

AN APPLICATION OF THE SERVICE BRAND VERDICT MODEL IN THE EVALUATION OF JAPANESE HOUSEHOLD AND LIFESTYLE PRODUCT RETAIL BRANDS

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ABSTRACT

As new entrants to the Malaysian market, Japanese household and lifestyle product retail brands have successfully gained a strong following among consumers of all ages and ethnicities within a short period of time. This study was conducted to uncover the branding elements which are meaningful to consumers during their experience with such retail brands and to ascertain how consumers' brand evaluations affect their response, feelings and behaviour towards these brands. Using the Service Brand Verdict Model (SBVM) as a basis, data was collected from 662 customers of a large Japanese brand of household and lifestyle product stores using a self-administered survey. Results from the PLS-SEM analysis revealed that customers' feelings towards the brand and value-for-money are key components affecting their satisfaction towards the brand. Satisfaction positively affects customers' attitude as well as attachment to the retailer's brand. Consequently, customers' satisfaction, attitude and attachment lead to their loyalty towards the brand. In sum, the SBVM has been shown to remain valid and applicable in evaluating more recent retailing concept stores. Furthermore, in building brand loyalty among consumers, aspiring retailers must ensure that their brands appeal to both the consumers' head (mind; utilitarian needs) and the heart (feelings; emotional needs).

Keywords: Fixed-price retailers; Brand dimensions; Service Brand Verdict Model; Brand loyalty; Partial least squares.

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1. INTRODUCTION

Demand for everyday household and lifestyle items has surged over the last few years. In Malaysia for instance, variety stores offering such products recorded an increase in value growth of 28% from RM 1.7 billion in 2017 to reach RM 2.1 billion in 2018 (Euromonitor, 2018). Apart from that, it was reported that three in five Malaysian consumers (62%) enjoy taking time to find bargains

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and more than half of the Malaysians (54%) surveyed are price sensitive (Marketing Magazine, 2016). In another survey, it was found that 84% of Malaysian consumers said they have changed their spending habits in the last 12 months to save on household expenses (NST Business, 2018). As a result, consumers are seeking the type of household and lifestyle products that could give them the best quality at reasonable prices. At this juncture, many are turning to shop at 100 yen shops.

100 yen shops are a type of retailer which sell merchandise at a fixed, standard pricing of 100 yen (or its equivalent of MYR 5.00 in Malaysia) with the exception of a few more expensive items (that are clearly indicated). This type of store originated from Japan and is very popular within its society. Also known as dollar stores in the U.S., 100 yen shops sell a variety of household and lifestyle goods which include tableware, kitchenware, hand tools/instruments, gardening items, cleaning products, stationery, clothing accessories as well as food. The creation of 100 yen shops has been credited to Hirotake Yano, the founder of Daiso Industries which markets household and lifestyle goods through its brand of 100 yen shops, Daiso. Daiso remains as the market leader in Japan operating over 2,000 stores nationwide (Japan Guide, 2017) while adopting an aggressive global expansion strategy in line with its corporate vision of increasing business sustainability amidst current unstable economic times (www.daisoglobal.com).

Daiso entered the Malaysian market in June 2008 and the stores are owned by and operating under Japanese retail giant Aeon (www.aeonretail.com.my/daiso/). To date, Daiso has 65 stores opened across both East and West Malaysia. Although their foray into the Malaysian market has been only 10 years, Daiso has successfully gained awareness among consumers of all ethnicities and age groups. Furthermore, due to the influence from the media entertainment industry and the popularity of Japanese products, the consumption of Japanese products among Malaysian are growing as well (Yamato et al., 2011).

According to Retail Group Malaysia, a retail research firm, Malaysia's retail industry's sales growth for the second quarter of 2018 reported slower growth rate of 2.1% as compared to 4.9% in 2017 (Eusof, 2018). These statistics are a testament that consumers have become more discerning and selective in their shopping behaviour (Euromonitor, 2017). However, the response that Malaysian consumers have shown towards Daiso has been very positive thus far. In fact, in February 2019, Daiso signed a service agreement with PKT logistic company to set up a regional distribution centre in Malaysia (Retail News Asia, 2019) proving customers' demand towards Daiso products. Despite competition from other retail brands such as Eco Shop, Miniso, Yubiso and Komonoya which also offer household and lifestyle goods at flat or low prices, Daiso remains the most popular brand that resonates well with customers.

According to Temporal (2000), a brand is a retailer's strongest weapon and it serves as the best guarantee of the survival. Brands also allow retailers to build long term relationships and more importantly it could help to create superior value, satisfy and help to retain customers (Krystallis and Chryochou, 2014). And yet, too often many retailers either do not fully appreciate their brands or fail to execute their branding strategies effectively. When customers are loyal towards the brand, it will indirectly drive brand profitability (Marticotte et al. 2016) because customers are more willing to pay for the brand (due to the uniqueness value of the brand that cannot be substituted by other brand names) (Reichheld, 1996) and encourage positive word-of-mouth (online or offline

environment) (Wallace et al., 2014). For this reason, customers' superior evaluation of a brand is often sought after by retailers.

Merchandise, pricing, employee service are just several branding elements of a retail brand which are constantly under evaluation or scrutiny by consumers as they go through their experience with the brand. As such, what are the important branding elements that build or lead to consumers' loyalty towards Daiso? How would their evaluations of the branding elements affect their response, feelings and loyalty towards Daiso? Driven by these two questions, this study aspired to acquire a deeper understanding on the way in which Daiso customers make sense of and evaluate its brand. Focusing on consumers' evaluation and behaviour of retail brands is an important research in Malaysia because the retailing industry has a crucial role in bolstering Malaysia's economic growth. The wholesale and retail sector is one of the key contributors to Malaysia's economic growth and income (Rasid, 2018). In 2017 for instance, it generated RM 201.9 billion of Gross National Income (GNI) and RM 205.2 billion of Gross Domestic Product (GDP) to the country (Rasid, 2018). Furthermore, the retailing activities within the country attract tourists be it foreign or local, fostering the growth of the travel and tourism industry which contributed RM 81.1 billion to the country's GNI in 2017 (Rasid, 2018). Therefore, it is important to have a unique and attractive retail brand that can boost domestic consumption and at the same time stimulate tourist expenditure. For this reason, studies such as this would be beneficial in helping aspiring as well as struggling retailers, both small and large, on the ways of creating powerful brands.

2. LITERATURE REVIEW

2.1. *Theoretical foundation*

Although there is a vast number of literatures on branding, however not many of these studies provide a holistic view on how consumers evaluate the different dimensions that make up a brand as well as how they respond to the brand in question based on the evaluations they made. For example, Chernatony & Riley (1998) did not involve the end user in their research which focused on branding experts. On the other hand, Berry (2000) successfully simplified the understanding of branding but did not test the branding constructs empirically. In contrast, Grace and O'Cass's (2005) Service Brand Verdict Model (SBVM) explains how consumers evaluate and respond to a brand. Furthermore, this model had been tested and verified empirically (Grace & O'Cass, 2005; Krystallis & Chrysochou, 2014) making the dimensions of this model relevant for studying consumers' perspective on service brands.

Based on the SBVM, two key constructs are identified namely brand evidence and brand hearsay (Grace & O'Cass (2005)). Brand evidence comprise the brand attributes experienced by the customers during the pre-purchase as well as the consumption stage (i.e. brandname, core service, value-for-money, servicescape, employee service, feelings and self-image congruence) that will influence consumers' brand evaluation. As for brand hearsay, it consists of two types of communication which are controlled and uncontrolled communications. These communications will be received by customers prior to purchase and will influence their evaluations towards the brand. Together, brand evidence and brand hearsay components influence a customer's satisfaction towards the brand which then affects how the customer regard the brand (attitude). Consequently,

attitude towards the brand decides whether the customer would like to stay loyal to the brand as manifested in repatronage intentions.

Given its merits, the SBVM served as the basis for this study's research framework. However the application of the SBVM in this study was done with some modification to one of its dimensions namely core service. The SBVM was originally developed to examine service brands which include brands in the retail sector. In the SBVM, the core service refers to the "processes by which the service is delivered" whereas the dimension "employee service refers to the behaviours or performances of the employees in the delivery of the service" (Grace & O'Cass, 2005, p. 128). Thus, assessment of core service would concern matters such as the display and packing of merchandise, giving advice about the merchandise and provision of payment and delivery options. Nevertheless, this assessment would not be able to fully capture an important aspect in the evaluation of retail brands which is the merchandise itself. Assessing the characteristics of the merchandise itself is important considering it constitute a big part of the experience with the brand. Hence, in this study, some modifications were made to the core service dimension of the SBVM to better reflect the retailing context examined i.e., fixed-price/100 yen shops. In addition to satisfaction's impact on attitude, another dimension was added into the SBVM, i.e., brand attachment to fortify the model with an affective component which is able to represent the connection that customers form with the brand under investigation.

2.2. Development of research framework and hypotheses

Brandnames help customers to recall the brand's benefits and become the products'/services' inferences as well as evaluations (Heckler et al., 2014). Furthermore, brandnames with foreign sounding names like Daiso with its Japanese origins adds to the appeal of the brand. In short, customers will buy according to the brandnames that could provide them with the best value. Therefore, brandname is one of the important determinants that affects customer satisfaction (Grace & O'Cass, 2005).

H1: Brandname has a positive influence on satisfaction with the brand.

Perceptions of store image and brand will improve when a retail store is able to provide various merchandise for their customers (Merrilees, Miller & Shao, 2016). An extensive range of merchandise can provide satisfaction to a customer and this can potentially be followed by long term customer satisfaction (Kursunluoglu, 2014). Furthermore, Peng, Hassan and Basit (2018) as well as Agrawal and Singh (2018) found that the availability of various merchandise contributes towards consumers' satisfaction. Thus, Daiso's extensive variety of Japan-designed products contributes much customer satisfaction.

H2: Merchandise has a positive influence on satisfaction with the brand.

From customers' perspective, a brand that has value-for-money is linked with the quality of the product that they purchase. In other words, the "trade-off" between what is being sacrificed in enabling them to obtain what they want (Zeithaml, 1988). In their empirical study, Rajaguru and Hassanli (2018) found that value-for-money does have a positive relationship with customers' satisfaction. Therefore, value-for-money has a direct and positive effect on satisfaction (Yoo, Lee & Park, 2010).

H3: Value-for-money has a positive influence on satisfaction with the brand.

Servicescape refers to the space/function; signs, symbols and artifacts, and ambient conditions of the environment (Raab et al., 2013) of a service business or a place where products are sold. Servicescape can stimulate customer pleasure and arousal (Nisco & Warnaby, 2014) which will influence consumers' emotional, cognitive and psychological as well as behavioural responses (Bitner, 1992). In Daiso, products are displayed neatly according to the type of the goods. The more Daiso customers have a great experience towards the servicescape, the more their satisfaction towards the brand of stores will be heightened (Peng et al., 2018; Agarwal & Singh, 2018; Ryu & Jang, 2008).

H4: Servicescape has a positive influence on satisfaction with the brand.

Employee service refers to the retailer's salespeople's behaviour, response or performance when they are serving and assisting the customers (Liao & Chuang, 2004). In Daiso, employees are willing to attend to customers' queries (among other things) given that considering and meeting customers' expectations is very important in delivering good employee service. Research has identified that employee service exerts a positive impact on customer satisfaction (i.e: Delcourt, Gremler, Riel & Birgelen, 2013; Gillison & Reynolds, 2018; Agarwal & Singh 2018). Thus, the more helpful and informative the employees are at Daiso, the higher the customers' satisfaction with the brand.

H5: Employee service has a positive influence on satisfaction with the brand.

Customers who have greater feelings towards a brand will tend to trust the brand more. When trust develops, customers will be emotionally reliant and this will affect them when purchasing and using the brand (Dunn & Schweitzer, 2005). Daiso's policy of consistently adding new products every now and then fosters excitement and curiosity among their customers. Customers will feel delighted and happy at the prospect of constantly getting good quality and novel products at affordable prices. Furthermore, customers are more willing to spend money and time (Nisco & Warnaby, 2014) when they have positive feelings towards the brand as they feel more satisfied towards the brand.

H6: Feelings have a positive influence on satisfaction with the brand.

Customers purchase a brand because they believed a brand could possess a symbolic image (Ranjbarian & Ghaffari, 2018) and align with their attributes, motivations and social patterns (Hosany & Martin, 2012). For example, those who purchase products from Daiso may tend to be regarded as value-seekers or a budget-conscious group given Daiso's affordable pricing. Previous researchers (He & Mukherjee, 2007; and Nam et al, 2011) had verified that self-image congruence is one of the important determinants of customer satisfaction because self-image congruence could explain and predict various aspect of consumer behaviour. For this reason, it is postulated that:

H7: Self-image congruence has a positive influence on satisfaction with the brand.

According to Luo and Homburg (2007) controlled communications (advertising and promotion) will influence consumers' evaluation of brand dimensions, their satisfaction towards the brand and

the likelihood of the brand being preferred and this had been proven empirically by Anisimova, Weiss and Mavonda (2019) in their study on automobile consumers. Therefore, controlled communications delivered by retailers to their customer ought to be relevant and positive (Krystallis & Chrysochou, 2014). Daiso which communicates their guiding principles of delivering quality, variety and uniqueness through promotional videos played in the stores ensures that the merchandise sold exemplify the three qualities expounded as all these will have an impact on customers' satisfaction.

H8: Controlled communications have a positive influence on satisfaction with the brand.

Uncontrolled communications like word-of-mouth and non-paid publicity also influence customer expectations and customer satisfaction (Anisimova, Weiss & Mavonda, 2019) especially at the initial stages of the consumption process when consumers are searching for a brand or product (Shi et al, 2016). Consumers tend to trust WOM and non-paid publicity more than advertising and promotions because the comments or the publicity that are given by other customers or parties (e.g. bloggers' posts, journalists' reviews) are their pre-purchase expectation of the brand and post-purchase experience with the brand (O'Cass & Grace, 2004).

H9: Uncontrolled communications have a positive influence on satisfaction with the brand.

Esch, Langner, Schmitt and Geus (2006) expect that customers' satisfaction towards the brand could lead to brand attachment. There is a likelihood that Daiso customers will develop a strong attachment to the Daiso brand once they are happy with the brand because the satisfaction derived will prompt revisits to the store which is a favourable condition for the development of strong bonds with the brand over time. Therefore, the higher the level of satisfaction the more likely customers' will be attached to the brand.

H10: Satisfaction has a positive influence on attachment with the brand.

Ko & Chiu (2008) found that brand attitude significantly contributes to customer satisfaction. The reverse is also true whereby customer satisfaction influences a person's attitude toward something (Krystallis & Chrysochou, 2014). As Daiso consistently provides unique and quality products to their customers, satisfaction is bound to naturally follow suit. As a result of this satisfaction that develops, customer will hold favourable regard towards the brand. As Dick & Basu (1994) described, with satisfaction, customers will hold favourable attitude towards a brand compare to other alternative brands (Dick & Basu, 1994). Thus, it is posited that:

H11: Satisfaction has a positive influence on attitude towards the brand.

Brand attachment refers to the customer's closeness to a brand in terms of a 'strong cognitive and affective perception existing in consumer mindsets (Park, MacInnis, Priester, Eisingerich & Iacobucci, 2010). In other words, it involves the affective component of a brand and it invokes a variety of emotions (Kang et al., 2017). Therefore, attachment between the brand and customer themselves are stronger and more prominent because it relates to the customer thoughts and memories (Park et al, 2010). If brand attachment is strong the possibility of the consumer staying loyal with the brand will increase. One of the appeals of Daiso lies in the fact that it always provides its customers with various unique, creative products and this fosters the creation of strong customer

brand attachment. Such feelings of brand attachment can predict a customer's behavioural intention such as his/her loyalty towards the brand (Fournier & Yao, 1997).

H12: Attachment has a positive influence on loyalty towards the brand.

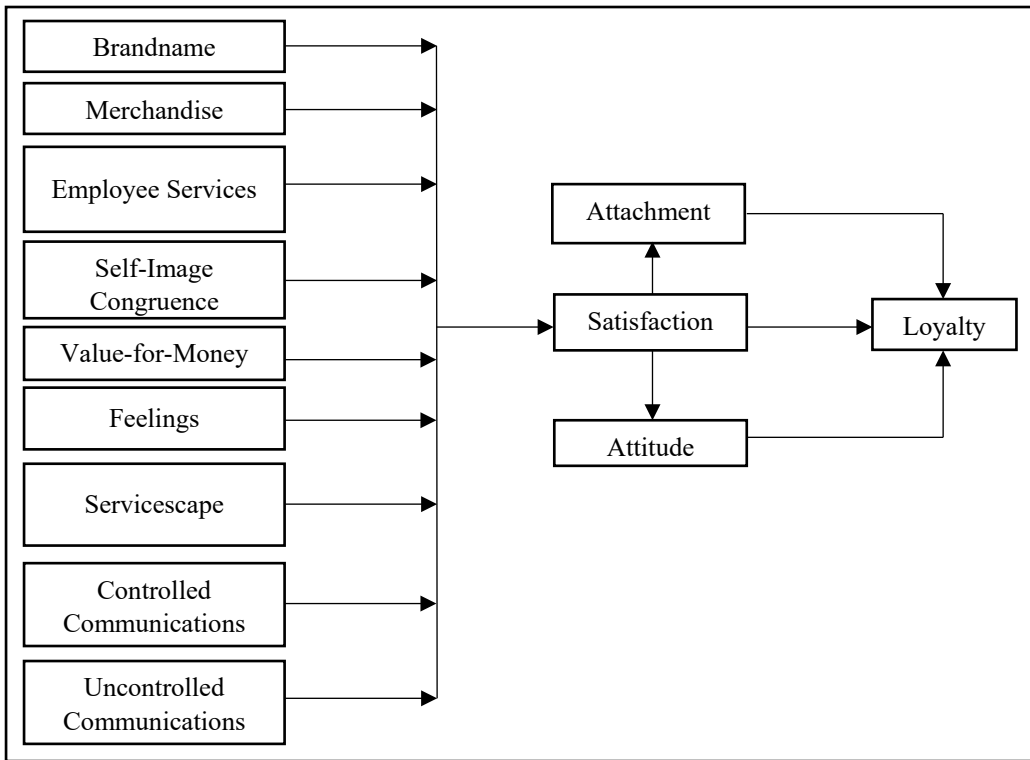
Customer satisfaction lies in the initial stage of customers' response towards the retailers brand while customer loyalty will follow in long run (Susanty & Kenny, 2015). To establish customer loyalty, retailers have to first satisfy their customers because satisfaction is the main indicator that influences customer loyalty (Mittal & Kamakura, 2001). Past research from different scope of studies have consistently confirmed that customer satisfaction has a positive effect on brand loyalty (Han et al., 2018; Faullant, Matzler & Fuller, 2008). Daiso's principle of delivering quality and unique products plays a very important role in building customer satisfaction because satisfied customers have higher chances of becoming loyal customers to the brand. For this, it is hypothesized that:

H13: Satisfaction has a positive influence on loyalty towards the brand.

Brand attitude is a psychological construct (Park et al, 2010) that is affected by the customers' judgment of the brand which can either be good or bad. Attitude functions as the confidence in which judgment is rendered (Petty, Briñol & DeMarree 2007). Furthermore, attitude is also a good predictor for future behaviour such as loyalty (Ahn & Back, 2017). As Daiso continues to offer value-for-money products to their customers, this enhances the customers' positive judgment towards Daiso. Such judgement forms a favourable attitude towards the Daiso brand. With favourable attitude comes higher likelihood or repeat purchases. In their study, Ahn and Back (2017) in their study found that attitude has a positive influence in behavioural intention. Therefore, when attitude towards the brand is strong, this could lead to brand loyalty.

H14: Attitude has a positive influence on loyalty towards the brand.

Figure 1: Research Framework



3. METHOD

3.1. *Sample*

The population of this study comprise all Daiso customers in Malaysia. However, it was not feasible to specify the entire population of Daiso customers in Malaysia considering that they would not all be known and access will be difficult. For this reason, a non-probability sampling method particularly purposive sampling was applied. The qualifying criteria that respondents had to fulfil for this study were that they had to be aware of the Daiso brandname and have at least visited and/or shopped at the stores before. A snowball sampling method followed suit whereby respondents were asked to suggest someone else such as their family and friends whom they know would be appropriate for the study (i.e. being Daiso customers). Consumers were approached and surveyed via mainly two methods – face-to-face and online. For both methods, consumers approached had to answer two filtering questions to determine if they qualify as respondents before they can proceed to answer the rest of the questionnaire. Through these two methods respondents would be able to concentrate better on answering the survey as opposed to a mall-intercept method where completion of the survey are most likely to be affected by noise and other distractions. In total, 662 usable responses were obtained from the sampling exercise and used for the analysis.

3.2. Instrument

Data was collected from Daiso respondents using a self-administered questionnaire. The items measuring all branding aspects in the questionnaire except for attachment were adapted from the measures in the SBVM (Grace & O'Cass, 2005). Brandname, Merchandise, Value-for-Money, Servicescape, Employee Service, Controlled Communications and Uncontrolled Communications were measured using a 7-point Likert scale (1=strongly disagree to 7=strongly agree) while Feelings, Self-Image Congruence, Attitude towards the Brand, Satisfaction and Brand Loyalty were measured on a 5-point scale (1=definitely disagree to 5=definitely agree). The measures for Attachment were adapted from Thomson et al. (2005) which were anchored on a 7-point scale (1=not at all to 7=extremely).

3.3. Data Analysis

SPSS 20 was used to compute the descriptive statistics (frequencies, percentages) for the respondents' profile and to ascertain the presence of common method bias. Analysis of the validity of the measures used in this study (measurement model) as well as testing of this study's hypotheses (structural model) was done using the partial least squares technique via the software SmartPLS 3.0 (Ringle et al, 2015).

4. RESULTS

4.1. Respondents' Profile

Out of 662 respondents, majority were females (69.8%). A high percentage was the young Millennials (76.3%) – those who fell under the 18 to 29 year old group. This was followed by the 30 to 39 year olds (14.5%), 40-49 year olds (6%), 50-59 year olds (12%), and lastly those aged 60 and above (1.4%). Half of the respondents were Chinese (51.7%) followed by the Malays at 42.3%, the Indians as well as other ethnicities at 6.1%.

Most of the respondents last visited the Daiso store in the past 1 month (43.7%), between 1 to 6 months (33.8%), 6 months to a year (10.9%) but around 11.7 respondents were unsure when was the last time they visited the store. As for the respondents' purchase frequency, 26.7% of the respondents purchase once every 2-3 months, 19.8% once or twice a year, 15.4% once per month, 14% around 2 to 3 times per month, 12.2% unsure how frequent they purchased, 7.7% purchased less than once a year and lastly 2.9% purchased once per week or more often.

4.2. Common method bias

Common method bias is a major concern in survey-based research which occurs when variance in the responses are caused by the measurement instrument instead of variance explained by a study's constructs (Podsakoff et al., 2003). To test for the presence of this bias in this study, the Harman's single factor test was applied via the principal components factor analysis. Evidence for common method bias exists if one principal factor accounts for the majority of variance explained (Podsakoff & Organ, 1986), that is if the percentage of variance explained for a single component

in the factor analysis exceeds 50 percent. From the analysis run, the principal factor explained as much as 39.86% proving that common method bias is not a concern in this study.

4.3. Measurement Model

The construct validity of this study's measurement model was assessed by ascertaining both convergent and discriminant validity. Convergent validity was established through the indicator loadings, average variance extracted (AVE) and composite reliability. Table 1 shows that all indicator loadings were higher than the threshold value of 0.70 (Hair et al., 2017) except for two items (i.e., D_attachment5 and D_employees1) which were duly removed; the AVE for each latent variable exceeded the threshold value of 0.50 (Hair et al., 2017); and the composite reliability scores exceeded 0.70 (Hair et al., 2017). In short, convergent validity was achieved.

Table 1: Convergent Validity of the Measurement Model

Construct	Indicators	Indicator loadings	Composite Reliability	AVE
Attachment (M=4.728; SD=1.174)	D_attachment1	0.879	0.961	0.734
	D_attachment10	0.856		
	D_attachment2	0.856		
	D_attachment3	0.829		
	D_attachment4	0.855		
	D_attachment6	0.870		
	D_attachment7	0.862		
	D_attachment8	0.853		
	D_attachment9	0.853		
Attitude (M=3.834; SD=0.754)	D_attitude1	0.891	0.927	0.809
	D_attitude2	0.919		
	D_attitude3	0.889		
Brandname (M=4.593; SD=1.187)	D_brandname1	0.880	0.923	0.799
	D_brandname2	0.907		
	D_brandname3	0.894		
Controlled communications (M=4.622; SD=1.064)	D_controlledcom1	0.877	0.921	0.796
	D_controlledcom2	0.900		
	D_controlledcom3	0.899		
Employee service (M=4.837; S=0.988)	D_employees2	0.914	0.917	0.847
	D_employees3	0.927		
Feelings (M=3.734; SD=0.723)	D_feelings1	0.843	0.913	0.778
	D_feelings2	0.909		
	D_feelings3	0.893		
Merchandise (M=5.252; SD=0.936)	D_merchandise1	0.876	0.851	0.657
	D_merchandise2	0.797		
	D_merchandise3	0.755		
Self-image congruence (M=3.333; SD=0.752)	D_selfimage1	0.819	0.878	0.705
	D_selfimage2	0.844		
	D_selfimage3	0.857		

Construct	Indicators	Indicator loadings	Composite Reliability	AVE
Servicescape (M=5.289; SD=1.039)	D_servicescape1	0.883	0.915	0.783
	D_servicescape2	0.880		
	D_servicescape3	0.891		
Uncontrolled communications (M=4.717; SD=1.146)	D_uncontrolledcom 1	0.863	0.899	0.692
	D_uncontrolledcom 2	0.877		
	D_uncontrolledcom 3	0.862		
	D_uncontrolledcom 4	0.714		
Value-for-money (M=5.315; SD=0.982)	D_value1	0.805	0.888	0.725
	D_value2	0.879		
	D_value3	0.869		
Loyalty (M=4.163; SD=0.707)	D_verdict1	0.921	0.936	0.830
	D_verdict2	0.917		
	D_verdict3	0.894		

Note:

^a Average Variance Extracted = (summation of squared factor loadings) / (summation of squared factor loadings + summation of error variances)

^b Composite reliability = (square of the summation of the factor loadings) / [(square of the summation of the factor loadings) + (square of the summation of the error variances)]

^c Satisfaction is a single item measure

To ascertain discriminant validity of the measurement model, the Heterotrait-Monotrait Ratio of Correlations (HTMT) approach was applied. All of the inter-construct correlations were less than 0.90, complying with the conservative HTMT_{0.90} criterion (Henseler et al., 2015). Furthermore, none of the HTMT confidence intervals straddled the value of zero thereby confirming that all the constructs in the measurement model were conceptually distinct from one another. Table 2 shows the discriminant validity results.

Table 2: Discriminant Validity of the Measurement Model

	ATH	ATT	BRD	CON	EMP	FEL	LOY	MER	SAT	IMG	SER	UNC	VFM
ATH	0.683												
ATT	0.683	0.506											
BRD	0.506	0.455	0.541										
CON	0.541	0.526	0.539	0.678									
EMP	0.521	0.448	0.440	0.678	0.461								
FEL	0.646	0.783	0.439	0.451	0.461	0.693							
LOY	0.599	0.690	0.325	0.401	0.422	0.693	0.671						
MER	0.627	0.682	0.643	0.519	0.523	0.686	0.671	0.600					
SAT	0.562	0.745	0.361	0.419	0.393	0.602	0.675	0.600	0.482				
IMG	0.662	0.649	0.547	0.564	0.463	0.711	0.491	0.579	0.482	0.482			

	ATH	ATT	BRD	CON	EMP	FEL	LOY	MER	SAT	IMG	SER	UNC	VFM
SER	0.576	0.588	0.411	0.520	0.651	0.520	0.546	0.737	0.476	0.411			
UNC	0.507	0.528	0.527	0.766	0.495	0.452	0.404	0.511	0.435	0.569	0.424		
VFM	0.536	0.554	0.475	0.402	0.470	0.562	0.609	0.889	0.534	0.454	0.681	0.366	

Note: ATH=Attachment; ATT=Attitude towards the Brand; BRD=Brandname; CON=Controlled Communications; EMP=Employee Service; FEL=Feelings; LOY=Loyalty; MER=Merchandise; SAT=Satisfaction; IMG=Image; SER=Servicescape; UNC=Uncontrolled Communications; VFM=Value-for-money.

4.4. Structural Model

While the measurement model concerned the items measuring the latent variables, the structural model involved relationships hypothesized between the exogenous and endogenous variables. A bootstrapping procedure of 1000 samples was used in the analysis of the structural model to obtain the path coefficients and their corresponding t-values. The variance inflation factor (VIF) scores for all the variables were within the acceptable threshold of 5 (Hair et al., 2017). Table 3 lists the results of the structural model analysis.

As much as 42.1% of variance in satisfaction ($R^2 = 0.421$) can be explained by the model which is deemed adequate by Falk and Miller's (1992) standards who stated that an R^2 must at least surpass 0.10. The variables which were found to have a significant, positive effect on satisfaction were merchandise ($\beta=0.131$, $p<0.01$), value-for-money ($\beta=0.153$; $p<0.01$), feelings ($\beta=0.302$; $p<0.01$) and uncontrolled communications ($\beta=0.118$; $p<0.01$). Satisfaction then led to both attitude ($\beta=0.700$; $p<0.01$ and $R^2=0.490$) and attachment ($\beta=0.550$; $p<0.01$ and $R^2=0.303$) felt towards the brand. All three variables of satisfaction ($\beta=0.365$; $p<0.01$), attitude ($\beta=0.222$; $p<0.01$) and attachment ($\beta=0.216$; $p<0.01$) were found to be crucial predictors of a customer's loyalty towards the brand, accounting for 49% of variance in loyalty ($R^2=0.490$). In addition, the lower and upper confidence limits (LCL and UCL) for these variables do not straddle a '0' rendering the abovementioned paths as significant.

Nevertheless, path significance needs to be interpreted in light of effect sizes. To assess whether a specified exogenous construct has a substantive impact on the endogenous construct, Cohen's (1988) criteria for effect sizes is referred whereby f^2 values of 0.02, 0.15 and 0.35 indicate an exogenous construct's small, medium or large effect, respectively on an endogenous construct. It was found that feelings ($f^2=0.084$) and value-for-money ($f^2=0.019$) contributed small nonetheless important impact on satisfaction. Similarly, satisfaction ($f^2=0.128$), attachment ($f^2=0.053$) and attitude ($f^2=0.041$) had a small nonetheless important effect on loyalty. In addition, the impact of satisfaction on attachment and attitude were substantial. Apart from that, all the Q^2 values were larger than 0, indicating the exogenous constructs have predictive relevance for their endogenous constructs.

Table 3: Results of the Structural Model Analysis (Hypotheses Testing)

Relationship	Std. Beta	Std. Error	T-value	LCL	UCL	Decision	f ²	Q ²	VIF
H1: BRD → SAT	-0.033	0.039	0.829	-0.097	0.032	NS	0.001	0.396	1.642
H2: MER → SAT	0.131	0.050	2.614**	0.046	0.210	NS	0.012		2.555
H3: VFM → SAT	0.153	0.048	3.214**	0.071	0.227	S	0.019		2.099
H4: SER → SAT	0.073	0.052	1.405	-0.010	0.166	NS	0.005		1.997
H5: EMP → SAT	0.006	0.043	0.140	-0.069	0.077	NS	0.000		1.796
H6: FEL → SAT	0.302	0.048	6.352**	0.225	0.380	S	0.084		1.882
H7: IMG → SAT	0.045	0.046	0.970	-0.037	0.115	NS	0.002		1.822
H8: CON → SAT	0.046	0.050	0.917	-0.038	0.126	NS	0.002		2.363
H9: UNC → SAT	0.118	0.044	2.647**	0.048	0.196	NS	0.012		1.997
H10: SAT → ATH	0.550	0.031	17.495**	0.499	0.602	S	0.434	0.221	n/a
H11: SAT → ATT	0.700	0.028	25.034**	0.653	0.743	S	0.959	0.395	n/a
H12: ATH → LOY	0.216	0.041	5.250**	0.147	0.284	S	0.053	0.404	1.722
H13: SAT → LOY	0.365	0.047	7.748**	0.287	0.438	S	0.128		2.039
H14: ATT → LOY	0.222	0.050	4.435**	0.144	0.310	S	0.041		2.353

Note: **p<0.01

ATH=Attachment; ATT=Attitude towards the Brand; BRD=Brandname; CON=Controlled Communications; EMP=Employee Service; FEL=Feelings; LOY=Loyalty; MER=Merchandise; SAT=Satisfaction; IMG=Image; SER=Servicescape; UNC=Uncontrolled Communications; VFM=Value-for-money; LCL=Lower Confidence Limit; UCL=Upper Confidence Limit; f²=Effect size to coefficient of determination; Q²=Stone-Geisser test of predictive relevance; VIF=Variance Inflation Factor; NS=Not significant; S=Significant

5. DISCUSSION OF FINDINGS

Based on the findings, the branding aspects which made an impact on customers' satisfaction of Daiso were value-for-money and feelings. The effects of merchandise and uncontrolled communications on satisfaction were very likely dwarfed by the impact of feelings and value-for-money. Daiso's fixed pricing policy (RM 5.90 per item) has been embraced well by customers. Price is a major draw here, together with its wide array of quality products which caters to all sorts of customer needs. Knowing that Daiso is of Japanese origin also influences the perception towards the brand as consumers generally associate Japan with high quality products (Han & Qualls, 1985; Sohail, 2003). Thus, when confronted with a shopping outlet which enables them to purchase various Japanese-designed goods at an affordable price, consumers would feel that they are getting their money's worth. The pleasant and positive feelings gained from such a shopping experience serve as a catalyst for customer satisfaction.

Daiso's brandname which is synonymous with quality, creative and extensive range of lifestyle products, could very well contribute to customers' satisfaction. However its effect has been overshadowed by other aspects namely value-for-money and feelings which were found to be more instrumental in shaping a customer's satisfaction towards Daiso on the whole. The influence of servicescape and employee service would be more apparent for the type of goods which are either image-driven (e.g. fashion and accessories) or require more assistance from the salespeople (e.g. technological gadgetry). For image-driven brands, the store environment contributes to the overall perception formed about the brand which can affect the satisfaction with the shopping experience.

Similarly, for the brands selling products that require a lot of attention and service expended on the customers, employee service would be a determining factor for satisfaction. Given that 100 yen shops such as Daiso are neither image-driven nor do customers require much salesperson assistance, this could be the reason behind the insignificance of their impact on satisfaction in this study.

Self-image congruence does not hold a significant role in determining consumers' satisfaction possibly because Daiso along with most 100 yen shops is a brand which can appeal to every consumer. Unlike fashion brands which have a very distinct positioning to reach out to their well-intended customers, Daiso does not portray a defined image of the type of customer who shops there. Therefore the congruity between one's self-concept and Daiso's image does not become a major factor that influences satisfaction with the brand. As for the insignificance of controlled communications on satisfaction, customers particularly those who are from the Millennial generation tend to regard a company's paid advertising with caution (Hawkins & Mothersbaugh, 2014), favouring instead other forms of communications such as journalists' articles and bloggers' reviews as well as word-of-mouth recommendations. Moreover, Krystallis and Chrysochou (2014) also found no support for the impact of brand hearsay dimensions (both controlled and uncontrolled communications) on satisfaction.

Satisfaction has been proven to lead to the formation of attachment, positive attitude towards the brand as well as customer loyalty towards the brand. When customers are happy and satisfied, possibilities of developing strong bonds with Daiso and maintaining a favourable stance towards the brand are higher. Such closeness or strong bonds along with positive assessments of the brand in a positive light are precursors to customer loyalty. Customers who have a positive attitude and attachment with a brand are more likely to repatronize and repurchase from the brand's stores as well as recommend the brand to others (Dick & Basu, 1994; Fournier & Yao, 1997; Faullant et al., 2008).

6. IMPLICATIONS, DIRECTIONS FOR FURTHER STUDIES AND CONCLUSION

From the theoretical perspective, this study has several contributions. Firstly, this study has extended the applicability of SBVM in the fixed-priced retailing store context involving 100 yen shops. In its essence, SBVM leaned towards capturing the services aspect of the contexts in which it was validated in namely retail stores and banks (Cass & O'Grace, 2005) and later in the airline industry (Krystallis & Chrysochou, 2014). However, in retail formats such as fixed price/100 yen shops where merchandise constitute the essence of the business, it is pertinent to examine attributes of the goods sold, perhaps more so than merely concentrating on the service aspect such as providing shoppers with access to merchandise. Secondly, the element of attachment has been added into the SBVM as another outcome of satisfaction and precursor to brand loyalty. In current times, assessing the positive or negative disposition towards a brand may not be enough; the emotional bonds that customers develop with a brand ought to be considered as well. Thirdly, the branding aspects in this study were examined individually as opposed the original SBVM in which the branding aspects (i.e., merchandise, value-for-money, servicescape, employee service, etc) were grouped under a higher order (formative) construct. Doing so allows a researcher to obtain a more precise understanding on specific impact of those branding aspects on outcomes such as satisfaction.

On the practical side, fixed price retailers or any other type of retailers for that matter ought to be cognizant of two particularly crucial yet occasionally overlooked details. The first being the concept of value-for-money. Pricing is of much concern here as most fixed price retailers like Daiso are regarded as affordable stores for household and lifestyle products. Care should be taken to ensure that the delicate balance between the price charged versus the quality and variety of the merchandise available in the store is not disrupted. This leads to the second detail which concerns the feelings derived from the experience with fixed price retailers. In fixed priced retailers, the store experience stems not so much from the store environment or the services of the salespeople in the store but rather the perceptions of value-for-money which is the result of quality and beneficial products obtained at a good price. Also, highlighting the origins of the brand or associating the brand with (foreign) country-of-origin features help to elevate customers' feelings towards the brand. In short, retailers should attempt to elicit positive feelings among their customers by constantly stocking creative and practical products which can spark interest and fulfil their needs at a decent price points.

The ultimate aim of any retailer is to successfully attain customer loyalty. In order to do this, both tangible and rational aspects of a brand need to integrate with the intangible and emotional aspects. As shown from this study, fixed price retail brands like Daiso could serve to win the heads and hearts of their customers by continuing to deliver an extensive range of functional yet interesting merchandise at reasonable price points (value-for-money) that delights and retain the customers' satisfaction. Satisfied customers have a higher tendency of developing emotional bonds and positive impressions of the brand which would serve as the basis of loyalty towards the brand. On the scholarly side, the SBVM has been shown to be applicable for hybrid business contexts like the retailing industry (intangibility of services and the tangibility of merchandise). Researchers can utilize the SBVM to assess different types of retailers albeit they would need to consider the nature of the retailers (e.g. some of which the services play a lesser role than the merchandise sold). As an extension to this research using the SBVM, further studies can be undertaken to investigate how feelings can affect various dimensions of brand attachment (affection, connection and passion) to fixed price retailers. In that process, how would perceptions of brand origin affect the impact of feelings on brand attachment? Delving into those issues would prove useful for both researchers and retailers alike.

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