

A MULTIDIMENSIONAL CUSTOMER VALUE MODEL FOR THE HIGH FASHION RETAIL INDUSTRY

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1. INTRODUCTION

The fashion retail industry was the second largest contributor of retail income in South Africa for the year 2009 (Statistics South Africa, 2010:20). With a number of highly competitive players providing similar products and services, especially in high fashion retailing, customers are in a good position to seek out value when purchasing these products and services. Due to the high number of competitors, retail customers have more alternatives to choose from and are better informed about alternatives available in the marketplace than ever before (Levy & Weitz, 2009:413).

To succeed in this competitive marketplace, retailers must become adept not just at providing quality products, but also at providing value to their customers (Dixon, Pickard & Robson, 2002:5; Kotler & Armstrong, 2001:667; Chen & Yang, 2000:671). As more retailers gain access to similar technologies, information and processes, it is becoming increasingly difficult to establish a sustainable competitive advantage in the marketplace. This is especially true for high fashion retailers since, their higher margin customers have higher expectations to receive value from these high fashion retailers (Sweeney & Soutar, 2001:206). Only those businesses that truly offer the value customers want and expect remain competitive in the long term (Johnson & Gustafsson, 2000:5). It is therefore important for high fashion retailers to ensure that they offer value to their customers.

Customer value provides high fashion retailers with a differentiation strategy. High fashion retailers that utilise the provision of customer value effectively, can attract proportionally more customers with need satisfying offerings than a competitor who does not pay attention to customer value (Grewal & Levy, 2010:14). Customer value is of managerial interest to high fashion retailers, as these retailers need to identify the dimensions they should focus on to increase the value they are delivering to their customers and obtain or retain a sustainable competitive advantage (Wachter, 2000:122).

There is a great deal of speculation as to what contributes to value and what the dimensions of customer value are (Wachter, 2000:122). Literature deals with some dimensions of customer value based on previous research and includes: merchandise value, sacrifice value, social value, reputation value, service excellence, technology value, store value, experience value, expressive value and status value. These dimensions of customer value have been uncovered by a variety of researchers in different situations and contexts within a variety of industries, yet there is no agreement on what exactly constitutes customer value. Furthermore, each study only focused on certain selected dimensions of customer value within a specific industry. No study has specifically covered and tested all these mentioned dimensions of customer value in a high fashion retail setting within one study (Sparks, Butcher & Bradley, 2008:99; Jensen & Hansen, 2007:603; Cottet, Litchtlé & Plichon, 2006:221; Lin, Sher & Shih, 2005:320; Petrick, 2002:128).

This study therefore focuses on uncovering the concept of customer value, with specific emphasis on determining the underlying dimensions of customer value from the perspective of the customer shopping at high fashion retail stores. The aim of this study is to build a multi-dimensional model of all the possible dimensions of customer value for high fashion retailers. The purpose of the study is to expand the current knowledge of literature on customer value by possibly providing a clearer view of the value concept, as well as to contribute to industry by presenting value dimensions that high fashion retailers need to incorporate in their marketing strategy to ensure future competitive advantages.

The following sections shed light on the necessity of conducting the study by including a literature review, presenting the problem statement and the specific research objectives. Subsequent sections address the research methodology proposed for the undertaking the study, as well as the envisaged contribution of the study.

2. BACKGROUND TO THE STUDY

The fashion retail industry of which high fashion retailing is a component, plays an important role in the South African economy. The textile, clothing, footwear and leather goods retail industry is the second largest contributor to retail income in South Africa, contributing 19.7

percent of the total income in the retail industry during 2009. The men's and women's clothing industry contributes the highest sales of all the commodities in the textile, clothing, footwear and leather goods retail industry (Statistics South Africa, 2010:20).

The global market for luxury fashion brands has grown rapidly over the last two decades. According to Tynan, McKechnie and Chhuon (2009:1) the estimated worth of the global luxury fashion market is \$263 billion, which represents an increase of 31% over the last five years. A further 71% growth is predicted for the next five years, fuelled by high demand from developing economies. Although a high growth rate is expected, the current slow economic environment creates challenges for high fashion retailers to ensure that customers perceive sufficient value in their luxury products to compensate for the high prices.

In recent years more businesses have shifted their focus from attracting new customers to retaining existing ones. Attracting new customers remains an integral part of any marketing strategy, but businesses are realising that building long-term relationships and retaining current customers are important for future survival. Johnson and Gustafsson (2000:3) emphasise that the key to building lasting relationships is the creation of superior customer value and satisfaction. Businesses need to understand that marketing does not only rely on identifying and providing customers with what they want and need, but should provide customers with greater value than their competitors do to remain successful in the long term (Grewal & Levy, 2010:14).

There is also a growing competitive intensity in the retail industry. This is due to the emergence of new competitors, formats and technologies, as well as shifts in customer needs (Levy & Weitz, 2009:133; Sweeney & Soutar, 2001:206). The increased competition between different retailers and in particular high fashion retailers, for the share of wallet of customers, is forcing these retailers to provide products and services that provide value to their customers (Cottet *et al.*, 2006:220; Wachter, 2000:121). Many of the retailers' customers are looking for much more than just affordable prices and convenience.

Customer value is seen as a critical part of modern marketing strategy (Holbrook, 2005:45; Dixon *et al.*, 2002:5; Kotler & Armstrong, 2001:667). As within most industries, customer value

has become a key concept in retail strategy and differentiation, because it is concerned with what customers want and believe they get from buying and using a retailer's product (Woodruff, 1997:140). Very few researchers can agree on what customer value is and most of the research on the subject is done within a specific context, investigating only selected dimensions of customer value. Some examples of previous research are:

- Tynan *et al.* (2009:1) conducted research on co-creating value for luxury brands in the United Kingdom from a managerial perspective and not a consumer perspective;
- Sparks *et al.* (2008:98) focused their research on dimensions of value in timeshare ownership in Australia;
- Jensen and Hansen (2007:603) used dimensions of value for à la carte restaurants in meal experiences;
- Gallarza and Saura (2006:437) applied the means-ends model in the tourism industry;
- Bick, Brown and Abratt (2004:300) conducted research on customer perceived value in retail banking in South Africa;
- Heinonen (2004:205) focused on time and location value in on-line service delivery.

Based on the preliminary literature search, it is evident that the research up to date has only focused on particular aspects of customer value in specific industries. No comprehensive multidimensional study has been undertaken on dimensions of customer value, and no study that researched value from a high fashion retailing perspective was found, either internationally or in South Africa.

Modern retailing is typically characterised by physical or on-line stores and shopping malls that offer comparable products, services and prices. This alone can no longer represent a competitive advantage (Cottet *et al.*, 2006:219). There may be other variables, such as the customers' experience of the retailer, convenience and providing for customers' social needs that contribute to value (Wachter, 2000:121). Creating and delivering customer value is becoming increasingly important for retailers to survive in today's competitive marketplace (Cottet *et al.*, 2006:219).

Before high fashion retailers can focus on customer value, they must first determine how their customers define value and what it is that their customers' value. Customers today are more

informed, educated and have very specific expectations. There may be other dimensions related to high fashion retailers and their products that contribute to value, as opposed to other clothing retailers (Wachter, 2000:121). It has therefore become important to identify all possible dimensions that could constitute value to a high fashion retailer's customer which could influence the high fashion retailer's success.

Taking the above into consideration, understanding the dimensions of customer value and improving the provision of these dimensions in the high fashion retail industry could have significant profit implications to retailers participating in this industry and the South African economy as a whole (Rintamäki, Kanto, Kuusela & Spence, 2006:20). The following section will focus on the literature review, followed by the problem statement.

3. LITERATURE REVIEW

The literature review presents a discussion on high fashion retailing followed by an investigation into customer value, as well as a discussion on the dimensions of customer value that can currently be found in literature. A discussion of the link between customer value, satisfaction and re-patronage will conclude this section.

3.1 High fashion retailing

In this section the definition of high fashion retailing as well as an overview of the high fashion retailing industry in general will be presented.

3.1.1 Defining high fashion retailing

Fashion or apparel retailers can be defined as retail businesses that sell clothing, footwear and accessories to customers for their personal use. According to Marber, Wellen, Yoon and Torres (2008:218) designer and high fashion goods are seen as similar. Moore and Doherty (2007:76) define high fashion retailers as those businesses that distribute clothing, accessories and other lifestyle products which are:

- exclusively designed and/or manufactured by/or for the retailer;

- exclusively branded with a recognised logo or some other identifying device;
- perceived to be of a superior design, quality and craftsmanship;
- priced significantly higher than the market norm; and
- sold within prestigious retail settings.

For the purpose of this study high fashion retailers will be viewed as retailers that sell exclusively branded clothing, footwear or accessories that are sold at significantly higher prices and are available at their own identifiable retail store area in an upper class shopping mall, for example Gucci, and a shopping mall such as the V&A Waterfront. The next section discusses the high fashion retail industry.

3.1.2 An overview of high fashion retailing

High fashion retailers are consistently recognised as the most successful of retailers across all countries. This success is contributed to the fact that their store operations are typically small, which means that the capital and management costs are less compared to other retail sectors (Moore, Doherty & Doyle, 2010:139; Tynan *et al.*, 2009:1; Fernie, Moore & Lawrie, 1998:366). The high fashion retail market has undergone major changes during the last ten years. Two important trends have emerged in the high fashion market. Firstly, the fashion designers transformed their private firms into public companies, for example Gucci, Donna Karan and Tommy Hilfiger. Secondly, other fashion houses have merged to form luxury goods conglomerates (Moore *et al.*, 2010:141).

Because of the unique nature of high fashion retailers, they are faced with a challenge of continuing to provide sufficient customer value to compensate for their high prices, especially in the current difficult economic environment. There is also the growing intensity in high fashion retail competition due to the emergence and growth in emerging markets (Levy & Weitz, 2009:133; Sweeney & Soutar, 2001:206). The increased competition between different high fashion retailers, for the share of wallet of customers is forcing these retailers to provide products and services that present value to their customers (Cottet *et al.*, 2006:220; Wachter, 2000:121).

In conclusion, the growing intensity of retail competition is forcing high fashion retailers to provide value to their customers. It has therefore become increasingly vital for them to be able to determine what dimensions of customer value are important to their customers. If they know what these dimensions are, they will be able to deliver value to their customers in both a competitive and profitable manner. This leads to the discussion of defining customer value in the following section.

3.2 Customer value

This section takes a closer look at the various definitions of customer value found in literature, as well as the role that customer value plays in consumer behaviour. This section is concluded with a discussion on customer value models.

3.2.1 Defining customer value

Customer value makes its appearance in several different contexts. Customer value can be viewed within a pure accounting context, strategic management context and from a marketing context. This study focuses on customer value within the marketing context where value is studied from the customer's perspective. The aim for the researcher is to understand what results from the interaction between the customer and the product/service/high fashion retailer (Cottet *et al.*, 2006:220).

Given the importance of customer value to marketers, several definitions have emerged in literature. Holbrook (1999:27) defines customer value as interaction between a customer and a product. The author also states that customer value is subjective because it involves comparisons among objects, it varies between people, and it is specific to the situation. Customer value can therefore be understood as customer perceived value (Jensen & Hansen, 2007:604).

According to the definition of Zeithaml cited by Ravald and Grönroos (1996:22), perceived value is an individual's overall assessment of the benefit of an offering based on a perception of what is received and what is sacrificed. This assessment is a comparison of a product or service's "get" and "give" components (Sweeney & Soutar, 2001:204). Consumer behaviour researchers

such as Horovitz (2000:20), Monroe (1991:48) and Zaltman and Wallendorf (1983:118) see the fundamental equation for calculating value as: $\text{Value} = \text{benefits} - \text{sacrifice}$. From this equation it is evident that the greater the difference between benefits and costs, the higher the value perceived by customers.

Apart from the above definition, other definitions of value cited by researchers include:

- Customer value is a personal perception of advantage arising out of a customer's association with an organisation (retailer's) offering (Sparks *et al.*, 2008:97).
- Woodruff (1997:143) defines customer value as a customer's perceived preference for and evaluation of product attributes, attribute performances, and consequences arising from use. These attributes can facilitate or block the achieving of the customer's goals and purposes in use situations.
- Zeithaml (1998:6) describes value as a hierarchical (means-end) model of customer perceptions of price, quality and value. Value is a trade-off between benefits and sacrifices. Sacrifices include monetary and non-monetary sacrifices, such as time, energy and effort.
- Sheth, Newman and Gross (1991:165) identify five independent consumption values that guide customer behaviour and customer choice as a result of these values which are functional, social, emotional, epistemic and conditional value.
- Babin (quoted by Rintamäki *et al.*, 2006:10) identifies utilitarian and hedonic value as factors influencing a customer's shopping experience.

Many authors have acknowledged that it is difficult to define customer value because of its subjectivity and ambiguity and the fact that it is a dynamic concept that evolves over time (Khalifa, 2004:647; Woodruff, 1997:143). The general agreement in literature is that customer value should be determined by customer perceptions, and not by supplier assumptions and intentions (Khalifa, 2004:647; Woodruff, 1997:143).

For the purpose of this study, value is defined as persons (customers) overall assessment of an offering provided by the high fashion retailer based on their perception of what they as customers receive, relative to the sacrifice they have to incur within a high fashion retailing

shopping environment (Sparks *et al.*, 2008:99; Rintamäki *et al.*, 2006:8; Petrick, 2002:128; Sweeney & Soutar, 2001:204; Zeithaml, 1998:5; Raval & Grönroos, 1996:21).

From the above definitions it can be ascertained that customers have a perception of the value (benefits and sacrifices) they will receive when shopping at a retailer. For this reason, it is necessary to determine the influence of customer value on consumer behaviour.

3.2.2 Customer value and consumer behaviour

Customer value has evolved from two areas of consumer behaviour. The first is the economic area, where customer value is mainly linked to perceived prices (transaction value). The second area is psychological, what is known as what really influences product choice (emotional aspects) (Gallarza & Soutar, 2006:438). Customer value can explain different areas of consumer behaviour such as product choice, purchase intention and repurchase intentions. Consumers may acknowledge customer value at different times, such as when making a purchase or relating their experience with the product/service during and/or after consumption (Gallarza & Saura, 2006:438; Woodruff, 1997:141). This links the concept of customer value with consumer behaviour, and specifically the decision-making process, since customers will consider value during the information search stage, evaluating alternatives stage, purchase-decision stage and experience after the purchase stage of the decision-making model (Jobber, 2010:111; Kotler, Armstrong and Tait, 2010:162; Cannon, Perreault and McCarthy, 2008:154).

Based on the different definitions of customer value, researchers developed different customer value models. The following section takes a closer look at these customer value models.

3.2.3 Customer value models

According to literature on customer value, three main customer value models can be identified, namely the value component models, utilitarian or benefits/costs ratio models and means-ends models. Each category emphasises only certain aspects of customer value and are not mutually

exclusive. They overlap should be viewed together to get a complete understanding of what could constitute dimensions of customer value (Khalifa, 2004:648).

- ***Value components models:*** There are two main models that, according to the researchers, focus on components that constitute value for customers. The first model was developed by Kaufman (1998:5). He identifies three value elements in his model, namely esteem, exchange, or utility value. Esteem value or “want” evokes a desire to own something for the sake of ownership. Exchange value or “worth” explains why the product interests the buyer and how and when the buyer will use the product. Utility value or “need” describes the performance and physical characteristics of the product (Khalifa, 2004:648; Kaufman, 1998:5).

Kano quoted by Khalifa (2004:648) also developed a model identifying three components of value. The three components are dissatisfiers, satisfiers and delighters. Dissatisfiers are characteristics that are expected in a product or service. These characteristics are the basic, must haves and are taken for granted. Satisfiers are specifically requested by customers and the better these needs are met, the more satisfied the customers become. Delighters are new or innovative characteristics that are not expected by customers. If they are present customers are surprised in a good way (Khalifa, 2004:648). These models focus on product features and do not pay detailed attention to the use, disposal of the product, or the customer’s sacrifice side of the value equation.

- ***Benefit/costs ratio models:*** Benefit/costs ratio models focus on the benefit values and sacrifice values of customer value. These models are based on research that has been done by numerous value researchers (Zeithaml, 1998:12; Woodruff, 1997:143; Ravald & Grönroos, 1996:24; Monroe, 1991:17). Customer benefits include tangible and intangible attributes of the product or service, and the sacrifice component includes monetary and non-monetary factors such as time and effort. Zeithaml (1998: 12) identifies the following four types of customer definitions of value, namely a lower price (focus on sacrifice), what the customer wanted from a product or service (focus on benefits), the quality obtained from the price paid

(trade-off between sacrifice and benefit), and the total benefit obtained from the total sacrifice made.

The benefits/costs ratio models consider customer value in a longer time frame and include almost all elements of the customer activity cycle. They do not link benefits and sacrifices with customer ends and purposes, as well as the importance of different benefits and sacrifices for different customers. They also do not attend to the dynamics of value building and destruction (Khalifa, 2004:652).

- ***Means-ends models:*** These models are based on the assumption that customers purchase and use products or services to bring about favourable outcomes. According Huber as cited in Khalifa (2004:653), there are connections between product attributes, consequences stemming from consumption, and personal values. These connections underlie customers' decision-making processes. Means are products or services, and ends are personal values important to customers. Means-ends models try to explain how an individual customer's choice of product or service enables him to achieve a desired end state and minimise undesired consequences (Khalifa, 2004:653).

Lanning as cited in Khalifa (2004:654), states that the value that matters is the value in the customer's experience, not in the product. The customer's resulting experience includes a number of interlinked physical and mental events that lead to a specific end result. This further illustrates the dynamic and context-dependent nature of how customers evaluate value. The means-ends models explain why customers attach different weights to various benefits and why they take into account the negative consequences of certain product or service attributes, however fail to explain the sacrifices a customer is willing to endure in acquiring, using or disposing of a product (Khalifa, 2004:655).

All the above models are an attempt to better understand and articulate the definitions of customer value. These models should not be seen in isolation and can overlap in order to incorporate all the dimensions that constitute customer value. The different models viewed on their own only look at specific aspects of customer value. These models together form a

complementary view from which customer value can be viewed. Since literature offers different views and ideas on customer value, these models combined give a more complete and multidimensional picture of customer value.

Most research undertaken on customer value focuses only on certain aspects of customer value (Sparks *et al.*, 2008:98; Gallarza & Saura, 2006:437; Heinonen, 2004:205). Based on the understanding that customer value is multifaceted and diverse, high fashion retailers should not have a limited focus on customer value, but should identify all possible dimensions that could constitute customer value to their customers. To be able to offer superior customer value, high fashion retailers should understand which dimensions of customer value generate and accumulate value for their customers. They need to understand how these dimensions generate and accumulate customer value, and what forms customer value may take. By using these models in an integrated way will assist high fashion retailers to take more possible dimensions into account when identifying dimensions of customer value. Based on all the different definitions and models of customer value, certain dimensions of customer value can be identified as discussed in the following section.

3.3 Dimensions of customer value

By examining different definitions of customer value, researchers have been able to identify several dimensions of customer value, yet there is a lack of agreement of what constitutes the dimensions of customer value. According to Rintamäki *et al.* (2006:8), product attributes represent the lowest level in the customer value hierarchy, and the customer's subjective goals and purposes represent the highest level of customer value hierarchy. Customer value research (Sparks *et al.*, 2008:99; Jensen & Hansen, 2007:603; Cottet *et al.*, 2006:221; Lin, Sher & Shih, 2005:320; Petrick, 2002:128) has been conducted from various perspectives and a variety of dimensions of value have been identified. Furthermore, customers bring their own interpretation of value to a specific product and these interpretations differ from one product category to another (Wachter, 2000:125).

It seems that some dimensions of customer value, among others, are product related, some dimensions are related to the shopping experience and some to the customer. Product-related dimensions could include price, quality, functionality and performance. Dimensions related to the shopping experience and customer could include the image of the retailer, technology, status, aesthetics, efficiency and excellence. Woodall as cited in Sparks *et al.* (2008:99), identifies four specific categories of dimensions of customer value that influence the customer's valuation process, namely the customer, the consumption (situation), the product and the market (competitors).

According to Lin *et al.* (2005:324) some dimensions of customer value can be expected to share a similar content and others might be independent from each other. It is, however, very important that an assumption that all are interrelated, should never be made. It is therefore evident why it is important for high fashion retailers to have a clear understanding which dimensions of customer value are critical to their competitive environment, and that a study of customer value dimensions should be investigated beyond just the product to dimensions that cover all aspects of the shopping encounter.

These identified dimensions of customer value could be used by high fashion retailers as a starting guideline for further research on what dimensions could constitute customer value to their customers. As with the different models mentioned in the previous section, high fashion retailers should follow an integrated approach with the identification of possible dimensions of customer value. No assumptions should be made by high fashion retailers on what dimensions constitute customer value for their customers. The dimensions of customer value that have already been identified by other researchers can be tested through research in a high fashion retail setting. It is important for high fashion retailers to identify which of these dimensions are important to their customers, how important these dimensions are, and how these dimensions generate and accumulate value in a high fashion retail context.

There are different typologies and dimensions of customer value proposed by different authors (refer to Table 1). Price and quality are proposed by Zeithaml (1998:17), Sheth uses functional, emotional, social dimensions and Holbrook (1999:37) refers to efficiency, excellence and

spirituality. There is thus no agreement among researchers regarding what dimensions underlie customer value, and the dimensions change based on the typology or the context investigated (Cottet *et al.*, 2006:221). For the purposes of this study, customer value dimensions will be investigated beyond just the product to dimensions that cover all aspects of the shopping experience.

Table 1: Dimensions of customer value

Dimensions of customer value	Authors
1. Merchandise value	Levy and Weitz (2009:228); Diep and Sweeney (2008:400); Cottet <i>et al.</i> (2006:223); Lin, Sher and Shih (2005:320); Sweeney and Soutar (2001:204); Sweeney, Soutar and Johnson (1999:80).
2. Sacrifice value	Heinonen (2006:381); Rintamäki <i>et al.</i> (2006:8); Lin <i>et al.</i> (2005:319); Sweeney <i>et al.</i> (1999:78); Raval and Grönroos (1996:21).
3. Social value	Tynan <i>et al.</i> (2009:2); Ko and Sung (2007:118); Cottet <i>et al.</i> (2006:221); Rintamäki <i>et al.</i> (2006:10); Sweeney and Soutar (2001:206).
4. Reputation value	Moore and Doherty (2007:76); Heinonen (2006:381); Petrick, (2002:120); Sweeney and Soutar (2001:205).
5. Service excellence	Tynan <i>et al.</i> (2009:2); Jensen and Hansen (2007:603); Näslund, Olsson, and Karlsson, (2006:302); Lin <i>et al.</i> (2005:321); Harris and Goode (2004:142); Heinonen, (2004:205); Naylor and Frank (2000:313); Sweeney <i>et al.</i> (1999:81).
6. Technology value	Heinonen (2006:2); Heinonen (2004:205).
7. Store value	Diep and Sweeney (2008:401); Cottet <i>et al.</i> (2006:222); Heinonen (2006:4); Swait and Sweeney (2000:79).
8. Experience value	Diep and Sweeney (2008:401); Cottet <i>et al.</i> (2006:222); Jensen and Hansen (2006:605); Rintamäki <i>et al.</i> (2006:10); Lin <i>et al.</i> (2005:332); Sweeney and Soutar (2001:205); Holbrook (1999:23).
9. Expressive value	Tynan <i>et al.</i> (2009:2); Ko and Sung (2007:118).
10. Status value	Tynan <i>et al.</i> (2009:2); Ko and Sung (2007:118); Cottet <i>et al.</i> (2006:221); Rintamäki <i>et al.</i> (2006:13); Cottet <i>et al.</i> (2006:221); Holbrook (1999:32).

Based on the value dimensions obtained from previous studies, it is hypothesised that the following dimensions of customer value could be relevant to customers of high fashion retailers.

3.3.1 Merchandise value

Customer value researchers agree that the customers' interaction with and perception of the product influence their perception of value (Diep & Sweeney, 2008:400; Cottet *et al.*, 2006:223; Lin, Sher, & Shih, 2005:320; Sweeney & Soutar, 2001:204; Sweeney *et al.*, 1999:80). In a retail setting merchandise is the term used to describe the different products and accessories placed on offer (Levy & Weitz, 2009:228; Cottet *et al.*, 2006:223; Lin *et al.*, 2005:320). Based on the literature, this study will examine aspects such as product quality, product styling, and variety in assortment available as constituting merchandise value to customers in high fashion retailing (Diep & Sweeney, 2008:400; Sweeney *et al.*, 1999:80).

3.3.2 Sacrifice value

Sacrifice value is viewed as part of the most commonly accepted definition of value (Heinonen, 2006:381; Rintamäki *et al.*, 2006:8; Lin *et al.*, 2005:319; Sweeney *et al.*, 1999:78; Ravald & Grönroos, 1996:21). Customer value is viewed as the trade-off between the benefits customers perceive to receive and the sacrifice/cost it requires. Literature is clear on the types of sacrifice customers have to make in order to acquire products/services. These sacrifices that will be investigated in this study as constituting sacrifice value are monetary sacrifice, time sacrifice, social sacrifice and functional sacrifice (Rintamäki *et al.*, 2006:8; Lin *et al.*, 2005:319; Sweeney *et al.*, 1999:78).

3.3.3 Social value

Based on research that has been done by Seth and Holbrook (quoted by Rintamäki *et al.*, 2006:10) and Sweeney and Soutar (2001:206) the existence of social value in customers buying behaviour can be identified. This study will therefore take a closer look at whether the aspects that constitute social value according to previous research also hold water in high fashion

retailing. These aspects include image value, acceptance value, belonging value and label position (Tynan *et al.*, 2009:2; Ko & Sung, 2007:118; Cottet *et al.*, 2006:221; Rintamäki *et al.*, 2006:10).

3.3.4 Reputation value

Research done specifically in fashion context indicates that value could also be created by the reputation that is associated with a particular brand (Heinonen, 2006:381; Petrick, 2002:120; Sweeney & Soutar, 2001:205). As previously discussed, high fashion retailers are defined in terms of their unique insignia/mark, for this reason this study needs to examine the impact of reputation value on customers' perception of value for high fashion retailers (Moore & Doherty, 2007: 76). Aspects that will be investigated are brand image and brand message.

3.3.5 Service excellence

A number of researchers agree that service excellence plays a role in the success of value delivery for most organisations (Jensen & Hansen, 2007:603; Näslund, Olsson, & Karlsson, 2006:302; Lin *et al.*, 2005:321; Harris & Goode, 2004:142; Heinonen, 2004:205). Since high fashion retailers have stores where face-to-face contact is made between the retailer and its customers, service value cannot be ignored as a dimension of customer value that could impact a customer's evaluation of value. During the course of this study an investigation will be made into the aspects that contribute to service excellence within a retail setting. These aspects include staff professionalism, merchandise knowledge of staff, process efficiency and appearance of staff (Tynan *et al.*, 2009:2; Naylor & Frank, 2000:313; Sweeney *et al.*, 1999:81).

3.3.6 Technology value

Research about the influence of technology on customer value has been discovered in two articles (Heinonen, 2006:2; Heinonen, 2004:205). In these research papers mention is made of the effect of internet services, mobile services, self-service technologies and web design as influencing factors in customers' perception of value. No research has been done on the

influence of technology on customer value in high fashion retailing. This study will empirically measure whether technology has any influence on customer value in high fashion retailing.

3.3.7 Store value

Specific research that has been done in different retail settings (Diep & Sweeney, 2008:401; Cottet *et al.*, 2006:222; Heinonen, 2006:4) indicates that the environment in which customers shop impacts on their perception of value delivery. This study will take a closer look at the aspects within the store environment that could influence the customer's perception of value. Aspects of interest are merchandise displays, shop fittings, window displays and store location (Cottet *et al.*, 2006:222; Heinonen, 2006:4; Swait and Sweeney, 2000:79).

3.3.8 Experience value

Researchers such as Rintamäki *et al.* (2006:10), Holbrook (1999:23) and Sweeney and Soutar (2001: 205) indicate that value is closely related to an interactive experience and the emotional connection customers make with the product, and in a retail setting also the experience and associated emotions with the shopping environment. This study will focus on the following aspects contributing to experience value perceived by shoppers in high fashion retailers such as, the in-store experience, technology experience and product consumption (Diep & Sweeney, 2008:401; Cottet *et al.*; 2006:222; Jensen & Hansen, 2006:605; Lin *et al.*; 2005:332).

3.3.9 Expressive value

Some limited research conducted among high fashion brands mention that customers buy high fashion brands to express something about themselves (Tynan *et al.*; 2009:2; Ko & Sung, 2007:118). No specific research has been done in high fashion retailing to determine whether high fashion brands' ability to provide customers with a form of expression, will constitute customer value. This study will investigate this by measuring aspects such as identity expression, culture expression, peer expression and status expression (Tynan *et al.*, 2009:2; Ko & Sung, 2007:118).

3.3.10 Status value

Holbrook (1999:32) identified status as a dimension that constitutes value to customers. As high fashion brands make use of premium pricing and a unique logo that could provide the wearer of it with a certain status among its peers (Tynan *et al.*, 2009:2; Ko & Sung, 2007:118; Cottet *et al.*, 2006:221; Rintamäki *et al.*, 2006:13), this study will investigate to what extent status constitutes value to high fashion shoppers. Aspects that will be examined are brand name, premium pricing and store location (Tynan *et al.*, 2009:2; Ko & Sung, 2007:118).

According to Tsai, Tsai and Chang (2010:730) customers establish an expected value as part of their shopping reference. If a business fulfils customer value expectations, the business will increase customer satisfaction and continued patronage. There are a number of researchers who support the positive influence that customer satisfaction has on customers' intention to repurchase (Ferrand, Robinson & Valette-Florence, 2010:85; Tsai *et al.*, 2010:732; Gounaris, Tzempelikos & Chatzipanagiotou, 2007:70; Oliver, 1999:36). It is therefore important for this study to investigate the relationship between customer value, customer satisfaction and repatronage. The following section addresses these important concepts that are based on research associated with customer value.

3.4 Customer satisfaction

Researchers agree that high levels of customer value lead to high levels of customer satisfaction, and that there is a visible increase in organisations' profits (Williams & Naumann, 2011:21; Naik, Gantasala & Prabhakar, 2010:242; Sparks *et al.*, 2008:105; Harris & Goode, 2004:150; Khalifa, 2004:645; Evans, 2002:134; Sweeney & Soutar, 2001:206). Customer satisfaction occurs when the value and customer service provided by retailers meets or exceeds the customer expectations (Jobber & Fahy, 2009:6; Berman & Evans, 2007:35). This study will investigate whether there is a positive link between customer value and overall satisfaction in high fashion retailing.

3.5 Re-patronage

The importance of superior customer value is recognised in most business strategy models. A clear understanding of the concept of customer value becomes fundamental for the success of value-based strategies (Khalifa, 2004:645). Literature shows that loyalty and profits are strongly linked to value created for customers. Customers are loyal to an organisation as long as it offers them superior value compared to its competitors (Reichheld, Markey & Hopton, 2000:136).

Given the intensity of competition, customer bonding is seen as important because such relationships generate greater profits for businesses. There are some researchers (Gallarza & Saura, 2006:448; Lin *et al.*, 2005:332; Swait & Sweeney, 2000:78) who have made a link between customer value, customer satisfaction and repeat purchase/re-patronage. Re-patronage is associated with behavioural intentions. Behavioural intentions are indicators of customers' willingness to keep a sustainable relationship with a business (Gounaris *et al.*, 2007:70). This study will examine whether customer value and satisfaction have a positive influence on re-patronage in high fashion retailing.

Since organisations, of which high fashion retailers are no exception, are facing more demanding customers, increasing global competition and worldwide economic recession, it has become increasingly important for them to gain a sustainable competitive advantage. Researchers have discovered a link between providing superior value, customer satisfaction and repurchase intentions (Gallarza & Saura, 2006:439; Cottet *et al.*, 2006:220; Sweeney & Soutar, 2001:206; Sweeney *et al.*, 1999:82). This makes it clear why organisations such as high fashion retailers are interested in ways in which they can provide this superior value to their customers.

4. PROBLEM STATEMENT

From the background and the preliminary literature review the following issues can be ascertained:

- There is high growth in the luxury fashion market compared to other retail markets (Tynan *et al.*, 2009:1);
- The economic recession is negatively impacting on the purchasing power of the high fashion retailer's customer (Levy & Weitz, 2009:133; Sweeney & Soutar, 2001:206);
- The high fashion retail sector is a major contributor to the South African economy (Statistics South Africa, 2010:20);
- The industry is highly competitive (Sweeney & Soutar, 2001:206);
- There seems to be some confusion regarding what constitutes customer value and its underlying dimensions (Rintamäki *et al.* 2006:20; Wachter, 2000:122) as no study has researched all the mentioned dimensions of customer value in a high fashion retail setting (Sparks *et al.*, 2008:99; Jensen & Hansen, 2007:603; Cottet *et al.*, 2006:221; Lin, Sher & Shih, 2005:320; Petrick, 2002:128);
- High fashion retailers need to understand the underlying dimensions of customer value and apply these dimensions in their marketing strategies, as providing customers with value is necessary for the high fashion retailer to gain a competitive advantage and even profitability (Rintamäki *et al.*, 2006:20; Wachter, 2000:122).

Retailers should understand that consumers will differ in what they perceive as value within different product categories and shopping experiences (Wachter, 2000:122). It therefore stands to reason that high fashion retailers need to identify how their customers perceive value, as well as what the underlying dimensions of value are. This perception of customer value has an influence on customers' buying behaviour and decision-making (Gounaris *et al.*, 2007:73). The unique nature of high fashion retailers compared to general clothing retailers underlies the fact that high fashion retail customers have different expectations and might view the dimensions of customer value differently as opposed to other clothing retailers (Wachter, 2000:121). It has therefore become important to identify all possible dimensions that could constitute value to a

high fashion retailer's customers or customer base which could influence the high fashion retailers' success.

Apart from realising that their customer expectations are different and that customers view customer value differently, high fashion retailers should be aware that high levels of customer value lead to high levels of customer satisfaction and that there is a visible increase in organisations' profits (Sparks *et al.*, 2008:105; Harris & Goode, 2004:150; Khalifa, 2004:645; Evans, 2002:134; Sweeney & Soutar, 2001:206). Researchers have identified a link between providing superior value, customer satisfaction and repurchase intentions (Gallarza & Saura, 2006:439; Cottet *et al.*, 2006:220; Sweeney & Soutar, 2001:206; Sweeney, Soutar & Johnson, 1999:82) which emphasises the necessity for further research on customer value.

Based upon the background of the study, the preliminary literature review and the above discussion, the following problem statement is formulated for this study:

It is important for high fashion retailers, as for any other business, to focus on providing value to their customers so as to increase customer satisfaction and repurchase intentions in order to contribute to future profitability. To provide value, high fashion retailers must be aware of what underlies customer value in the high fashion retail industry. There is, however, limited published research pertaining to the multidimensionality of customer value in general, with no specific research suggesting a comprehensive multidimensional customer value model for the high fashion industry specifically. Developing such a model will aid in understanding all the possible dimensions of customer value in this industry, and will place the high fashion retailer in a better position to provide customer value that will consequently lead to customer satisfaction, re-patronage and higher profit.

5. RESEARCH OBJECTIVES

The following research objectives have been formulated for this study:

5.1 Primary Objective

The primary objective of the study is to propose a multidimensional model of customer value in the high fashion retail industry.

5.2 Secondary Objectives

The secondary objectives formulated to achieve the primary objective of the study include:

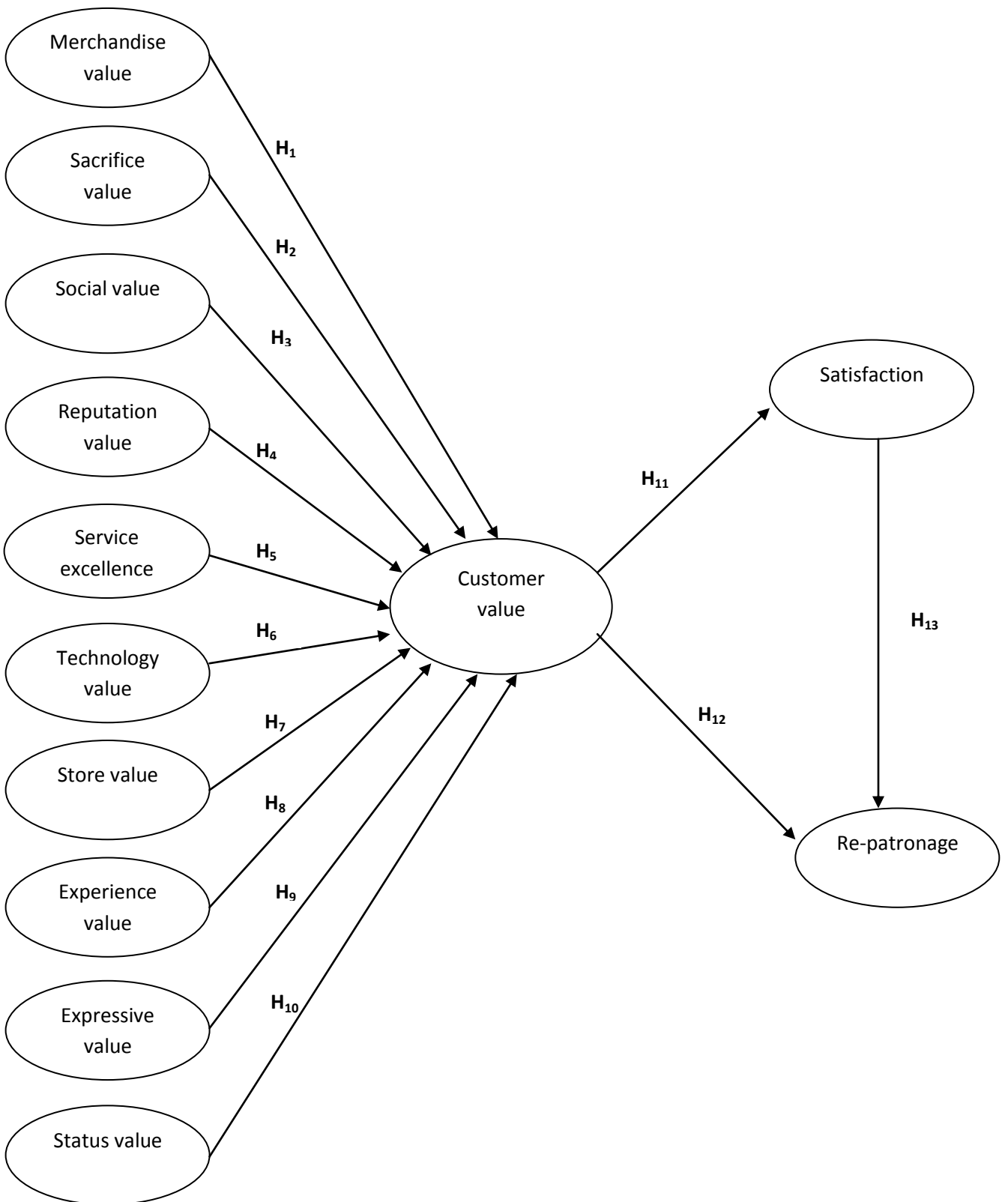
- To report on the state of affairs in the fashion retail industry with specific reference to high fashion retailing;
- To provide a theoretical overview of customer value within the consumer decision-making process context;
- To identify the dimensions of customer value that exist in current literature;
- To determine a demographic and psychographic profile of the high fashion customer;
- To empirically investigate the dimensions of customer value in a high fashion retail setting;
- To develop a multidimensional model of customer value in the high fashion retail industry;
- To identify the link between the dimensions of customer value and customer satisfaction in the high fashion retail industry; and
- To identify the link between the dimensions of customer value and repurchase intentions in the high fashion retail industry.

The following section presents the conceptual model for the study and illustrates the hypothesised relationships between variables.

6. CONCEPTUAL MODEL

The conceptual model for this study is illustrated in Figure 1. The conceptual model depicts the dimensions of value-related constructs based on studies focusing on customer value. This model is based on literature review and is a tentative model. Once these constructs have been tested empirically, the model might be adjusted for high fashion retailers. The following section addresses the research methodology proposed for the study.

Figure 1: Conceptual model for customer value



Adapted from Lin *et al.* (2005:329).

7. HYPOTHESES

Based on the literature discussed in previous sections, the following hypotheses will be tested in the study as indicated in the conceptual model above:

H₁: *Merchandise value* has a direct and positive influence on *customer value* perceived by customers in a high fashion retail setting.

H₂: *Sacrifice value* has a direct and positive influence on *customer value* perceived by customers of high fashion retailers.

H₃: *Social value* has a direct and positive influence on *customer value* perceived by customers of high fashion retailers.

H₄: *Reputation value* has a direct and positive influence on *customer value* perceived by customers of high fashion retailers.

H₅: *Service excellence* has a direct and positive influence on *customer value* perceived by customers of high fashion retailers.

H₆: *Technology value* has a direct and positive influence on *customer value* perceived by customers of high fashion retailers.

H₇: *Store value* has a direct and positive influence on *customer value* perceived by customers of high fashion retailers.

H₈: *Experience value* has a direct influence on *customer value* perceived by customers of high fashion retailers.

H₉: *Expressive value* has a direct influence on *customer value* perceived by customers of high fashion retailers.

H₁₀: *Status value* has a direct influence on *customer value* perceived by customers of high fashion retailers.

H₁₁: *Customer value* has a direct influence on *customer satisfaction* of high fashion retailers.

H₁₂: *Customer value* has a direct influence on *re-patronage* of high fashion retailers.

H₁₃: *Customer satisfaction* has a direct influence on *re-patronage* of high fashion retailers.

The following section addresses the research methodology proposed for the study.

8. RESEARCH METHODOLOGY

The marketing research process is systematic in nature and consists of a number of steps. Figure 2 provides an illustration of the basic steps a marketing researcher should follow when constructing marketing research.

The first phase (steps 1, 2 and 3) of the research process identifies the research problem identified in the problem statement section of this proposal, as well as the setting of objectives as discussed previously. Step 4 involves the determining of the research design for the study. It is important to note that based on the dimensions found in the theory, statements will be formulated to cover every aspect of customer value. An exploratory factor analysis will then be done to determine the underlying dimensions based on the factor analysis, and structural equation modelling will be used to build a model. The following section focuses on how the steps in the research process are proposed to be implemented to develop the proposed multidimensional value model for this study.

Figure 2: Phases and Steps in the Marketing Research Process

Phase I:	Determine the Research Problem
Step 1	Identify and clarify management's information needs
Step 2	Specify the research questions and define the research problem
Step 3	Confirm research objectives and assess the value of the information
Phase II:	Select the Appropriate Research Design
Step 4	Determine the research design and data sources
Step 5	Develop the sampling design and sample size
Step 6	Assess measurement issues and scales
Step 7	Pre-test the questionnaire
Phase III:	Execute the Research Design
Step 8	Collect and prepare data
Step 9	Analyse data
Step 10	Transform data structures into information
Phase IV:	Communicate the Research Results
Step 11	Prepare and present final report to management

Source: Malhotra (2007:54).

8.1 Research design

The research design serves as a master plan of the methods used to collect and analyse data. In the plan the researcher must consider the data-collection approach and the sampling method (Shiu, Hair, Bush & Ortinau, 2009:61). This study is mainly quantitative in nature and focuses on a descriptive design. A descriptive design uses a set of scientific methods and procedures to collect raw data and create data structures that describe existing characteristics of a defined target market (Shiu *et al.*, 2009:62). The research will, however, be conducted in two phases. The first phase will be a preliminary study that will be qualitative in nature. The second phase or main phase of the research is quantitative in nature. The two phases of the research are discussed in more detail next.

8.1.1 Qualitative phase (phase 1)

According to Malhotra (2007:42), qualitative research is unstructured, exploratory in nature and based on small samples. An extensive literature search will first be undertaken to uncover all possible dimensions of customer value related to the industry under consideration. The researcher will then proceed to generate new, and validate existing dimensions of customer value uncovered during the literature search through focus group discussions.

Focus group discussions involve bringing a small group of people together for a spontaneous, interactive discussion on a particular topic. By getting the group members to talk in detail about a topic, enables the researcher to extract as many ideas, attitudes and experiences about the specific issue as possible (Shiu *et al.*, 2009:175). For this study, the focus groups will focus on identifying underlying value dimensions that customers shopping at high fashion retailers consider. Two focus groups will be conducted. Participants will be selected from the target population of the research study as defined below. The dimensions identified and validated during the preliminary phase will be used as input into the development of an interviewer-administered structured questionnaire to be used during the second phase. Primary data sources, textbooks and scholarly journals on the topic will be consulted during this phase.

8.1.2 Quantitative phase (phase 2)

This phase is quantitative in nature and seeks to quantify data and apply some form of statistical analysis to the data (Malhotra, 2007:143). The customer value dimensions generated and validated during the previous phase will be empirically tested through the use of a questionnaire, and will be fielded amongst a sample drawn from the target population. Mall-intercept interviews will be conducted on different days and during different times of the day to ensure that a representative sample of the target population is obtained. The respondents will be selected and approached while they are shopping at high fashion retailers in a shopping mall. The advantage of a mall-intercept interview is that it allows the researcher easier access to the respondents because they are already at the shopping mall (Malhotra, 2007:187).

8.2 Sampling

The target population will be shoppers shopping at high fashion retailers located in selected shopping malls in the three largest cities in South Africa. For the qualitative phase of the research, the researcher will identify the participants of the two focus group discussions by using non-probability judgmental sampling. Judgmental sampling enables the researcher to use his/her expertise or judgment in choosing the elements to be included in the focus groups (Malhotra, 2007:343).

In order to identify respondents for the quantitative phase of the study, a multi-stage sampling procedure will be followed. The first stage of the sampling process involves the selection of the sampling units, namely nine regional shopping malls in South Africa containing high fashion retailers by using non-probability judgmental sampling, where the researcher will use her expertise or judgement to determine which specific malls will comprise the sample (Malhotra, 2007:343). A list of the regional shopping centres from The South African Shopping Centre Association (SASCA) will be used as a sample frame. From this list the researcher will select regional shopping centres containing high fashion retailers from South Africa's three largest cities, namely Cape Town, Durban and Johannesburg. According to Statistics South Africa (2010) both Durban and Cape Town have a population of 3.5 million residents and Johannesburg has a population of 3.9 million. Three regional malls per city will be selected using non-probability sampling, and the three regional malls selected will be the ones housing the largest number of high fashion retailers.

The second stage of sampling involves the selection of the sampling elements (shoppers at high fashion retailers) within the sampling units (shopping malls) identified during the first stage of the sampling process. The non-probability sampling technique, quota sampling, will be used to select nine hundred respondents (100 shoppers for each mall), based on convenience, and to fill quotas in each mall based upon gender, race and age. Equal numbers of males and females; black, Indian, coloured and white, as well as equal numbers in different age categories will form part of the sample. This technique is suitable since it ensures representivity of the target

population (Malhorta, 2007:341). Tabel 2 provides an exposition of the sampling process to be followed in the research. Figure 3 provides a graphic depiction of the process.

Tabel 2: Sampling process of the study

Phase	Stage	Sampling method	Sampling unit	Sampling element
Qualitative	1	Judgmental	High fashion shoppers	16 high fashion shoppers (8 per focus groups)
Quantitative	2	Judgmental	9 Regional malls containing high fashion retailers in South Africa	900 shoppers at high fashion retailers in the selected regional malls in South Africa (100 shoppers per mall) selected, based upon convenience filling gender, race and age quotas

Respondents will furthermore be approached in the shopping malls on different days of the week and at different times until the quota has been reached. A screening question will be used to identify the element (those shoppers, shopping at high fashion retailers). The purpose of the screening question is twofold. Firstly to ensure respondents are high fashion shoppers, and secondly to assist with filling the quotas based on gender, race and age. The sampling will be conducted within the three major cities in South Africa amongst 900 respondents. Table 3 provides an exposition of the sampling plan.

Table 3: Sample plan of the study

Sampling	
Target Population	Shoppers shopping at high fashion retailers in South Africa.
Sampling Units	Regional malls containing high fashion retailers in South Africa.
Elements	Shoppers at high fashion retailers in the selected regional malls in South Africa.
Sample Frame	South African Council of Shopping Centres Database.
Sampling Size	900 respondents (100 each at the 9 regional shopping malls).

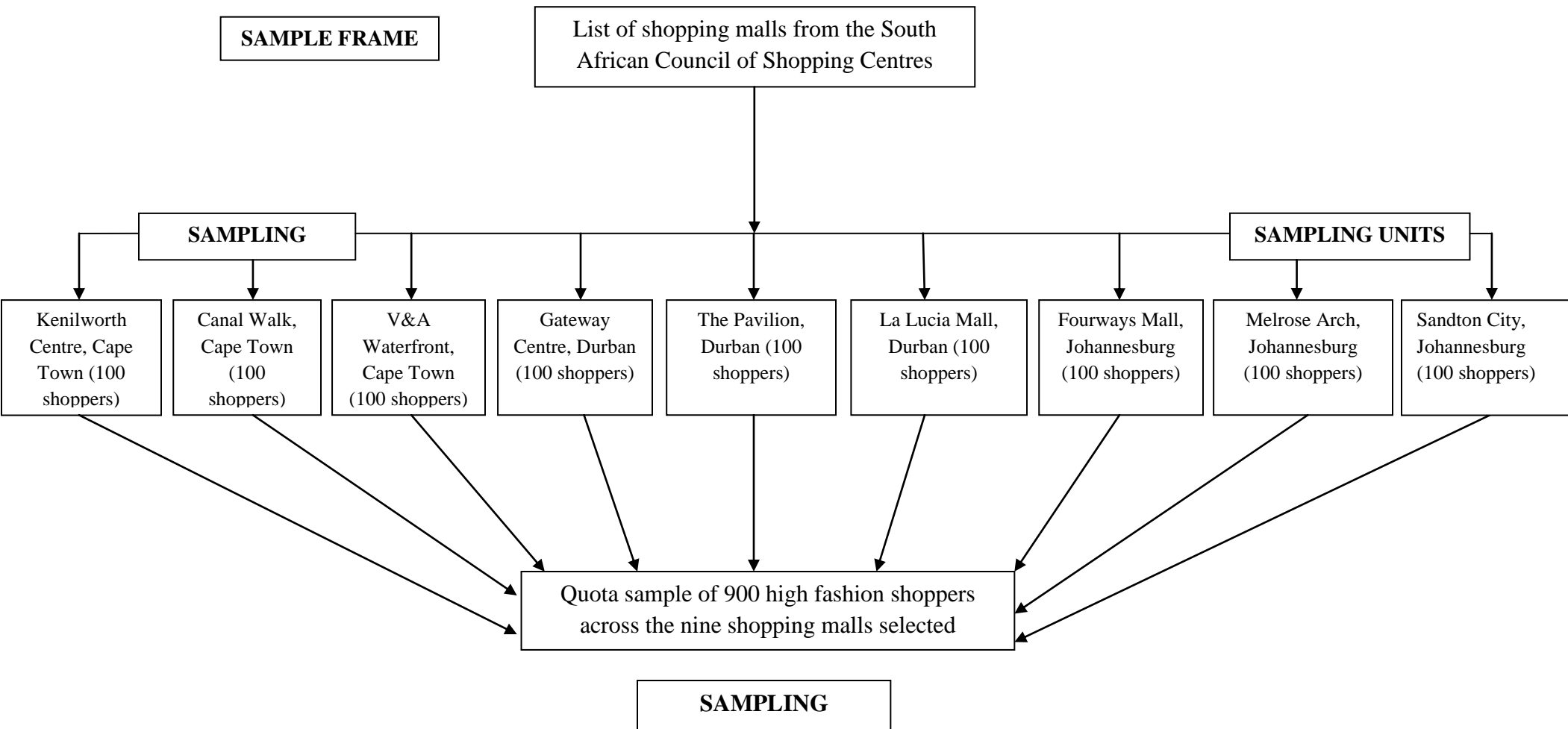


Figure 3: Illustration of sampling process

8.3 Data collection methods

For the qualitative phase, the researcher will act as moderator and will make use of the moderator's outline to elicit responses and discussions from the participants during the focus group sessions. The focus group discussions will focus on topics related to customer value and its underlying dimensions in the high fashion retail industry.

The data-collection method to be used for the quantitative phase of the research is an interviewer-administered survey using a questionnaire with structured questions as the data-collection instrument. The questionnaire will include the screening question, a section on demographic and psychographic information of respondents, and a Likert scale will be used to quantitatively measure the dimensions of customer value as unearthed during the qualitative phase of the study. The questionnaire will first be pretested among the target population and will then be finalised. Honours students from the Department of Marketing will be used as fieldworkers. They have had exposure to a course in marketing research methodology both in undergraduate as well as in postgraduate studies. Fieldworkers will be trained on how to conduct an interview, and incentives will be used to increase the response rate (Malhorta, 2007:379). The questionnaire design is discussed in more detail in the next section.

8.4 Measuring instrument

According to Shiu *et al.* (2009:329), a questionnaire is a formalised framework consisting of a set of questions and scales designed to generate primary data. The questionnaire for this study will consist of structured questions and scale questions. Structured questions are closed-ended questions that require the respondent to choose from a predetermined set of options. Scale questions are used to measure attitudes of respondents (Shiu *et al.*, 2009:421).

The questionnaire for this study will consist of four sections, namely:

- Section A: This section will contain a screening question to ensure that only respondents who shop at high fashion retailers are included in the study. The shoppers will be instructed

through the questionnaire that they should have a specific high fashion retailer in mind. The retailer should either be supported by the shopper on a regular basis (more than once) or the one supported most recently. The interviewers will also receive a list of the high fashion retailers in every selected mall. This section will also determine the demographic and psychographic profile of shoppers shopping at high fashion retailers. The question format will be closed-ended questions with predetermined options.

- Section B: This section will also consist of multi-item, unlabelled, seven-point Likert scale questions to determine high fashion shoppers' level of agreement with statements measuring the customer value they perceived they got from a purchase at the high fashion retailer they buy from. The shoppers will be instructed via the questionnaire to answer this question with a specific high fashion retailer in mind. This retailer could either be the one they recently shopped at, or the retailer they most frequently patronise. The end points of the scales will be identified as "strongly agree" and "strongly disagree".
- Section C: This section will also consist of multi-item, unlabelled, seven-point Likert scale questions to determine high fashion shoppers' level of agreement with statements measuring high fashion shoppers' overall satisfaction.
- Section D: This section will finally include multi-item, unlabelled, seven-point Likert scale questions to measure re-patronage intentions of high fashion shoppers, requiring them to indicate their level of agreement with selected statements.

Suitable scale items will be identified from the Marketing Scales Handbook to measure customer value, satisfaction and re-patronage.

8.5 Data analysis procedure

During the qualitative research-phase, taxonomy and content analysis methods of analysis will be used. This is the most widely used formalised procedure to create meaningful findings from focus group discussions. Content analysis is the systematic procedure of taking individual responses and grouping them into larger themes or patterns (Shiu *et al.*, 2009:190).

During the quantitative research phase data will be edited and coded. The data will then be entered into SPSS (Statistical Package for Social Sciences), after which it will be sent to the Statistical Consultation Service of the University of Johannesburg (Statkon). Statkon will clean the data by conducting consistency checks and treatment of missing responses. Consistency checks will identify data with extreme values. Data will be checked for accuracy, completeness and validity before analysis (Malhotra, 2007:436). The data analysis strategy will briefly involve the following components:

- **Distribution of results**

Analysing the distribution of the results is very useful in determining whether the results for each of the scale items show a normal distribution. This distribution is a mathematical and theoretical distribution that describes the expected distribution of sample means and many other chance occurrences (Zikmund & Babin, 2010:333). The kurtosis and skewness of the results for each item will be analysed. Kurtosis is a measure of the “peakedness” or the “flatness” of a distribution. A kurtosis value near zero (0) indicates a shape close to normal. Skewness measures to what extent a distribution of values deviates from symmetry around the mean. A value of zero (0) represents an evenly balanced distribution (George & Mallery, 2010:98). Together, the normal distribution of the results for an item and the relative large sample size ($n = 900$) allow for the use of parametric tests to test hypotheses formulated for the study. Parametric tests furthermore assume that the variables of interest are measured on at least an interval scale, and the tests provide inferences for making statements about the means of the population (Malhotra, 2007:479).

- **Reliability and validity**

This study will be using multi-item scales and therefore it is necessary to evaluate the accuracy and applicability of the scales. This involves assessing the reliability and validity of the scales (Malhotra, 2007:283). Reliability is an indicator of a measure’s internal consistency. A measure is reliable when different attempts at measuring something produce consistent results (Zikmund & Babin, 2010:248). Validity is the accuracy of a measure, or the extent to which a score truthfully represents a concept (Zikmund & Babin, 2010:250).

- **Descriptives**

Through the course of this study a number of single variables will be identified. The study will determine links between these single variables, and cross-tabulations will be used

because it is a statistical technique that is useful when a researcher endeavours to study relationships between variables. Cross-tabulation simultaneously describes two or more variables, identifying the number of respondents who have responded to two or more variables in a questionnaire (Shiu *et al.*, 2009:512). Descriptive statistics such as the mean value as a measure of central tendency and dispersion will be investigated by calculating standard deviation, range and variance. Dispersion is used to identify how respondents' responses vary from each other (Malhotra, 2007:458).

- **Exploratory factor analyses**

There are a number of dimensions of customer value in high fashion retailing identified in the literature review. Exploratory factor analysis will be used to determine all the interdependent relationships between these dimensions. All the statements included in the particular section of the questionnaire (section B) will be included in the analysis to uncover the underlying dimensions. Factor analysis is mainly used to reduce and summarise data to a more manageable number (Malhotra, 2007:609). The researcher will make use of exploratory factor analysis to identify relationships among the sets of interrelated variables in order to represent them in terms of a few underlying factors.

- **Inferentials**

Statistical tests will be utilised to determine whether associations and correlations between variables and significant differences between groups of respondents are due to chance, random error, or if a difference has a statistical significance. Statistical testing will include Chi-square, R-test and t-test (Shiu *et al.*, 2009:540). The statistical significance and strength of association of cross-tabulated variables will be measured by phi correlation coefficient, the contingency coefficient, Cramer's V and the lambda coefficient (Pallant, 2007:217). Pearson correlation coefficient will be used to measure the degree of the linear associations between two variables (Shiu *et al.*, 2009:554). Paired sample t-tests will be conducted to determine whether there are significant differences between the high fashion retailers of the target population in terms of the overall mean scores calculated for each measurement set (Pallant, 2007:236).

- **Structural equation modelling (SEM)**

Structural equation modelling will be used for testing and estimating causal relations using a combination of statistical data and qualitative causal assumptions. SEM is a statistical

technique that describes relationships between variables. This technique also offers an effective way to deal with multicollinearity, and will also take into account the unreliability of consumer response data (Pallant, 2007:103).

SEM is valuable in inferential data analysis and hypothesis testing where the pattern of inter-relationships among constructs is specified with knowledge of the actual population. It has the flexibility to model relationships among multiple predictor and criterion variables, and statistically tests theoretical assumptions against empirical data through factor analysis (Shiu *et al.*, 2009:651; Pallant, 2007:103). SEM will assist the researcher to measure several variables and their interrelationships simultaneously, as well as the multiple dependent relationships between variables. In evaluating goodness-of-fit, the Chi-square is the most used method, and p-values will indicate whether the model is significantly different from the null model (Pallant, 2007:212). Structural equation modelling will be used as basis to develop the multidimensional value model for the study.

9. CONTRIBUTION OF THE STUDY

From a preliminary literature review, no studies on customer value in apparel, and specifically high fashion retailing, could be identified. High fashion retailers have received no attention in research literature, and general clothing retailers are only investigated as part of general conceptual works. This research makes a theoretical contribution to the area of customer value, since it will provide a deeper understanding as to what constitutes customer value specifically to high fashion retailers. The study also makes a practical contribution to the area of customer value in that by recognising and understanding all possible dimensions of customer value, high fashion retailers should develop more specific positioning strategies and more sophisticated segmentation approaches. A challenge for marketers is to increase the breadth of dimensions of customer value (Heinonen, 2004:213). If a high fashion retailer could ensure that all the dimensions of customer value were included in the shopping experience, the opportunity arises to build loyalty and improve the value of their brand (Reichheld *et al.*, 2000:136). Furthermore, according to Sweeney and Soutar (2001:217), a thorough understanding of the dimensions of

customer value could influence retail strategies in such a way that high fashion retailers could enhance their store merchandising authenticity.

The main contribution of this study is that it will provide an integrative and multidimensional view on customer value and the dimensions of customer value specifically for the high fashion retail industry which has to date been lacking. High fashion retailers could use the multidimensional approach as a guideline of what could constitute dimensions of customer value to their customers.

The research can serve as a framework for existing high fashion retailers on how to deliver customer value in a competitive and profitable manner. The framework can also be investigated in further research to expand the dimensions of customer value to retailers other than high fashion retailers as well as other industries.

10. OUTLINE OF PROPOSED RESEARCH REPORT

The proposed research report will be divided into eight chapters. Chapter One will commence with a description of the concepts on which the study is based, the background to the study, as well as the problem statement. This will be followed by the objectives of the study, the research methodology and the limitations of the study.

Chapter Two will examine the fashion retail industry. An overview will be given of the retail and fashion industry both locally and internationally, with specific reference to high fashion retailing.

Chapter Three will explore the concept of customer value. A theoretical background will be given of the concept of customer value. Different definitions and perspectives of customer value will be given, and finally the concept of customer value specifically in high fashion will be discussed.

Chapter Four will focus on the different models of customer value. These models include value components models, benefit/cost ratio models and means-ends models.

Chapter Five will present an overview of all the different dimensions of customer value as identified from the definitions, models and frameworks of value. These customer value dimensions include value benefits, value costs, emotional value, pre-purchase sacrifice, conditional value and shopping experience, to mention a few.

Chapter Six will provide a theoretical background to the research methodology followed in study. It will discuss in detail the different phases of the research methodology that will be followed in this study.

The results of the study will be discussed in Chapter Seven. The main findings will be stated and summarised. The research objectives of the study will be evaluated against literature review and the main findings of the study as discussed in the chapter.

In the final chapter of the report, Chapter Eight, a summary of the study will be provided with an emphasis on the discussion of the proposed multidimensional value model. The conclusions of the study will be drawn, implications will be discussed, and recommendations will be made.

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