International Academic Institute for Science and Technology

International Academic Journal of Business Management
Vol. 1, No. 2, 2014, pp. 133-141.
ISSN 2454-2768

International Academic Journal of Business Management

www.iaiest.com

Using structural equation modelling to survey marketing values and customer trust in chain stores

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Abstract

Marketing values and customer trust are important factors determining customer behaviors. Although several studies have empirically supported the distinction between Marketing values and customer trust, there is still disagreement regarding how they are related. Furthermore, little attention has been given to the direction of causality between these two variables and as to why they have common antecedents and outcomes. This study was designed to fill these gaps. The population consisted of all customers chain stores in city of Sanandaj. For data analysis, structural equation modeling with LISREL software was used. Data contribution was normal through Kolmogorov - Smirnov test. These results show that Marketing values and customer trust significant.

Keywords: marketing values, customers trust, chain stores

Introduction:

Successful customer value delivery is one aspect of marketing management that receives substantial research attention (Anderson, Narus, & van Rossum, 2006; Tsai, 2005). Zeithaml (1988, p. 14) defines consumer perceived value as a "consumer's overall assessment of the utility of a product (or service) based on perceptions of what is given." A growing body of research focuses on establishing correlates of consumer perceived value (Chang & Tseng, 2013; Sirdeshmukh, Singh, & Sabol, 2002). Another stream centers on the measurement of consumer perceived value (Grewal, Monroe, & Krishnan, 1998; Kantamneni & Coulson, 1996) with Sánchez-Fernández and Iniesta-Bonillo (2007) concluding that customer perceived value is complex and multidimensional. Sweeney and Soutar (2001) (hereafter S&S) develop a consumer perceived value (PERVAL) scale using Australian data, subject this scale to

extensive validation procedures, and test it in durable goods contexts such as furniture, car stereos and household appliances. The primary purpose of the present study is to propose and validate a crossnationally applicable, short version of S&S's PERVAL scale.

This investigation of the PERVAL scale aims to contribute to literature in several ways. First, it assesses the robustness and generalizability of PERVAL in four studies using data collected from furniture shoppers and service customers (Table 1). In doing so, the authors attempt to heed the call for more replication studies in marketing (Evanschitzky, Baumgarth, Hubbard, & Armstrong, 2007; Hunter, 2001). Second, consumer perceived value may exist as a ubiquitous shopping-related influence that permeates many aspects of consumption for many individuals worldwide.

Propose four dimensions of PERVAL. Quality value ("functional value") refers to the practical or technical benefits that consumers can obtain by using a product. Emotional value refers to mental or psychological needs of consumers and the utility they derive from the feelings or affective states that a product generates. Price value refers to how satisfactory a product is compared with the cost, time, or effort spent in obtaining the product. Social value refers to the social utility (e.g., status, prestige) that consumption of the product conveys.

S&S's exploratory factor analysis results in a four-factor solution, with composite reliabilities ranging from .80 to .94, eigenvalues from 9.53 to 1.00, and indicators factor loadings above .60. The results of their confirmatory factor analysis (CFA) on a four-factor structure show that the model adequately represents the data. All model fit indices exceed the recommended threshold levels, with construct convergent and discriminant validity achieved. Correlations across the four PERVAL dimensions range from .26 to .74. S&S assess criterion-related validity by examining the relationships of the PERVAL dimensions with other conceptually related variables. In three regression analyses, they regress each of three dependent variables (willingness to buy the product, willingness to recommend the product, and not expecting problems with the product) on the four PERVAL summated subscales. These yield high coefficients of determination (R^2 = .68, .62, and .48) with beta values between .19 and .62. Furthermore, S&S evaluate the robustness of the 19-item PERVAL scale in the post-purchase stage in two product contexts—furniture and car stereos. Overall S&S provide a robust defense of their PERVAL scale.

Stanton, Sinar, Balzer, and Smith (2002), Richins (2004), and Nenkov, Morrin, Ward, Schwartz, and Hulland (2008) offer several arguments for shortening multi-item scales such as the PERVAL scale. A shorter PERVAL scale takes up less space in a questionnaire, allowing the inclusion of other measures and constructs. Similarly, if PERVAL is not the main construct under investigation, and the 19-item form of the PERVAL measure is the only one available, researcher may have to forgo measurement of PERVAL to keep the survey reasonable in length. A shorter measure also reduces hypothesis guessing in surveys and response bias caused by boredom and fatigue. The PERVAL scale draws particular attention because of the relatively large number of items dealing with similar (PERVAL-related) issues. Questionnaire design is challenging when so many items are embedded among others on different topics. Thus, shortening the PERVAL scale is desirable.

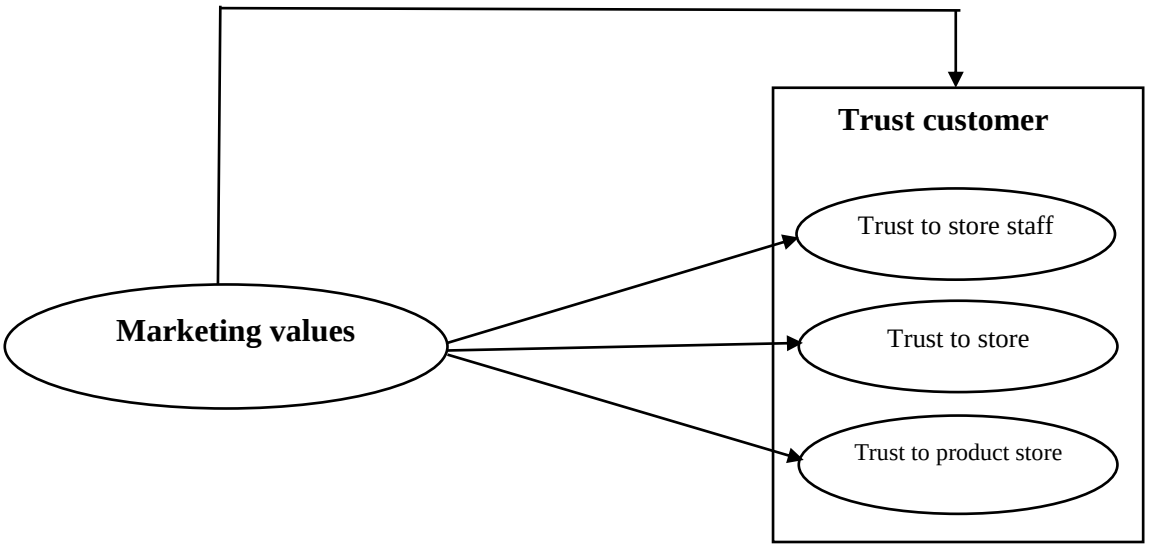
The creation of value is paramount to any company's survival (Kotler & Keller, 2008), especially when dramatic changes lead to fundamental shifts in what companies analyze, create, and deliver (Doyle, 2000; Hunt, 2000). And yet academics and practitioners alike agree that we have only just begun to understand what 'value' means (Anderson & Narus, 1998). Lindgreen and Wynstra (2005) offer a starting point for further research, but they also leave several gaps to be filled. This article therefore offers a comprehensive

overview of cutting-edge research on the ‘value’ that businesses and industrial marketers analyze, create, and deliver. We begin by discussing value literature over time, including Lindgreen and Wynstra's (2005) value framework. We also propose extensions to this value framework and discuss avenues for further research. Most research that seeks to explain how product attributes translate into a certain value, or usefulness, of a product focuses on individual or household consumers. This stream defines ‘value’ as a preferential judgment, whereas ‘values’ refer to the criteria that determine those preferential judgments (Holbrook, 1994). Thus, consumer values are deeply held, enduring beliefs, whereas consumer value results from the trade-off of the benefits and sacrifices associated with a particular good or service (Holbrook, 1994). Researchers investigate how consumers make decisions and trade off benefits and sacrifices (Woodruff, 1997; Zeithaml, 1988). Marketers also work to understand consumers' values, preferences, or beliefs; measure and categorize consumer lifestyles (psychographics); and develop different classifications.

Conceptual model

The conceptual model of this study has been adapted from the study conducted by walsh et al (2014). The indices of each variable and the items of the questionnaire have also been extracted from that study. With respect to the relationship among the variables, which is shown in the following Graph, this study seeks to investigate the Marketing values and customer trust.

Figure 1: Conceptual Model



Source: Walsh et al (2014)

Based on this model, the following hypotheses are made:

Hypotheses:

- There is a significant relationship between Marketing values and Customer trust in Chain Stores in Kurdistan province.
- There is a significant relationship between Marketing values and trust to Chain Stores staff in Kurdistan province.
- There is a significant relationship between Marketing values and trust to Chain Stores in Kurdistan province.
- There is a significant relationship between Marketing values and trust to product Chain Stores in Kurdistan province.

Methodology

This is a correlational study, an applied research in terms of purpose and a survey - type correlational study in terms of data collection method. The study population consists of all of customer in Chain Stores in Kurdistan province. The population was classified using random sampling method and the sample size was determined 300 customer based on Cochran Formula. Data were collected using a questionnaire due to the nature of the subject under study. Regression coefficient was used to analyze the data and the research hypothesis respectively. The questionnaires were distributed among the customer in Chain Stores in Kurdistan province.

We have also used the library studies and the field method in order to collect the required data. The questionnaire used in the survey has been adapted from the study carried out by walsh et al (2014). We used both descriptive and inferential statistics for data analysis. We used descriptive statistics to describe the demographic variables and used inferential statistics by help of regression coefficient to analyze the research hypothesis.

Results:

Reliability of the questionnaire items

Cronbach's alpha was used in this study to determine the reliability of the test. The higher the alpha, the more reliable the scale will be.

Table 1: results of testing the reliability of the items

variable	Number of questions	Cronbach's alpha
Marketing values	19	0/791
ustomer trust	6	0/734
Total	25	0/779

As presented in Table (1), Cronbach's alpha for all of the five constructs is greater than 0.7, which shows high reliability.

Data normality test

To use the statistical techniques, one should first determine whether the collected data have a normal or non-normal distribution. This is important because parametric tests can be used if the data have normal distribution, while nonparametric tests can be used if the data have non-normal dissertation. For this purpose, we examine at this stage the results of the Kolmogorov - Smirnov test for each of the dependent and independent variables and choose the appropriate tests for the accuracy or inaccuracy of the research hypothesis based on the results obtained from Kolmogorov - Smirnov test.

Table 2: Data normality test

variable	Hypothesis confirmation	Error value	Level of significance	result
Marketing values	$\mathbf{H_0}$	0.05	0.118	normal
ustomer trust	$\mathbf{H_0}$	0.05	0.216	normal

According to the results presented in the above table, as the significance level for all variables is greater than the error value of 0.50, these variables have a normal distribution and parametric tests are thus used to test the hypotheses.

Hypotheses testing:

- There is a significant relationship between marketing values and customer trust in chain stores in kurdistan province.

To determine whether there is a correlation between the Marketing values and Customer trust the following hypothesis was made and the following results was obtained:

$$\begin{cases} \mathbf{H_0}: \ \rho = 0 \\ \mathbf{H_1}: \ \rho \neq 0 \end{cases}$$

The first hypothesis suggests that there is not a relationship between the above-mentioned variables.
The second one suggests that there is a relationship between the above-mentioned variables.

Table 3: correlation between marketing values and customer trust

Marketing values and Customer trust	Pearson's correlation coefficient	P = 0.881
	Probability	0.000
	N	300

(Source: research data)

Based on the results shown above the following conclusions are derived: the H_0 is rejected and H_1 (the primary hypothesis suggesting a relationship between Marketing values and Customer is supported. There is a direct relationship between these two variables given the positive correlation obtained through calculation. That is an increase in marketing values will contribute to an increase in the Customer trust in Chain Stores in Kurdistan province.

- There is a significant relationship between Marketing values and trust to Chain Stores staff in Kurdistan province.

Student T test has been used to test the above-mentioned hypothesis and the following results are produced:

Table 4: student T test between Marketing values and trust to Chain Stores staff

Variable	Mean	St. deviation	T- student	Df	Sig
Marketing values and trust to Chain Stores staff	5.1394	0.86712	8/418	85	0.000

(Source: research data)

Based on the results shown above the following conclusions are derived: there is significant relationship between Marketing values and trust to Chain Stores staff in kurdistan province. At 99% level of significance and T- student 8.418. Therefore, the H_0 is rejected and H_1 (suggesting a relationship between Marketing values and trust to Chain Stores staff in kurdistan province is supported.

- There is a significant relation between Marketing values and trust to Chain Stores in kurdistan province.

Student T test has been used to test the above-mentioned hypothesis and the following results are produced:

Table 5: student T test between Marketing values and trust to Chain Stores

Variable	Mean	St. deviation	T- student	Df	Sig
Marketing values and trust to Chain Stores	3.2971	0.81644	8/111	86	0.000

(Source: research data)

Based on the results shown above the following conclusions are derived: there is significant relationship between Marketing values and trust to Chain Stores in kurdistan province. At 99% level of significance and T- student 8.111. Therefore, the H_0 is rejected and H_1 (suggesting a relationship between Marketing values and trust to Chain Stores in kurdistan province is supported.

- there is a significant relation between Marketing values and trust to product Chain Stores in kurdistan province.

Student T test has been used to test the above-mentioned hypothesis and the following results are produced:

Table 6: student T test between Marketing values and trust to product Chain Stores

Variable	Mean	St. deviation	T- student	Df	Sig
Marketing values and trust to product Chain Stores	5.7925	0.51943	7/6428	80	0.000

(Source: research data)

Based on the results shown above the following conclusions are derived: there is significant relationship between Marketing values and trust to product Chain Stores in kurdistan province. At 99% level of significance and T- student 7.6428. Therefore, the H_0 is rejected and H_1 (suggesting a relationship between Marketing values and trust to product Chain Stores in kurdistan province is supported.

Conclusion

The results of this study need to be compared with those of the previous studies so that we can achieve strong theoretical foundations and results. In this study results shown that Marketing values and Customer trust has had significant relationship. In this sense, results is consistent with walsh et al (2014), souter and Sweeney (2001) studies. Furthermore, social values, emotional values, economic values and quantitative values with customer trust in customer chain stores in Kurdistan province has had significant. In this sense, results are consistent with walsh et al (2014), souter and Sweeney (2001) studies.

Depending on what terms it can be said that marketing values on customers trust is affected. Marketing value one of the important aspects of marketing for companies is that it is necessary to be felt. Also customers trust is very important for chain stores.

Suggestions

- Organization have always tried to provide the new services. Meaning the new service, the service is not provided so far by competitors.
- Chain store manager should use promotional tactics include public relation and media interview for goods introduce.

- Creating a system of accountability for client service system could have the effect of influencing their trust.
- Increasing speed services to individuals can be effective in creating a sense of advantage in using these services and the increased tendency of people to use this service.

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