

## **Effect of Functional and Psychological Attributes of Retail Store on Retail Equity: The Mediating Role of Customer Involvement and Commitment with the Retail Store**

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In today's globalized market place, growing customer dedication arises as the utmost significant challenge faced by marketers. The retail industry, more than any other, distinguishes how business links have become more challenging in the new age. Asian markets including Pakistan are providing prospects for retailers to penetrate into the market along with the competitive environment, where customers need variety in retail layouts. This study examined the effect of functional and psychological retail store attributes on retail equity while considering the mediating role of customer involvement and customer commitment. A non-experimental quantitative design of research was used and primary data was gathered through a structured self-administered questionnaire from customers of specialty retail stores. Structural equation modeling was used to analyze the data. The findings indicate that functional and psychological attributes of retail store have a significant positive impact on retail equity. Furthermore all the mediation results are significant except mediation of customer involvement with the retail store.

**Keywords:** functional and psychological retail store attributes, customer involvement with store, customer commitment with Store, retail equity.

Marketing focuses on creating, improving and maintaining permanent associations between consumer and supplier as a source of shared benefits for both parties (American Marketing Association, 2004). The marketing literature has acknowledged the significance of developing and sustaining continuous relations with consumers of service sector (Thaura, Gwinner & Gremler, 2002).

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Contribution of Authors:

1. The principle author of the article as the article is extracted from her PhD thesis
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However, the bond between businesses and their consumers has become more complex over the previous few years, as new technologies and changing mind-sets continue to redefine the customer understandings. The retail industry, more than any other, recognizes how these variations have made business bonds more challenging in the new age. The retail industry is a sector of economy that includes individuals and industry busy in selling of finished merchandise to consumers. For more than half a decade, buyer liking has been fundamental to the retail organization. Academic scholars as well as practitioners equally have discussed that the growth of retailing can be accomplished through the attraction and retention of the customers (Rust & Zahoric, 1993).

Retailers need knowledge not merely of consumer liking with the goods they offer, but also other aspects of purchasing and interacting with the store itself, as do all service marketers. In the present situation of increased competition due to quick market access of innovative store conceptions and layouts (Chan & Pollard, 2003; Backstrom, 2011), the managerial challenge of rising store devotion also results in research challenge.

Many researchers have identified fine colour combination, organized goods demonstration, nice visual appeal, consumer-oriented credit policy, quality of merchandise, and gentle approach of the sales workforces, diversity in a store, suitable locality, and attractive rates as some of the pleasing features to fascinate customers (Huddleston, Ford & Mahoney, 1990; Chowdhary, 1990; Pegler, 1991). It can be seen that different retail aspects have been found in several studies that influence customer-retailer relationship.

Characteristics of retail store are likely to play a crucial indicator in a retailer-customer affiliation. Previous studies have examined different concerns of store features such as patronage/repatronage plans, purchasing manners (Carpenter & Moore, 2009), pleasure, stance toward shops (Morschett, Foscht, & Swoboda, 2005), and perceived association investments.

Martineau (1958) considered two major types of store characteristics: functional and psychological. The first type comprises locality, range of commodities and store arrangement. The second type represents the beliefs caused by the functional aspects of the store. Schouten and Alexander (1995) recommend that though buyers come across with thousands of consumption items in their lives, they make a passionate emotional connection to simply a small portion of these items.

Attachments vary in potency, and strong attachments are linked with stronger beliefs of affection and desire. Along with all these factors, commitment of customers is an important factor that can build strong relationships. Commitment is believed to be linked with stimulus and involvement, positive outcome and devotion, performance and compliance to organizational rules (Kim, Park & Glovinsky, 2018).

At present, retailers are in an atmosphere where they have challenging customers, slow-pace markets, and aggressive rivalry (Topol & Chiagouris, 2005). At a point when retailers have such a tricky situation, a superior consideration of equity of retailer brand is deliberately imperative for trade executives. Several previous studies have acknowledged that the equity of retailer might be reflected as an essential sign of retailer's performance.

### **Literature Review**

In today's globalized and competitive market environment, cultivating devoted consumers is commonly discussed to be the only utmost essential driver of firm's long-run performance that

results in better sales and consumer share, lesser expenses, and increased market share. Hence marketing researchers highlight the impact of relationship marketing as a tactically imperative tool with the help of which buyer devotion can be safeguarded and, thus results in accomplishment of higher competitiveness (Mylonakis, 2009; Sachdeva & Goel, 2015)

The existing challenging competition between various retail channels recommends that it is crucial for merchants to make their competitive advantage by providing value that consumers actually know and want. The customers' approach towards retail store depends on a number of retail store attributes both physical and psychological like parking space, crowdedness, image of the store, merchandise quality, variety, behaviour of retailer or employees, relations with sales staff, and waiting time (Madariaga & Valor, 2007).

Retail store characteristics are evaluative criteria that refer to sales workforce, customer services, the graphical appearance of a store, price/return procedures, easy access to a store, product assortment and brands carried, existence of innovative fashions, and value of merchandise, etc. (Mohd-Ramly & Omar, 2017 ). Retail store traits are discussed as a way the consumer recognizes of what a store actually means and makes a picture. Consumers make such judgment not simply by its functional capabilities, but also by the psychological characteristics of a store (Martineau,1958).

The "functional aspects" indicates to different store basics such as goods assortment, price series, credit procedures, store arrangement, and other virtues that can be impartially contrasted with those of the rivalry firms (Bearden,1977) .

The components of retailing are merchandise value, product choice or variety, and styles and type in products (Hanson, 1980). Merchandise value, offered as level of buyers' satisfaction with the products choice presented by a departmental store is also an essential part of one's purchase practice (Sachdeva & Goel, 2015., McDaniel & Burnett, 1990). Sirohi, McLaughlin and Wittink (1998) defined merchandise quality as a customer's common quality opinion of a retailer's merchandise and assortment in brands/categories. High quality Merchandise at store makes buyers feel energized, delighted, joyful, and devoted to the store. Store employee service includes those services delivered to customers by store administrators, sales clerks, assistants and other retail staff.

Researchers have discussed that a retail environment and retail facilities may affect consumers' interpretations about goods, quality of service, and store appearance (Baker et al., 1994). The quality of the retail facility refers to consumers' view of the physical aspects of retail store. Another factor affecting brand associations about the retailer brand image is merchandise variety. Merchandise variety refers to the breadth (cross-category) and depth (within category) of numerous brands presented by a retailer (Juhl et al., 2006).

A good store shopping experience created favorable (good) merchandise price perceptions and eventually superior store value perceptions. Merchandise price shows that what is given up in process of trade for merchandise (Kaura, Durga & Sharma, 2015). The psychological attributes represents the beliefs created by the functional aspects of the retail store (Peterson & Kerin, 1983).

Store image has been defined, as a set of thoughts based upon assessment of those store traits considered important by consumers (Lombart & Louis, 2012).A retail store has personality,

whose measurement is possible (Martineau,1958). Afterwards numerous experiential studies had confirmed this fact (Zentes et al., 2008).

Along with other attributes of store, researchers have found that ethics have a role in the quality of a business relationship (Lindblom, Kajalo & Mitronen, 2015). Only a few of the researchers have accomplished in integrating the majority of these traits into a measurement tools. Furthermore, the focus in current research has been on the more functional aspects of destination image. The only psychological characteristic considered by the majority of researchers is workforce "friendliness"(Zeithaml, Bitner & Gremler, 2006).

Customers are more probable to build and retain strong emotional connection to businesses, belongings, and merchandise and individuals that support them express themselves and sustain a optimistic self-image (Ahuvia, 2005).

Along with all these factors, commitment of customers is an important factor that can build strong relationships. Commitment is recognized as an important component for effective long-term relations (Gundlach, Achrol & Mentzer, 1995).

Brand equity has been observed by Keller (1993) from the customer's view. He defined it as "the differential outcome of brand information on consumer reaction to the marketing of the brand" (p.18). Aaker (1991) opposed that brand equity consists of four components: brand loyalty, awareness, associations, and perceived quality.

Brand awareness signifies the brand existence in the mind of customers. From the customer's view, the potential to recognize and remember the name of the brand is considered critical component of creating strong brand equity. Reynolds and Beatty (2000) ; Aaker (1991, 1996) hypothesized perception of quality as an insubstantial inclusive emotion regarding a specific brand, generally built on some essential extents, like the products' character associated to a brand including reliability and performance. Brand associations create informational nodes in the mind of customers which leads to customer emotional attachment with the brand (Keller, 2003).

Once observed as a distinctive element of brand equity, brand loyalty has been repositioned as a prospective consequence of brand equity. Those consumers have tendency to develop brand loyalty, which have association to the brand, and identify that it gives a greater quality, (Pappu et al., 2005).

In the light of above literature, it becomes obvious that although several scholars have explored the effect of different factors on the customers' association with their retailers (Palmatier et al., 2006; Sirdeshmukh et al., 2002), still there is little work which investigates the impact of different functional and psychological attributes of retail store on the retail equity while taking into account the mediating role of buyer involvement and commitment with retail store. Based on the above literature, the key objective of present study is to study the impact of both functional and psychological attributes of retail store on retail equity by considering the mediating part of customer involvement and commitment with retail store.

**Research Objectives**

The key rationale of this study is first to provide retailers with beneficial insights on how different retail store attributes develop and maintain connections with the satisfied customers. Secondly, to identify the mediating role of customer involvement and commitment with the retail store. Thus, the specific research objectives of the present study are:

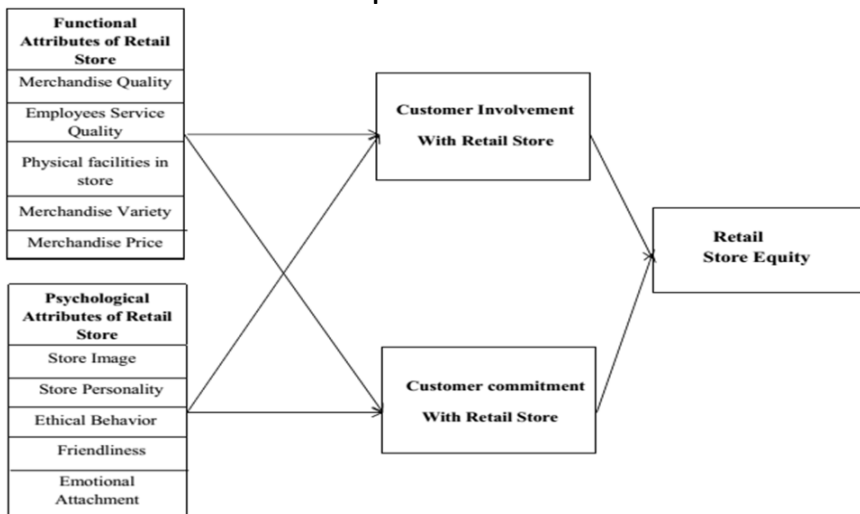
1. To investigate the impact of functional and psychological attributes of retail store on customer involvement and commitment with the retail store.
2. To investigate the mediating effect of customer involvement on the relationship of functional and psychological attributes of retail store and retail store equity.
3. To investigate the mediating effect of customer commitment on the relationship of functional and psychological attributes of retail store and retail store equity.

**Conceptual Framework and Hypotheses**

This section is devoted to the proposition of a conceptual framework based on the relationship between functional and psychological retail store attributes, and retail equity by considering the mediating role of customer involvement and commitment with retail store.

Empirically testable hypotheses are proposed based upon emphasized features of functional and psychological retail store attributes, customer involvement and customer commitment with the retail store and retail equity.

**Conceptual Framework**



**Hypotheses**

Most significantly, the buyers may continue with a specific service supplier not for superiority of performance, but for reason of the loyalty he or she has developed to the service supplier and its personnel, that can be characterized by different components. Zeithaml et al., (2006) assume that the extent of liking customers develop in relation to both retail store tangible and intangible attributes and with employees have a positive impact on consumers’ involvement and commitment to the businesses. Hence, the following hypotheses are proposed:

H1(a): *Functional attributes of retail store has significant effect on customer involvement with the retail store*

H1 (b): *Functional attributes of retail store has significant effect on customer commitment with the retail store*

Along with other attributes of store, researchers have found that psychological attribute have a role in the building business relationship with customers (Lindblom, Kajalo & Mitronen, 2015). A positive perception of the customers about the psychological attributes of retail store strengthens the customer commitment with the retail store (Mohd-Ramly & Omar, 2017). Hence, we propose the following hypotheses:

H2 (a) : ): *Psychological attributes of retail store has significant effect on customer involvement with the retail store*

H2 (b) : ): *Psychological attributes of retail store has significant effect on customer commitment with the retail store*

Customers having a strong relationship with the retailer would move to the involvement and commitment stage quickly and easily, and maintain a stable relationship with the store for a long time (Folkman & Kennedy, 2002). Sheth and Parvatiyar (1992) suggest that different physical attributes of retail store can strengthen the consumer-retailer relationship which could further have a stronger effect on the customer likability and store loyalty. Thus, the following hypotheses are formed:

H3 (a): *Customer involvement significantly mediates the relationship between functional attributes of retail store and retail store equity*

H3 (b): *Customer commitment significantly mediates the relationship between functional attributes of retail store and retail store equity*

Consumers are more probable to build and sustain emotional connection to institutes, belongings, and products, and individuals that assist them express themselves and maintain an optimistic self. Commitment is the superior state of the buyer-seller relationship. It refers to a hidden or obvious pledge of interactive connection between the partners. Relationship commitment has been observed as an acute element of inter organizational relationships (Kim, Park & Glovinsky, 2018) and considered crucial for long-term relationships. Thus, the following hypotheses are formulated:

H4 (a): *Customer involvement significantly mediates the relationship between psychological attributes of retail store and retail store equity*

H4 (b): *Customer commitment significantly mediates the relationship between psychological attributes of retail store and retail store equity*

## **Method**

### **Research Design**

This section involves the type of investigation, answering questions regarding the study purpose, unit of analysis to be examined, the sampling design, time sphere and method of data collection (Sekaran, 2006). As the study aim was to test hypotheses using statistical tools, positivism approach was used in the research. Positivist researchers use quantitative data and frequently exercise experiments and assessments (Neuman, 2003).

### **Target Population**

The population for this research consisted of retail stores in Pakistan. Unit of analysis consisted of customers who had past experience with retail-stores and the retailers.

### **Sampling Technique**

Retail stores were selected by using Multistage Area Sampling technique. In this study, 5 specialty retail stores were selected and data from 30 branches of these stores was gathered. The sampling frame covered specialty retail stores operating in Pakistan. The number of respondents for the study totaled (n=) 150 customers (must have purchased before from the store). The selection of this sample was supported with the help of previous literature (Kim, Knight & Pelton, 2009; Shim & Kotsiopoulos, 1993).

### **Data Collection Instrument**

A survey questionnaire was used as a data collection instrument. The questionnaire consisted of three sections (see Annexure). The first section of questionnaire was about the functional and psychological retail store attributes, the second part was about the customer involvement and customer commitment with retail store. The third section had questions regarding retail equity.

### **Measurement Scales**

Scales used in this study were adopted from the others researches after reviewing intense literature. Reliability was checked through reliability analysis whereas validity was checked through Confirmatory Factor Analysis.

### **Independent Variables**

#### **5.5.1. Functional and Psychological Attributes**

A total of 30 items having different components of both functional and psychological attributes of retail store were measured with the help of five points Likert scale, adopted from the studies of Lindblom, Kajalo and Mitronen (2015) Mohd-Ramly and Omar (2017).

#### **5.5.2. Mediating Variables**

##### **5.5.2.1. Customer involvement and customer commitment with retail store**

Several questions were asked to measure the customer involvement with store and customer commitment with store with the help of five points Likert scale, adopted from the studies of Vlachos, Pramatar, Theotokis and Vrechopoulos (2008) Meyer and Allen (1991).

#### **5.5.3. Dependent variable**

##### **5.5.3.1. Retail Equity**

The dependent variable was retail equity. Four components having association with retailer, awareness, perceived quality, loyalty were adopted from the work of Das, Datta and Guin (2012) for measuring the dependent variable on 5 points likert scale.

### **5.6. Data Analysis Technique**

Structural equation modelling using AMOS version 18 was used for data analysis.

## **Results**

### **Measurement model**

Confirmatory Facto Analysis was used to assess whether loaded factor are feasible for the proposed model. Therefore, only certain factors were proposed that were fit to the specified model. The proposed sets of 31 items showed the satisfactory values and were well above the recommended threshold values. Values for Average Variance Extracted (AVE), Cronbach's alphas and construct reliabilities are beyond the suggested threshold values (Hair et al., 2006). AVE greater than 0.5 for

each construct confirmed their convergent validities. The measures for all pairs were acceptable, giving support for discriminant validity (see Tables 1 and 2). The CFA results demonstrate that the model fits the data rationally:  $\chi^2 = 1.73$ ;  $p < .05$  GFI = .920, NFI = .986, IFI = 0.97, TLI = 0.931, CFI = .991, and RMSEA = .035.

**Table 1**  
*Confirmatory factor analysis*

Factors/items	Std-factor loading	Construct reliability
<b>Functional Attributes of Retail Store</b>		0.74
This store has excellent products.	0.873	
This store offers merchandise/goods of very high quality	0.937	
The quality of merchandise/goods at this store is higher than similar merchandise/goods at other stores	0.886	
This store keeps merchandise/goods well for long period.	0.826	
The merchandise/goods I buy from this store are of consistent quality.	0.586	
I always receive quick service from the employees of this store.	0.693	
The employees of this Store are polite.	0.858	
The employees' answer to my queries.	0.739	
parking facilities at Store	0.615	
Shopping bags, catalogues of this store are attractive.	0.823	
This Store has clean, attractive, and convenient public areas (washrooms, try rooms).	0.668	
Assortment and arrangement of inventories in store	0.790	
Everything I need is available at this store.	0.608	
Store carries many national and international	0.861	
The prices at this store are fair.	0.627	
I obtain my money at this Store.	0.949	
I can buy products for less price at this store.	0.805	
<b>Psychological Attributes Of Retail Store</b>		0.85
This Store gives equal treatment to all the Customers	0.995	
The employees at this store also help those who are less likely to buy	0.934	
The employees at this Store do not force a customer to buy.	0.808	
This Store do not offer a expensive product When a less expensive is best for customer	0.916	
This Store do not makes excuses when product is not ready	0.770	
This store gives information of an upcoming sale to the customers	0.839	
Individualized customer attention	0.920	
Understand each customer needs	0.881	
Care about customers	0.795	
Respect the customer's interest	0.692	
This stores have good reputation in the market	0.830	



<b>Customer Involvement with store</b>		0.86
My Shopping at this store reflects my personality.	0.931	
My Shopping at this store improves my image in the society.	0.911	
My Shopping at this store is not boring at all.	0.959	
I really enjoy shopping at this store.	0.861	
<b>Customer commitment With the store</b>		0.72
Personal meaning of that store.	0.729	
Identification with the store.	0.914	
I feel "emotionally attached" to this store.	0.711	
Store Switching option	0.962	
Costly for me to switch to other store	0.955	
I feel that I have too few options to consider leaving this store.	0.928	
<b>Retail Equity</b>		0.80
I am aware of this store.	0.995	
I can this store among other competing stores.	0.947	
When I think of my favourite brand, I consider this store.	0.875	
I can differentiate this store from its other competitors	0.913	
Some characteristics of this store come to my mind quickly.	0.926	
This stores offer products of very good quality.	0.853	
This stores offer products of consistent quality.	0.916	
This stores offer very reliable products.	0.884	
This stores offer products with excellent features.	0.739	
This store is different than all other competitors.	0.774	
This store offers more advantages compared to its competitors.	0.851	
Thinking about this store makes me happy.	0.916	
Just looking at this store inspires me.	0.942	
I admire this store.	0.928	
I have a strong affection for this store.	0.872	
I am Passionate about this store.	0.886	
No other store could make me as happy as this store does.	0.716	
I would recommend this store to others.	0.782	
I consider myself loyal to this store.	0.851	
I will not buy products from other store, if I can buy the same item at this	0.749	
This store would be my first choice.	0.837	
I would be willing to pay a high price for this store.	0.910	
I am willing to buy merchandise/goods from this store.	0.706	

**Table 2**  
*Discriminant and convergent validity*

Scale Items	1	2	3	4	5
Functional Attributes of Retail Store	<b>.827</b>				
Psychological Attributes of Retail Store	.054	<b>.773</b>			
Customer involvement with retail store	-.102	-.023	<b>.688</b>		
Customer commitment with retail store	-.018	-.138	.042	<b>.737</b>	
Retail Equity	-.091	-.113	-.027	-.050	<b>.726</b>

The numbers in diagonal are AVE by each construct. The numbers above the diagonal are the squared correlation coefficients between the constructs

### Analysis of Research Model

The main objective is to compare the proposed measurement model in relation with the real model by means of values of fit indices. To judge the fitness of model, different index with the specific range are suggested. The indexes used for the model fit included the ratio of the Chi-Square statistic to the degrees of freedom, the Root Mean Square Error of Approximation (RMSEA), the Non-Normed Fit Index (NNFI), Normed Fit Index (NFI), Goodness-of-Fit Index (GFI), Incremental Fit Index (IFI), Adjusted Goodness-of-Fit Index (AGFI), Tucker Lewis index (TLI) and the Comparative Fit Index (CFI). The acceptable metrics for the model fit indices are presented in Table 3.

**Table 3**

#### *Global Fit Indices Criteria*

Global Model Fit Index	Acceptable Cut-Off Criteria
Chi-square to degrees of freedom	Less than 3.0
RMSEA	Less than 0.08
CFI	Greater than 0.90
SRMR	Equal to or below 0.10
NFI	Greater than 0.9
GFI	Greater than 0.9
IFI	Greater than 0.9
TLI	Greater than 0.9

### Structural Equation Modelling (SEM)

SEM technique was used and further a maximum likelihood estimation procedure was considered in AMOS. SEM is used when a variable is treated in both dependent and independent way.

### Model Specification

The first step in structural equation model is to specify a model of the relations among the variables (Hoyle, 1995). The models were identified from the presumed research model in this study.

### Final Model

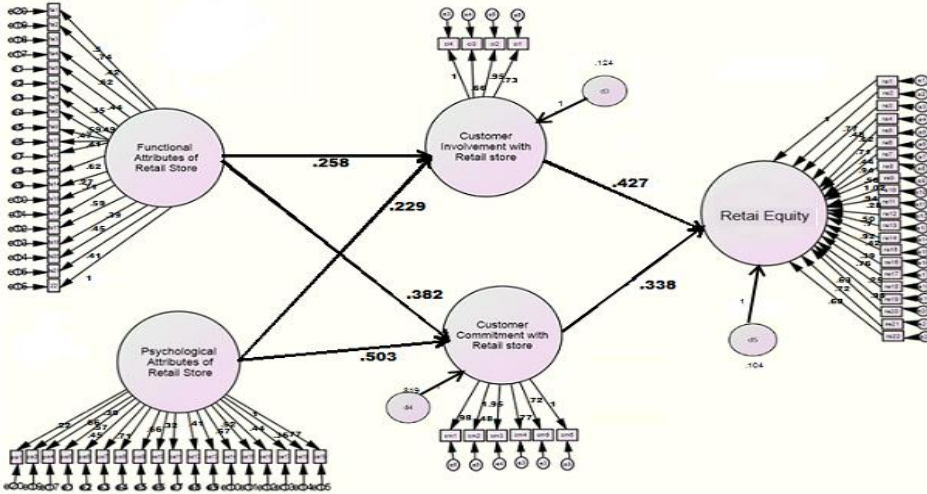
To measure model fit, the values of chi square degree of freedom ( $\chi^2$ ), Goodness of fit index (GFI), Normed fit index (NFI), comparative fit index (CFI), and root mean square error of approximation (RMSEA) were compared with the benchmark. The standard values were considered as an indicator of a good model fit to the data (Bentler & Bonnet, 1980). Results of fit indices of proposed model are given in Table 4

**Table 4**

#### *Results of Fit Indices of Model of*

Fit Indices	Measurement Model	Desirable Range
$\chi^2$ (df)	1.15	> 3.0
NFI	0.947	<0.9
IFI	0.961	<0.9
TLI	0.977	<0.9
CFI	0.939	<0.9
RMSEA	0.028	>0.08
GFI	0.984	<0.9

Table 4 included ( $\chi^2= 1.15$ ;  $p < .05$ ) GFI of .984, NFI of .947, IFI of 0.91, TLI of 0.977, CFI of .939, and RMSEA of .028. Overall fit indices showed a good model fit. The proposed structural model was analyzed using SEM (AMOS 17.0). The results confirmed the model fit to be adequate and path diagram is presented



**Table 5**  
*Path analysis*

Relationship path	Hypothesis	Direction of relationship	Direct effect B	Direct effect Sig	Mediation effect $\beta$	Mediation effect P-Value
Functional Attributes of Retail Store ---→ Customer involvement with retail store	H1a: (accepted)	Positive	.258	.001		
Functional Attributes of Retail Store ---→ Customer commitment with retail store	H1b: (accepted)	Positive	.382	.000		
Psychological Attributes of Retail Store ----→ Customer involvement with retail store	H2a: (not accepted)	Positive	.229	.085		
Psychological Attributes of Retail Store ----→ Customer commitment with retail store	H2b: (accepted)	Positive	.503	.000		
Functional Attributes of Retail Store ----→ Customer involvement with retail store---→ Retail Equity	H3a: (accepted)	Positive			.293	
Functional Attributes of Retail Store ----→ Customer commitment with retail store	H3b: (accepted)	Positive			.158	

---→ Retail Equity

Psychological Attributes of Retail Store ----→ Customer involvement with retail store----→ Retail Equity	H4a: (accepted)	Positive	.134
Psychological Attributes of Retail Store ----→ Customer commitment with retail store ---→ Retail Equity	H4b: (accepted)	Positive	.180

The results in the Table 5 show that functional attributes of retail store has significant positive effect on the customer involvement with retail store ( $\beta = -.258$ ,  $p = 0.001$ ) and hence hypothesis H1(a) (functional attributes of retail store has significant effect on customer involvement with the retail store) is accepted. Results show significant effect of functional attributes of retail store on customer commitment with retail store ( $\beta = -.382$ ,  $p = .000$ ). So based on the results, H1(b) (functional attributes of retail store has significant effect on customer commitment with the retail store) is accepted.

The results in the table show that psychological attributes of retail store has significant positive effect on the customer involvement with retail store ( $\beta = .229$ ,  $p = 0.085$ ) and hence hypothesis H2 (a) (psychological attributes of retail store has significant effect on customer involvement with the retail store) is rejected. Results also identified significant effect of psychological attributes of retail store on customer commitment with retail store ( $\beta = .503$ ,  $p = .000$ ). Therefore based on the results, H2b (psychological attributes of retail store has significant effect on customer commitment with the retail store) is accepted.

Results also highlight that customer involvement with retail store significantly mediates the relationship between functional attributes of retail store and retail equity ( $\beta = .293$ ,  $p = 0.00$ ). Hence our hypothesis H3 (a) (customer involvement significantly mediate the relationship between functional attributes of retail store and retail store equity) is accepted.

Furthermore the results identified that customer commitment with retail store significantly mediates the relationship between functional attributes of retail store and retail equity ( $\beta = .158$ ,  $p = 0.00$ ). Thus our hypothesis H3 (b) (customer commitment significantly mediate the relationship between functional attributes of retail store and retail store equity) is accepted.

Results show that customer involvement with retail store significantly mediates the relationship between psychological attributes of retail store and retail equity ( $\beta = .134$ ,  $p = 0.00$ ). Thus our hypothesis H4 (a) (customer involvement significantly mediate the relationship between psychological attributes of retail store and retail store equity) is accepted.

Results in table show that customer commitment with retail store significantly mediates the relationship between psychological attributes of retail store and retail equity ( $\beta = .180$ ,  $p = 0.00$ ). Therefore our hypothesis H4 (b) (customer commitment significantly mediate the relationship between psychological attributes of retail store and retail store equity) is accepted.

### Conclusion

In this competitive business environment, Pakistani specialty retail stores are not only making efforts to provide consistently better services and products but also making strategies to retain their customers for long term profitable relationship (En-Chi & Ya-Fen, 2013). As the literature reveals, research on the different perspectives of retailer-customer relationship has been conducted but still there was a gap in the existing literature and the work on customers- retailer relationship and retail equity is still in its infancy. Therefore, the present study attempted to fill this significant gap. This was done by formulating, investigative and establishing research model linking the relationship among psychological and functional attributes of retail store and retail equity thus considering the mediating role of customer involvement and customer commitment with the retail store. The results of this study show that retailers of specialty goods and services are continuously focusing on both psychological as well as functional attributes of retail store for maintaining long term relationships with their customers. The results also revealed that both the customer involvement and customer commitment has strong mediating role in establishing link between the functional and psychological characteristics and retail equity. These results further supports the works of Kimle and Damhorst (1997) and Garbarino and Johnson (1999).

It is also clear from the results that in Pakistani retail sector, involvement of the customers with the retail stores, their commitment with the store provides basis for making relationship with the customers and retailers. Finally, this relationship could enhance the retail equity.

### Implications of the Study

Besides extending the current research on retailing, the study attempted to contribute to the literature on retailing. The use of structural equation modelling provides an excellent way to analyze the model simultaneously. The results of the study hold importance for retailers and practitioners in some aspects. The findings provide incentives to the retailers to recognize and focus their efforts on some important psychological and functional retail store attributes that could provide base for establishing relationship between customer and retailers thus enhanced retail equity. Building retail equity is a crucial strategic concern for business organizations. Finally, this study demonstrates that the customer involvement and loyalty plays an imperative role in building retail equity. The retailers can also make use of these findings to make strategies.

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Received: Aug 26, 2019

Revisions Received: Feb 12, 2020