4.50
Age group	<20	3.96	4.04	4.48
	20 - 30	3.69	3.55	4.25
	31 - 39	3.70	3.42	4.09
	40 - 49	3.96	3.50	4.02
	>50	3.25	3.00	3.82
Income	Did not answer	3.50	3.50	4.00
	<R2000 per month	4.00	3.81	4.24
	Between R2000-R4999	3.74	3.62	4.26
	Between R5000-R7999	3.40	3.13	4.05
	Between R8000-R12000	3.47	2.91	4.09
	Between R12000-R20000	3.45	3.15	4.00
	>R20000	3.13	3.38	3.81