The Potential of Packaging to Enhance Consumers' Perception of the Service Offering and to Boost Brand Equity of Apparel Retail Stores

Cornelia Pieterse
University of Pretoria
Department of Consumer Science
South Africa

Alet C Erasmus
University of Pretoria
Department of Consumer Science
South Africa

Abstract

This study investigates the role of packaging in an apparel retail context in terms of consumers' evaluation of the service as well as the potential of packaging to enhance brand equity. The experimental design involved young females who performed a specific purchase task in two different retailers that offer the same product brands in a major shopping center where after they completed particular parts of a questionnaire that contained slightly amended versions of established service quality and brand equity scales. Sales personnel were informed about the study but were unaware of the dates and time of arrival of participants. Findings of this study confirmed the contribution of packaging as a notable element of a retailer's marketing mix and a subsequent need to redefine the concept to accommodate much needed changes to elements of the marketing in a cut throat retailing environment. Findings indicate that there is much room for improvement of packaging in clothing retail outlets and that the influence of packaging on customers' service quality perceptions as well as their perception of brand equity cannot be ignored.

Keywords: Packaging; Marketing mix; Service quality; Brand equity; Apparel retail.

Introduction and Research Aims

Superior service and exceptional value has become non-negotiable to attract and retain customers in the hotly competitive environment that clothing retailers nowadays operate in (Price Waterhouse Cooper, 2012; Radder, 2000). Marketing managers are therefore constantly trying to augment their service offering through manipulation of the elements of their marketing mix. Brand managers, on the other hand, have to boost their brand equity to increase the perceived value of their products through favorable association with brand names, logos and related visual elements that could distinguish their products from those of competitors (Chu and Keh, 2006; Van Rekom *et al*., 2006). Consumers' trust in brands and a perception of brand dominance as well as social admiration are key to brands' success (Lovelock and Gummess on, 2004; Van Rekom *et al*., 2006).

The relevance of the marketing mix in terms of retailers' success is evident from scholars' fascination with the phenomenon over time (Constantinides, 2010). With the increased popularity of e-tailing, for example, the original four P's of the marketing mix were extended to include additional elements to suitably address the context, namely site, personalization, security, privacy, community, and customer support even though some of the concepts overlap in terms of their functionality (Kalyanam and Mclntyre, 2002).Similarly, the service related marketing mix comprising seven elements, namely *product, promotion, price, place, processes, personnel* and *physical evidence* was designed for service related contexts such as clothing retail (Bitner, 1990; Yoo, et al., 2000; Lamb *et al*., 2004, p. 13). Within this particular conceptualization of the marketing mix, packaging is defined as an integral part of a consumer's *product* decision (Ampuero and Vila, 2006; Bearden *et al*., 2007, p. 198; Rundh, 2005),which is key in terms of consumers' pre-purchase evaluation and choice of certain product categories such as foods and fast moving consumer goods (FMCG) including groceries.

In clothing retail however, packaging is only introduced as part of the shopping experience after closure of a transaction and therefore it is not part of the initial product evaluation process. Scholars however concur that products' secondary packaging nevertheless presents an important opportunity for manufacturers and retailers to communicate with consumers -even when introduced at the 'point of sale' (Rettie and Brewer, 2000; Silayoi and Speece, 2007;Simms and Trott, 2010).

For clothing retailers, the packaging extends beyond mere functionality when it is optimized as a branding tool and a marketing vehicle, for example to serve as "walking billboards" that could ensure social visibility and even influence cognitive dissonance and eventual satisfaction with a purchase (Prendergast *et al*., 2001; Sirgy, 1982; Simms and Trott, 2010). Not surprising therefore, scholars have begun to argue in favor of packaging as a separate entity of the marketing mix (Lamb *et al*., 2010, p.260). Packaging is also acknowledged for its contribution towards the theoretical construction of brand symbolism (Underwood, 2003) and is a key brand element due to its tangibility and physical benefits (Grewal and Levy, 2012, p. 318) such as conveying information such as the brand name of a product or the retailer, logos, slogans, brand personality and graphic symbols (Underwood et al., 2001; Schiffman and Kanuk, 2010, p. 187).

This research questions the existing definition of the service related marketing mix and aims to provide empirical evidence of consumers' perception of the packaging that is provided by apparel retailers, specifically consumers' perception of the contribution of packaging towards the service excellence of the retailers as well as brand equity. It was argued that findings could provide invaluable direction in terms of a possible refinement and even a redefinition of retailers' marketing mix that epitomize the blueprint of their efforts to outperform competitors and to satisfy consumers' needs.

Theoretical Background

Clothing retailers' distribution strategies

A clothing brand manager's distribution strategy determines the outlets through which their products are retailed for example, specialty stores that target a very specific, smaller market segment and which offer a narrow merchandise selection versus department stores that offer many product categories in separate departments (Diamond, 2006, p. 5; Frings, 2005, p. 284). Specialty stores are generally more exclusive, spacious and therefore more comfortable to browse in and mostly, the service is also more personal (Diamond, 2006, p. 6). Department stores, on the other hand, may be very convenient for those who are familiar with the store although the contrary is true when one has to search for specific items (Bickle, 2009, p. 49; Diamond, 2006, p. 7; Frings, 2005, p. 286). Inevitably then, even if these retailers sell the same brands, the marketing decisions for the different distribution channels would differ, which would influence consumers' perception of the elements of the service offering as well as their eventual satisfaction with the entire shopping experience.

Brand equity and the marketing mix

Brand equity, i.e. the value that customers attach to a brand as a result of perceived trust, credibility, its potential to meet expectations and commendable qualities (Labreque and Milne, 2013; Lovelock and Schiffman and Kanuk, 2012, p. 236; Fayrene and Lee, 2011; Van Rekom *et al*., 2006) is crucial to boost products in a competitive market (Yoo*et al*., 2000). Brand equity may for example encourage brand preference and induce willingness to pay premium prices for products that are not necessarily distinctively different to what competitors have to offer (Lamb *et al*., 2004, p. 233; Jooste *et al*., 2008, p. 368). Brand equity is defined in terms of four asset categories namely *brand loyalty, perceived quality, brand awareness,* and *brand associations* (Krishnakumar and Kavitha,2014;Hatch and Schultz, 2008, p. 33-34; Lamb *et al.,* 2004, p. 233; Simmons *et al*., 2000) that generate value in different ways (Aaker, 1996, p. 8; DelVecchio et al., 2007). The particular value of brand equity for retailers is that positive outcomes increase exponentially in the form of investment and marketing activity (Bearden *et al*., 2007, p. 195). The elements of the marketing mix are effective signals of brand equity (Erdem and Swait, 1998) and therefore marketing managers need to take cognizance of specific elements of the marketing mix that may enhance brand equity (Yoo *et al*., 2000).

Packaging is the wrapping for a product, forms part of the *product-* and even the *processes* dimension of the renowned marketing mix (Ampuero and Vila, 2006; Bearden *et al*., 2007, p. 198; Rundh, 2005). With foods and FMCG where packaging is pivotal during consumers' pre-purchase evaluation of products that may literally be positioned alongside one another on retailers' shelves, the packaging needs to draw customers' attention and stand out from competitors' offerings (Bearden *et al*., 2007, p. 198; Lamb *et al*., 2010, p. 161; Westerman et al., 2013).

In these situations, the design of the packaging can create certain perceptions and aid to position products in consumers' minds (Eisend and Stokburger, 2013; Labreque and Milne, 2013) in terms of the image (Bearden *et al*., 2007, p. 198) and other attractive qualities for example environmental friendliness or country of origin (Prendergast and Pitt, 1996) that differentiate products and communicate information regarding brand identity and brand values that may secure a competitive advantage(Schoormans et al., 2010; Snelders and Schoormans, 2004).

In apparel retail, secondary packaging in the form of shopping bags, boxes, tissue paper or other material only become relevant after closure of a sale when the customer is introduced to the look, feel and image of the packaging, which creates the perception that the retailer cares about the customer and the product (or not) (Hekkert and Leder, 2008; Lindell and Mueller, 2011). Impressive packaging can enhance *social visibility,* convey *status* (Sirgy, 1982; Orthet.al., 2010; Schoormans et al., 2010) and even reduce post purchase cognitive dissonance (Jobber, 2010, p. 137) when a consumer needs reassurance to rationalize a purchase (Babu and Yaoyuneyong, 2010).

Considerations within a systems theoretic perspective

Within a systems theoretical perspective it is assumed that all the elements of a retailer's marketing mix are regarded as *inputs* that are transformed in the store environment through clever marketing strategies to achieve desirable *outputs* such as product- or service satisfaction (Gregoire, 2010, p. 2). This study regarded the service related elements of the marketing mix, i.e. *product, price, place, promotion, processes, personnel*, *physical evidence* plus *packaging (as* an additional element) as the inputs of the retailers' service offering. A further assumption was that all the elements of a system (marketing mix) that may be conducive to a consumer's favorable evaluation of the service offering and that may enhance brand equity, are not equally important or relevant. Also, certain elements of the service offering can compensate for shortcomings in others, for example superior packaging may negate distress caused by a higher than expected price of a product, or the negative attitude of a salesperson, etc. Theoretically, systems can be open or closed (Gregoire, 2010, p. 2). In the context of this study an open system applies because consumers' perception of the packaging and hence the service offering of one retailer for example a single brand retailer (SBR) can be influenced by their perception of the alternative packaging formats offered by competitors such as a department store (DS) that stock the same brands. The output, namely *service excellence* and/or *brand equity* is achieved through a careful manipulation of the elements of the marketing mix, provided there is an understanding of which elements of the marketing mix are crucial to secure favorable post purchase evaluations. Customers' *feedback* is valuable to improve, change or continue with specific strategies. Based on consumers' post purchase behavior, a retailer would therefore continue to provide more ostentatious, expensive packaging or switch to a cheaper format as a *control* measure. This study was particularly interested in the potential of impressive packaging to favorably enhance consumers' perception of the service offering of clothing retailers as well as brand equity, and the possibility that more sophisticated packaging may even negate negative perceptions of the service offering in particular retailers.

Therefore the study proposed that:

H1: When reflecting on the service offering of a single brand retailer (SBR) and a department store (DS) that offer the same merchandise:
H1.1 Consumers' perception of the packaging of the SBR will be more favorable.
H1.2 Consumers' perception of the overall service offering of the SBR will be more favorable.

Nowadays the *reusability or recyclability* of packaging serves as an indication of concern about the environment which may be crucial for consumers' perception of the image of a brand (Lamb *et al*., 2004, p. 241; Rokka and Uusitalo, 2008) as well as its brand equity. The study hence proposed that:
H2: More sophisticated packaging formats favorably enhance consumers' perception of brand equity.

Research Design and Methodology

The quantitative investigation followed an experimental design, aiming to explore the causal relationship between packaging and consumers' perception of the quality of the service offering of a retailer, as well as brand equity. Packaging was included as a pertinent element of the marketing mix of a retailer rather than a component of its product strategy as defined in marketing literature. The subject of investigation was a specific shoe brand that is sold at single brand retailers (SBR) as well as department stores (DS). Generally, the SBR uses sophisticated, reusable, customized packaging while a customer who exits a DS with the same pair of shoes at the same price, would have received it in an ordinary plastic bag.

Measuring instrument

A structured questionnaire was designed to capture consumers' expectations as well as their perceptions of the service offering of two different types of stores that sold the same merchandise. A 38-item scale which included 31 slightly adapted items of a scale that had formerly been used in service quality investigations in the same geographical area in different sales contexts, namely appliance sales (Gothan and Erasmus, 2008) as well as a clothing retail (Erasmus and Grabowski, 2013). The 31 items reflected on the six well-known elements of the marketing mix of a retailer. The additional items were self-formulated to reflect on packaging as an additional element of the marketing mix, including items that reflected on packaging's functional performance characteristics; aesthetic properties; and environmental friendliness. The possible influence of packaging on participants' perception of brand equity was investigated by means of the 34-item Likert-type scale (Yoo *et al.*, 2000), which had not yet been used in a South African clothing retail context. Four items relating to the fashion brand's packaging format were added to the original measuring instrument.

Sampling and data collection

The investigation was done in Gauteng, a major urban area in South Africa where major shopping malls and prominent global brands are well represented and located within close proximity. Female final year university students, between 21 and 25 years of age were recruited on campus of a major university by means of convenience- and snowball sampling, first explaining the logistics of the exercise. Students who might have been influenced by prior knowledge of marketing literature were excluded from participation, for example Consumer Science-, retail- and marketing students. Data collection was done over five months. Retailers restricted the procedure to weekdays, excluding holidays and peak periods such as during promotions. As an incentive for participation the 103 participants were randomly divided into two groups of 51 and 52 each for the purpose of the order of their store visits. They were offered refreshments when completing the questionnaires. Participants' names were separately entered into a lucky draw as they stood the chance to win their product of choice. This incentive was also meant to encourage thoughtful participation.

Experimental procedure

The experimental procedure involved two stages. Individual participants met the researcher per appointment on specific day in a designated area in a particular shopping center where they received instructions to select and purchase a pair of shoes for a very important job interview from a specific retailer, e.g. SBR. They then returned to the researcher to complete part of a questionnaire. Immediately thereafter, they received instructions to repeat the exercise at the alternative retailer (DS) and returned to complete the second part of the questionnaire. To prevent a possible order effect, participants with even numbers went to the SBR first, followed by the DS, while the opposite order applied for the rest of the participants. Permission for the study was obtained from the management of both retailers beforehand. Sales personnel were informed about the study and trained to deal with the procedure in their particular store, but were unaware of the dates and time of arrival of participants. They were also unaware that participants would also go to an alternative retailer to repeat the exercise. Per instruction, participants only revealed themselves to sales personnel when they were ready to pay for the product of their choice. At that point, the product was photographed and packaged, as the participants stood the chance to win their purchases in a lucky draw. A mock transaction was completed and the participant had to carry their products to a storage area for the researcher to inspect later on. The entire process therefore resembled a normal purchase procedure, although purchases were not taken out of the store as the reversal of the transactions posed too many problems.

Data Analysis

A pre-test with three students was used to finalize the logistics of the experimental procedure and to ensure participants' comprehension of the procedure and the questionnaire. The researcher and a trained assistant coded completed questionnaires while waiting for participants to complete their shopping tasks.

Statistical procedures using SAS, included descriptive statistics as well as exploratory factor analysis (EFA), ANOVA and post hoc tests. Data analysis involved four investigations, namely group 1's first visit to the SBR followed by the DS encounter, as well as group 2'sfirst visit to the DS followed by theSBR encounter. Principal Component Analysis with Promax rotation was used to reduce the 38-item service quality scale in terms of coherent factors that could be related to literature (Garson, 2008, p. 1).

Cronbach's Alpha coefficients were calculated to confirm the internal consistency of the scales as additional items relating to packaging were added to the established scale. The factor analysis procedure was extensively repeated for all four scenarios until a four factor solution eventually provided the best fit in terms of the internal consistency of the factors and the coherence of related items/components. The challenge was to conclude with factor solutions for all four store visits where items within the factors made sense with acceptable internal consistency within the factors. Exploratory factor analysis was also done for the brand equity investigation to confirm the dimensions of brand equity in the context of this study. Principal Component Analysis with Procrustes rotation was used and Cronbach's Alpha coefficients were calculated to verify the internal consistency of the scales. Repeated analyses produced a seven factor extrusion that concurred with literature and also produced acceptable reliability coefficients.

Results

Thefinal year students (N=103) were all between 20 and 24 years of age (M=22.9),in the completion stage of their Bachelors or Master's degrees.

Participants' perception of the service offering

Repeated factor analysis which the 38 items were subjected to, never produced factor sets that were near identical - not even with target matrices. Three items were eventually omitted to achieve a satisfactory output where all the factors of the four versions of the analyses (SBR visit 1 and 2; DS visit 1 and 2) made sense and where all but one of the sixteen Cronbach Alpha reliability coefficients were within an acceptable range of >0.6 (Mazzocchi, 2008, p. 221). Particularly enlightening was that, from the start, all the items related to the packaging construct generally assembled in a single factor. Contrary to services marketing literature, packaging did not align itself with the 'product' construct. Surprisingly, the product components were dispersed among various factors such as 'physical environment' and 'place'. Figure 1 presents the order of the discussion of the findings, the overall mean for the remaining 35 items of a particular analysis, as well as the mean for the factor 'packaging,' which was of primary interest in this investigation, as well as its reliability coefficient.

Figure 1 Sequence of the data analysis procedure
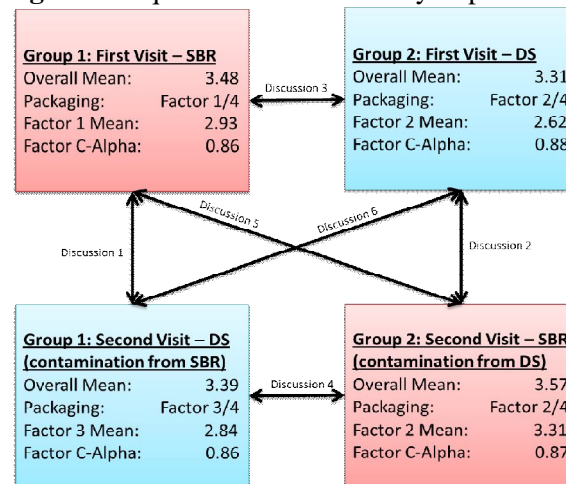
Participants' first store encounters

Table 1 presents the outcome of the factor analysis procedure for group 1's first store visit to the SBR. Table2 presents the same for group 2 at the DS. In both instances participants' perceptions were uncontaminated in terms of a visit to the alternative retailer on that particular day.

Table 1: Factors produced for group 1's first visit to the SBR

Components	Factor1	Factor2	Factor3	Factor4
The shopping bag must reflect it if the purchase was expensive	0.75040			
The shopping bag must reflect the quality of the product purchased	0.73973			
Other people must notice the shopping bag	0.73170			
The shopping bag must be attractive	0.70853			
Products of excellent quality	0.69388			
The shopping bag must display the Brand	0.69308			
Fashionability of the products	0.61615			
Clear or visible differentiation of departments		0.76168		
A well organised store layout		0.66046		
A comfortable in-store temperature		0.62141		
A positive store image		0.60403		
Variety of sizes and certainty of good fitting garments		0.52496		
Practical, logic display of clothing		0.52162		
Well-designed fitting rooms		0.44372		
Efficient staff at pay points		0.41063		
Good security in the store		0.40324		
Staff that are neatly dressed in an identifiable uniform		0.35305		
Well trained, knowledgeable staff		0.31399		
A large product variety/assortment		0.28229		
A good return and exchange policy			0.61822	
The shopping bag must be environmentally friendly			0.60084	
The store must appear modern			0.58887	
The store must be located in a safe area			0.54663	
Availability of credit facilities			0.46188	
Efficient staff assistance within the various departments			0.42708	
Friendly shop assistants			0.42546	
The shopping bag must be re-usable			0.37137	
Short queues at cashiers and a short waiting time				0.64763
Good value for money				0.51447
Clean coat hangers/rails/shelves				0.45930
Store must be conveniently located				0.45591
Regular promotions				0.35168
A clean store				-0.29973
An aesthetically appealing store environment				-0.52085
A pleasant store atmosphere				-0.54884
Mean	**2.93**	**3.65**	**3.46**	**3.72**
Std error of the mean	**0.09**	**0.04**	**0.06**	**0.03**
% Variance explained	**38.37**	**7.30**	**16.17**	**3.67**
Cronbach Alpha	**0.86**	**0.74**	**0.71**	**0.27**
Overall Mean (Max = 4)	**3.48**			

Based on the items contained by the four factors, they were labeled **1: Packaging;** 2: Place, physical environment and personnel; 3: Processes and customer care (a merge of components of personnel, processes, place and physical environment); 4: Physical evidence of distinction (a merge of components related to place and physical environment as well as price which all relate to elements of distinction and 'no fuss'). The Cronbach Alpha of factor 4 was the only lousy figure across the four data sets. This dilemma could unfortunately not be resolved through repeated factor analysis. In terms of group 1 participants' first visit to the SBR, packaging distinguished itself as a pertinent element of the store's marketing mix and although packaging was considered the least impressive of the four factors (M=>2.9; M_{Max}=4) it was still perceived favourably. Means for the other three factors (M>3.4) suggest that when reflecting on their store visit, participants were quite impressed with every element of the service offering of the SBR. Overall, participants' perception of the service offering of the SBR (M=3.48) reflect positive experiences.

Table 2 presents the findings of the factor procedure of the data set of group 2's first store visit at the DS.

Table 2 Factors produced for group 2's first visit to the DS

Components	Factor1	Factor2	Factor3	Factor4
A clean store	0.93451			
A large product variety/assortment	0.89472			
Efficient staff at pay points	0.87810			
Well trained, knowledgeable staff	0.86963			
Friendly shop assistants	0.82487			
Practical, logic display of products	0.81485			
Efficient staff assistance within the various departments	0.76041			
Variety of sizes and certainty of good fitting products	0.75704			
A pleasant store atmosphere	0.74454			
Clean coat hangers/rails/shelves	0.74039			
A well organised store layout	0.73257			
An aesthetically appealing store environment	0.72886			
Short queues at cashiers and a short waiting time	0.67586			
Well-designed fitting rooms	0.66497			
Store is conveniently located	0.61897			
Staff that are neatly dressed in an identifiable uniform	0.61205			
A positive store image	0.54538			
Products of excellent quality	0.46913			
Good value for money	0.40674			
The shopping bag must reflect it if the purchase was expensive		0.88128		
The shopping bag must be attractive		0.77769		
The shopping bag must display the Brand		0.77581		
Other people must notice the shopping bag		0.77104		
The shopping bag must reflect the quality of the product purchased		0.76616		
The store must appear modern		0.75422		
Clear or visible differentiation of departments			0.71161	
A comfortable in-store temperature			0.68321	
Fashionability of products			0.60883	
Regular promotions			0.59322	
The shopping bag must be environmentally friendly				0.76480
The shopping bag must be re-usable				0.72269
A good return and exchange policy				0.63509
Good security in the store				0.49395
The store must be located in a safe area				0.40148
Availability of credit facilities				0.32643
Mean	**3.52**	**2.62**	**3.46**	**3.22**
Std error of the mean	**0.08**	**0.10**	**0.06**	**0.07**
% Variance explained	**29.22**	**54.76**	**19.84**	**24.30**
Cronbach Alpha	**0.95**	**0.88**	**0.63**	**0.71**
Overall Mean	**3.31**			

Based on their content, the four factors were labeled: 1: Place, physical environment, product and personnel; **2: Packaging;** 3: Physical evidence of distinction; 4: Processes. Cronbach Alphas indicate acceptable internal consistency for all the factors. Once again, items relating to packaging assembled as a separate factor while product related items were dispersed among other factors. Compared to group 1's evaluation of this construct at the SBR (M=2.93), this group's evaluation of the DS's packaging (M=2.62) is less favorable. Furthermore, compared to the other factors, packaging (factor 2), was considered the least impressive of the factors for this scenario. Means for the other three factors (M>3.2) as well as the overall mean (M=3.31) suggests that participants were reasonably impressed with service offering of the DS during their first store encounter. However, packaging negatively impacted on the overall mean, which represents participants' perception of the service offering of the DS.

Participants' second store encounters

Participants' second store visits at the alternative retailers were inevitably influenced by their first store visits. Table 3 represents the findings for group 1's evaluation of the service offering of the DS after their SBR encounter.

Table 3 Factors produced for group 1's visit to the DS following their encounter at the SBR

Components	Factor1	Factor2	Factor3	Factor4
Good value for money	0.80930			
The store must appear modern	0.75745			
Well trained, knowledgeable staff	0.72612			
Good security in the store	0.71608			
A positive store image	0.66165			
Staff that are neatly dressed in an identifiable uniform	0.65574			
The store must be located in a safe area	0.64491			
Short queues at cashiers and a short waiting time	0.61597			
Friendly shop assistants	0.59502			
A good return and exchange policy	0.56005			
Efficient staff at pay points	0.55635			
Well-designed fitting rooms	0.52667			
Products of excellent quality	0.51304			
A well organised store layout	0.51064			
Store must be conveniently located	0.40353			
Practical, logic display of products		0.90297		
A large product variety/assortment		0.81733		
A clean store		0.68331		
An aesthetically appealing store environment		0.68150		
Clear or visible differentiation of departments		0.66468		
A pleasant store atmosphere		0.54280		
A comfortable in-store temperature		0.53416		
Clean coat hangers/rails/shelves		0.49613		
Efficient staff assistance within the various departments		0.49145		
Variety of sizes and certainty of good fitting products		0.48686		
Regular promotions		-0.22408		
The shopping bag must display the brand			0.88033	
The shopping bag must reflect the quality of the product purchased			0.79816	
The shopping bag must be attractive			0.77782	
The shopping bag must reflect it if the purchase was expensive			0.75186	
Other people must notice the shopping bag			0.75124	
Availability of credit facilities			0.58586	
Fashionability of products			0.56186	
The shopping bag must be re-usable				0.87931
The shopping bag must be environmentally friendly				0.83933
Mean	3.56	3.58	2.84	2.92
Std error of the mean	0.05	0.06	0.08	0.12
% Variance explained	14.69	17.61	35.48	70.97
Cronbach Alpha	0.90	0.87	0.86	-
Overall Mean	3.39			

The four factors produced during exploratory factor analysis were labeled, i.e. 1: Place, processes and personnel; 2: Physical environment and product; **3: Packaging;** 4: Evidence of environmental concern. Once again, packaging was distinguished as an independent element of the marketing mix of the retailer. Cronbach Alphas of three factors (>0.80) reflect consistency in the data. A Cronbach Alpha could not be calculated for factor 2 which only contained two components. However, the two components are strongly correlated, which indicates that the one can be used to predict the other, which is acceptable for the purpose of this study.

Group 1 participants' evaluation of the packaging (factor 3) of the DS after exposure to the SBR was less favorable (M=2.84) compared to the other factors and was also slightly less favorablecompared to the same construct at the SBR (M=2.93). Means for both store types suggest that there is much room for improvement and that retailers, especially department stores, could pay more attention to the packaging which would be to the advantage of customers' evaluation of their overall service offering. The overall mean (M=3.39) was therefore negatively influenced by participants' evaluation of the DS's packaging.

Findings for group 2's second store visit at the SBR are presented in Table 4.

Table 4: Factors produced for group 2's visit to the SBR following their encounter at the DS

Components	Factor1	Factor2	Factor3	Factor4
Efficient staff at pay points	**0.84155**			
Well trained, knowledgeable staff	**0.77946**			
Efficient staff assistance within the various departments	**0.76810**			
Well designed fitting rooms	**0.75198**			
A well organised store layout	**0.68045**			
Friendly shop assistants	**0.66872**			
A large product variety/assortment	**0.61305**			
A positive store image	**0.55319**			
A pleasant store atmosphere	**0.43769**			
Good value for money	**0.42402**			
The shopping bag must display the brand		**0.83637**		
Other people must notice the shopping bag		**0.83172**		
The shopping bag must reflect the quality of the product purchased		**0.82284**		
The shopping bag must be attractive		**0.80359**		
The shopping bag must reflect it if the purchase was expensive		**0.79521**		
Fashionability of products		**0.61671**		
Clear or visible differentiation of departments		**0.43407**		
The store must appear modern		**0.32377**		
Staff that are neatly dressed in an identifiable uniform		**-0.31357**		
A comfortable in-store temperature			**0.78311**	
The shopping bag must be environmentally friendly			**0.74656**	
The shopping bag must be re-usable			**0.63538**	
Variety of sizes and certainty of good fitting products			**0.62339**	
Store must be conveniently located			**0.58213**	
Good security in the store			**0.49150**	
A good return and exchange policy			**0.46578**	
The store must be located in a safe area			**0.45821**	
Availability of credit facilities				**0.66249**
An aesthetically appealing store environment				**0.65279**
Regular promotions				**0.54376**
A clean store				**0.50466**
Products of excellent quality				**0.49553**
Clean coat hangers/rails/shelves				**0.48850**
Short queues at cashiers and a short waiting time				**0.35268**
Practical, logic display of products				**0.22635**
Mean	**3.81**	**3.31**	**3.46**	**3.69**
Std error of the mean	**0.04**	**0.08**	**0.06**	**0.04**
% Variance explained	**8.06**	**34.56**	**21.17**	**9.52**
Cronbach Alpha	**0.88**	**0.87**	**0.83**	**0.70**
Overall Mean	**3.57**			

The four factors that were identified during the factor analysis procedure were labeled: 1: Place, physical environment and personnel; **2: Packaging;** 3: Physical evidence of distinction and environmental concern; 4: Place and processes. Cronbach Alphas confirm internal consistency of the data. Group 2 participants' evaluation of the packaging of the SBR was unmistakably more favorable (M=3.31) compared to their evaluation of packaging at the DS (M=2.62).

Therefore, after their exposure to the plastic bags used by the DS, they were very impressed with the packaging format of the SBR. Means for the other factors(M>3.3)suggest that the participants were fairly impressed with all the elements of the service offering at the SBR when they had the service offering of the DS as a point of reference. Their evaluation of factor 1, i.e. place, physical and personnel, reflected excellence (M=3.81, Max=4). The findings therefore confirm the need to further investigate the potential of packaging as an independent element of a retailer's marketing mix as it might significantly influence customers' perception of the service offering of a retailer. Findings suggest that there is much room for improvement of the packaging strategies of retailers as this particular element was always evaluated the least favorable of the elements of the retailers' marketing mix. Interestingly, descriptors related to the environmentally friendliness of packaging diverted from the main factor and either formed an independent factor, or associated with process related items.

Participants' evaluation of dissimilar retailers

Using 2-tailed paired t-tests to compare group 1 participants' evaluation of packaging when going from the SBR (M=2.93) to the DS (M=2.84) as well as group 2 participants' evaluation of the construct when going from DS (M=2.62) to the SBR (M=3.31) revealed a significantly more favorable perception of packaging for group 1 at the SBR (p=0.0308); and a significantly less favorable evaluation of packaging at the DS for group 2 (p=<0.0001), which influenced their perception of the service offerings of the two retail contexts overall (Group 1: SBR: M=3.57; DS:M=3.31; Group 2: DS:M=3.39; SBR:M=3.48). In both instances participants 'less favorable perception of packaging impacted negatively on their perception of the overall service offering.

Comparing the different groups' first service encounters

Participants' perceptions of the packaging of the different stores during their first service encounters (Group 1, SBR: M=2.93; Group 2, DS: M=2.62) were compared by means of non-paired 2-tailed t-tests. Means were not statistically significant (p=0.2093), but results nevertheless showed that when the mean for packaging declined, the overall mean for the service offering dropped (SBR: M=3.48; DS: Mean=3.31). The potential influence of packaging on consumers' perception of retailers' service offering overall, should therefore not be negated.

Comparing the different groups' second service encounters

Participants' second service encounters (Group 1, DS: M=2.62; Group 2, SBR: M=3.31) inevitably incorporated a frame of reference gained through their first store visits which influenced their perceptions. Comparison by means of non-paired 2-tailed t-tests confirmed that differences are statistically significant (p=<.0000), i.e. the packaging of the SBR was perceived to be significantly more impressive and the overall means for the service encounters followed a similar pattern (SBR: M=3.39; DS: M=2.57). Packaging hence influenced consumers' perception of the service offering in a noteworthy way.

Comparing the service encounters of different groups at the SBR

A comparison of both groups' encounters at the SBR (group 1'sfirst encounter: M=2.93; group 2's second encounter: M=3.31) by means of a non-paired 2-tailed t-test confirmed a significant difference (p<0.05) in participants' perceptions. Although both evaluations were positive, it seemed as if participants were more impressed when they had firsthand experience of the alternative, less sophisticated packaging format of the DS. Overall means (Group 1, M=3.48; Group 2, M=3.57) indicate that participants' perceptions of the service offering in the SBR were favorable.

Comparing the two service encounters at the DS

The two consumer groups perceived the packaging of the DS (as a second encounter for group 1 and a first encounter for group 2) as average (Group 1, M= 2.62; Group 2, M=2.84). The 2-tailed non-paired t-test indicated that differences are not statistically significant (p=0.9265). Participants therefore seemed consistent in their less favorable valuation of the DS, irrespective of whether they visited the store first, or second.

The relevance of the environmental friendliness of packaging

The environmental friendliness (reuse) of the different packaging form at dissociated from the other packaging related items during factor extractions. Rather, these items merged with 'processes' (Table 1), 'processes and customer care' (Table 2) or 'physical evidence' (Table 4).Only when visiting the DS following the encounter at the SBR, did the two environment related components emerge as an entity, awarding the factor the label 'environmental concern' (Table 3). Probably participants were sensitized after their encounter at the SBR where an environmentally friendly packaging format is used.

Consumers' perception of the brand equity of the two retailers

Factor analysis for the brand equity investigation revealed an identical order of factors across all four data sets namely, 1: Brand Awareness and Associations; 2: Brand Loyalty and Overall Brand Equity; 3: Perceived Quality; 4: Distribution and Store Image; 5: Price; 6: Advertising and Promotion; 7: Shopping Bag/ Packaging. Figure 2 presents the order of the discussion of the findings and presents the overall mean for the components of every analysis, as well as the means for the respective factors and their Cronbach Alphas. Limited spaceonly allows disclosure of selected findings of the factor analysis procedure as presented in Figure 2.

Figure 2 Explanation of the sequence of the brand equity investigation
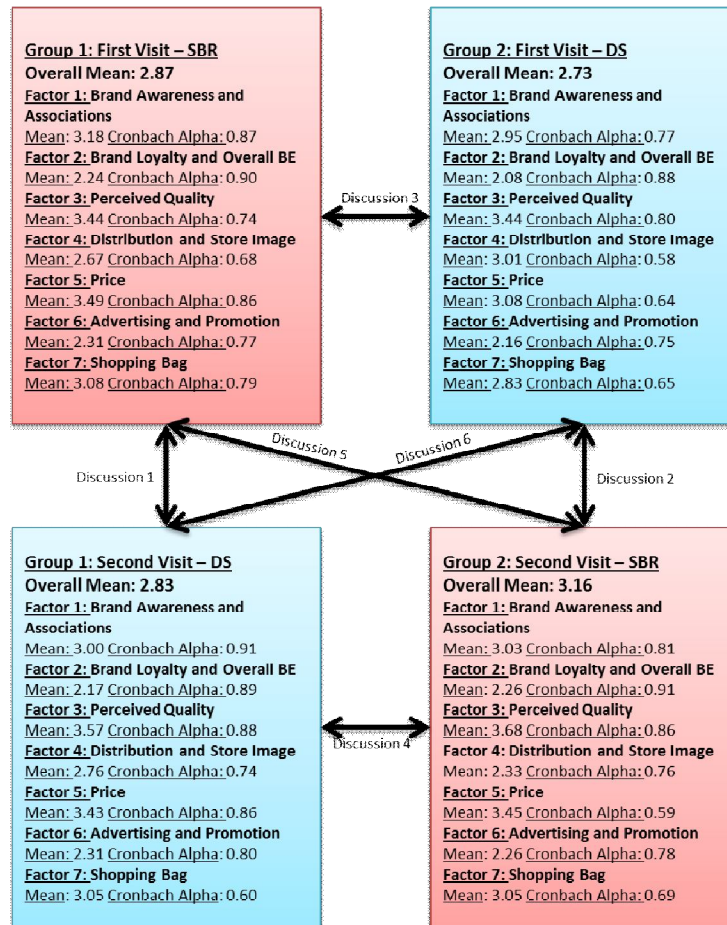
The first data set (Group 1, first visit SBR: n=52) reflects participants' perceptions without contamination of a visit to the alternative store. In this analysis, the only element that outperformed packaging (M=3.08), was price (M=3.49). The participants were young, which inevitably influenced the amount of money they were willing to spend on footwear which explains their concern about price in this relatively expensive store. Price, however, is often associated with quality, which in turn enhances brand equity. This probably explains why p*erceived quality* (M=3.44) achieved the second highest mean in this data set. Means for *Brand awareness* and *Brand associations* (M =3.18) suggest admiration for the brand and its core business, which typically enhances overall brand equity. The brand's packaging performed well (M=3.08), enhancing the brand equity (M=2.87).

It is not worthy that the brand equity of the SBR increased substantially for the SBR when participants evaluated the store after their encounter at the DS, i.e. being influenced by their experience at the SBR, they perceived the packaging substantially more positive and the brand equity improved accordingly. Interestingly, when group 1 went to the DS following the SBR, they seemed somewhat forgiving when evaluating the packaging (M=3.05). More importantly, this favorable evaluation influenced the brand equity. Without exception, therefore, the packaging influenced participants' brand equity perceptions.

Conclusion and Implication of the Findings

Findings confirm the merit of distinguishing packaging as an entity when defining the marketing mix of a retailer. The marketing mix as defined in literature at present, therefore probably needs to be revised to acknowledge consumers' perceptions of changes that have occurred over time in retailing. This fairly extensive experiment, which unfortunately cannot be generalized, unequivocally confirmed the potential positive influenceof packaging on consumers' perception of the service quality of a retailer as well as the potential to boost brand equity. Considered within a systems perspective, it is concluded that consumers' perception of packaging, in the formats they were exposed to, is not good enough to negate negative experiences in the retail environment. However, consumers' perception of packaging clearly influenced their perception of the service quality as well as brand equity, which may be detrimental in a competitive environment where the same brands are offered at dissimilar stores with dissimilar characteristics that are not necessarily appreciated by all. While the FMCG sector has already accepted the importance of packaging and has become accustomed to accommodate it in their product offerings, clothing retailers have not yet optimized the potential of packaging in terms of consumers' perceptions of their service offering and to build brand equity.

The findings described in this study may contribute to the information framework used by the academic community, marketing and retailers in clothing, fashion and other consumer industries. The brand management and marketing teams of retailers and international brands may find the findings particularly useful as it provides empirical evidence of consumers' perceptions of their efforts. Retailers who have neglected their packaging strategy to date, should reconsider due to the potential influence on consumers' perceptions and return intentions. This is especially true for Shop-in-Shop concepts were a mini-version of the branded retailer is opened within a department store. Findings indicate that consumers' overall perception of the in store experience and the brand is more favorable in the DS after exposure to a SBR where the brand is presented in its true form. With the shop-in-shop concept becoming more popular, the principal brands of DS's may hence suffer due to consumers' exposure to alternatives under the same roof.

Limitations of the Study

Retailers exercised time constraints to prevent interruption in their core business on busy days. Participants therefore had to abide to a strict appointment schedule, which restricted the hours of participation in the experiment. The data collection procedure was very time consuming as appointments had to be scheduled so that participants would not bounce into one another and that salespeople would not expect the participants on any particular day. The complexity of the research design, traveling distance and time required to complete the exercise made it difficult to recruit willing participants.

Recommendations for Further Research

The method of sampling may hold an array of prospects for future research. Firstly, probability sampling methods may be used to obtain a more representative group of participants, with proportionate numbers of participants from different population groups to enable a generalization of the findings. A similar study can be done with males in the fashion environment. Qualitative tools might also be used to supplement the quantitative findings.

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