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The impacts of branding and shopping experience on consumers in luxury retail: A comparative study with reference to Harrods and Selfridges

A dissertation submitted in partial fulfilment of the requirements of the Royal Docks School of Business and Law, University of East London for the degree of

MSc International Business Management

APRIL 2019

Word Count: 15,950

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Abstract

The current global business environment is characterized by extreme competition; this is so due to the advent of technology. More so, the current economic environment has been improved vastly when compared to decades before. Demand has improved; customers have more money to spend.

However, there is also a change in customers taste, they have become more sophisticated, and acquiring the customers alone has become a tough hurdle to cross. Firms have to device ways to get these customers, and these ways includes branding, and customer experience.

The main purpose of this dissertation is to investigate the impacts of branding and shopping experience in customer loyalty in luxury retail sector of the United Kingdom. In the bit to extensively cover the topic and get deeper insight, the researcher adopted a mixed approach to examine the case study "Harrods and Selfridges" the biggest luxury retailers in the UK.

The findings in this paper, attempt to contribute to the luxury retail industry and recommended actionable pathways or strategies to enable the firms in question perform better in light of global competition.

Acknowledgement

First and most important acknowledgement To the most important person to me in this world and beyond, my ever faithful Daddy, The Almighty God for making all the journey and process so far possible and beautiful. in Him, i found love, joy, strength, peace and satisfaction.

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DEDICATION

This dissertation is dedicated to the Almighty God, the sweet and precious Holy Spirit, to my family, The Ajagunnas'.To everyone out there, pushing beyond the limits of life, it shall be well.

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CHAPTER ONE

INTRODUCTION

1.0 Background of the study

The focus on customers experience in business dates back to the 19th century. Some write ups had been made about this by notable writers such as Turner Norris (1940) as cited by Holbrook (2000) in which he described it as the value created by the experience had by the consumer.

Currently, with the enormous improvement in the world economy characterized by the high disposable income, greater employment, technology etc, consumers taste is changing overtime and in commensurate with their various income levels. Luxury brands have been springing up here and there since the 1980s especially in the fashion industry. We have numerous luxury brands in both manufacturing and in retail. Some of them include Dolce and Gabbana, Louis Vuitton, Marks and Spencer, TM Lewin and so on. In Europe, there are various retailers of exotic brands and this list Harrods and Selfridges in the UK, Le Bon Marche in France, Illums Bolighus in Denmark to name a few.

Various stores provide varied customer experience to their teeming customers. This has culminated into very intense competition in the industry. The success or failure of any store depends hugely on customer's loyalty and that also depends on customers experience during their interaction with the stores. Steve jobs stated *"Get closer than ever to your customers. So close, that you tell them what they need well before they realize it themselves"*.

In the 1980s when customer experience as initially recognized, these concepts, Hedonic consumption and customer experienced were discussed by Holbrook and Hirschman (1982), it was observed and explained consumption as a primary state of consciousness with miscellaneous symbolic meanings, hedonic responses and anesthetic criteria (Holbrook and Hirschman 1982)

Lately, in a bid to gain competitive advantage in the industry, businesses tend to provide a mix of Unique, Rewarding and Fulfilling (URF) experience. Creating a lasting customer experience in today's dynamic and global market place has benefits such as an enhanced brand awareness, customer loyalty, and higher profits.

Some scholars have overtime argued that the "*experience economy*" a book by Pine and Gilmore (1999) is the starting point of this nascent phenomenon "*customer experience*" which the authors believed that the "customer experience is now a new economic offering. This phenomenon is an essential ingredient in marketing at this time that customer buying decisions and choices or demands are more mature. It is believed by most researchers and marketers that, there is a strong correlation between customer experience and loyalty. Forrester (2009) analyzed the correlation between the experiences of customers given across over 100 firms in the USA and their customer loyalty. It was established that customer experience is linked to three things, namely "*willingness to buy, reluctance to switch, their propensity to recommend chosen firms*" across a dozen industries (Telkim et al. 2009).

"Customer experience is today's business benchmark" by respected American business magazine Forbes reflects the significance of the experiences generated for customers in modern day business. (Forbes 2014.) The experiences that businesses gives to customers are now a major way to demarcate a very competitive markets and in many industries, customers experience is turning into a critical competitive advantage for the businesses. Nowadays, companies are repositioning their strategies to be more customer-centric (Gerdt & Korkiakoski 2016)

To maintain strategic leadership in today's business environment, businesses watch-words include customer experience and value added services.

According to Harvard Business Review (2013), customer experience was defined as an End to End “E2E” Journey. Put simply, it binds all the encounters in a client interfaces and the visible actions of the company as an ensemble for customers. No two customers ever have the same experiences as each customer forms a unique and personalized experience based on feelings and emotions during their encounter with the brand. According to them the advantages of customer’s satisfaction include but not limited to higher revenues, employees satisfaction, and diminished customer churn.

According to the American Marketing Association, branding is “The marketing practice of creating a name, symbol or design that identifies and differentiates a product from other products” *but in reality, branding is much more than that.*

Businesses nowadays offer very similar products and services, in order to win; firms must know how to best sell themselves to their target markets.

Brand is all intricate things that characterize a company ranging from their product offerings, and other things that differentiate them from their competitors. (Lindberg-Repo et al 2009)

1.1 Statement of the Problem

Over the past decades, business and marketing managers of companies has kept the desire to keep, maintain their target markets. As a result, they strive to offer value added or premium services to the delight of their customers. Since most products offerings are similar, businesses now look for different ways to impress their customers by going the extra-mile, for example, providing entertainment in grocery stores etc. these efforts are geared towards ensuring brand loyalty.

Knowing that the luxury retail like fashion for instance, is a multi-billion dollar industry globally, with very strong presence of leading brands of manufacturers like Dolce and Gabbana, Versace, Louis Vuitton, Hermes, in the retail sector we have in the UK, the like of Harrods, Selfridges, there is a very stiff competition (Direct and Indirect) in this sector.

In 2017, the global luxury sector grew 5% and almost 1.2 Trillion Euros (Altagamma), the UK portion was estimated to be 2% of GDP and expected to worth over 50 Billion Pounds in 2019 as compared to 32 Billion Pounds in 2013 (Walpole). With this in mind, achieving market leadership in this sector come not a platter. There has to be very strong brand management, unique products offering and service delivery. Building, growing and maintaining a very strong brand

reputation becomes extremely vital to differentiate one business from the other. From the projections above, there will be serious strive to win the market over, which will require an in-depth research and analysis of consumer buying behavior so as to determine what attracts your target customers and keep them coming. Luxury retail in the UK is big business. A remarkable success achieved in sales through high-end product offerings to customers delight, a higher customer base among major players like Harrods and Selfridges, However, like most businesses, there exists the struggle to build a profitable long term relationship with customers because the products alone are no longer enough, customers need something more and businesses must understand this, to remain competitive (Berry *et al*, 2002; MacMillan and McGrath, 1997). According to Riecheld (1996) sixty-six percent of satisfied customers change the businesses they patronize to another; this shows that, it is no more a question of satisfaction but of experience lived during the period of immersion (Caru and Cova 2007). According to Meyer and Schwagar (2007) measuring customer satisfaction alone doesn't tell you how it is achieved. This has left business managers to wonder what exactly drives brand loyalty. Sclossberg (1990) coined the word "*customer delight*" and it was defined by (Rust and Oliver (2000) as a positive state of emotions that comes as a result of greatly exceeding a customer's expectation. Every customer wants unique experiences, as these experiences elicit high level of emotions.

1.2 Research Hypothesis

H1: Customers shopping experience and branding strengthen consumer loyalty of luxury retail

Ho: Customer shopping experience and branding doesn't strengthen loyalty

1.3 Research Objectives

This research seeks to point the dimensions of customer experience and branding in the luxury retail sector of the UK economy. As a result, below are the objectives of this research

1. To determine whether customer experience and brand associations influence customer loyalty in luxury retail industry
2. To estimate the extent at which customers experience influences customer loyalty towards the luxury retailer

3. To determine the extent at which brand association influences customer loyalty towards the luxury retailer.

1.4 Research Questions

1. Does customer experience influence customers' loyalty to the luxury brand?
2. To what extent does consumer experience influence the consumer loyalty of luxury retailer?
3. Does brand association influence customers loyalty to the luxury brand?

1.5 Significance of the Study

The aim of this research is to add remarkable contribution to the already existing literature on the luxury retail sector of the UK. The researcher intends to identify the factors that influence customer loyalty. This research is also useful to managers that desire to have knowledge on consumers and factors that influences their buying behaviour, this helps firms when developing marketing strategies, to is able to capture the target audience, expand market share and improve profitability as well as increased revenue. This research is also useful to the case study brands, Harrods and Selfridges to gain more knowledge about their consumers' needs, and what influences their continuous patronage, the possibility of changing where they shop and why they are likely to, and how they can continue to influence impulse shoppers to patronise.

1.6 Research Scope and Delimitations

For this research, the geographical limitation is to UK, as the study is to discover the impact of branding and shopping experience in the luxury retail sector of UK. In light of the above the two most prominent luxury retailers "Harrods and Selfridges" were chosen as case study. The time frame for this study is cross sectional, which means data would be taken only once throughout the study period. The target participants are restricted to luxury shoppers.

1.7 Limitation of the Study

This research gives a thorough analysis of the construct of shopping experience and branding, their underlying dimensions, antecedents and consequences in the luxury retail context.

Although, it is hard to conduct a study that allows comprehensive exploration of all elements that causes a phenomenon. It is therefore important to note that this research has some limitations. First, the study is restricted to luxury retail sector. Therefore, the results cannot be applied to other service sectors. Secondly, while numerous independent variables affecting customer experience and branding have been studied, other variables probably could be used and even have been more effective. Lastly, this study was founded on the basis of the UK retail industry (luxury retail), the participants are also in the same country. For these reasons, the study cannot be of much importance to other industries in the UK. These limitations give chances for future research in regards to the much coveted, but highly elusive concept of branding and customer experience.

1.8 Organization of the Study

This part of the study shows how the dissertation was organized in this edition. The study was divided into five chapters. The chapter once focuses on the introductory part of the study; it sets the precedence for the remaining body of work. The chapter two focuses on literature review. The chapter three contains the research methodology. The chapter four and five include analysis and discussions, conclusion and recommendation respectively; the later chapter also includes the summary of findings.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides a review of the current study. The first section of this chapter summarizes the shopping experience aspect. It starts by analyzing the shopping experience; the typologies of experiences, theoretical framework, in inclusion, to the consumption experience as a holistic experience, and finally, the significance of shopping experience in today's competitive market.

The second section delves deeply into branding, types of branding, theoretical framework of branding, and brand development.

The third section gives an insight on niche focusing.

2.1 The Concept of Customer Experience

Over the last few years, businesses have increasingly moved towards providing memorable 'experiences' for customers as a means of gaining competitive advantage, particularly for those in the service and retail sector. These economies have been changed to an experience economy (Pine and Gilmore, 1999; Schmitt, 1999). Thereafter, the existing economy is described as "the new experience economy" (Pine and Gilmore 1999; Smith, 2003).

The researcher has come to realize that the notion of customer experience is hardly a new concept, because market researchers have tended to focus on the consumption experience for the past few decades. But, this has not been a vital part of the economy in the past decades. Therefore, this study will address the re-emergence of experience and its importance to the present time.

Customer experience (CX) is about what customers feel as a result of doing business with a company. It lives between the ears of the customers, and is defined by them. Given the prevalence of “customer experience” as a desired competitive differentiator, business discipline and value driver, you’d think it would be easy to define, and that a common understanding of what it means would be immediately at hand. It is much more complex. Customer experience comes in different ways, starting from the first touch-point, to the buying process, to the customer service and to the actual products or service purchased. It is also very important to note that customer experience breeds perception which is a direct result of all the interactions between the business and the customer. Today, customer experience is used with the same reverence as other business watch words such as “innovation,” “brand” and “strategy.” Everyone knows they need to do it, and that they need to do it well.

Every customer interfaces with a business with expectations and a firm’s ability to meet or exceed the expectation defines the experience in that occasion and influences the formation of a desired perception (Jay Baer, 2018). Other definitions of customer experience by some key authors include Forrester (2018) who defined customer experience as providing a useful, usable, and enjoyable experience to every customer, on every device, across every touchpoint in a way that fulfills on the expectations that you set and the promises you made.

He argued that customer experience influences buying decisions and as a result, must contain these three things from the customers’ perspective. The experience must be

- Useful—they deliver value
- Usable—the value is easy to find and engage with
- Enjoyable—they’re emotionally engaging and people want to use them

Customer experience gives a firm some value from the customers’ perspective and as a result, defining it with this perceived value in mind. According to (Ted Robin. 2018) CX is all about the value that accrues as you nurture a relationship over time through connection, trust, loyalty, recommendations, and sharing.

Furthermore, the major ingredient of experience includes; emotions, feelings or sensations that are felt or sensed during experiences. The notion of experience

varies across different disciplines. In the marketing, experiences are regarded as personal events that occur in response to some stimulation. "Experiences involve the entire living being. They often result from direct observation and/or participating in the event – whether they are real, dreamlike or virtual" (Schmitt, 1999, p. 60). According to (Carbone and Haeckel, 1994) experiences have moved from being a random phenomenon towards becoming an engineered perception. A focus on experiences has arisen in response to the limitations of seeing consumer behaviour purely in terms of cognitive information processing. Recall (Carbone and Heckel, 1994) said '...experiences have moved into something that had been "*engineered and not a random phenomenon*". This highlights the conscious effort by firms to plant a desired brand image into the subconscious minds of clients through, quality product offerings, and most importantly, memorable experiences that they give to clients at every point of contact or touch-points. In light of this, they said and I quote "The present clients think about practical attributes and advantages, item and quality, and a positive brand image as given". What they need is items, communication and promoting occasions that amaze their ways of life, contact their hearts, and invigorate their psyches. They need items, interchanges and crusades that they can join into their ways of life. They need items, communication and promoting to convey an experience (Schmitt, 1999, p. 22). Also, amongst other authors (Pine and Gilmore, 1999) defined experiences as happenings that interact with individuals in a personalized way. Advanced marketing practices and the availability of relevant market information nowadays has given rise to the successful target marketing practices. For instance, social media and customer feedback mechanisms are able to provide information that when filtered, allows us to know individual preferences especially, this knowledge allows marketing professionals and firms to create and give bespoke products and services to a wide range of clients at an individual or personal level, thus giving you the experience that can be termed as a personal or personalized experience. This practice is vital to the success of brand building and perception formation of firms from the customers' perspectives.

2.2 Visual Merchandising

Another dimension of branding and experience is the visual merchandising, the quality of store atmospheric elements of retail environment are considered to be part of visual merchandising (Kotler, 1974). Donovan and Rossiter (1982) extended the concept of store atmosphere by categorization of physical in-store variables such as store layout, architectural design, wall color and social factors such as how interaction takes place and behavior of people.

In general, Visual Merchandising has two major areas the store exterior and interior and other variety of factors like color combination, lighting scheme, product placement, store layout and design, mannequin placement and props selection, furniture and fixtures). All these factors play an important role in creating a favorable shopping atmosphere (Law, Wong & Yip, 2012). For instance, Baker et al. (1992) found how lighting and background music alter a consumer's perceptions and reactions to a store design. Similarly Babin et al (2003) found that the combination of colors and lighting has important role in influencing the consumer purchase intention. Intangible store elements, such as scents or fragrance, can also stimulate one's emotional state and mental imagination (Fiore et al., 2000).

Matilla and Witz (2008) stated visual merchandising as a marketing technique in which the retailers enhances both the exterior and interior of their store in order to attract their target customers. It helps the retailers constructing a strong and positive image for their store as well as helps in generating the required amount of attention and desire among the consumer. They also explained that both the exterior and interior of the store must be in coordination with each in order to create a lasting impact and must be designed keeping in mind the target market of the store specifically. He further stated that this technique of visually making the brand attractive has proved to be extremely beneficial in connecting the target market with the brand by visually highlighting the distinctive and unique features of the store over the competitors.

Chandon, Hutchinson, Bradlow and Young (2009) highlighted that visual merchandising is one those in store marketing tools that actually triggers unplanned buying among the consumers. In this technique the marketers visually enhances their outlet by creating an aesthetic atmosphere, appropriate shelf arrangement, attractive window display, cleanliness etc

2.3 Total Customer Experience (TCE)

Total customer experience is used to describe the relationship between a customer and the business. It encompasses the interactions that a customer has with the business from time to time beginning from the first time interaction to the present day. A seamless and successful total customer experience (TCE) is created when company manages to embed its fundamental value proposition in every feature of its offering (Meyer and Schwager 2007).

Fig 2.1 Total Customer Experience (CX) process



Source: Inceodia.com

For instance, a consumer electronic product bought from Harrods would typically have the following touchpoints:

- Products reviews and comparisons
- Company website where customers learn about the products
- Box on the shelves
- Harrods trained sales representative attending to you personally
- Out of Box experience including setup documentation
- Hardware and software interface
- Warranty
- Online help
- Products decommission and replacement consideration etc.

When a customer goes through all these, it is expected that the customer will feel some sense of security and comfort doing business with the firm.

The secret to a good experience is not how complex the attributes of the goods or services are, but the value created and expectations met completely every step of the customer's journey (Meyer and Schwager 2007). Furthermore, in B2B context a seamless and successful experience is not usually exciting, but simply trouble-free and reassuring to those in charge. The same statement is made from another perspective by Rawson, Duncan and Jones (2013) as they stated that more touch points creates more complexity. Despite the fact that each different touch point endeavors to concentrate on its own, the board and the client service frequently

dismiss the master plan how the client faces all the touch point together (Rawson et al. 2013).

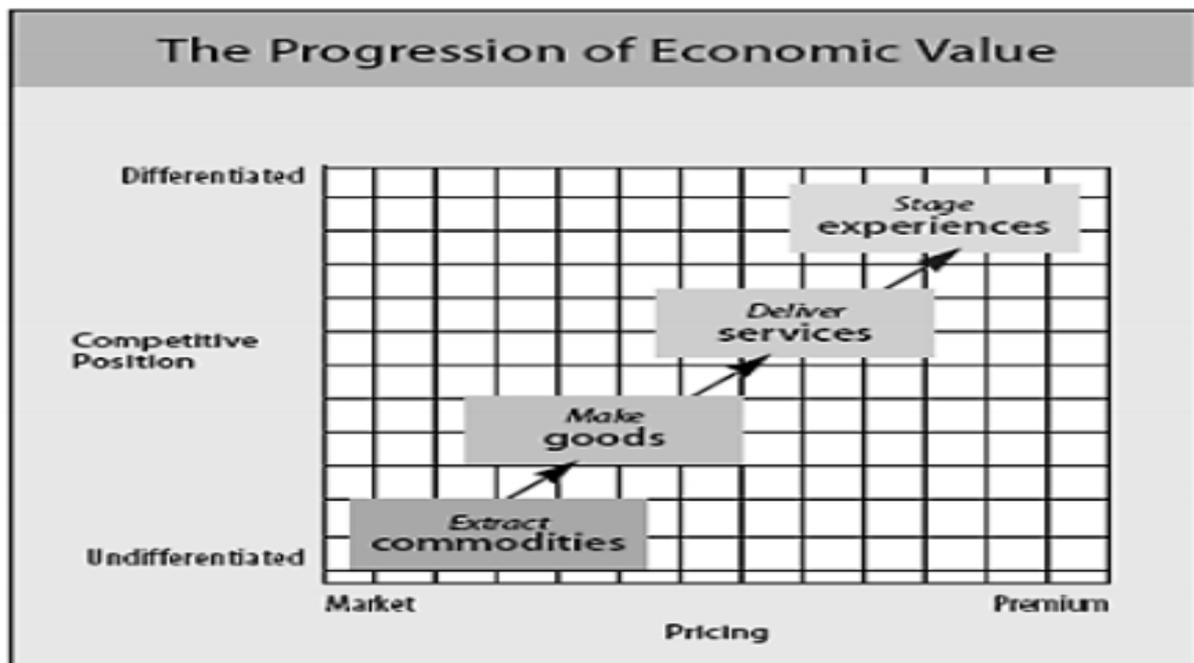
A research directed by Rawson, Duncan, and Jones (2013) demonstrated that organizations ready to deal with the entire client experience increase huge gains. They had improved consumer loyalty, diminished churn, higher revenue, and upgraded worker fulfillment. Complete client experience covers all parts of an organization's putting forth and isn't just connected to services or items sold. Another hurdle that appears to rise up out of prior writing (Berry et al. 2002; Mascarenhas et al. 2006; Meyer and Schwager 2007; Rawson et al. 2013) is the way firms can deal with the entire client experience and better it by each progression of the client's journey through the products, services, and brand. There are still organizations that don't comprehend why they should center or be disturbed about the entire client experience. Or, then again, there are organizations that are sure that they as of now have made the ideal consistent experience (Meyer and Schwager 2007), but this is not always true. Conveying a complete client experience is progressively crucial thinking about the pressure of commoditization, globalization and the saturation of the market in developed nations (Mascarenhas et al. 2006). Conveying a complete client experience is the most direct method for continuing enduring client loyalty.

Customer experience has not been perceived as a separate construct in the marketing literature history (Verhoef et al. 2009). A look into existing literature shows that there have concentrated more on consumer loyalty, service quality and client relationship management (CRM) (Berry et al. 2007; Parasuraman et al. 1988) yet this doesn't imply that client experience has gone unnoticed. Already 37 years ago Holbrook and Hirschmann (1982) noticed that consumption has empirical aspects and that the future research should start focusing more on consumption experience.

Gilmore and Pine, being pioneers on experience economy, introduced the exhibit of progression of economic value. This concept is visualized in the following figure (Figure 1). It shows relevant offering differentiations to customer needs to customer pricing. It expresses that the more an offering is tailored to meet the needs of customers, the higher is the value creation (Pine and Gilmore 1998). Therefore the goods are customized to become services; the services are customized to become experiences.

According to the framework, experiences are the fourth distinct economic offering. To take the upper hand in the present market, organizations are compelled to update their contributions to the following phase of economic value (Pine and Gilmore 1998). This implies the competitive advantage is made based on encounters and experiences, not the premise of the genuine items. There really has been a fifth particular offering "transformation" added to the movement diagram (Pine and Gilmore 2000), but it's still quite unexamined concept and actually close to the experience offering and therefore I don't observe it in this thesis.

Fig 2.2 The progression of economic value



Source: Pine and Gilmore 1998 adapted from Hakinem Annim (2017)

As services and products have become more and more exchangeable due to lack of functional differentiation, consumers' demand for memorable and trouble-free experiences continues to grow (Pine and Gilmore 1998; Schmitt 2003). Research conducted by Shaw and Ivens in 2005 showed that 85% of senior business leaders agree that differentiating solely on physical elements, such as price or delivery, is no longer sustainable business strategy. New differentiator needed to be found and it is the customer experience. The differences are found in the brand, in the perception and feel of a company, all of which are central elements in customer experience. (Shaw and Ivens, 2005) This has resulted into companies need to

stage their customer experience in order to create competitive advantage (Schmitt 2003)

2.4 Typologies of Experiences

Maslow (1964) used the term 'peak experience' to describe the transcendent or mystical experience, establishing peak experiences as a central phenomenon in humanistic psychology. Maslow (1968) defined peak experience as "...times which brings the highest happiness and fulfillment" he claimed that, at this point people can feel their real identity.

The definitions of both experiences given by Davis *et al* (1991) are as follows;

2.4.1 Peak Experiences: A Peak (pinnacle) experience has a few (yet for the most part not all) of the accompanying qualities: and practically overpowering feeling of delight, happiness, or satisfaction. Let me put it in perspective, Harrods is a luxury retail brand known to attract the upper echelon of the society, and has exquisite scenery that appeals to the eyes of its visitors. The place is swarm with wealthy people and for a middle income earner, just the opportunity to shop at this firm would give you the feeling of belongingness to that upper class (section of the rich), in the you also have what the rich have, enjoyed the same experience that they do. This will give you the feeling of uniqueness, fulfillment, and profound comfort and peace of mind thus elating your esteem and satisfaction.

2.4.2 Flow Experiences

Another concept similar to peak experience is flow experience, this led to the Csikszentmihalyi (1977) development of theory of optimal experience (Csikszentmihalyi, 1988). According to Csikszentmihalyi (1977) an individual is experiencing flow when he has "a unified flowing from one moment to the next, in which he is in a control of his actions, and in which there is little distinction between self and environment, between cause and effects, between past, present and future (p. 36). "Flow is a state of experience which is characterized by an experience of intense concentration and enjoyment" (Csikszentmihalyi, 1990). Under flow state people become absorbed in their activities.

For example, a visit to a game center using 5D technology, the game allows you to actually feel what it's been shown or played on the screen. You get some tiny droplets of water splashing on you (not able to wet you) just to make it feel more

real. This experience is much more enjoyable as it is closer to reality than playing or watching the same game or movie at home.

Moreover, because a flow state is enjoyable, people strive for the experience. Flow is mostly gotten from entertainments, and may be regarded as the pinnacle of positive feelings and as the highest point of the performance” (Konradt *et al*, 2003, p. 312).

According to optimal condition theory, flow happens when there is a match between the perceived challenge (customers’ expectations) and the skill (firms ability to meet the expectations) level needed to handle the given challenge. For instance, you took a walk into a boutique to get a dress, then the sales representative guided use an artificial intelligence system that allows you to virtually try the clothes or shoes bought (without actually wearing them) you are able to try different designs and colours until you finally decide on which to buy. That is an experience that is an uncommon shopping experience, in that not all retailers have integrated artificial intelligence into their business. Another vital part of flow is feedback, explicit or self-created, and having a clearly defined goals and knowing how to reach these goals. Flow represents the optimal condition of human functioning in which everything happens with ease. Flow and peak experience have many qualities in common. These include ease of functioning, full absorption, and enjoyment (Fatemi, 2004).

2.4.3 Extraordinary Experience

Initially, extraordinary experience involves sense of newness of perception and process (Privette, 1983). Extraordinary experience is characterized by a high level of emotional intensity that is triggered by unusual events compared to flow experience as well as no superior levels of effort when contrasted with peak experience. “On the one hand, there is a flow of activity and on the other, distinctive marked-out acts and events, all going under the name of experience. Extraordinary experience comes from the cumulative delight gotten from the peak and flow experiences and it is totally dependent on the customer perspective. To achieve this, it is expected that the firm delivers experiences beyond customers’ expectations on a continual basis over a period of time.

In addition, the very flow of the regular guarantees the continuity between routine exercises and the more phenomenal ones. We have turned out to be mindful of the continuities between the normal and the 'more profound' or 'higher events

through performed mimetic encounters, which transparently mimic (and adapt) regular acts and interactions". One can also experience something extraordinary when it offers absorption, personal control, joy and value, a spontaneous letting-be, and a newness of perception and process (Csikszentmihalyi, 1991).

The difference between the three types of experience (extraordinary, flow and peak) depends on the emotional intensity and the relational mode in each one (Arnold and Price, 1993). To sum up, the extraordinary type of experience is characterized by having unusual events as triggers, emotional intensity and activity, no superior levels of effort and interpersonal interaction. Also the experiences gotten are what give a value to a brand.

2.5 Luxury Branding

The number one difficulty to the definition of luxury products and brands is that, it is almost entirely dependent on the customers' perception (Kapferer 2008, p.96) as a result; there are numerous alternatives as the definition of the term luxury (Chevalier & Mazzalovo, 2008).

Before now, the term luxury has been defined purely based on the functional and economic, and social bias (quality, cost and social status) for such goods. However, contemporary definition encompasses the psychological and emotional aspects as well. Kapferer (1997) describes "Luxury" as the distinguishing feature of a brand in a certain market. Luxury can also be used to describe the highest category of prestigious brands (Vigneron & Johnson 1999, 2004). It can be inferred that consumers patronize luxury brands to gain prestige, which refers to conspicuous consumption (O'Cass & McEwen, 2004). Furthermore, it can be said that luxury brands bring both pleasure and comfort to the consumer. This is because they satisfy the customers' psychological and emotional needs. The common aspect of luxury goods definitions seems to be the symbolisation of personal and social identity (Vickers and Renand, 2003). Vigneron and Johnson (2004) argue that, luxury goods confer esteem to the owner as well as functional utilities. Yet, in a generic approach Nueno and Quelch (1998, p.61) defined luxury goods as 'whose ratio of functional utility to price is low while the ratio of intangible and situational utility to price is high'.

According to Alleres (1990), luxury goods are divided into three categories entirely based on the degree of accessibility. This can be explained in order of growing hierarchy as thus;

- Accessible luxury: brands that are accessible to the middle class in the socio-economic ranking, the products in this category are produced en-masse. For example, low end wristwatches that utilizes economies of scale to make them cheap, thus being within the reach of the larger portion of the society.
- Intermediate Luxury: in this category, the professional (middle class) have access to these products, they are generally a bit expensive and have extra accessories not found on the accessible luxury category. Using cars for example, the Trim is the differentiating factor in the cost of the car. Ordinary Trim (such as LE, CE, and SE) is generally cheaper and less fancied than the XLE AWD trims. The XLE (Extra Luxury Edition) has better accessories like powerful sound system, added security, more cozy seats, and better electronics in general.
- Finally the top level of hierarchy is allocated to inaccessible luxury which corresponds to extremely expensive products. This level of luxury good offers very exclusive goods (Cited: Vickers and Renand 2003). For example, Luxury cars like Rolls Royce, Lamborghinis, Ferrari, Porsche, Maserati, Bugatti, Pagani etc. are generally termed the super or luxury cars, they have better enhanced electronic systems, have artificial intelligence and are optimized for speed and stability using aerodynamics, have more powerful engines and produced in very limited quantity. The Rolls-Royce Wraith 2019 is only produced on order and to bespoke specification. They are outrageously expensive that only the very rich could afford.

Branding has been extensively discussed in several areas including the academia, and in business circles. Branding has been defined as the use of identifiable variable like attractive names, symbolisms, terminologies (slogans), terms, signs and in an extended version, the combination of all the aforementioned variables with the intent of associating it with particular services and products in an organization which is distinctive from competitors' brand (Bennett, 1995).

According to (Keller & Lehmann, 2006), it is the most valuable intangible asset a firm possesses. It embraces the years of advertising, goodwill, product quality, quality evaluation, product experience and other attributes that the market associates with the product.

Meticulously planned and executed brands are likely to dominate the subconscious minds of consumers who do not find it hard to recognize and recall them whenever they come in contact with these brands or when the need for them arises, and hence, this becomes an important tool for business organizations to break into every market. For example, in the luxury fashion industry, it is very easy to identify brands such as Louis Vuitton, Chanel, Gucci etc. just by looking at their logos.

The American Marketing Association (2014) asserted that products and services are branded to bring out the uniqueness of the product making it different from other products and services of competitors within the industry the organization finds itself. They also asserted that goods and services can be branded using a name, symbol, logos, terms, designs and can be a combination of these variables. Watkins, 1986, Aaker, 1991 and Kotler agree with the above definition.

Through branding, customers are likely to easily develop an emotional attachment with products, services and organization. When people develop emotional connection with the product and services that an organization provides the products or services get easily recognized with an increasingly saturated market.

It is important that the brand of a product is properly communicated to customers. When proper communication measures are taken, potential customers find it easy to understand and associate themselves with a certain brand. Communication removes all vagueness and uncertainty regarding the benefits of a brand, as well as creating brand awareness. The study cites four stages, including; brand positioning, brand communications; brand performance and brand equity and leveraging. Branding qualifies a product to become more than a product because of the emotional and mental connection they develop (Kapferer 2008; Kapferer, 1992).

Formally, branding is defined as names, associations and other ingredients that are used to identify a product (Kotler 2000). Potential and aggregate consumers see branding as

an integral part of every product, assign meaning to it and in the long run producers such as Harrods and Selfridges wins their customers heart through branding.

2.6 Conceptualizing the Value for Luxury Brands

Value is the key concept in appreciating and foreseeing customer behaviour in marketing studies (Choo et al. 2012). Features of values are according to Zithaml (1998) divided into four categories; with the first being the price, the tradeoff between cost and benefits, thirdly the trade-off between perceived quality and price (which varies from customer to customer) and lastly, the evaluation of personal values. More recently the concept of value has been faced a movement towards a more experimental view in the context of customer experiences (Holbrook, 1999).

According to Smith and Colgate (2007) they suggested a generic framework of customer value creation. Their framework consists of different types of value including functional/instrumental value, experiential/hedonic value, symbolic/expressive value, and cost/sacrifice value. They also offer information, products, interaction, environment, ownership transfer as sources of value.

In order to fit this framework into the luxury brands, there is the need to include some values such as self-identity (Vickers and Renand, 2003). Prestige (Dubois et al, 2005), uniqueness and craftsmanship (Kapferer 1997), history (Kapferer and Bastien 2012), and authenticity (Beverland, 2006) the latest addition to this framework is the relational value by Tynan et al 2010. It was said that the customers' perceived value for a brand is relational to their relationship with the firm. Due to their relationship, they expect to be treated in a special way by the firms.

Vigneron and Johnson (1999) conceptualize five perceived value that fascinate luxury or prestige products consumers. There are three types of interpersonal effect (a, b, and c), and two types of personal effect (d and e). They describe luxury consumption according to the effects. These five constructs are analyzed on the basis of price perception and self-consciousness (Choo *et al.* 2012).

a) The Veblen effect - Perceived conspicuous value. the consumers that fall into this category of luxury shoppers, see products and services prices as a sign of affluence. They

do so because their aim of luxury consumption is to impress others, to be seen and categorized as prestige in the society. They also avoid the consumption of mass products. Thorstein Veblen (1899) suggested prestige products are those that prove wealth and power.

b) The snob effect - Perceived unique value: This category of luxury consumers view the price of products as a sign of wealth. They avoid consuming popular brands to experiment with inner-directed consumption.

c) The bandwagon effect - Perceived social value: This consumer group are more certain about the expressive values they derive from luxury consumption, rather than the cost of the item. Dubois and Duquesne (1993) argue that, albeit snobs and bandwagons purchase luxury products for opposite reasons, their basic stimulus is in actual fact similar. Basically, both groups are very concerned about increasing their self-concept, how they are perceived by others.

d) The hedonic effect - Perceived emotional value: This consumer group are more interested in the pleasures they derive for consuming luxury goods. They tend to lay comparatively less emphasis on price as an indicator of prestige and more emphasis on the quality derived from the product's features and performance.

e) The perfectionism effect - Perceived quality value: Perfectionist consumers rely on their own judgment when making their consumption choice, and after choosing a product, they use the price as an indicator to judge the level of product quality (Beverland, 2004)

We also have to consider the connection between experiential shopping and branding. The experiential connection between luxury flagships and consumers shopping is an interactional process that involves branding and identification of stores as a means of promotion and advertising. It is also a means for stores to emotionally engage with consumers, and it is an important activity to consumers themselves. As Zukin (2004) tells us, it is the central activity of a consumer-based society. How this process unfolds gives us insight not only into the meaning of the luxury shopping experience but it furthers our understanding of the individual in contemporary consumer society and allows us to see the intersection between commercial goals and individual agency.

Luxury shopping allows consumers to fulfill, in a more intensive manner, a dual need for status and a desire to indulge in pleasurable experiences. Luxury flagships are designed to take into account all the senses and create an emotional

response in consumers (Riewoldt, 2002). Moving from concept to universe, luxury brands create a “sensorial universe” capable of reaching different emotional contact points as Desgrippes and Gobe´ (2007, p. 80) describe in their work on emotional branding.

Consumers engage in conspicuous consumption, either directly through the purchase of products or in a broader sense through experiencing the flagship environment.

The luxurious environment of the flagship provides pleasure and self-affirmation in the experience of shopping Berthon et al. (2009) who refer to luxury stores as the material embodiment and social context of a brand’s identity, present a three dimensional model of the value of luxury brands. They identify three key elements that resonate with consumers functional, experiential and symbolic. Luxury becomes experiential as brands are read by consumers, and associations made, vis-a`-vis the symbolic meanings brands provide through flagship stores.

2.7 Brand Equity and Brand Building.

The objective of brand is to develop brand equity (Clegg et al, 2011). The brand is an indispensable part of the luxury product. Brand equity is developed through creating brand awareness, loyalty, perceived quality, and brand association in relation to customers (Clegg et al, 2011). By enhancing the customer interpretation about the brand, brand equity influence the customer perceived value (Li et al, 2012). The way individual views and interprets products and services relies to a great extent upon perceived attributes regardless of the objective reality (Blythe 2008: 106).

Bonne and Kurtz (2005) stipulated that brand equity refers that that additional value that the brand of a product add to a particular product as against its substitutes.

Professor Keller stressed in his book “Strategic brand management” that, for you to develop brand equity, you have to work on your customers’ perception of your products or services. To further explain this point, thoughts and feelings have been categorized into four questions that represent the customers mind. What they subconsciously try to know about your brand.

2.7.1 Salience: The starting point of brand equity deals with brand identity and how individuals remember it. Notability alludes to the noticeable quality of your

brand regardless of whether it stands out or not. You need an exact understanding of what your clients think about your products, be it true or false.

2.7.2 Meaning: This relates to the communication of what your brand identity represents. At this point, brand equity branches into two areas; performance and imagery. Performance deals with the actual functionality of the products and how well they satisfy their customers, while imagery talks about how brands meet the psychological and emotional needs of the consumers. These combined, forms brand personality for your brand.

2.7.3 Response: what is the given response to your brand? This is because clients have their judgments and opinions based on the personal perceptions formed from experiences and feelings, this entails perceived quality and authenticity.

2.7.4 Resonance: This is the peak of brand equity and it refers to the level of connection your brand share with your customers. This level is hardly attained and has uniquely characteristics such as repeat purchases. In a nutshell, resonance is about how actively your clients are sharing the connection they have with your brand.

2.8 Theoretical Framework of Brand Equity

According to Heding, Knudtzen, and Bjerre (2008), brand identity is influenced by four components, organizational identity, corporate identity, image and reputation. The level of understanding of these variables sums up to just one impression, brand identity.

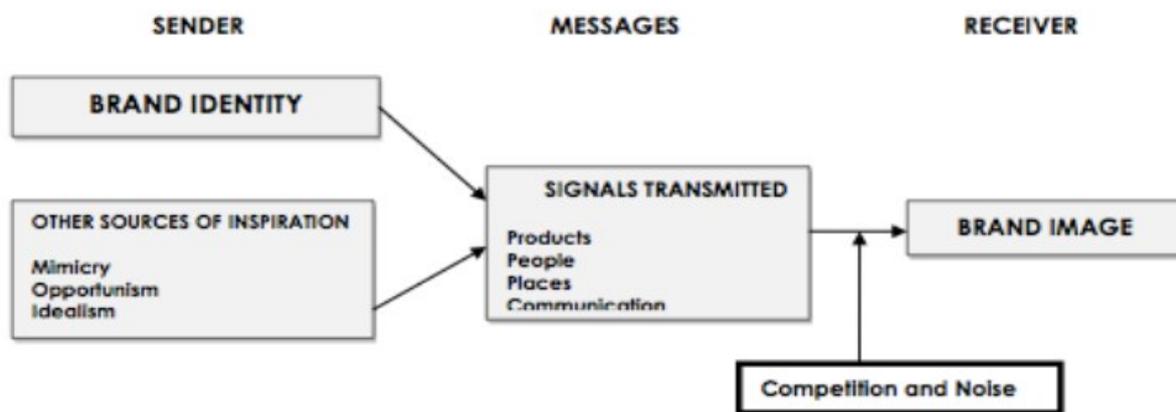
Fig 2.3 Internal and External Factors for Brand Identity

Internal	Corporate Identity <ul style="list-style-type: none"> • Visual expression • Strategic vision • Top management 	Organizational Identity <ul style="list-style-type: none"> • Behavioural aspect • Organizational culture • Employees
External	Image <ul style="list-style-type: none"> • Short-term • Mosaic of stakeholder associations • Exists in the mind of the stakeholders 	Reputation <ul style="list-style-type: none"> • Long-term evaluation of brand identity • Stakeholder evaluation of brand actions • PR + personal relations

Source: adapted from (Heding, Knudtzen, and Bjerre, 2008)

All added up, brand identity is defined as “a set of associations that the brand strategist aspires to create or maintain” (Aaker and Joachimsthaler, 2000). The brand identity is therefore something that the marketer has, as well as something he tries to create through the right brand strategy. For this reason, the brand identity is one of the main drivers for brand equity, and it is the first step in the brand equity pyramid presented by Keller (2001). The brand identity must express the particular vision and uniqueness of the brand what the brand stands for, and that the brand identity must be of an enduring or lasting nature.

Fig 2.4 brand identity



Identity and Image (Kapferer, 2008).

The brand perception is therefore always on the side of the recipient, while the brand identity is formed on the side of the sender (Kapferer, 2008), he also said, brands must give coherent products and should be realizable.

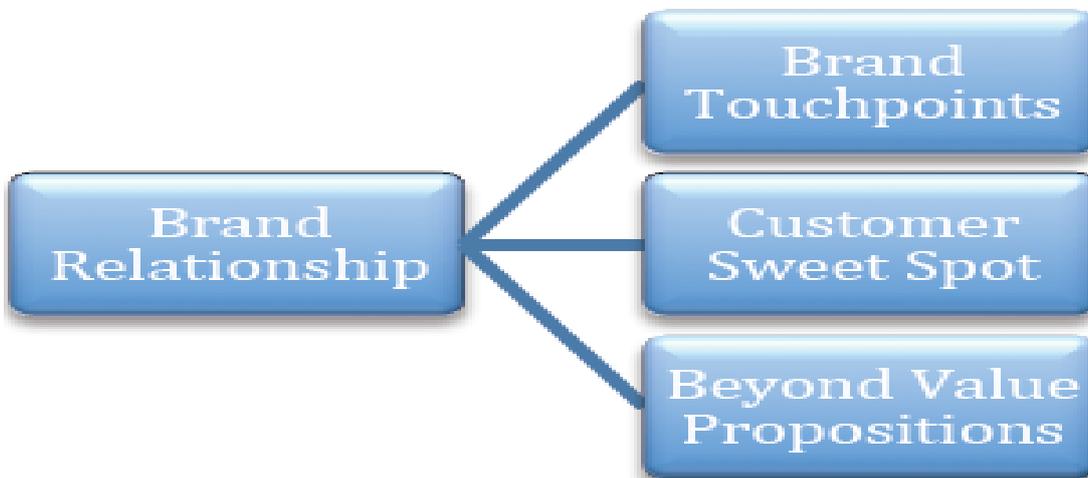
2.9 Brand Relationship

Dunn and Davis (2004) defined brand relationship as the various modes of interaction a brand has with all stakeholders ranging from customers, workers and to investors. Whatever a firm does, be it tacit or strategic, must be targeted at reaching stakeholders, be it through advertisement, a cashier, a customer service

call, or a person who represents a touchpoint. All these as time passes, combine to give a brand experience which adds up to influence brand relationship.

Aaker (2014) divided brand relationship into three aspects shown in the figure below

Fig 2.5 Brand relationship



Source: adapted from Aaker 2014

Customer sweet spot is regarded as a factor that triggers the customers beyond what offering-driven brand building and marketing can create, when it comes to relationships.

2.10 Brand Positioning

Kotler and Keller (2009) define brand positioning as “*an act of designing the company’s offering and image such that they get a special place in the mind of the target market*”.

Brand positioning is important knowing that the market is not a monopolistic one. There are others offering same products and services as the other company, however, the markets are divided into different segments, hence the imperative to uniquely identify a market to serve. (Heding, Knudtzen & Bjerre, 2008)

Brand identity and brand positioning should be connected; brand identity expresses the tangible and intangible characteristics of the brand in the long term, while brand positioning is a competitive orientated combat tool aimed at fulfilling goals in the short term. Efficient positioning communicates a specific aspect of identity of the brand at a given time in a specific market.

2.11 Market Niche

According to the business dictionary (2011) definition, niche marketing is a corporate strategy whereby a firm identifies a specific segment of the market, focus on it and provide specifically tailored products to satisfy the selected market. This is done to achieve prevalence in the market. Though this might have the tendencies to reduce potential sales, but the attractiveness of the products offered increases exponentially. Dalgic and leeuw (1994) observed that, big firms shy away from niche marketing because of sales volume, but Hall (1999) and Bixler (2004) observed that niche marketing is a major driver of customer loyalty. Besides the obvious advantages of niche marketing such as proper resources management, ease of building customer loyalty etc, there is also the best way to establish a premium pricing strategy (Dalgic and Leeuw 1994).

2.12 Niche Branding

Scott Scanlon (2018) defined niche branding as *“connecting with your customers and prospects in a targeted way that focuses on their needs and circumstances, not on you or your product”*

He argued that this don't deviate from brand identity but gives you the opportunity to better connect with your target market by dishing out the detailed qualities of your offerings which enables them to share with others.

The present day consumers are better informed, more advanced and their needs are more mature and their desires are more sophisticated. There are higher tendencies of influence between consumers, the way they express their opinions can dissuade or strengthen a buying decision of other consumers.

To succeed in this market environment, brands must readily adapt and get constructed round the consumer. Presenting a brand in a non-dynamic manner can prove too costly. There is the need to focus on individual target market that's needs, fuels the promises and even the visual communication or language behind the brand. Firms must understand this to be successful in a chosen market.

METHODOLOGY

3.0 Introduction

This chapter emphasizes on the research methodology that used to examine the impact of branding and shopping experience on consumers in luxury retail: A comparative study with reference to Harrods and Selfridges. Specifically, this chapter gives an insight on the research paradigm, population of the study, sample size and sampling technique, sources of data, data collection instruments, data analysis as well as ethical considerations. Finally, the chapter provides a summary of the review.

3.1 Research Resign

Research design had been variously defined. In most instances, research design is about data, sources of data, collection, data analysis, ethical considerations or combination of all the above that need to be duly fulfilled in order to achieve the objectives of a study or answer research questions in order to arrive at a meaningful conclusion (Creswell, 2003; Sakaran, 2003; Wilson, 2014). The choice between the two depends not only on the nature of the situation, but also on how the decision maker and researcher perceive it (Parasuraman 1991). The research

design details the procedures necessary in order to obtain the information needed to answer the problem at hand, and it lays the foundations for conducting the project.

3.2 Likely Sources of Errors in a Research Design

A good research design attempts to control the sources of error. Total error is the first error that can be made, and can as well exemplified as the variation between the true mean value in the population of the variable of interest, and the observed mean value obtained in the research. From total error, there are two types of error. The first, random sampling error occurs because the particular sample selected is an imperfect representation of the population of interest, and is the variation between the true mean value for the population and the true mean value for the original sample. The second, non-sampling error, can be attributed to sources other than sampling, and can be random or non-random. Thus, they result from various reasons such as wrong problem definition, and failures in the approach, scales and questionnaire design, interviewing methods, data preparation, and analysis (Malhotra, Birks and Wills, 2012).

3.3 Types of Research Design

3.3.1 Exploratory Research: The primary objective of exploratory research is to provide insights into, and an understanding of the nature of a marketing phenomenon. This research design is used in instances where the subject of the study cannot be measured in a quantitative manner, or where the process of measurement cannot realistically represent particular qualities. When using exploratory research, the information needed may be loosely defined, making opportunities for a research process that is flexible and unstructured (Malhotra, Birks and Wills, 2012). Thus, it may be used in cases where the problem must be defined more precisely, relevant courses of action identified, or when additional insights is needed before the findings can be confirmed through a conclusive design. What recognize the exploratory design is that the samples are relatively small and non-representative, and that the data can either stem from a qualitative or quantitative approach. The sample selected to generate maximum insight is dependent on having “quality individuals” (experts) who are willing to open up and share their insights. Considering the fact that the adopted research process is flexible and evaluates on a non-representative sample, and because the paper will

method used for this study is qualitative research approach, for gathering primary data. The exploratory research seems to be the right option for this dissertation. This is because it allows a detailed in-depth analysis of precisely defined problems such as the problem formulation and the sub-questions that are to be answered (Malhotra, Birks and Wills, 2012).

3.3.2 Qualitative Approach: Qualitative research is an unstructured exploratory design based on small samples, for the purpose of providing in-depth insight and understanding of a marketing phenomenon. Qualitative research includes different variety of methods that can be applied in a flexible way, that enables participants to reflect upon and express their views, or to observe their behaviour, motivations, and/or attitudes (Malhotra, Birks and Wills, 2012). According to Parasuraman (1991), qualitative research involves collecting, analyzing, and interpreting data that cannot be quantified meaningfully, that is, summarized in the form of numbers. Thus, qualitative research is often recognized as a more “soft” research approach than the “hard” quantitative research approach. Qualitative research is based on two intellectual traditions. The first, and perhaps the most important, is the set of ideas and associated methods from the broad area of in-depth psychology and motivational research. The second one is the set of ideas and associated methods from sociology, social psychology, and social anthropology – and the disciplines of ethnography, linguistics, and semiology. There can be much interaction between the two traditions, which allows a wide and rich array of techniques and interpretations of collected data (Malhotra, Birks and Wills, 2012). Based on this information a qualitative research approach will be used, since the empirical data will be collected on a small-scale level, and subsequently the purpose of this research is to gain a deeper understanding of Norwegian sports-brands actions and choices when building brand identity and furthermore targeting international markets. In this study the researcher has adopted mixed method research design to enable the researcher accomplishes the objectives of the study. Mixed method (descriptive-longitudinal) research design involves information collected without changing the environment. It is sometimes referred to as correlational or observational studies. In this type of design, the reliability and validity of results is very high since one off set the weakness of the other. In other words, biases are reduced. Interviews were conducted.

3.3.3 Quantitative Approach: *Quantitative research is, as the term suggests, concerned with the collection and analysis of data in numeric form. It tends to emphasize relatively large-scale and representative sets of data, and is often, presented or perceived as being about the gathering of `facts. There are four types of quantitative research*

Descriptive research seeks to describe the current status of an identified variable. These research projects are designed to provide systematic information about a phenomenon.

Correlational research attempts to determine the extent of a relationship between two or more variables using statistical data. In this type of design, relationships between and among a number of facts are sought and interpreted.

Causal-comparative/quasi-experimental research attempts to establish cause/effect relationships among the variables. These types of design are very similar to true experiments, but with some key differences. An independent variable is identified but not manipulated by the experimenter, and effects of the independent variable on the dependent variable are measured

Experimental research, often called true experimentation, uses the scientific method to establish the cause-effect relationship among a group of variables that make up a study.

3.4 Case Study

“Case study can be recognized as the detailed examination of a single example of a class of phenomena, a case study cannot provide reliable information about the broader class, but it may be useful in the preliminary stages of an investigation since it provides hypotheses, which may be tested systematically with a larger number of cases” (Abercrombie et al. 1984, p.34). Yin (2003, p.13) states that a case study is *“an empirical inquiry that investigate a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident.”* The author further states that a case study approach can be used to answer a question that has a character of “how” and “why”. When explaining what a case study is, Yin (2014) suggests that the term refers to an event, an entity, an individual, or a unit of analysis. Thus, it can be characterized as an empirical examination that investigates a contemporary phenomenon within its real life context by using numerous sources of evidence.

Moreover, case studies can employ an embedded design, that is, multiple levels of analysis within one single study (Yin, 1984).

Case studies are not intended to study the entire organization. Rather, it is intended to shed light on a particular happening, case, feature, or unit. However, case studies typically combine data collection methods such as archives, interviews, questionnaires, and direct observations (Yin, 2014). The evidence may be qualitative, quantitative, or both (Eisenhardt, 1989). Case studies become beneficial when the goal is to gain an in-depth understanding and knowledge towards a particular situation or problem (Yin, 2014). Case studies can either be based on a single case or multiple-case studies. Single case studies are often used to either challenge or confirm a theory, or to represent an *unusual* or *extreme* case, when the case is *critical* to the theory, when the case is *common* (study to capture circumstances in everyday situations), or *revelatory* when the case provides the researcher with brand new data. Finally, the *longitudinal* case is when the researcher wants to investigate the same single case at two or more different points of time (Yin, 2014).

Multiple-case studies tend to follow a replication design or logic, not a sampling logic. Multiple case studies can therefore be recognized as equivalent to the logic used in multiple experiments (Yin, 2014). Thus, the meaning with multiple case studies is similar to performing experiments several times, by receiving the same answers in order to verify the previous experiment. It is expected the "*same phenomenon occurs in the same circumstances or that the phenomenon differs if the circumstances change*" (Blumberg, et al., 2005 p. 377). In a multiple-case study, each case must be carefully selected that either (a) predicts similar results, or (b) predicts contrasting results but for anticipatable reasons. Thus, each case study consists of a full study, where the data are gathered from various sources and the conclusions are drawn based on those facts (Yin, 2014).

A multiple-case study is suited when two or more entities are studied and compared. The multiple case study method is chosen because it can reach higher validity and reliability, and analytical benefits than the single case study (Yin, 2014). Several scholars believe that case studies can provide a more in-depth understanding of an organization and its underlying relations (Saunders, et al., 2011). On the basis of the case study definition and the aim of the project, the case study approach is applied in this project. The research question is formed as

a “how” question, which tries to solve a given problem that has not been investigated before. The exploratory study allows the researcher to perform a small-scale empirical study, which in certain situations can provide significant insights into the question at hand (Malhotra, Birks and Wills, 2012). Case studies are an appropriate research strategy when researchers have limited control of the research; meaning that the behaviour and actions performed by the subject investigated cannot be manipulated (Yin, 2003). When collecting data for a case-study research, there are several sources available (Yin, 2014).

Direct observations happen when the researcher conducts a field visit as a part of the case study, in order to observe respondents in their own environment, and thus record and measure behaviour and activities. *Historical archival* documents can be recognized as service records, organizational records, list of customers, survey data etc. It is important that the researcher is careful when investigating the accuracy of the records before using them in his analysis, as bias and typing errors can make the records less valid. *Interviews* are probably the most important source to information for the case study. Interviews can take several forms, including open-ended, focused, or structured Interviews (Malhotra, Birks and Wills, 2012)

Documentation can be letters, agenda files, administrative documents, newspaper articles etc. Every document that can be used in order to clarify or help the investigation is regarded as helpful. *Physical artifacts* are the final source that can provide evidence. This can be a technological device, a tool, an instrument, a work of art, or some other physical evidence.

3.5 The Population of the Study

The population of the study entails set of individuals who share or exhibit similar characteristics which is of great interest to the researcher (Creswell, 2003; Morgan, 1997). Population may also imply the group of people living in a given geographical area and share common cultural characteristics. The population of the study encompasses all the shoppers (tourists inclusive) in both Harrods and Selfridges, including the employees. An online survey was conducted for convenience and efficiency; also, the researcher had a one on one interview with some shoppers and members of staff of both Harrods and Selfridges in London. A population of 250 comprising of both shoppers and members of staff of both firms were targeted.

3.6 Sample Size and Technique

Sample is a portion of a population or universe. It is a normal parlance in research which state that the higher the sample size the higher the reliability and validity in the result and the vice visa (Creswell, 2003; Tailor, 2005). Since the population of the study was infinite the researcher did not apply any statistical formula in the sampling size estimation instead 200 respondents were taken to answer the questionnaire. These comprised of 100 customers from the selected companies (Harrods and Selfridges). The researcher also made a direct observation and interacted with some shoppers to gain some insight in their shopping experience and the Harrods brand. The researcher adopted convenient sampling technique for the study. Convenient Sampling refers to researching subjects of a population that are easily accessible to the researcher and it is affordable, easy, and the subjects are readily available (Sakaran, 2003). This was because the project time was very limited coupled with financial constraints hence under the circumstance the convenience otherwise known as the sampling random was used to gather the respondents.

In this case shoppers and employees who were available and were also willing to participate were each given a questionnaire to complete. The researcher also provides the needed assistance to the respondents in the completion of the questionnaires. These were in the form of explaining the study objects, and elucidating the individual question since some of the respondents had low level of formal education.

3.7 Data Collection Method

The researcher considered several data collection methods and finally chose structured questionnaires. This was because questionnaires have the tendency to cover a wider area within a short time. Moreover, it is preferred in studies which adopt the quantitative research design approach. And this study is not an exception.

The questionnaires were distributed to the targeted respondents of the study. Two main measurement scales were adopted and used in the study, namely; nominal and ordinal scales. In the nominal scale the variables that were affected include. Age group, gender, profession, education and preferred network. In the ordinal scale, a five-point scale (denoted as A – E) was used where A-implies most important and E-implies least important. The questionnaires were further grouped

according to the objectives of the study for easy validity test and identification. Direct observation was made as well as an unstructured interview of some shoppers to both firms.

3.8 Data Sources

Data are information that has been translated into a form that is more convenient to move or process (Morgan, 1997). There are two main sources of data used in this study namely; primary and secondary

3.8.1 Primary Data Source

Primary data is original research that is obtained through first-hand investigation, and it includes information collected from interviews, experiments, surveys, questionnaires, focus groups and measurements (Sakaran, 2003). Primary data for this study were through questionnaires, direct observation, and unstructured interviews were conducted to respondents at the understudied firms.

3.8.2 Secondary Data Source

Secondary data is research that is widely available and obtained from another party. Secondary data can be found in publications, journals and newspapers (Sakaran, 2003). The secondary data source for this research was from YouGov, a top UK popularity rating website.

3.9 Validity and Reliability

The quality of the study can and should be tested in order to increase its validity and reliability. Yin (2003 p. 34) suggests judging the quality of a case research design by four tests: construct validity, internal validity, external validity and reliability. The importance of validity and reliability is severe, and if these factors are excluded from the study, the study might be misleading and confusing, which leads to that the study brings no real value.

3.9.1 Validity

When conducting a study, it is argued to be valid if it collects the required data that is needed to answer the research questions of the project (Blumberg, Cooper, and Schindler, 2011). Validity can be defined as *“the extent to which a measurement represents characteristics that exist in a phenomenon under investigation”* (Malhotra, Birks and Wills, 2012:196). This study is expected to show high validity in the chosen economic sector because; the understudied firms largely represent the luxury retail industry and branding success cases. Furthermore, validity encompasses the entire experimental concept, and

establishes whether the results obtained meet all of the requirements of the scientific research method. Construct validity is the first test, and it requires a sufficient development of the measures according to the multiple sources of evidence in the data collection process. According to Yin (2014) the importance of using multiple sources of evidence (triangulation) is unquestionable. Additionally, establishing a chain of evidence, and providing key informants to review draft case study reports. For the internal validity test, Yin (2014) suggests some procedures in order to make sure the study is valid. A study should avoid multiple variables during the evaluation or test, which is when a study is said to have a chance at internal validity. In this regard, this study limits itself to just two variables "Independent and the dependent variable". The independent variable is Customer Loyalty while branding and experience are the dependent variable. This will be tested to verify the statistical significance of their relationship, thus making this study a valid one.

The author mentions pattern matching and explanation building. These are addressing rival explanations and are using logic models. Internal validity is creating pivotal links between relevant conditions. External validity establishes the domain where a study's findings can be generated. The external validity will be achieved through a holistic review of relevant theories and constructs which will aid the researcher to, through the result of the experiment, put forward findings that will be generally applied to strengthen customer loyalty in the luxury retail sector of the UK. The main criterion of external validity is the process of generalization, meaning that the higher external validity the study has the higher level of generalization (Yin, 2014).

3.9.2 Reliability

A study is said to be reliable if the same research questions can be applied to a similar sample of people from within the actual company, and produce the same result, if it was conducted all over again (Blumberg, Cooper, and Schindler, 2011). Reliability can be defined as *"the extent to which a scale produces consistent results if repeated measurements are made on the characteristic"* (Malhotra, Birks and Wills, 2012:196). Reliability indicates that the study can be replicated, and thus provide the same findings and answers. In light of the above, this study employed the primary data gathering method due to its high degree of reliability.

An important factor for case studies is that the researcher always needs to make as many steps as possible to perform a reliability check throughout the subsequent conduct of the case study (Yin, 2014). Primary data are gathered through questionnaires and direct observation, and is further supported by secondary data. This will enhance the reliability, by using different sources of data.

3.10 Data Analysis Methods

Data analysis is the process of transforming raw data into useful output. The researcher adopted mixed research design technique for the study (Creswell, 2003; Tailor, 2005).

Mixed method research employs the quantitative and qualitative research approaches. The Minitab 18 statistical software was used to analyze the data; this includes the statistical representation of data (graphs with percentages).

Chrombach alpha was calculated to confirm the reliability of the instrument, this was done with the intention to achieve reliable result, however, for the responses from the interviews, they were transcribed “verbatim” to give the readers an exact idea of feedback, and also names were used for illustrations but they were not real names except their nationalities.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.0 Introduction

This chapter details the process of data collection, analysis and the results. This involved a multi-stage procedure. Starting from, data examination and screening to prepare for subsequent quantitative analyses and then the descriptive statistics are presented. Next, a reliability test was performed on measurement scales using chrombach Alpha to ensure that they achieve an acceptable level of reliability for further analysis.

4.1 ANALYSIS PROCESS

The study reveals the considerable influence of branding and shopping experience of luxury brands on the consumers which implies, luxury brands are important in their lives and make value for consumers. This effect is dependent on specific individuals. There are some luxury consumers who are extremely impressed by the brand and those who may have a varied opinion while consuming luxury retail.

Nonetheless one of the following objectives of this research which include my desire to determine whether customer experience and brand associations

influence customer loyalty in luxury retail industry amongst others as enumerated in chapter one.

Therefore based on observation, questionnaire responses and previous findings the researcher has divided the analysis into the following constructs

- Overview of the understudied luxury retail firms” Harrods and Selfridges”
- Demographics
- Experiential shopping
- Brand Loyalty
- Brand Love and Association,
- Brand Awareness,
- Ubiquity of brand

In the following text, based on observations and responses from the respondents, the researcher will discuss about the topic in detail.

4.2 Company Profiles

4.2.1 Harrods: In 1824, a man named Charles Henry Harrod opened a shop in Southwark, London – a business which (contrary to perceived wisdom) was not a tea and grocery shop but a draper’s. After brushes with the law and more than a few dramatic setbacks, he would later go on to found Harrods store in Knightsbridge, widely viewed as one of the wonders of the shopping world.

Recognized for its celebrity-endorsed sales, food hall and signature green bags, Harrods is one of the world's largest and most famous department stores.

With more than a million square feet (90,000 sq m) of space, Harrods sells luxury and everyday items across seven floors and 330 departments.

Its motto is Omnia Omnibus Ubique - All Things for All People, Everywhere and the store attracts 15 million customers each year (BBC).

The Knightsbridge store was established in 1849 by Charles Henry Harrod. Beginning in a single room and employing two assistants and a messenger boy, it mainly sold tea and groceries.

Harrods steadily expanded, and by 1880 was a thriving department store, offering everything from medicines and perfumes to clothing and food and attracted wealthy customers.

Its expansion suffered a knock in 1883 when a fire destroyed the store. This did not halt the owners, however, who duly rebuilt the store, with the help of architect Charles William Stephens, into what it is today.

Known for its grandeur, when the store reopened it had a palatial style, featuring a frontage clad in terracotta tiles adorned with cherubs, swirling Art Nouveau windows and was topped with a baroque-style dome.

Harrods became a public company in 1889 and by the 1890s it had established a bank and estate agency and a department selling exotic pets that lasted until the 1970s. To demonstrate its innovativeness, the store featured one of the world's first escalators in 1898. In 1959, High Street department store group House of Fraser bought Harrods.

In 1985 the store returned to private ownership when Egypt-born Mr Al Fayed and his brother Ali bought House of Fraser for £615m,

Dress Code: Harrods has twice experienced bomb attacks by the IRA. In 1983, six people were killed and 75 injured after a car exploded in an adjacent street while in 1993, four were injured when a bomb was placed in a litter bin outside. The store controversially introduced a dress code in 1989 which included a ban on wearing high-cut, Bermuda or beach shorts; swimwear; cycling shorts and flip flops or thong sandals. In 1994, the Al Fayed brothers let go of the other House of Fraser businesses in a stock market flotation, keeping only Harrods. By 2000, the Harrods Empire had expanded to take in outlets at airports and on the QE2 cruise ship.

Royal Warrants. A Royal Warrant refers to an agreement or contract for a certain supplier of goods to supply and tailor specific packages for members of the monarchy. Harrods has gone into such an agreement with royal family members such as Queen Elizabeth for provisions and household goods, the Duke of Edinburgh and the Prince of Wales outfitters.

In 2000, Mr Al Fayed decided to not renew his royal warrants, saying that since neither the Queen, nor Prince Charles had shopped in Harrods for several years, continuing to display the Royal Crescent would be "totally misleading and hypocritical".

SIZE: The shop is home to 330 departments, selling a wide range of products including women's wear, menswear, children's wear alongside the latest in technology, sporting gear and even bridal gear.

Change of Ownership: The Company itself was bought by Qatari Holdings for a whopping 1.6 billion pounds in May 2010 and since then it has expanded furthermore to include a Disney store within its 5 acres worth of retail space. The shop now has a range of services on site, including a barber shop, a watch repair service, and financial services such as a bank where you can even buy gold. On top of this you can also find bathroom design and interior professionals and haute cuisine. Harrods is a department store with luxury services in almost every field you could think of, making it one of the quintessential British retail experiences.

Harrods now employs about 12,000 staff. The sale includes all parts of the group, including Harrods Estates and the charter aircraft service Air Harrods.

Harrods management team includes

- Michael Ward: Managing Director
- Helen David: Chief Merchant
- Sarah Brown: Member board of Directors

Organization Culture: The most important meaning can be used for Organization business; in Harrods it means the process of ordering and co-coordinating activities at work.

The difference of position can be talked, for instance organizations are having a lot of small parts or details that are arranged in a human strategies designed to archive certain elements.

All the organization is designed to enable humans and their objectives to reach goals and targets.

Each organization can be understood in different way for instance at Harrods by using different emotion to figure out the paradoxical character of organizational life and work for employees.

In Harrods as organizations they are following these elements:

- Harrods has purpose and goals
- Harrods are sangfroid of people
- Harrods have value of structure
- Harrods follow the update technology
- Harrods have an effect in the context of extrinsic environment
- Harrods improve their own value system and culture

All about it can be sum into 6 factors and it call as basic model as well in Harrods which are:

People (skills and knowledge and educations), as a group or individual, different goals and aims)

Goals and aims (goals statement, organization strategies and organization policies

Culture value (management direction and styles, sub culture)

Structure (roles apportion, assignment structure)

External environment (Market and Social and economic effect

Technology (Machines, information processing)

In 2019, Harrods sealed a partnership with an Ecommerce giant “Farfetch Limited” being the latest as at 2019 (Forbes).

Revenues: In the financial year ending February 2018, the company generated a turnover of approximately 863 million British pounds (Statista.com).

4.2.2 SELFRIDGES & CO.: Selfridges & Co. operates department stores in the United Kingdom. The Company has locations in London's West End and in Manchester. The Group's stores retail clothing, housewares, electronics and beauty products, including cosmetics, skincare and perfume items. The Group

also owns the Selfridge Hotel, as well as the car park and offices located on 40 Duke Street.

In 1906, Harry Gordon Selfridge arrived in London from Chicago with his heart set on opening his dream store. With his revolutionary understanding of publicity and the theatre of retail, Selfridges flourished under the direction of its charismatic Chief.

Harry Gordon Selfridge's spirit of innovation and creativity lives on through its owners today. Since 2003, W. Galen Weston and his family have owned and operated the business. The only store to be named the Best Department Store in the World four times (Retail Gazette UK) Selfridges today is more than just the sum of its products - it's a shopping experience that promises to surprise, amaze and amuse its customers by delivering extraordinary customer experiences. And, to this day, as Harry Gordon Selfridge said, 'Everyone is welcome'.

Selfridge's has four basic core values on which the entire organizational creed was built.

“Exciting our customers what our customers care about, we care about. Inspired by their passion for luxury shopping experiences, we want to make every visit to our stores an opportunity to discover something new that excites amazes and surprises. We achieve this with our world-class customer service and by constantly re-inventing everything we do for our visitors from all over the world”. Weston

Core Values in Detail;

Inspiring Our People: Dynamic people that love our businesses are the bedrock of our success; we are committed to providing our team members with the tools, information and support they need to deliver a great results every time. We create exciting environments, where people can thrive, realize their full potential and have a little fun along the way.

Working as One: We believe that we are stronger together, and greater than the sum of our parts. We place significant emphasis on team work and sharing knowledge, skills and expertise across the Group so we all benefit and continue to excel. Each and every one of our team members has something to offer and contribute as we drive our business forward.

Driving creativity and innovation: From their foundations, our businesses thrive on new ideas and innovation that provide leading luxury shopping experiences to our customers. We are pioneers in the fast-changing retail landscape, using technology to enhance shopping experiences and engage our customers in new and exciting ways.

Respecting Our World: We want to leave a positive and lasting legacy for future generations that applies to our people as well as our customers; we are considerate of the world around us. Respect and integrity extend to all the societies and communities we operate in and we support and celebrate extraordinary people and causes.

Management Team: Selfridge's management team consists of the following;

CEO Galen Weston

Deputy Chairperson Alannah Weston

MD Annie Pitcher

Market Performance: Department store chains may have fallen on hard times but Selfridges has bucked the trend by delivering a record profit for the fifth year in a row.

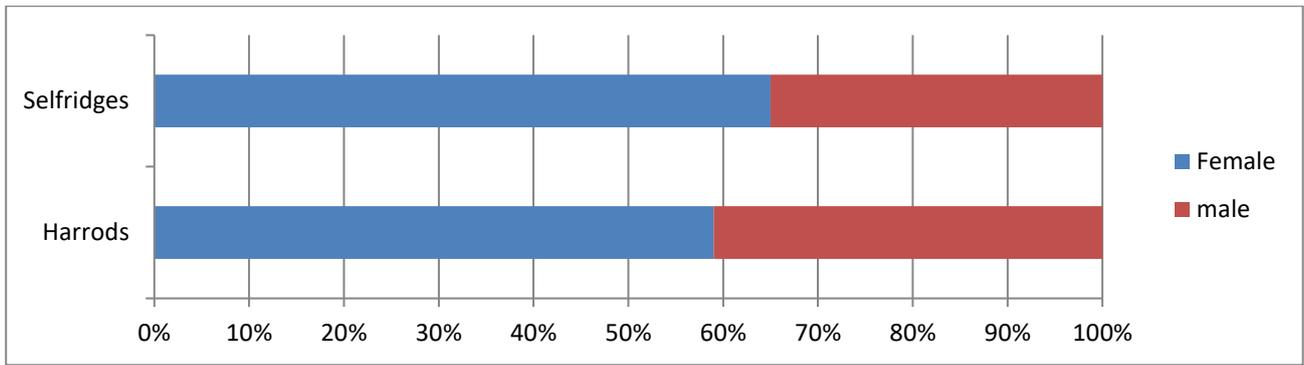
Operating profit increased from £1mln to £181mln in the year to February 3, 2018 on the back of an 11.5% increase in sales to more than £1.75 BN (retail gazette UK).

4.2.1 Analysis of questionnaire

Two hundred questionnaires were given to Harrods and Selfridges in equal ratio, also a direct observation and unstructured interviews were made as well in order to acquire data.

4.3 Demographics:

Figure 4.1 Gender

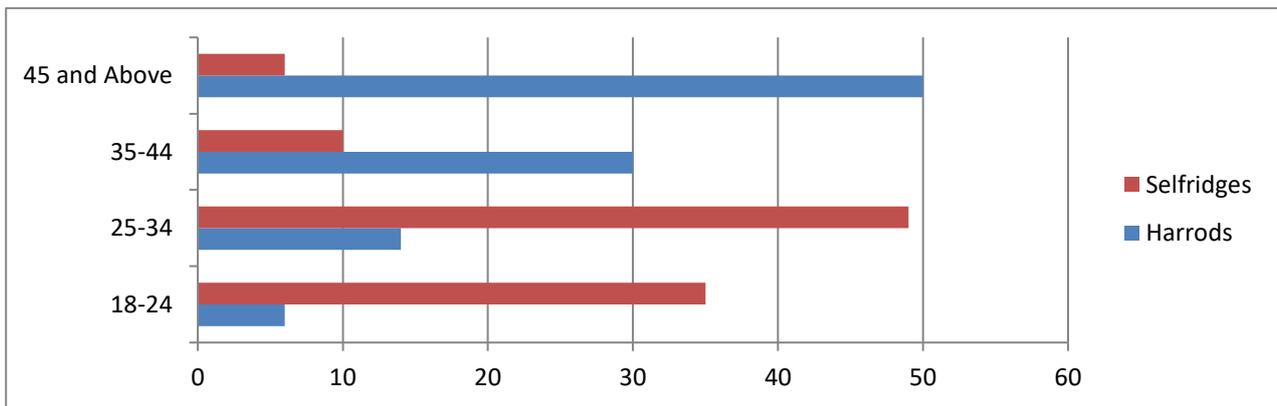


Source: Field survey.

The table above represents the gender distribution of the respondents of Harrods and Selfridge. Two hundred respondents evenly distributed to both firms. For Selfridges, 65% are males, while 35% are females, then for Harrods, 59% are female, while 41% are males.

Inference: this indicates that females are the dominant visitors to both firms.

Figure 4.2 Age of respondents



Source: Field study

One hundred (100) respondents were polled from each firm. As seen from the table above, age range is 18-24, 2: for 25-34, for 35-44, for 45 and above”.

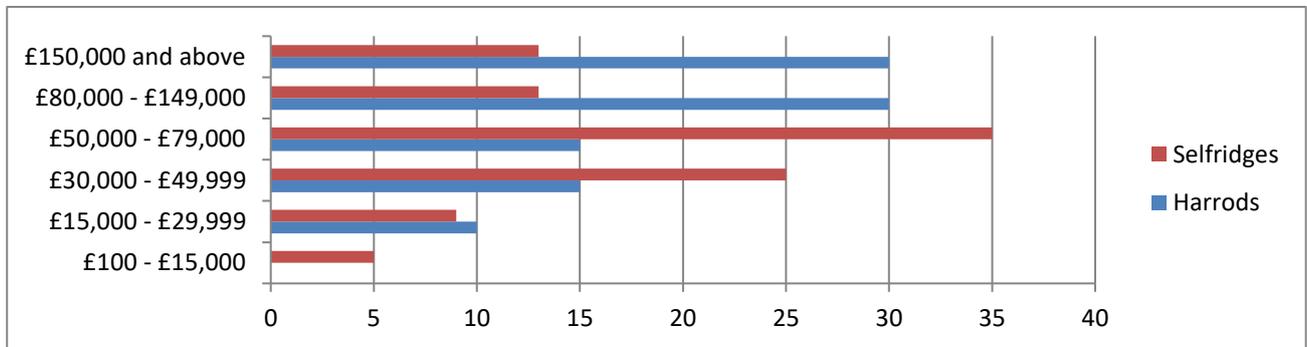
Harrods: 50% respondents are from 45 and above, 30% from 35-44, 14% from 25-34, and 6% were from 18-24.

Selfridges: the ages of 18-24 made 35%, 25-24 made 49%, 35-44 made 10% while 45 and above made just 6%.

Inference: Harrods attracts the older people than Selfridges, while Selfridges attracts the younger people.

4.4 Economic situation: This construct comprises of the employment status and income level of shoppers was checked to give more insight into the socio-economic class of customers they most attract.

Figure 4.3 Income

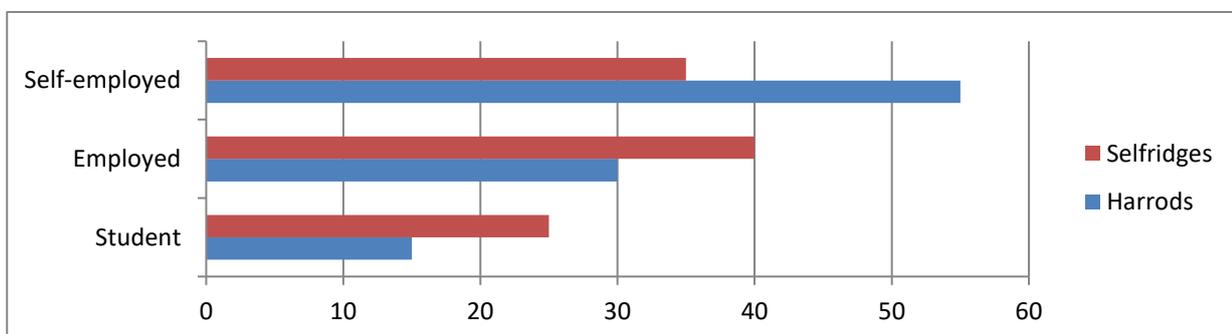


The table above represents the income level of respondents. It ranges from £100 and above.

Harrods: < £15,000, there was no feedback on that range, 10% earned from £15,000 - £29,999, 15% earned £30,000 - £49,999 and another 15% earned £50,000 - £79,000, 30% earned £80,000 - £149,000 and another 30% £150,000 and above.

Selfridges: 5%, earned < £15,000, 9% earned £15,000 - £29,999, 25% earned £30,000 - £49,999 and another 35% earned £50,000 - £79,000, 13% earned £80,000 - £149,000 and another 13% £150,000 and above.

Figure 4.4 Employment status



Harrods: 55% respondents are self-employed, 40% are employees, while 15% are students.

Selfridges: 25% are students, 30% are employed while 35% are self-employed.

Inference: Harrods attracts mostly the upper class, people who are business owners and earning above £100,000 and above. While Selfridges attracts the middle class, these are employees and earning a decent income.

4.5 Experiential Shopping

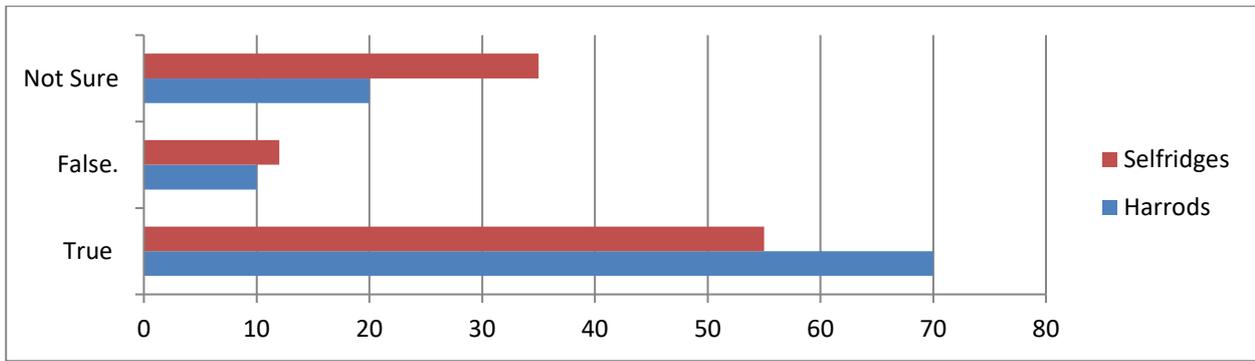
This can be defined as the retailers' offer of an attractive shopping experience that is capable of meeting in-store customers' latent sensorial, emotional and psychological expectations (IGI Global 2018) it is discussed in key constructs such as "interior decoration, customer service, ambience, brand heritage) those variables can collectively be termed as the components of visual merchandising. Matilla and Witz (2008) stated visual merchandising as a marketing technique in which the Retailers enhance both the exterior and interior of their store in order to attract their target customers. It helps the retailers construct a strong and positive image for their store as well as helps in generating the required amount of attention and desire among the consumer.

In a brick and mortar location like Harrods and Selfridges, luxury consumers expect a unique, pampered shopping experience. These affluent consumers visit luxury retail locations in the choicest areas to experience high-level service and engage with superior products. These places comprise of very exquisite interior decorations, paintings, store mapping, products display etc.

From the responses, the researcher was able to point out some of the variables that influence this experiential shopping at both firms. These variables include the interior decoration, ambience of the shopping environment, the space itself, the people they interact with while shopping, amongst many others.

For Harrods; Of the One hundred respondents who were asked to specify whether the interior design of Harrods has an influence on their decision to patronize Harrods, 70% agreed that the beautiful decoration attracts them to shop at Harrods, and they find these decorations quite appealing and artistic. This is graphically shown in the Bar chart below.

Figure 4.5 Interior Decoration of the store

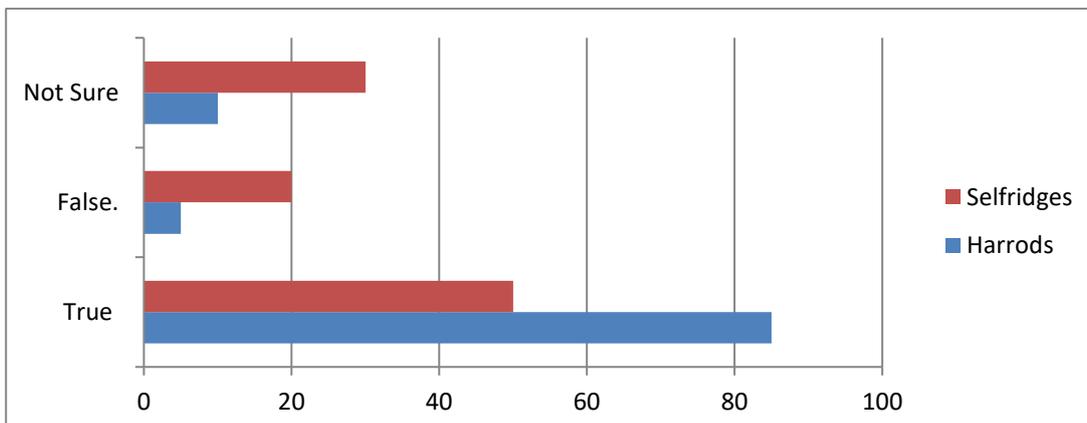


Source: Field Study

As an observation, one thing you're sure to notice about many Harrods stores is that they are brightly lit all-round. Of course, this goes across all sections of the store, such as jewelry, fashion, and the food hall and the champagne bar, all have more focused lighting on displays to showcase their goods to the best advantage. The customers find these lightings very appealing as part of the decoration. As part of an observation from some shoppers: they believe that there is this intrinsic and subtle feeling they have whenever they visit Harrods, it gives them this calmness and subtle happiness.

For Selfridges: As part of the observation from the field, the respondents who picked "False" noted that they Selfridges has great decoration, but not the best they have seen. This implies "per their opinion" that there is/are luxury store(s) with better interior designs out there.

Figure 4.6 Ambience of shopping environment

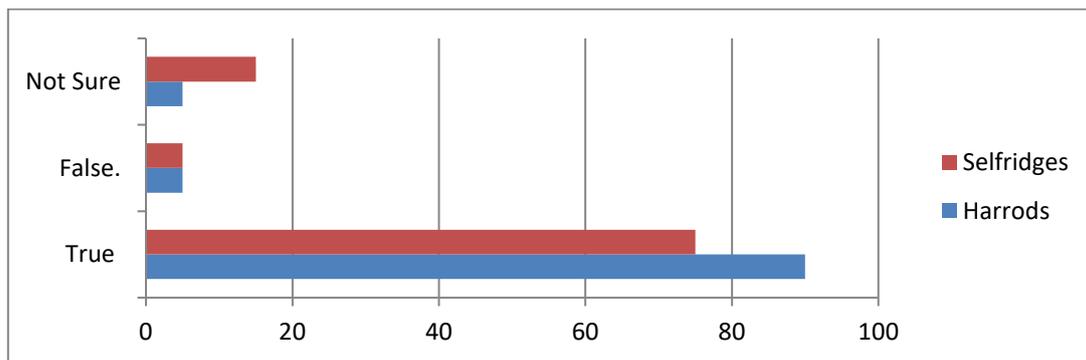


Source: Field Study

Another factor that tends to appeal to customers at Harrods and thus give them a pleasurable experience is the Ambience of the store environment. 85% of the respondents confirmed that the store ambience is quite appealing. They are able to connect with it and have a kind of aura when inside the store. The respondents implied that they ambience allows them to have a kind of feeling and connection (*emotional and psychological*), giving them a warm feeling that is able to lighten their mood.

Selfridges: 50% of the respondents were attracted to the ambience of Selfridge’s retail environment. That is a sign that the firm retail environment is able to subtly communicate with their customers.

Figure 4.7 Customer Service contribution to shopping experience



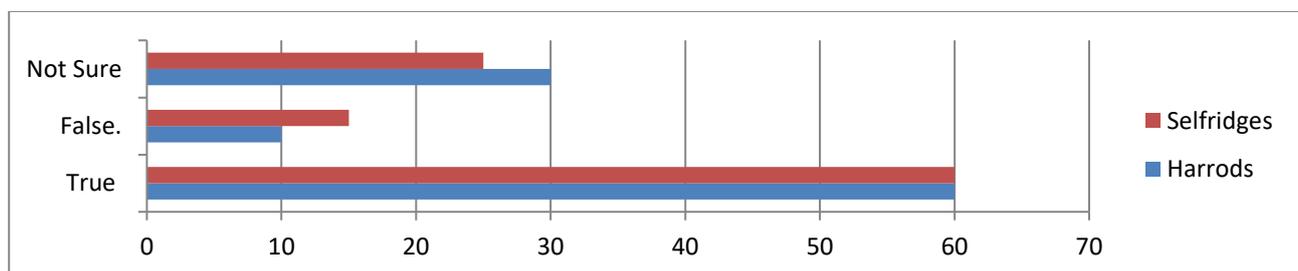
Harrods: 90% of the respondents agreed that, Harrods customer service is outstanding. From direct observation and experience” is one of the attractive areas to their continual patronage and visits. Harrods customer service is highly reachable on a 24/7 basis “round-the-clock”, has a dedicated phone line and email for customer complaints and enquiries, they have return policies in place, expedient resolution of customer challenges with products and offer complete products description to aid buying decision. They are highly trained and very professional, well equipped to handle a wide range of customers irrespective of personality and temperaments. With all these in place, customers have a higher confidence of patronizing Harrods products for authenticity and credibility. This satisfaction offers peace of mind to shoppers and gives a hassles free experience to shopper

Selfridges: According to Weston, Selfridges seeks to satisfy their customers by providing excellent services, hence they pride themselves as leaders in that regard, evident by their back-to-back win of the best retail store in the world by Retail Gazette. Selfridges customer service is highly reachable on a 24/7 basis “round-the-clock”, has a dedicated phone line and email for customer complaints and enquiries, they have return policies in place, expedient resolution of customer challenges with products and offer complete products description to aid buying decision. They are highly trained and very professional, well equipped to handle a wide range of customers irrespective of personality and temperaments. With all these in place, customers have a higher confidence of patronizing. They also have credibility and sell wide range authentic products. Per the respondents’ statistics, 75% of the respondents are fully satisfied with them and keeps them coming over and again. See figure above

Inference: both firms do offer great shopping experience to the customers, although Harrods in comparison with Selfridges performs better.

4.6 Brand Heritage is defined as a brand that exhibits longevity, track record, long-held core values, use of symbols that stand for the brand over time, and history that is important to the brand (Urde, 2007). In order to ascertain the Brand Heritage effect on customers’ choice of shop, respondents were asked to show the role brand heritage plays in this aspect.

Figure 4.8 Brand Heritage



Source: Field Study

60% of the respondents feel attracted to Harrods due to the brands long history, 30% were unsure while 10% debunked that.

Harrods has a rich history in luxury shopping dating back to the 17th century; generations have been patronizing this firm. It was observed that the royal warrant which allowed them to service the Buckingham palace gave thee shoppers a feel of royalty. The feeling of knowing that you and the British royal family shop at the same store is great. Famous celebrities and personalities such as Sir Elton John have all been linked to this company. President Ronald Reagan off the United States of America also shopped at Harrods (bought a life elephant). Harrods is synonymous with Opulence.

Selfridges: Established in the 19th centuries, the firm has been around for quite long, has a very rich heritage, always performing high to give customers the unforgettable shopping experience, they have proven this by the accolades received as the best retail outlet in the world for four times consecutively (Retail Gazette UK, 2018). A lot of customers are attracted due to this; the figure below gave a descriptive statistics about it. 60% respondents are attracted to Selfridges for their brand heritage, as said earlier; this firm has been around for centuries and has something people would want to be part of.

4.7 Exclusivity of products, spacious arena and the interaction with other customers

From direct observation, many people visit Harrods for many reasons, including socializing and entertainment purpose as well as those stated above. Their desire to be in a store that allows them to interact and provides an opportunity to network with other visitors who they believe falls within their socioeconomic class. Harrods is located on a 90,000 square meters space; this is big enough to allow them to conveniently shop. There is a very large car packing space for their cars, drop off zones for taxi riders, and the very spacious internal store arena that is not jam-packed, people don't feel squeezed in, there is enough space for everyone to conveniently shop at Harrods. Also, the firm is only sells high end luxury goods. The shoppers there are exclusive goods shoppers, with very high taste. There is no room for en-masse products; it gives them feeling that they are special, have a unique status in the society. These combined gives the customers a hassle-free shopping experience and satisfaction.

Interviews, direct observation techniques were used because they offer more in depth insight into the subject matter. More so, the questions seem to be more subjective.

Hence, from the observations and interview responses, exclusivity of products and the opportunity to interact with other shoppers stand as very important to the shoppers. A lot of them who are quite sociable are happy to meet other shoppers. It serves as an opportunity to interact with people they share the same likeness for a particular thing or item “luxury lovers in this case”.

Some interviews with some shoppers at Harrods are as follows;

Jennifer (not real name) is a master student of University of Plymouth. She is 25 from Nigeria. She purchases luxury brands at least four times a year.

“She particular enjoys visiting Harrods with friends to socialize most time, and get to enjoy the scenery, it feels good interacting with other luxury lovers and friends in the shop”

Ahmed is a 30 year old tourist from Egypt; he has been visiting Harrods whenever he is in London

“I am a luxury lover, amongst other luxury retailers, I prefer Harrods due to the fact that they sell exclusive luxury,.....” it feels good whenever I purchase products from here because you can’t get Harrods anywhere except from Harrods”

McCartney is a 27 year old Canadian student in London, he is a luxury lover and enjoys hanging out to see the beautiful scenery of Harrods,

“I always visit Harrods not just to buy, but to have a good time sometimes, I mostly go in with friends, I enjoy walking around the shop, it is large enough to accommodate a whole lot of visitors at any time without you feeling choked, or being crowded. I have visited some other retailers but at peak times, they get overcrowded and that is what I don’t like. It’s different with Harrods.

As earlier said, the store is on a 5 acres space, large enough to accommodate a wide range of people. Some shoppers use it as a place to have casual and friendship meetings and to make acquaintances with other luxury shoppers. The

three variables above are highly prioritized and have the same “wow” effect on customer shopping experience.

The interview transcript with Selfridge’s respondents is as follows;

Ashwin is a employee. He is 24 from Oman. A frequent visitor of Selfridges

“I do buy some items from Selfridges including luxury and cheap ones; i visit Selfridges because they sell products that are within my buying power, if I want exclusive products, I’d take Harrods”

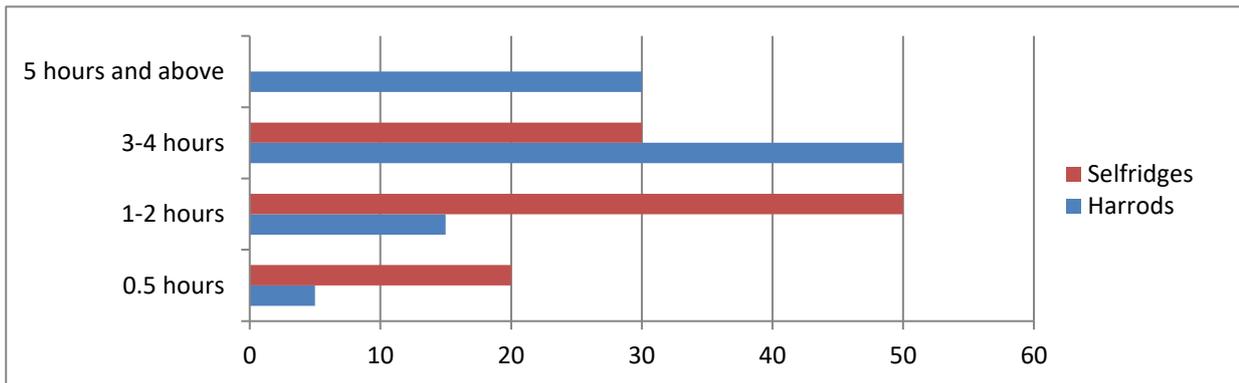
Zelensky is a 24 year old tourist from Russia; he has a family living in London and been visiting frequently.

“Whenever, i am in London and want to socialize with friends, it’s not Selfridges but Harrods, because of the beautiful and captivating scenery they have, but we shop at Selfridges because we can afford some items sold here”

In the course of the interview, the researcher discovered, a lot of shoppers were those who though, love luxury items but they may not be able to afford it, thus visit Selfridges, but frequently visit Harrods to enjoy fascinating scenes while socializing. Harrods is like a preferred tourist destination for international visitors as was the case with Ahmed from Egypt.

4.8 Time Spent Shopping

Another factor that was used to judge shopping experience was the “Time spent Shopping” See figure 4.9 below



Harrods: 50% of the respondents spends between three to four hours at Harrods, 30% spends between three to four hours, while the rest “15% and 5%” spends between thirty minutes to two hour respectively.

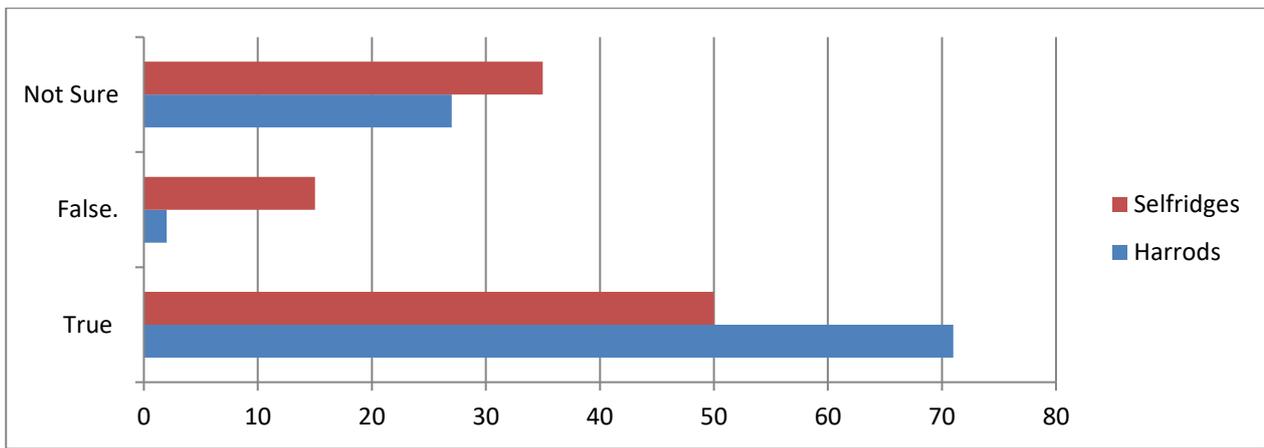
From the data above and direct observation, it can be deduced that shoppers find it very desirable visiting Harrods, secondly, Harrods is a 330 departmental store with 7 floors and offers different kinds of services; wellness clinic, hair & beauty salon, Moroccan spa, cobbler, bespoke tailoring, watch repairs, healthcare services etc

Selfridges: From the data above, shoppers spend mostly between one to four hours shopping at Selfridges that is 20%, 50% and 30% of the respondents respectively. It can be said that the firm appeals to the shoppers and gives them a pleasurable experience shopping.

4.9 Impact on Mood

According to a renowned consumer psychology expert, Nancy Puccinelli, the psychological and emotional impact of a great shopping experience is always evident in the minds and psyche of the shoppers. The shopping environment, products, members of staff and the fellow shoppers they come across with during the process, all have a role to play. A positive and appealing experience elicits a positive reaction, evident by a relaxed facial expression, smile and other positive expressions dependent on the individual. The emotional benefits they get from this includes “the feeling of confidence, esteem, motivation.

Figure 4.10 Impact on mood



From the graph above, 71% respondents confirmed to having a positive impact on mood while visiting Harrods as against Selfridges 50%.

Inference: Harrods better engage the emotions of visitors than Selfridges.

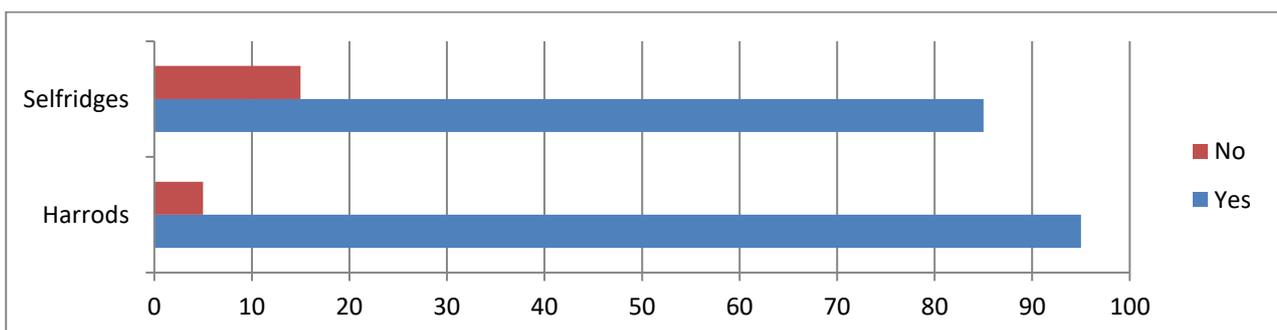
4.10 Customer Loyalty

Customer brand loyalty is the commitment to do business on a continual with a particular brand (organization/entity) which effects in repeat purchases of goods and services (Mao 2010). The acquisition of a customer can be a costly one, but when done successfully, keeping them will invariably amortize the cost overtime due to repeat purchases. Loyal customers are ready to business with you at any time even at a premium cost (Funmilola, 2019).

Loyalty can be gotten through a number of ways including, loyalty cards, and point for shopping etc. respondents. True loyalty is embedded in the minds of customers such that, they won't consider an alternative (Ogar, 2019).

The researcher measured loyalty based on two variables, "Change of shop consideration and the reluctance to change.

Figure 4.11 Change of Shop consideration

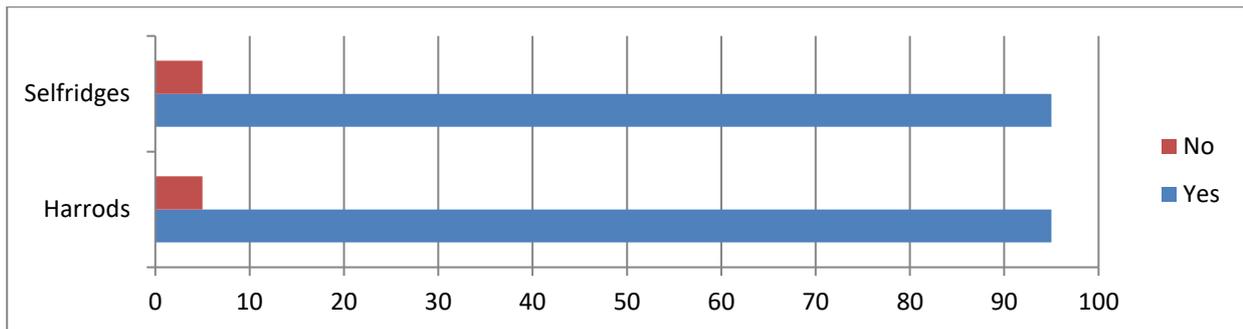


Source: field study

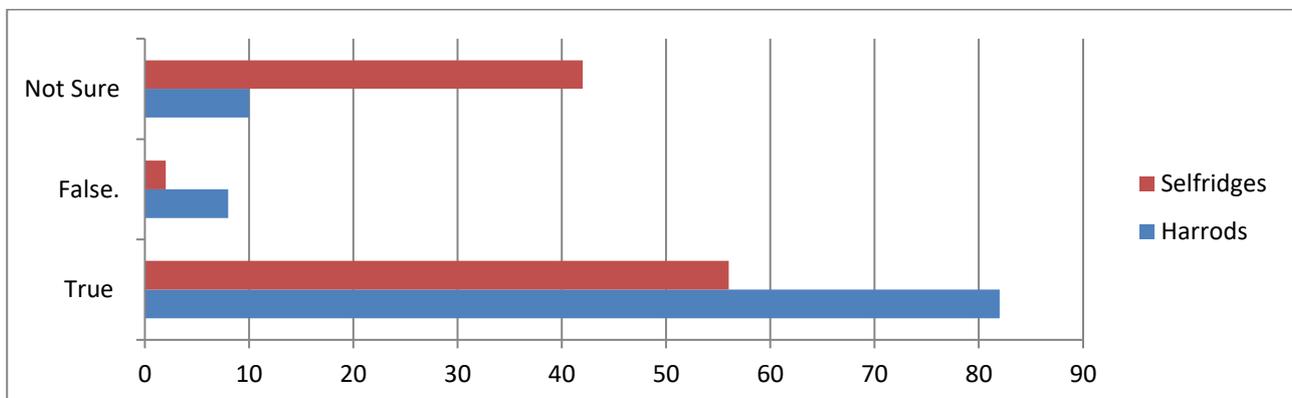
Harrods: 95% have not considered changing where they shop, while 85% of Selfridges's respondents have not thought about a change.

Inference: both firms have a huge loyal customer base.

Reluctance to Change: of the very few that have considered changing, they are feeling very reluctant. See figure 4.12 below



4.11 Memorable Experience: the respondents were asked to tell if they always get a memorable shopping experience at their place of shopping. For Harrods the responses summary is shown 4.13 below



Source: Field Study

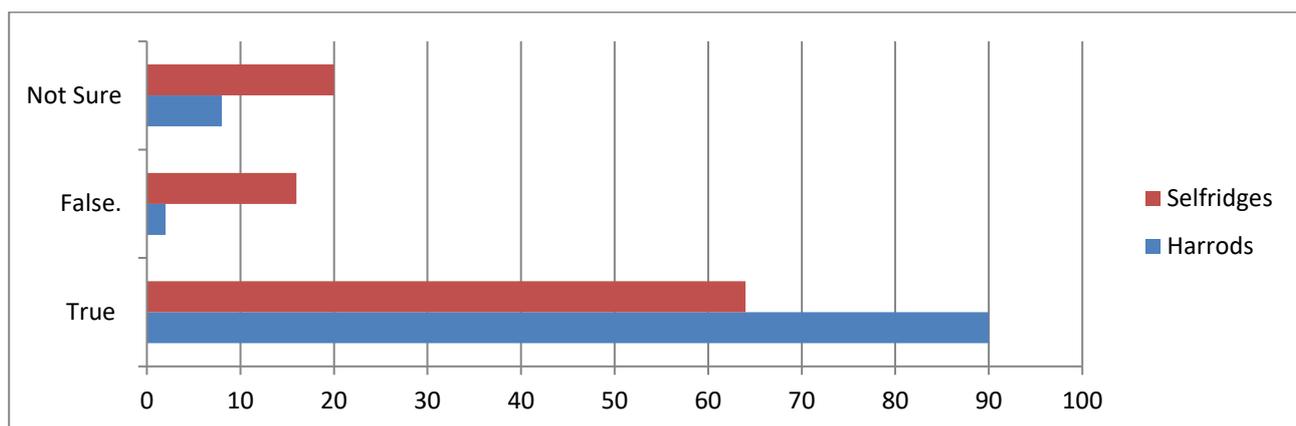
A memorable experience assures a revisit, while a constant memorable experience makes a customer feel at home (Funmilola 2019). 82% respondents at Harrods feel a constant memorable experience each time they go shopping; this has made them feel at home and reluctant to even consider changing a place of shopping.

Selfridges: 56% also have a memorable experience shopping, and over 42% are unsure, while 2% said False, implying they don't always have a memorable experience at Selfridges

4.12 Brand Love and Association

Brand association is anything that is deeply seated in the minds of customers about a brand. They also can be said to be the attributes that comes in the customers mind when the brand is talked about. It is important to develop a positive brand around something positive so that customers will feel the need to associate themselves with the brand. Brand association is built on the following basis; customers contact with the organization, and its members of staff, advertisement, price, and products class which the brand belongs etc. important aspects of love towards a brand are great quality, Strongly held values and existential meaning, Intrinsic rewards, Self-identity, Positive effect, Passionate desire and a sense of natural fit, Emotional bonding, Willingness to invest, consumer's identity, Frequent thought and use, Length of use (Batra et al. 2012).

Fig 4.14 Brand Association



Source: Field Study (2019)

In consumer research, Schimp and madden (1988) adapted the triangular theory of interpersonal love from psychology. The empirical study of this was done in 1988 by Ahuvia and established the object-bond concept. Loyal customers feel the psychological attachment to brands they have outstanding experience on a continual basis, thus giving them the “wow” effect (own concept). As said earlier, it involves advertisement, word of mouth etc.

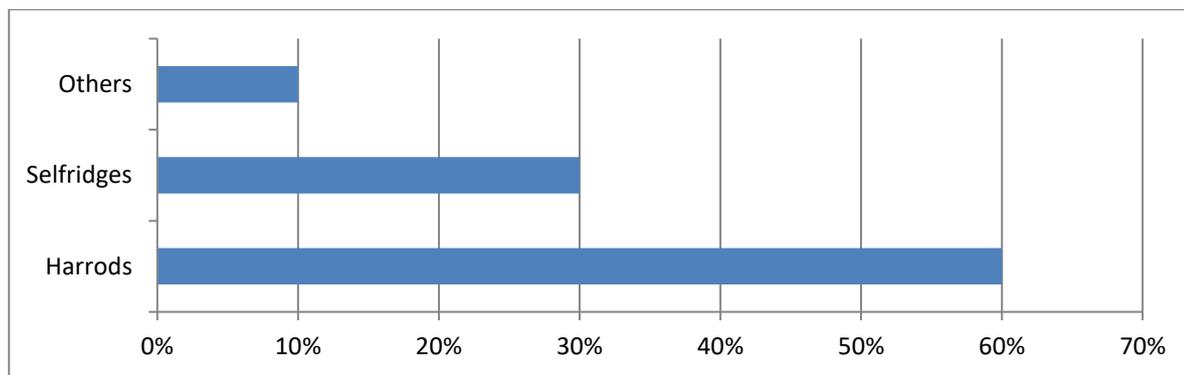
Analysis: 90% of respondents at Harrods confirm their desire and likeness to associate with the brand and are ready to showcase this brand to the world. An observation from Instagram showed most Harrods lovers displaying their branded products for all to see. This is done with pride and it is a pointer to the

relationship they have with the brand and would always associate themselves with it.

Selfridges: 64% visitors associate with the brand.

4.13 Brand Awareness

Brand awareness refers to the extent to which a customer or customers are able to recall or recognize a brand. It is a key consideration in consumer behavior, advertisement and strategy development. To check the popularity of Harrods and Selfridges brands amongst the respondents, the analyses of the responses are presented in fig 4.15 below.



Source: Field Study

The popularity of the firms this research is investigating tried to ascertain the brand that was most popular between Harrods and Selfridges as regards luxury retail brands. 60% confirmed they recall Harrods first as the luxury shopping firm, as against the 30% for Selfridges. This result was polled on the combined population (200 respondents) and it confirmed the superior popularity level of Harrods over Selfridges.

4.14 Brand Ubiquity

Brand ubiquity refers to the extent to which a brand becomes known amongst consumers such that it becomes a household name. Generally, ubiquitous brands dominate an industry and people tend to develop the tendency to refer to other players in that industry by the name of the most popular brand. In this case, Exclusive Luxury retail in the UK is about Harrods, it has become highly popular transcending all the age groups.

A walk on the street to conduct interview combined and an online poll (by YouGov) to check the popularity and fame of Harrods and Selfridges produced the

following result. For Harrods, It is the 5th most popular and 2nd most famous luxury retail brand in the UK Particularly among the people of the millennial age group, baby boomers and generation X.

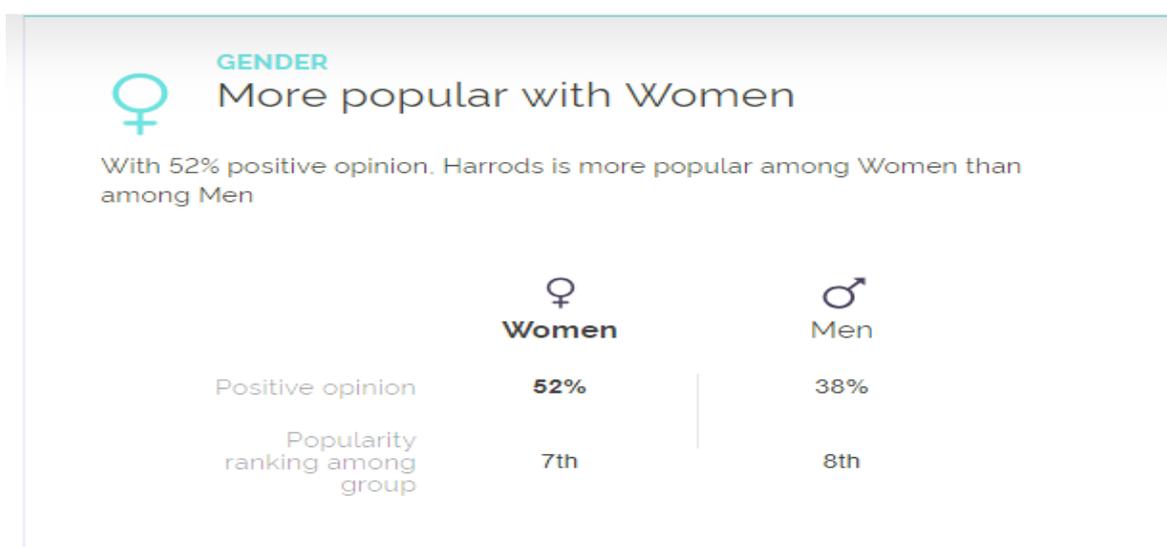
Pew Research Centre defined term “millennial” only to those people born between 1981 and 1996. That means all millennials at least according to Pew – will be between the ages of 23 and 37 in 2019.

The data is presented in the figure 4.16 below;



Source: YouGov (Adapted from a survey conducted by the research website)

Ubiquity amongst the gender groups showed that Harrods is most popular among women. See the figure 4.17 below



Source: YouGov (Adapted from a survey conducted by the research website)

Having analyzed both entities, it is important to spell out a few of their differences and similarities to complete the comparison.

Major similarities between Harrods and Selfridges

- Customer loyalty: Harrods and Selfridges have a huge loyal customer base
- Both firms are mostly patronized by the females
- They attract their customers with customer service

Notable Differences between Harrods and Selfridges

- Noticeably, as regards ambience for example, Harrods scored more than Selfridges with over 90% of their respondents confirming that. While 50% was confirmed for Selfridges, then the other half was divided between “false and not sure”
- Space: Harrods London covers an area almost twice that of Selfridges, this makes them able to handle more customers at any time.
- Target market: judging from their products offerings, Harrods deals strictly with Exclusive good, which suggests that their target market is the people who occupy the upper socio-economic ladder. While Selfridge’s targets a mix of the rich and the middle class.
- Connection with customers: Harrods connects more with customers’ emotions than Selfridges; this is possible through the unrivalled ambience, decoration of Harrods arena and by so doing is able to connect with shoppers subconscious more than Selfridges.

Hypothesis Test and Instrument (questionnaire) stability Test

4.15 Reliability Test; In assessing a multi-item scale, internal consistency reliability assessment is the first step to be undertaken so as to avoid additional dimensions produced by factor analysis due to garbage items (Churchill, 1979). Cronbach’s alpha is the most commonly used tool for testing the reliability of a multi-scale measurement tool. The purpose of this test is to assess whether all items are measuring the same thing (DeVellis, 1991). De Vaus (2002) and Nunnally (1978) mentioned that the value of alpha equal to 0.70 or above indicates that the items make a reliable set. Items of the construct should be checked to see to what extent they reflect the content validity (De Vellis, 1991).

Minitab 18 was used to evaluate the instrument (with standardized data) and the result is presented below:

Omitted Variable	Adj. Total Mean	Adj. Total SDv	Item-Adj. Total Corr	Squared Multiple Corr	Cronbach's Alpha
Favorite Place To Shop Luxury goods	209.93	251	0.6096	0.6831	0.9134
Do You Buy Only Branded Good	203.61	225	0.8090	0.8903	0.9550
Brand Image & Shopping Experience	210.34	203	0.7367	0.9014	0.8567
Positive Impact On Mood	201.18	242	0.5131	0.8881	0.9202
Luxury retail outlet you shop	209.33	318	-0.8388	0.8608	0.7037
How Often Do You Shop	215.67	330	-0.7504	0.8711	0.7896
Hours Spend Shopping	205.78	268	0.1164	0.6497	0.9201
Experience With Sales Staff	208.46	195	0.8382	0.8538	0.8260
Ever Considered Changing retail shop	209.98	280	-0.1518	0.6564	0.9793
How You Feel About Changing	205.71	284	-0.1510	0.3873	0.9791
Is Your Experience Always Memorable	200.23	254	0.4000	0.7243	0.8503

What Is Your Age Range	224.76	274	0.5109	0.8336	0.8708
Gender	214.58	256	0.7809	0.8080	0.9435

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability, a score of 0.7 upward is regarded as acceptable.

For the above instrument, Chronbach Alpha of 0.8-0.9 is rated or adjudged good and assures the reliability of the instrument and provides the grounds for the result to be accepted. For all the measured items, the average score was 0.8, which signifies the acceptance of the test, thus, the researcher can confidently say the instruments used were reliable.

4.16 DATA ANALYSIS FOR HYPOTHESES TEST

Research hypothesis: to test these hypotheses “

(H1): Customers shopping experience and branding strengthen consumer loyalty of luxury retail

Ho: Customer shopping experience and branding doesn't strengthen loyalty the following variables were analyzed.

- Shopping experience
- Consideration to change shop
- Reluctance to change

Shopping Experience: shopping experience construct was tested using a few questions such as, time spent per visit, the ambience of the store arena, the customer service, and memorable experience gotten from visiting the firms.

The responses as analyzed in graphs above,

For Harrods, the average time spent by customers per visit is at least four (4) hours, and two (2) hours for Selfridges, For the ambience of the store, respondents of Harrods finds it very attractive, and thus, it influences their decisions to visit. However, though the same goes for Selfridges, but at a lower magnitude (less relevant to their decision to visit). Generally, it influences both firms visitors decision to visit. For memorable experience, 80% Harrods visitors

think their experiences are memorable, 58% of Selfridges think theirs is memorable. Generally, shoppers find this significant to their shopping experience.

Brand Association: 90% respondents at Harrods are proud to be associated with the brand, they are proud to showcase their favorite shop on social media, especially when they're shopping or when they visit. For Selfridges, over 70% are happy to be associated with the brand.

Change of shop: 95% of Harrods visitors have never thought or considered changing to switch from Harrods for their luxury products, and so is the case for Selfridges.

Reluctance to switch (change retailer): For Harrods, 98% of the respondents that confirmed their thoughts about switching or changing where they do their luxury shopping, said, they feel reluctant about taking such action or making such a decision. This goes for Selfridges as well.

Having considered all three variables, there is enough evidence to confirm the hypothesis "Customers shopping experience and branding strengthen consumer loyalty of luxury retail"

It can be deduced that, the favorable customer experience given by the firm, impacts their decisions to remain loyal to their respective brands. This is evident by the hesitation by the respective loyal customers of the firms to switch or even think about switching from one retailer to another.

On those grounds, the null hypothesis is rejected as there is no significant information to support it.

CHAPTER FIVE

5.0 Introduction

This section attempts to give more insight into the data analyzed in chapter (IV) above, and also attempt to respond to the research questions and objectives.

5.1 DISCUSSION AND CONCLUSION

The current study has intended to contribute to loyalty in luxury retail via branding and experience from customer's perspective. For this reason two hundred customers responded to the questionnaires. Data gathered through questionnaires, direct observation and available literatures to examine the result of relationship between

branding, experience and loyalty. The findings indicate that to gain loyalty, luxury retailers must offer continually amazing shopping experience for customers because luxury customers expect a unique and tailored brand experience when they intend to buy luxury products. Due to this, full customer satisfaction which encompasses the emotional, psychological and functional will be given, and as a direct effect, loyalty will be gotten.

Luxury retail brands are opening more flagships in the world's major cities as a way to strengthen and maintain control of their image, to shape it in the eyes of consumers, to promote an identity that enhances the brand, and to provide customers with an enjoyable experience on both a personal and interpersonal level in a branded environment. Increasingly these imperatives culminate not only in the valuable symbolic currency that luxury stores generate but in significant financial returns which is term as functional goals. In this interest we see luxury brands forging new ties with artists, designers and architects to create ever more impressive structures that will not only speak to the brand's identity and showcase its products but will draw more customers to the stores who will make purchases of both higher priced and "entry-level" merchandise.

A look at the concept of luxury shopping from the consumer perspective (Dubois, et al. (2001) suggest the perceived excellent quality, very high price, uniqueness, aesthetic, history, and superfluousness, as six luxury attributes. Chevalier and Mazzalovo (2008) argue that luxury goods should be beautiful, piece of craftsmanship, and international.

5.2 ANSWERING THE RESEARCH QUESTIONS AND OBJECTIVES

5.2.1 Research Objectives

1. To determine whether customer experience and brand associations influence customer loyalty in luxury retail industry
2. To estimate the extent at which customers experience influences customer loyalty towards the luxury retailer
3. To determine the extent at which brand association influences customer loyalty towards the luxury retailer.

5.2.2 Research Questions

1. Does customer experience influence customers' loyalty to the luxury brand?
2. To what extent does consumer experience influence the consumer loyalty of luxury retailer?
3. Does brand association influence customers loyalty to the luxury brand?

To answer the above, the following five constructs "Experiential shopping, Brand Loyalty, Brand Love and Association, Brand Awareness, and Brand Ubiquity" were analyzed to highlight the relationship between experience, branding and loyalty.

5.3 Experiential shopping: this construct was sub-divided into several variables including "time spent shopping, decoration of the store, ambience of the environment, customer service professionalism, impact on mood etc.) altogether bring the best experience in shopping.

As consumers choose to invest in experiences rather than products, retailers need to respond to meet the needs of their customers. Customers don't want to just walk into your shop, buy your product and leave because they could do this in the comfort of their own home. But by creating a more immersive retail experience, retailers can drive people towards their stores and ensure they leave not just with your products but also memories.

Summary of firms' performance: *Harrods tends to give a more memorable experience to customers than Selfridges do, 80% of Harrods customers confirmed their feeling of great experience while shopping. This experience came from a combination of factors such as the ambience of the retail store internal environment, store layout, the excellent customer service. Harrods speaks more to their customers; emotions than Selfridges through the exquisite interior decoration etc. Selfridges isn't doing badly though, however, in comparison with Harrods, they are lagging.*

5.4 Brand Love and Association: Key aspects of love towards a brand are great quality, Strongly held values and existential meaning, Intrinsic rewards, Self-identity, Positive effect, Passionate desire and a sense of natural fit, Emotional bonding, Willingness to invest, consumer's identity, Frequent thought and use, Length of use (Batra et al. 2012). Some dimensions of love in luxury retail include

Strongly held values and existential meaning: Luxury brands are more likely to be loved by customers owing to provide different benefits such as convenient, entertainment, relaxation and so forth (Batra et al. 2012)

Intrinsic rewards: Luxury brands also provide intrinsic rewards due to creation of happiness and satisfaction perceived from usage. Another factor that determines brand love is;

Length of use: the study reveals that luxury customers tend to have a long relationship and history with their favorite brands which is a feature of brand love. Participants emphasized the long history of luxury brands and durability of luxury products, experienced gotten from shopping which calls for a long-lasting relationship and interaction (Albert et al. 2008, Batra et al. 2012).

Summary of the variable for both firms: *with a 90% brand association index for Harrods as compared to the less than 70% of selfridges, The researcher can say with confidence that, Harrods is doing more as a brand than its counterpart.*

Harrods customers are more proud of the brand than selfridges customers are.

5.5 Brand Awareness: Brand awareness is a marketing term that describes the degree of consumer recognition of a product by its name. Creating brand awareness is a key step in promoting a new product or reviving an older brand. Ideally, awareness of the brand may include the qualities that distinguish the product from its competition.

This study showed that brand awareness can come be associated with experience, word of mouth (especially satisfied customers telling of friends and close associates), advertisement and customer to customer interaction.

Summary of the Variable: *Harrods popularity amongst customers as the first luxury store is unrivalled, compared with Selfridges, they are miles apart. This evidence is supported by the popularity index by Yougov. (a leading popularity ranking website for businesses in the UK).*

5.6 Brand loyalty: the tendency of consumers to continuously purchase one brand's products over another. Consumer behavior patterns demonstrate that consumers will continue to buy products from a company that has fostered a trusting relationship. Consumer behavior and perception can be influenced by the constant great experience gotten even beyond expectations. This creates the feeling of attachment between the customers and the brand and the reluctance to try another due to the psychological and emotional bond created from the customer-business interaction.

Summary: Both firms have a favorable loyal customer base. Strong enough to keep them in business, this is evident by the high reluctance to consider a retailer alternative at least .however, in the long run, as status or economic status of the shoppers improves, their taste will change as well and so their desire to demand for luxury. The research showed the impact of exclusive products offering and customer service that Harrods offer, knowing that a change in status is likely to impact on taste, as a result, Harrods will win more customers in the future as shoppers will seek for highly exclusive services to make them feel unique and special in the society.

This research also furthers the consumer behavior, and branding literature, and our knowledge of experiential shopping by engaging managers who inhabit the frontlines of luxury flagships in a dialogue about the composition of the luxury flagship, and the evolution of its expanding role, and encouraging customers to share their motivations immediately through feedback mechanisms upon exiting stores. The findings point to the importance of luxury branding and experiences by the brand through the store environment and location to the enactment of agency and a chosen self by customers, within a context set by the brand but mediated by consumers. It combines an emphasis on place, and on consumer experience narratives, directly following exposure to the store, Finally, this research has attained its objectives and answered the research questions and tested the hypothesis.

This paper doesn't reflect branding and shopping experience in relation to loyalty in other industries except luxury retail in London. This is termed as a weakness and more work is expected to develop literature in other retail industries like the low end retail for instance.

CHAPTER SIX

RECOMMENDATION

6.0 Introduction

This study has focused on branding and customer experience in the luxury retail context from the customers' perspective and its effect on brand loyalty. The result of this study suggests a number of implications for luxury retail marketing and

brand managers. In addition, the research provides some guidance on branding and customer experience design as outlined next.

6.1 Recommendation to firms

Harrods and Selfridges are global brands in luxury retail; Harrods especially can serve or is serving as a center for tourism, attracting a globally diverse audience under one roof.

The knowledge of branding and customer experience and the challenge of creating great customer experience and loveable brand are of paramount importance to build loyalty. Also, factors that contribute in enhancing customer experience are useful for organizations to understand. The findings indicate that branding and customer experience has a positive and significant effect on customer loyalty. This contribution will help brand managers to understand the important role of customer experience and its dimensions.

The study also found out that some of these elements like superior or exclusive products offering, professionalism of customer service are under a company's control while others are uncontrollable such as consumer mood or word-of-mouth. The understudied firms have succeeded in this regard, by giving customers an amazing shopping experience and creating an environment that lightens customers' moods. However, there is room for improvement and the companies must try to improve on the emotional and psychological effects their brands have on customers whenever they shop or think about the brand. From the research, we can say a constantly amazing experience assures loyalty.

Companies must also employ the state of the art technologies such as artificial intelligence to better serve the customers. Innovative technologies have tendencies to wow the experience of a customer. For instance, a technology like artificial intelligence that can allow the customer have a feel of what he/she is buying can improve the level of satisfaction, brand image, and shopping experience.

For instance, right now, there is an artificial intelligence breakthrough that allows a customer to try a product (dress, shoe, gadgets etc) before making an actual purchase. This enables the customers have a feel of what the products are like, as regards functionality (for instance). And this generally impacts on shopping experience.

Also, as said earlier, there is growing competition worldwide, luxury flagships are opening across the world, especially in France where firms have applied artificial intelligence, the firms in the UK must embrace this technology to better compete on a global stage, failure to do so will warrant a loss in market position and worse of all, closure (as seen in the closure of the House of Frazer UK among others).

To sum up, the results of this study, especially concerning factors that encourages or strengthens brands loyalty and consumers' experiences are important and useful to companies in order to provide the service that meets or exceeds consumer experiential needs.

Many marketers acknowledge the importance of branding and customer experience, but they have not been implemented in a way that targets the psychological and emotional needs of consumers, and as such, fail to get the maximum result as regards loyalty.

The results of this research showed that core services, branding and customer experience have a strong effect on loyalty. This confirms that core products and services provided by the establishments is one of the critical factors to achieve great customer experience.

These findings can be used by brand managers to redirect their planning when attempting to enhance customer loyalty and experience by emphasizing the core products and services provided in order to positively influence consumer experience. From a managerial perspective, managers should focus on basic attributes such as providing exotic and functional products, shopping add-ons like physically contact and follow-up on customers who have made purchases, efficient products description and trial (apply artificial intelligence) and entertainment programs, because if the core products and services are of poor quality, then the overall experience is likely to be negative (Quan and Wang, 2004).

Managers should focus more on servicing a market segment (Niche) as against trying to service a wider population or customers. Spreading too thin can bring inefficiencies but focusing on a market niche allows the improvement and efficient service delivery, thus giving the utmost satisfaction and spectacular experiences. Harrods should focus on the upper class in their marketing while Selfridges should focus on the young and middle age customers, and streamline marketing efforts to this set of people.

Another advantage of Niche focusing is, it will give the feeling of exclusivity to that market segment, and the feeling of exclusivity through differentiation (Special in this context) and will translate in brand association and improve loyalty.

Furthermore, another contribution is made for luxury retail professionals to incorporate the measurement of customer experience in their loyalty development programmes in order to understand customers' perceptions of actual experiences delivered. This will also help them to stay ahead of their customers by anticipating their needs. Managers need to focus on creating a service Moreover, managers should develop a service improvement programme that includes the training of service personnel, and empowering them to deliver service excellence at all times. Training is considered as one of the most importance general management strategies to meet customer needs (Harel and Tzafrir, 1999). Luxury retail firms should invest in people as much as in machines (Schlesinger and Heskett, 1991) and provide them with effective training programs that enhance their skills to meet or exceed customers' experiential needs and expectations.

For the firms to be more successful in the popularity context, advertisement should be vigorously followed.

Brand managers need to focus on transformational advertising and be reliant on it. Also, advertising that targets females will yield good returns in terms of conversion and rate than the males. The advertisement should consist of captivating content that will psychological connect with the target market and give them a virtual feeling of what it will be like shopping for their items. The more known the firms are, the more likelihood they sink into the minds of the customers, thus becoming a household name.

Marketers should also invest in experiential marketing consumers have a plethora of choices when it comes to where they spend their money. Experiential marketing is everywhere, and to make sure your business is successful you need to offer your consumers a desirable experience to drive sales.

6.2 Further Research

Due to some constraints such as time and resources, this study could not fully cover the whole retail sector in the UK except luxury retail; further research is required to cover other sectors of retail.

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List of appendice

School Research Ethics Committee Application Front Sheet

Field Name	Details to complete
Student Number(s)	U1734798
Programme	INTERNATIONAL BUSINESS MANAGEMENT
Module Code	MK 7227
Project Title	The impact of branding and shopping experience on consumers in luxury retail: A comparative study with Reference to Harrods and Selfridges.
Project Supervisor/Tutor	Dr Rula Al-Abdulrazak
Please confirm that you completed the form based on your supervisor or tutor instructions and recommendations.	
What form of primary data collection will your project involve?	QUESTIONNAIRE
Supervisor/Tutor Review Decision (Not completed by the student)	

Supervisor/Tutor Review Comments and Amendments Required for Resubmission (If “Minor” or “Major”, Not completed by the student)	

ROYAL DOCKS SCHOOL OF BUSINESS & LAW

Business Department

Ethical Application for Undergraduate Projects and Postgraduate Dissertations

- **Submission process:**
 - All applications should be submitted online through the Moodle site – **Business Research Ethics- Undergraduates 2018-19** (if you find that you do not have access to this site immediately contact IT Service Desk and copy your supervisor or module leader and busresearchethics.ug@uel.ac.uk.
 - All applications should be uploaded to the SREC Moodle Site to be reviewed or re-reviewed and approved by your supervisor or module tutor.
 - All applications for ethical approval must include the following:
 - A completed **Application Form**. This form includes five sections (A-E). Please ensure that you answer all relevant questions and include the relevant paperwork as requested.
 - **Participant Information Letter** (Appendix 1)
 - Relevant **Consent/Assent Forms** where appropriate (Appendix 2)

- Where relevant, a **Letter of Permission** from the **Host Organisation/Business** (this must be signed and/or in an email with a verifiable email address). In the case of research in the NHS you must first have clearance for the NHS research and development office: <https://www.healthandcareresearch.gov.wales/nhs-research-and-development-offices/>

 - If your project involves overseas travel it is also subject to ‘**Overseas Travel Approval**’ and **must be approved by the Head of Department or Head of School**. The student “Request to Travel” form is available on Moodle.
- Further details on UEL Research Ethics procedures can be found at: <https://uelac.sharepoint.com/ResearchInnovationandEnterprise/Pages/Research-Ethics--Consent.aspx>

NB: Please ensure that you have read the **School Research Ethics Guidelines 2018-19** notes before completing the form.

Application for School Research Ethics Approval

Before completing this form, applicants should read the School Research Ethics Committee Guidance Notes 2018-19. Sections A to F of this form should not exceed 3 pages using 11pt font size.

1. Applicant Details

Student Name: FUNMILOLA ELIZABETH AJAGUNNA

Student ID No: U1734798

Title of Course: MARKETING AND BUSINESS RESEARCH

Dissertation/Project Module Code: MK7227

Supervisor: DR RULA AL-ABDULRAZAK

UEL Email address: U1734798@UEL.AC.UK

2. Project Details

Dissertation/Project Title: The impacts of branding and shopping experience on consumers in luxury retail. A comparative case study of Harrods and Selfridges

Duration of Dissertation/Project:

From: February 2019 **to:** May 2019

Project Rationale: (Please provide a brief description of the project, including aims and objectives, rationale, and potential contribution to knowledge) **(Max. 200 words)**

The rationale of this study is to investigate the impacts of branding and shopping experience on consumers in luxury retail with reference to Harrods and Selfridges.

Hypothesis

H1: Customer shopping experience strengthen customer loyalty in luxury retail

H0: Customer shopping does not strengthen customer loyalty in luxury retail

H2: Branding strengthens customer loyalty of luxury goods

H0: Branding does not strengthen customer loyalty of luxury goods

Research Questions

Does customer experience influence customer loyalty to luxury brands?

To what extent does shopping experience influence the customer loyalty of a luxury retailer?

Does brand association influence customer loyalty to a luxury brand?

To determine the extent at which does brand association influence customer loyalty to a luxury retailer

Research Objectives

To determine whether customer experience and brand association influence customer loyalty in the luxury retail industry

To estimate the extent at which customers experience influences loyalty towards a luxury retailer

To determine the extent at which brand association influences customer loyalty towards a luxury retailer.

Significance of the Study

This research is expected to make significant contribution in the luxury retail sector of the UK economy, it is expected that the researcher identifies what drives customer loyalty.

It can be useful for managers interested in understanding consumer buying behaviour so as to develop marketing strategies that capture the right target audience, increase market share, maximize profits and generate good revenues.

It can be useful for Harrods and Selfridges to know about why their customers keep coming and why they may change who they patronize.

It also helps firms understand how they can continue to influence impulse buyers to patronize them.

The study is expected to contribute to the existing literature in marketing and serve as a reference document when it comes to luxury retail in the UK.

Methodology: (Please provide a brief outline of the methodology and research methods to be used, attaching any interview schedules or questionnaires that are to be used. This must include a description of the expected sample/main participants and how this sample will be identified/participants will be selected. Also, you should include information about the precise location where the work will be carried out.) **(Max 150 words)**

The research design chosen for this dissertation will be a mixed one. The primary data will be gathered through questionnaires to the target respondents, and will be analyzed using specialized statistical tools such as Minitab Express and (or) Eviews.

The questionnaire is designed to acquire the information needed to test the hypothesis and answer the research questions. The structure is a closed ended and a few opened ended questions.

The sample size for the study will be at least 250. Questionnaire is divided into sections such as demographics etc.

This study will be carried out only in the UK.

3. Ethical Considerations: (Please ensure you complete sections 3.1 to 3.8 and respond to each section, incomplete applications will be rejected)

3.1 Informed Consent and Anonymity (Please provide details of how informed consent is to be obtained and anonymity of participants is to be protected).

Respondents' data will be coded such that only the researcher will have access to.

3.2 Participant Confidentiality (In order to comply with the Data Protection Act 1998, please provide details of how you will ensure the confidentiality of participants' data, particularly where audio and/or visual data is to be collected).

Respondents will be anonymous which is why they won't be required to say their names and specific ages. More so, the information collected will be securely saved and encrypted with security software. Only the researcher will have access.

3.3 Will the project/dissertation involve minors (participants under 18 years old) or other

Ethically-sensitive methods/issues

NO

If carrying out research with minors (although it is strongly advised that you do not) you must obtain parental consent and, where necessary, attach a DRB certificate (previously CRB). For further guidance please see: <https://www.gov.uk/disclosure-barring-service-check/arranging-checks-as-an-employer>).

3.4 Participant Withdrawal/De-Briefing protocol. Please describe briefly the protocol for participant withdrawal from the research and de-briefing of participants once the research is completed. (Will participants/participant organisations be given an opportunity to ask questions at the end of the interview and/or request a copy of the final report?)

NO

3.5 Researcher/Participant Welfare. Will either the researcher or participants themselves be exposed to any risks or distress as a consequence of this research?

NO

If YES please provide details and complete a risk assessment form (see Appendices) (<http://www.uel.ac.uk/hrservices/hs/generaliskassessments/>

3.6 Will any inducement (e.g. monetary or 'in kind') be offered to participants?

NO

If YES please provide details.

3.7 Will the research involve access to 'commercially-sensitive' or 'restricted' databases?

NO

(You must ensure that you have the consent of any business/organisation, to access and publish excerpts from any records or information that is not normally available to the public)

If YES please provide details.

3.8 Will the research involve travel away from UEL/overseas travel?

NO

If YES you will need to ensure that you have completed the Student "Permission to Travel" form available on Moodle. This form must be approved signed by the Head of School or Head of Department at the Royal Docks School of Business and Law. You may also be required to complete a separate risk assessment form, which is available here: <https://uelac.sharepoint.com/staff/pages/risk-assessment.aspx>

4. Data security and disposal (Please ensure you tick all relevant boxes, incomplete applications will be rejected)

In order that the research is conducted in an ethical manner and that all information remain confidential in line with the 1998 Data Protection Act, It is vital that participant

confidentiality is respected and ensured. Assurances must be given to participants that personal details will be securely stored and remain anonymous.

Please confirm by ticking the relevant boxes:-

Research data, codes and all identifying information to be kept in separate locked filing cabinets.

Access to computer files to be restricted to the research team (normally researcher and supervisor) and accessible by password only.

There will be no transfer of data to or via a third party.

All electronic data will undergo secure disposal.

All hardcopy data will undergo secure disposal.

In line with the Data Protection Act (1998), **personal data** shall not be kept for longer than is necessary for that purpose or those purposes for which it was collected. In the case of UG and PG dissertations or projects this is usually **1 year**, unless otherwise specified.

Please state how long **personal data** will be retained for: one year

5. Other Documentation check-list:

U1734798

Student

Signature:.....FEA.....

Date:.....3/12/2019.....

LIST OF APPENDICES

Please complete/delete forms as necessary. Please submit as one document with the application.

Appendix I Participant(s) Information Letter

Appendix II Consent Forms

- Consent form

Appendix III Questionnaire

APPENDIX I

(This is a Template Only – You must complete the participant information form based on your own research study)



Participant Information Letter

Programme of Study: INTERNATIONAL BUSINESS MANAGEMENT

Dissertation or Project Title: The impacts of customer experience and branding in luxury: A comparative study of Harrods and Selfridges

Module Code: MK7227

Dear Participant,

You are being invited to take part in a research study. Before you decide whether to participate, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

What is the purpose of the study?

- The main purpose of the study is to identify exactly what makes you (a consumer) to prefer shopping for luxury goods in a specific sales outlet when same goods can be gotten from many other places or vendors. (The sales outlet been studied are Harrods and Selfridges).
- Also the nature of the study entails you responding to a few questions in a questionnaire which will only take a maximum of five minutes of your time.

- The targeted participants will meet some certain requirements such as
- AGE: This is to ensure that only adults (18 and above) are able to participate in the survey.
- INCOME: This is to enable us determine the income level that prominently patronize luxury retail outlets, whether it is the upper, middle or lower level income earners.
- ETHNICITY: We want to know what ethnic group most patronize the luxury retail outlets, be it Chinese, African, Arab, white, black etc. this will be useful in creating marketing content by the business leaders.
- GENDER: This will help us identify to know what gender most patronize luxury retail outlets.

What will I have to do if I take part?

- All you have to do is take a few minutes (maximum of five) to respond to the few questions in the questionnaire.
- For employees of the understudied firms, a maximum of five minutes will be needed to do a short interview during your lunch break at work.

What are the possible disadvantages or risks of taking part?

- The most obvious disadvantage for not taking part in the survey will be the researcher's inability to arrive at a conclusion, which will be a huge impediment to the success of the study.

Do I have to take part?

You are under no obligation to participate in this study. If you do decide to take part, you are free to withdraw at any time without giving a reason. If you do not take part or withdraw from the study at a later date, it will not disadvantage you. Except in the case of partially completed, anonymous on-line questionnaires, all data related to your

responses will also be safely destroyed unless you state otherwise. Submission of a partially completed or fully completed questionnaire implies consent to participate in the study and you will be unable to withdraw your data.

What will happen to the information?

Your participation in this study and all information collected will be kept strictly confidential in accordance with the Data Protection Act (1998). Unless otherwise indicated, all personal information and data collected will be coded and anonymised so that you cannot be recognised from it. The collected data will be securely stored on a password protected computer and safely disposed of once the project/dissertation has been completed.

The results of this study will be reported as part of my degree programme and may be further disseminated for scientific benefit. The results will be available to you on request.

Who should I contact for further information or if I have any problems/concerns?

Include both student and supervisor details (**Do not use personal phone or email details**)

If you have any queries regarding the conduct of the programme in which you are being asked to participate, please contact:

Catherine Hitchens, Ethics Integrity Manager, Graduate School, EB 1.43

University of East London, Docklands Campus, London E16 2RD

(Telephone: 020 8223 6683, Email: researchethics@uel.ac.uk)

APPENDIX II

CONSENT FORM

(To be used if participants are 18 or over)



Programme of Study: INTERNATIONAL BUSINESS MANAGEMENT

U1734798

Dissertation or Project Title: THE IMPACTS OF BRANDING AND SHOPPING EXPERIENCE ON CONSUMERS IN LUXURY RETAIL; A COMPARATIVE STUDY OF HARRODS AND SELFRIDGES

Module Code: MK7227

Supervisor: DR RULA AL-ABDULRAZAK

Please tick to agree

- i. I consent to the processing of my personal information for the purposes explained to me. I understand that such information will be treated in accordance with the terms of the Data Protection Act 1998'. *(Please tick in the case of questionnaires/interviews involving the collection of data falling under the Data Protection Act 1998 definition of 'sensitive personal data')*

- ii. *(Please tick where anonymous questionnaires are used)* By taking part in this study I fully understand that 'Submission of a partially completed or fully completed questionnaire implies consent to participate in the study and that I will be unable to withdraw my data'.

- iii. I confirm that I have read the participant information sheet for the above study and I have been given a copy to keep.

- iv. I understand what the study is about and I have had the opportunity to discuss with the researcher and ask questions about the study.

- v. The procedures involved have been explained to me. I know what my part will be in the study and how the study may affect me.

- vi. I understand that my involvement in this study and particular data from this research will remain strictly confidential. Only researchers involved in the study will have access to the data.

- vii. It has been explained to me what will happen to the data once the study has been completed.

- viii. I understand that I have the right to stop taking part in the study at any time without reason or prejudice to myself.

Participant's name:.....

Participant's signature:.....

Date:.....

Researcher's Name:.....funmilola e ajagunna
.....

Researcher's Signature:.....FEA.....

Date:03/02/2019
.....

**APPENDIX III
QUESTIONNAIRE**

RESEARCH SURVERY QUESTIONNAIRE
MSc. International Business Management

SURVEY QUESTIONNAIRE ON THE IMPACT OF BRANDING AND SHOPPING EXPERIENCE ON CONSUMERS IN LUXURY RETAIL STORES: A COMPARATIVE STUDY ON HARRODS AND SELFRIDGES

Dear Respondent,

I am a student of University of East London undergoing a masters (MSc.) degree in International Business Management. For my dissertation research, I am conducting a

study on the impact of branding and shopping experience on consumers in luxury retail stores, with emphasis on two of biggest UK stores, Harrods and Selfridges. The questionnaire is needed to provide data for analysis on the subject matter of study.

Responses will be kept anonymous and secure and only aggregated information will be used for the purpose of the research. Your participation in this study will be highly appreciated. Information provided will be used for academic purposes only. You are kindly requested to provide a true representation of your feelings while completing this questionnaire. There are no good or bad responses. The following sheets provide a full research information and questions set, explaining the details of the survey. (Participant information sheet and to complete and sign the consent form)

Thank you.

Yours Sincerely,

Funmilola E.A

Research Student (University of East London)

Q1. What is your favourite place to shop your luxury goods?

- Harrods
- Selfridges
- Others (Fortnum & Mason, Harvey Nichols, Asprey, Liberty, The Royal Exchange, St James, The Village at WestField)

Q2. Do you buy only branded goods?

- a) Yes
- b) No
- c) Only certain items

Q3. Since both stores provide similar products, is your preferred retail store influenced by brand image & shopping experience within the store?

- a) Strongly agree
- b) Agree
- c) Disagree

d) Strongly disagree

Q4. Does the shopping experience in your preferred luxury retail store have positive impact on your mood?

a) Yes

b) No

Q5. When you think of luxury retail, name the three brands that first comes to your mind?

Q6. You prefer to shop in your chosen favourite luxury retail store because? Rate, A-E, according to importance, tick all necessary boxes. True or false, or I'm not sure.

SURE	TRUE	FALSE	NOT
• I feel attached to my preferred luxury retail store	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I like to be associated with the brand, because it is iconic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I find their customer service is excellent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The interior designs are beautiful	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I enjoy /benefit give discounts, reward points for patronage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The ambience, attractive physical environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I Believe the customers are so classy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I enjoy interacting with the crowd in the store	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I believe it is a tourist destination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The brand has a rich heritage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The brand location is prestigious & easily accessible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I find the luxury goods they sell are so exclusive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I enjoy the retailment (food hall, restaurant, art) services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I like meeting my friends there	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I enjoy shopping with my friends there	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I love shopping there with my mum/dad/ other relatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I like the large retail space, it makes everything more visible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• I find the products display enticing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q7. Which of the following you feel most important in your luxury retail experience

(A= most important, B= considerably important, C= moderately important, D= slightly important and E= least important)

	A	B	C	D	E
- Services	<input type="checkbox"/>				
- Atmosphere	<input type="checkbox"/>				
- Display	<input type="checkbox"/>				
- Window	<input type="checkbox"/>				
- Store outlet	<input type="checkbox"/>				

- Architect and design
- Sales assistants
- Special events
- Cafes and restaurants
- Private services
- Loyalty discounts and special offers
- Loyalty rewards
- Store location
- Other please specify.....

Q8. Which of the following is more important to you in the brand of the luxury retailer?

(A= most important, B= considerably important, C= moderately important, D= slightly important and E= least important)

- | | A | B | C | D | E |
|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| - I see my preferred brand as a form of identity | <input type="checkbox"/> |
| - The brand name and logo | <input type="checkbox"/> |
| - The luxury retailer should have a strong historical legacy & heritage | <input type="checkbox"/> |
| - The luxury retailer should represent a mark of distinction | <input type="checkbox"/> |
| - The luxury retailer should cater to the elite & upper class in the society | <input type="checkbox"/> |
| - Luxury retailer should be an indicator of wealth and social class | <input type="checkbox"/> |
| - Luxury retailer should maintain a core tradition, historical values | <input type="checkbox"/> |
| - Luxury retailer should be have a global reputation | <input type="checkbox"/> |
| - Luxury retailer should be an exclusive brand | <input type="checkbox"/> |
| - Luxury retailer should be patronised by popular affluent people | <input type="checkbox"/> |
| - The brand should be known and easily recognised | <input type="checkbox"/> |

Q9. If none of these options applies to you, in your own words, please tell us what factors influences your preference of this luxury retailer.....

Q10. How often do you shop in luxury retail stores?

- a) Always
- b) Usually
- c) Sometimes
- d) Seldomly

Q11. How long do you spend in each visit to your favourite luxury retailer?

- a) Half an hour,
- b) 1-2 hours,
- c) 3-4 hours

d) 5+ hours.

Q12. How do you feel about your experience with the luxury retailer staff?

a) Excellent

b) Very good

c) good

d) Fair.

Q13. Have you ever considered changing your place of shopping?

a) Yes

b) No

Why?

Q14. How do you feel about changing your place of shopping?

a) I would love to

b) I would never do so

c) I may, if

Q15. Overall, will you say your shopping experience is always memorable?

a) Yes

b) No

Why?.....

Q16. Please tell us your age bracket (move to the end)

a) 18-24

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b) 25-34

c) 35-44

d) 45 & above

Q17. What is your gender?

a) male

b) Female

Q18. How much do you earn yearly

a) < £15,000

b) £15,000 - £29,999

c) £30,000 - £49,999

d) £50,000 - £79,000

e) £80,000 - £149,000

f) £150,000 +

Q19. What is your occupation?

a) student

b) Employed

c) Non-employed

Thank you for your co-operation