Exploring Relationship between Retail Innovativeness, Customer Value and Customer Loyalty

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ARTICLE DETAILS

ABSTRACT

Trends are changing in retail sector in Pakistan retailers create new or make innovation in existing products and services to attract new customers and existing customers. Retail innovation is a key of success now a day’s, customer wants creativity and innovation not only in product development but also in services, promotional techniques and in environment or store atmosphere. The aim of this study is to identifying the relationship between retail innovativeness, customer values and customer loyalty, identify how customers perceive innovativeness of retailers and mediating role of consumer values, perceived retail innovativeness enhance consumer loyalty through customer values and faced some challenges hindering’s retail innovativeness. It is a consumer-based study. Data would be collected for study from 225 customers of the retail stores from 3 main cities of Pakistan, which will be select with convenience sampling technique and analysis will done under statistical techniques.

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1. Introduction

Innovation is creating something new and generation of new ideas which create values for the customers to satisfy their needs. Innovation and innovativeness two key terms which looks like similar but are often different in concepts. Innovation is creation of new features or new grouping of old components, innovativeness mentions organizational actions like offering new products, creative services and promotion mix (Schumpeter, 1934; Kunz et al., 2011).
In some industries innovation is treated as a life blood of organizations. As innovation in retail industry is developing new innovations in existing products and services to attract customers. Make innovations in retailing means changes in store layout, products, services and business models. Retail business model enhance retailer’s abilities that they generate value for their customers and takes value from the market. Technological advancement, customer beliefs and competitive environment pursue retailers to make innovations in retail business model such as innovation in organizational activities, innovation in performance of activities and in involvement level (Sorescu et al., 2011). Retailers take special care to keep their customers happy, by coming up with new ideas and using modern marketing techniques. In this competitive business environment retailers much more invested in a way of designing more interesting or attractive in-store environment, new innovative products and services, new creative promotion offerings, so it is very important to investigate the customer perceptions about retailer’s ability of innovation that would be helpful for retailers weather the new offerings and innovation should be beneficial or not. Retail innovation perceived by customers through innovative products, creative service offerings and shopping experiences. All these activities determine innovative capabilities of the retailer (Lin, 2015). Innovation plays a key role in the success of retail business, as well as take competitive advantage by innovation capability, which increases customer purchase intentions. Thus, there are four main dimensions retailers have the ability to innovate in the form of products, services, promotions and experiences. Through innovation, we set ourselves apart from traditional retailers by offering compelling new products and services. Customers are aware of a retailer’s innovative activities and judge a retailer’s ability to innovate. Perceived retail innovation is consistently positively correlated with customer satisfaction and purchasing behavior. This means that innovation creates satisfaction and increases purchase intent (Roehrich, 2004).

Retailers are increasingly interested in product and service innovation, with convenience retailers providing creative services and innovative products that are fundamentally related to customer perceived value. So, they are product innovators as well as service innovators and create their own brands/products for the sake of differentiation from their competitors. They offer great varieties to their customers in the shape of own brand. Retailers deal with technological innovation and non-technological innovation, technological innovation apply such as in the form of web display place, new payment methods, convert the customer’s experience and efficiency assessment of retailing, non-technological innovation apply by overview of creative retailing techniques, creative business reproductions and format and these techniques have significant effect on consumer purchase intention (Reynolds and Sundstrom, 2014).

Demos/experiments are not enough for innovative offers in an exciting retail environment. Therefore, retailers try to provide convenient services to their customers in order to retain old customers and attract new customers. For this purpose, retailers are looking at different ranges of customers. Value shopping beneficial to them in developing marketing approach. Store patronage significantly affected environmental developments, customer’s expectations for variety, and price-sensitivity derive innovation in store environment, retailers reformat/creative new trends for store’s environment. It is also necessary for retailers that they transform from single set-up to multi set-ups retailing tactics and differentiation in private –label collections, all these changes significantly affected management of logistics, publicity activities and customer benefit (Dekimpe et al., 2011). Retailers have a special interest in their customers, so in order to retain them and remain loyal to them for this purpose, they make efforts, come up with new modernizing traditional marketing practices. Successful retailers innovate not only in their products and services sector, but also in their operations. (Kaltcheva and Weitz, 2006).
Retail organizations have link between level of market orientation and customer responsiveness. This is an establish fact that fulfilling customer’s needs extra efficiently rather than its competitors, endorse great opportunity to take competitive advantage. Whereas fulfilling the customer needs acute for competitive advantage in retailing business, for this purpose retailers must be innovative that improves their ability to serve customer needs more effectively. Consequently, retailer’s need to be market oriented as well as market driving (Jaworski et al., 2000).

When retailers are market driven, they suggest incremental innovation as attached their customer’s needs with current business agenda /model and on the other hand being market driving retailer suggests fundamental modifications and innovate their services. They take in more risk. If retailers want to be both as market driving and market determined, they must be creative and having highly customer orientation, uniqueness and innovation. However, the customer orientation provide assistance to innovate activities for the provision of customer value (Kumar et al., 2000). If the customers have positive familiarity on the performance of innovative retailers, so they may come to them again and again, to get their services. Loyalty highly linked to the customer satisfaction with retailer’s performance and values they get from them. Innovative retailers have a lower ability to offer products at lower margins, a lower ability to innovate their products/services at a lower margin, and differ from traditional retailers who have a lower ability to innovate their products/services. Innovative, new products/services that are innovative for customers. (Druehl and Porteus, 2010).

2. Methodology

Methodology is an integral part of the research process, providing a set of procedures, rules, and processes for researchers to properly conduct research. (Pennik and Jonker, 2010). The key points of the study are to examine the relationship between retail innovativeness customer values and customer loyalty through creating mediating role of customer values. Due to the less attention on consumer-centric research on retail innovativeness in Pakistan. The study helpful for the retailers and retail management to get authentic perception of the customers towards retail innovativeness and how customers being loyal with them through perceived values. This study centered on quantitative research and for measuring the responses collected through programed questions. Data collection from respondent convenience sampling technique was used. The selection of respondents from 3 metropolitan cities of Pakistan. The respondents targeted the actual customers of the innovative stores (like Metro, AL Fatah, etc.).

3. Conceptual Framework

![Conceptual Framework Diagram]
Mart the innovative stores of Faisalabad, Lahore and Islamabad. The selected respondents were interview to collect the data. For the purpose to investigate the relationship between dependent variable and independent variables and mediation effects of variables. Statistical software SPSS has been used.

4. Mediation Analysis

To determine the experimental effect of perceived retail innovativeness (perceived product related innovation, p-service related innovation, p-experience related innovation and p-promotion related innovation) on customer loyalty via customer values, mediation analysis was used. Mediation effect in which the forecasters or independent variable (retail innovativeness) indirectly influence via direct source that is called mediator variable (Customer loyalty) on dependent variable (customer loyalty). Mediator variable showed the relation between dependent and independent variable and why they relates. In this research used the mediation analysis approach to investigate the mediating role of customer values (Baron and Kenny, 1986).

4.1 Perceived Quality Value as Mediator

To explore the impact of retail innovativeness on customer loyalty with perceived quality value, mediation analysis was applied.

\[
\text{CL} = \beta_0 + \beta_1\text{PPI}_1 + \beta_2\text{PQV}_1 + \epsilon \tag{3.5}
\]
\[
\text{CL} = \beta_0 + \beta_1\text{PSI}_2 + \beta_2\text{PQV}_1 + \epsilon \tag{3.6}
\]
\[
\text{CL} = \beta_0 + \beta_1\text{PEI}_3 + \beta_2\text{PQV}_1 + \epsilon \tag{3.7}
\]
\[
\text{CL} = \beta_0 + \beta_1\text{PPI}_4 + \beta_2\text{PQV}_1 + \epsilon \tag{3.8}
\]

Where:
- CL = Customer Loyalty
- PQV\(_1\) = Perceived Quality Value
- PPI\(_1\) = Perceived Product related Innovation
- PSI\(_2\) = Perceived Service related Innovation
- PEI\(_3\) = Perceived Experience related Innovation
- PPI\(_4\) = Perceived Promotion related Innovation
- \(\beta_0\) is intercept, \(\beta_1\) and \(\beta_2\) are the coefficients, \(\epsilon\) is the random error.

4.2 Perceived Emotional Value as Mediator

To get the impact of retail innovativeness (PPI, PSI, PEI and PPI) on customer loyalty with perceived emotional value (Customer Value), mediation analysis was applied.

\[
\text{CL} = \beta_0 + \beta_1\text{PPI}_1 + \beta_2\text{PEV}_1 + \epsilon \tag{3.9}
\]
\[
\text{CL} = \beta_0 + \beta_1\text{PSI}_2 + \beta_2\text{PEV}_1 + \epsilon \tag{3.10}
\]
\[
\text{CL} = \beta_0 + \beta_1\text{PEI}_3 + \beta_2\text{PEV}_1 + \epsilon \tag{3.11}
\]
\[
\text{CL} = \beta_0 + \beta_1\text{PPI}_4 + \beta_2\text{PEV}_1 + \epsilon \tag{3.12}
\]
Where:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL</td>
<td>Customer Loyalty</td>
</tr>
<tr>
<td>PEV₁</td>
<td>Perceived Emotional Value</td>
</tr>
<tr>
<td>PPI₁</td>
<td>Perceived Product related Innovation</td>
</tr>
<tr>
<td>PSI₂</td>
<td>Perceived Service-related Innovation</td>
</tr>
<tr>
<td>PEI₃</td>
<td>Perceived Experience related Innovation</td>
</tr>
<tr>
<td>PPI₄</td>
<td>Perceived Promotion related Innovation</td>
</tr>
</tbody>
</table>

And \( \beta \) is the intercept, \( \beta₁ \) and \( \beta₂ \) are the coefficients, \( \epsilon \) is the random error.

### 4.3 Perceived Price Value as Mediator

To examine the impact of retail innovativeness on customer loyalty with perceived price value (customer value), mediation analysis was applied.

\[
\begin{align*}
\text{CL} &= \beta \ + \beta₁ \text{PPI}_1 + \beta₂ \text{PPV}_1 + \epsilon \quad (3.13) \\
\text{CL} &= \beta \ + \beta₁ \text{PSI}_2 + \beta₂ \text{PPV}_1 + \epsilon \quad (3.14) \\
\text{CL} &= \beta \ + \beta₁ \text{PEI}_3 + \beta₂ \text{PPV}_1 + \epsilon \quad (3.15) \\
\text{CL} &= \beta \ + \beta₁ \text{PPI}_4 + \beta₂ \text{PPV}_1 + \epsilon \quad (3.16)
\end{align*}
\]

Where:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL</td>
<td>Customer Loyalty</td>
</tr>
<tr>
<td>PPV</td>
<td>Perceived Price Value</td>
</tr>
<tr>
<td>PPI</td>
<td>Perceived Product Innovation</td>
</tr>
<tr>
<td>PEI</td>
<td>Perceived Experience Innovation</td>
</tr>
<tr>
<td>PSI</td>
<td>Perceived Service Innovation</td>
</tr>
<tr>
<td>PPI</td>
<td>Perceived Promotion Innovation</td>
</tr>
</tbody>
</table>

And \( \beta \) is the intercept, \( \beta₁ \) and \( \beta₂ \) are the coefficients, \( \epsilon \) is the random error.

### 4.4 Perceived Convenience Value as Mediator

To explore the influence of retail innovativeness on customer loyalty with perceived convenience value (customer value), mediation analysis was applied.

\[
\begin{align*}
\text{CL} &= \beta \ + \beta₁ \text{PPI}_1 + \beta₂ \text{PCV}_1 + \epsilon \quad (3.17) \\
\text{CL} &= \beta \ + \beta₁ \text{PSI}_2 + \beta₂ \text{PCV}_1 + \epsilon \quad (3.18) \\
\text{CL} &= \beta \ + \beta₁ \text{PEI}_3 + \beta₂ \text{PCV}_1 + \epsilon \quad (3.19) \\
\text{CL} &= \beta \ + \beta₁ \text{PPI}_4 + \beta₂ \text{PCV}_1 + \epsilon \quad (3.20)
\end{align*}
\]

Where:

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CL</td>
<td>Customer Loyalty</td>
</tr>
<tr>
<td>PCV</td>
<td>Perceived Convenience Value</td>
</tr>
<tr>
<td>PPI</td>
<td>Perceived Product related Innovation</td>
</tr>
<tr>
<td>PSI</td>
<td>Perceived Service related Innovation</td>
</tr>
<tr>
<td>PEI</td>
<td>Perceived Experience related Innovation</td>
</tr>
</tbody>
</table>
Customer value mediating between Retail Innovation and Customers Loyalty

Mediation effect expressed the indirect influence of mediator between independent variables and dependent variables. Innovative activities of relaters develop customer loyalty through customer values, in which customer values play a role as mediator and enhance the relation between independent and dependent variable.

Impact of Retail Innovativeness on Customer Loyalty

The table 4.29 defined the influence of independent variable retail innovativeness measured in four dimensions (Perceived product related innovation, perceived service-related innovation, perceived experience related innovation and perceived promotion related innovation) on dependent variable (Customer loyalty) and analyzed linear regression analysis. After reviewing the literature, suggested that perceived product related innovation has significant impact on customer loyalty (Kaltcheva and Weitz, 2006). The results showed that perceived product related innovation had significant relationship with and direct impact on customer loyalty ($R^2 = 1.6\%$, $\beta = 0.15$) and p-value found significant at 5% level of significance.

Table 4.26: Direct Impact of Independent Variables on Dependent Variable

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Coefficient</th>
<th>Coefficient of determination $R^2$</th>
<th>Standard Error</th>
<th>T-Values</th>
<th>Significance (P-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-Product Related Innovation</td>
<td>0.15</td>
<td>0.016</td>
<td>0.07</td>
<td>1.92</td>
<td>0.05*</td>
</tr>
<tr>
<td>p-Service Related Innovation</td>
<td>0.29</td>
<td>0.071</td>
<td>0.07</td>
<td>4.14</td>
<td>0.000***</td>
</tr>
<tr>
<td>P-Experience Related Innovation</td>
<td>0.18</td>
<td>0.024</td>
<td>0.07</td>
<td>2.36</td>
<td>0.01**</td>
</tr>
<tr>
<td>P-Promotion Related Innovation</td>
<td>0.12</td>
<td>0.017</td>
<td>0.062</td>
<td>1.98</td>
<td>0.04**</td>
</tr>
</tbody>
</table>

Perceived service-related innovation had a significant impact on customer loyalty, coefficient of determination $R^2 = 7.1\%$ and $\beta = 0.29$ that showed customer loyalty will be change by if the p-service related innovation changes by one unit with significant at 1% significance level. P-experience related innovation is an important dimension by which retailers provide different and unique experiences to their customers that had the significant impact on customer loyalty. The findings showed that the variable showed a positive relationship with customer loyalty and was significant at the 1% significance level. The variable has a coefficient of $\beta = 0.18$, indicating a 1-unit improvement in experience related to innovation. An improvement of 0.18 units could be seen depending on customer loyalty, and the coefficient of determination for this variable was 0.24, indicating that approximately 2.4% of the variance was in the dependent variable (customer loyalty). Promotion-related innovation P was
positively related to customer loyalty, and the results showed that promotion innovation significantly affected customer loyalty, $\beta = 0.12$ (p < .05). Holding all other factors constant, the coefficient values indicated that an improvement of 1 unit in the promotional innovation response category could result in a 0.12-unit improvement in the customer loyalty response category.

### 4.7 Customer Loyalty under the impact of Customer Values

The following table shows the impact of customer value on customer loyalty.

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Coefficient B</th>
<th>Coefficient of determination $R^2$</th>
<th>Standard Error</th>
<th>T-Value</th>
<th>Significance (p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-Quality Value</td>
<td>0.21</td>
<td>0.04</td>
<td>0.06</td>
<td>3.13</td>
<td>0.002***</td>
</tr>
<tr>
<td>P-Emotional Value</td>
<td>0.13</td>
<td>0.019</td>
<td>0.06</td>
<td>2.10</td>
<td>0.037**</td>
</tr>
<tr>
<td>P-Price Value</td>
<td>0.07</td>
<td>0.006</td>
<td>0.05</td>
<td>1.20</td>
<td>0.228NS</td>
</tr>
<tr>
<td>P-Convenience Value</td>
<td>0.22</td>
<td>0.04</td>
<td>0.07</td>
<td>3.24</td>
<td>0.001***</td>
</tr>
</tbody>
</table>

n= 225, P < .10*, P < .05**, P < .01***

To predict the relationship between four dimensions of customer values (Perceived quality value, perceived emotional value, perceived price value and perceived convenience value) and customer loyalty. Results showed a positive and statistically significant relationship between perceived quality value and customer loyalty ($R^2 = .04, 4\%$) $\beta = 0.21$ At the 1% significance level, quality value responses showed that there is one improvement in the category, and there may be an improvement in the response category. This is a 0.21-unit improvement in the customer loyalty response category, and the coefficient of determination means that quality values explain about 4% of the variance in customer loyalty.

Results showed that P-emotional value had a significant impact on customer loyalty, with a 2% change in customer loyalty as a result of customer-perceived quality value, $\beta = 0.13$). Results showed that perceived price value had little effect on customer loyalty at ($R^2 = .006, \beta = .07$). This could indicate that the price value had no impact on creating customer loyalty.

According to the results of the regression analysis, we found that the regression analysis showed a positive relationship with customer loyalty and was significant at the 1% significance level. The coefficient of determination indicates that the convenience value explains about 4% of the variance in customer loyalty, and 0.22 in the customer loyalty response category when there is a 1-unit improvement in the perceived fit value response category.
5. Mediation Analysis

A linear regression analysis was performed to test the mediating role of customer value. This analysis showed the mediating role of his four dimensions of customer value in the relationship between retail innovation and customer loyalty. The tables 4.26 and 4.27 determined the findings of regression analysis for estimated mediation model. In the mediation model after adding the mediator, before significant independent variables such as segmentation innovation from the model without the mediator, the coefficient should decrease significantly with the mediator, which is called partial mediator, and significant with the mediator. Call it when the coefficients become irrelevant. Perfect Arbitration (Baron and Kenny, 1986). Therefore, it is necessary to compare the results of direct and intermediary relationships.

According to Barron and Kenny (1986), four relationships must be established for mediation analysis. In the first step, the relationship between the dependent variable (customer loyalty) and the independent variable (retail innovation) should be significant. The second stage (retail innovation) independent variable for the intermediary (customer value) should have a significant impact. The third-tier relationship between the broker (customer loyalty) and the authorized person (customer loyalty) has a big impact. Finally, considering the independent variable and the median simultaneously, the significant effect of dependence remains large, but the coefficient falls off significantly, suggesting that the mediator partially mediates the relationship between the dependent and independent variables, and the significant relationship with decreasing beta coefficients becomes non-existent.

Table 4.28: Mediating Effect of Perceived Quality Value and Perceived Emotional Value

<table>
<thead>
<tr>
<th>Customer Loyalty</th>
<th>Mediating Effect of P-Quality Value</th>
<th>Mediating Effect of P-Emotional VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Predictors</strong></td>
<td><strong>β</strong></td>
<td><strong>R²</strong></td>
</tr>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P-Quality</td>
<td>.21 ***</td>
<td>.04</td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPI</td>
<td>.113</td>
<td>.05</td>
</tr>
<tr>
<td>PSI</td>
<td>.25 ***</td>
<td>.09</td>
</tr>
<tr>
<td><strong>Step 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P-Quality</td>
<td>.21 ***</td>
<td>.04</td>
</tr>
<tr>
<td><strong>Step 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEI</td>
<td>.13 *</td>
<td>.05</td>
</tr>
</tbody>
</table>
The outcome of this model was determined by mediation (Table 4.28). There was a significant positive effect on customer loyalty through the retail innovation dimension. Perceived retail innovativeness towards perceived quality value had significant impact ($\beta = 0.20$, $p < .01$), second p-quality value and customer loyalty had significant impact ($\beta = 0.21$, $p < .01$), third relation between p-product related innovation and customer loyalty significant ($\beta = 0.15$, $p < 0.1$). Finally, when p-product related innovation and p-quality value considered significant impact of customer loyalty become insignificant and coefficient beta drop ($\beta = 0.113$, $0.15 > .01$), which indicate that p-quality value fully mediate the relationship between p-product related innovation and customer loyalty. For the beta coefficient of service-related innovation, p decreased and a significant relationship with median was maintained from ($\beta = 0.29$, $p < .01$) to ($\beta = 0.25$, $p < .01$) and p-quality value partially mediates the relationship between service-related innovation and customer loyalty by p-service.

P-quality value partially mediate the p-experience related innovation and customer loyalty relation. After adding intermediaries, the relationship between innovation and customer loyalty related to p-experience is still significant, but the beta coefficient decreases from ($\beta = .18$, $p < .05$) to ($\beta = .13$, $p < 0.1$) decreases to As innovation-oriented mediation related to promotion p and customer loyalty relationships becomes less important and the beta coefficient decreases from ($\beta = .12$, $p < .05$) to ($\beta = .07$, $0.22 > .01$), p That quality of value perfectly mediates innovation related to p-promotion and customer loyalty relationships. Perceived emotional value mediates the relationship between customer loyalty and retail innovativeness in four dimensions. Direct relationships showed that there was a significant relationship between product-related innovation p and customer loyalty ($\beta = .15$, $p < 0.1$), this relationship became non-significant ($\beta = .12$, $0.11 > 0.1$) Emotional value p perfectly mediates product-related innovation p and customer loyalty. There is a significant direct relationship between p-emotional value and customer loyalty ($\beta = .13$, $p<.05$), and a significant relationship still exists between p-service related innovation and customer loyalty ($\beta = .292$, $p<.01$), after the intervention of mediator p-emotional value $\beta$ increased. This shows that p-emotional value does not mediate the relationship between p-service related innovation and customer loyalty.

P-emotional value partially mediates the customer loyalty and p-experience related innovation link and p-promotion related innovation and customer loyalty link. Innovation p-experience and customer loyalty are correlated with a positive and significant relationship ($\beta = .18$, $p < 0.05$) that declines after mid-beta intervention but remains significant ($\beta = .14$, $p < 0.1$). Promotion-related innovation p and customer loyalty are correlated with a positive and significant relationship ($\beta = .12$, $p < .05$) that remains significant after mediation, but with a low beta coefficient ($\beta = .11$, $p < 0.1$), suggestive of partial mediation.
In Table 4.29, P-product related innovation towards p-convenience value had significant impact ($\beta = .29, p < .01$), p-convenience value and customer loyalty ($\beta = .22, p < .01$), relation between p-product related innovation and customer loyalty ($\beta = .15, p < .01$). Finally, when p-product related innovation and p-convenience value considered significant impact of customer loyalty become insignificant and beta reduce ($\beta = .09, .24 > .01$), which indicate that p-convenience value full mediate the relationship between p-product innovativeness and customer loyalty. For the beta coefficient of service-related innovation, p decreases and the significant direct effect relationship increases from ($\beta = .29, p < .01$) to ($\beta = .25, p < .01$), p The g-fit value partially mediates the relationship between service innovation p and customer loyalty. P-convenience fully mediate the p-experience related innovation and customer loyalty, after intervention of mediator p-experience innovation and customer loyalty relation becomes insignificant and coefficient beta reduce from ($\beta = .182, p < .05$) to ($\beta = .11, .142 > .05$). The mediation conducted with p-promotion related innovation and customer loyalty relation ($\beta = .12, p < .05$), when entered p-convenience value and p-promotion related innovation simultaneously coefficient value reduce and significant relation direct affect become insignificant, which indicate that p-convenience value fully mediate the relationship between p-promotion innovation and customer loyalty.

According to the mediation analysis by Baron and Kenny (1986), the three direct relationships must be significant to run the mediation, but in this study the mediation is the relationship between price value and customer loyalty (dependent variable) This is why customer loyalty is associated with p Reasons why the link between product-related innovation, p-service-related innovation, p-experience-related innovation, and p-promotion-related innovation was not tested by mediation.
6. Conclusion

The conclusion of the study defines the innovativeness of retailer influence customer buying decisions and creative display styles attract them. Hence in order to attract new customers and to retain old customers and to stay competitive in the market, it is more important for retailers to create more innovative and creative products/services provide to their customers that enhances values which increases their loyalty. Retail innovativeness has significant impact on customer loyalty. The general finding of this research study confirms that retail innovativeness with all dimensions have significant impact on customer loyalty and perceived quality value, perceived emotional and perceived convenience values have mediating effect between retail innovativeness and customer loyalty. Customer loyalty enhanced by retail innovativeness.

References


Academy of Marketing Science, 28(1), 45-54.


