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**Global and national business theories and practice:
bridging the past with the future**

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FOREWORD

The Annual Conference of the EuroMed Academy of Business aims to provide a unique international forum to facilitate the exchange of cutting-edge information through multidisciplinary presentations on examining and building new theory and business models for success through management innovation.

It is acknowledged that the conference has established itself as one of the major conferences of its kind in the EuroMed region, in terms of size, quality of content, and standing of attendees. Many of the papers presented contribute significantly to the business knowledge base.

The conference attracts hundreds of leading scholars from leading universities and principal executives and politicians from all over the world with the participation or intervention of Presidents, Prime Ministers, Ministers, Company CEOs, Presidents of Chambers, and other leading figures.

This year the conference attracted over 270 people from over 50 different countries. Academics, practitioners, researchers and Doctoral students throughout the world submitted original papers for conference presentation and for publication in this Book. All papers and abstracts were double blind reviewed. The result of these efforts produced empirical, conceptual and methodological papers and abstracts involving all functional areas of business.

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It is acknowledged that a successful conference could not be possible without the special co-operation and care of the Track Chairs and Reviewers for reviewing the many papers that were submitted to this conference. Special thanks to the Session Chairs and Paper Discussants for taking the extra time to make this conference a real success.

The last but not the least important acknowledgment goes to all those who submitted and presented their work at the conference. Their valuable research has highly contributed to the continuous success of the conference.

SERVICE QUALITY, CUSTOMER SATISFACTION AND CORPORATE IMAGE AS A KEY DRIVER OF CUSTOMER LOYALTY IN TRADITIONAL RETAIL

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ABSTRACT

Currently one of the main challenges for managers in the retail industry is to provide and maintain customer satisfaction. While the reasons for an initial purchase in a retail store may be due to factors partially outside the control of retail managers, the ability to create a satisfactory experience for the consumer remains, to a considerable degree, in the hands of both the management and the retail staff. It is crucial for managers of traditional retail stores to have a good and clear understanding of exactly what customers are wishing to obtain. The main purpose of this research is to identify the dimensions of service quality and examining the interrelationships among customer satisfaction, image and customer loyalty and service quality in the traditional retail. A multi-level and hierarchical model is used as a framework to synthesize the impacts of customer satisfaction, service quality and corporate image on loyalty of customers in the traditional retail. The results revealed that service quality is the main determinant of customer satisfaction and corporate image. Also corporate image significantly influences customer satisfaction. Furthermore, customer satisfaction, corporate image and service quality significantly affect customer loyalty. This research is of particular significance to the literature in retail and to practitioners as well, since there are few studies in this field applied to the Portuguese traditional retail market.

Keywords: Customer Satisfaction, Corporate Image, Retail Service Quality, Customer Loyalty, Portugal.

INTRODUCTION

The replacement of small family owned traditional stores with modern retailing is a universal phenomenon. However, traditional retail systems still exist both in less developed countries as in

developed economies where traditional retail formats often operate alongside modern retailing. In recent years, the retail industry has drastically changed, with consumers increasingly informed and varying their route to purchase between in traditional store, online and modern retailing. Therefore, it is crucial for traditional retailers to offer an experience to someone going into their store that they could not receive thru another channel or in modern retailing. Some of the fastest growing sectors of global economy are related to the consumption of experiences. Despite the increasing variety of ways in which we can purchase merchandises, the in-store experience is still the first thing that springs to mind for the majority of people when thinking about a retailer; so whether it be through great customer service, a nice shopping atmosphere, cutting advantage in-store technology or a pleasant checkout experience, retailers are looking to create an in-store environment which will offer something different to their customers. During this evolution, quality has acquired a very important weight in all industries of the economy and has become a key factor of business survival. Undoubtedly, the term quality is very present in the retailing industry, where all organizations aim to provide quality to their customers. But it's not as simple as it sounds, because to benefit from quality, organizations must be ready to meet the expectations of their customers. With this, we can define that, in order to remain in the market increasingly competitive, companies from traditional retailing have already adhered to quality.

Numerous authors have studied the relationship between perceived service quality and customer satisfaction, confirming that service quality is an important antecedent of satisfaction. In this regard, Dabholkar, et al. (2000) argue that traditionally, most researchers conclude that customer satisfaction resulting from a particular experience of consumption, leads to an evaluation about the quality of service over a period of time. Although the quality of service in the retail industry has been extensively researched internationally (e.g., Al Khattab & Aldehayyat, 2012; Zaibaf, et al., 2013) there has been little research done in Portugal to examine service quality as an antecedent of satisfaction and behavioural intention of customers in the Portuguese traditional trade. The choice of this topic is due to the need for traditional retailers to properly understand whether the service meets customer perceptions in the different dimensions of SERVQUAL, contribute to their satisfaction and customer loyalty (intention to return and recommend services), since they are determinant variables in maximizing profit, market share, and return on investment.

In this context, the main objective of this paper is to propose and apply a multi-level model that allows for the examination of the antecedents and consequences of customer satisfaction, in traditional trade in North of Portugal. We specifically intend to present a conceptual model is used as a framework to identify the dimensions of service quality and examining the interrelationships among customer satisfaction, corporate image and customer loyalty and service quality in the traditional retail industry. In this paper, after this present introduction, a review of the main literature on corporate image,

customer satisfaction and their customer loyalty is made, then we propose the conceptual model and research hypotheses, after presented the findings and discussion, ending with the presentation of the discussion and the conclusion of the research. This study is particularly important for retail managers (survival and growth of retail companies), politicians (wealth creation, economic growth, etc.) and for the development of the literature in the Portuguese traditional retail industry.

THEORETICAL BACKGROUND AND HYPOTHESES

Service Quality

In these last decades there has been several research in the area of service quality and it is discussed lots for the aim that no consensus has been reached thus far on its definition and measurement. Early studies on service quality defined it as a measure to which a service provides customer needs, and implicates a comparison of customer expectations with their perceptions of actual service performance (Parasuraman, et al., 1985; Parasuraman, et al., 1988). Service quality has assumed a major role both in public and private institutions, as an indispensable requirement to customer satisfaction. There are two basic ways to define quality: one from the viewpoint of the service provider and the other from the client's perspective. Firstly, it should be noted that the measurement of service quality is an important area of academic and scientific interest, which has assumed special prominence after the contribution of various authors (Parasuraman, et al., 1985). These authors, who represent the American school, have designed an instrument for measuring quality of service, called SERVQUAL. Initially, the proposed model incorporated 10 dimensions of quality (tangibility, reliability, responsiveness, professionalism, courtesy, credibility, security, access, communication and customer understanding). However, these dimensions were revised and subsequently reduced to five. Parasuraman, et al. (1988) suggested the following definitions for the five dimensions: Tangibles, Reliability, Responsiveness, Assurance and Empathy.

Cronin and Taylor (1992) observed that the validity of the use of expectations in the SERVQUAL model was called into question when consumers had no well- formed expectations and developed the SERVPERF scale which consists of the same 22 "items" of SERVQUAL, although centred only in measuring consumer perceptions regarding the quality of service. Despite the diversity of studies in many fields, in this study, SERVPERF will be applied to the traditional trade in the North of Portugal in a similar manner as that of other studies realized at an international level, in the area of the trade industry (Abd-El-Salam, et al., 2013; Durvasula & Lysonski, 2010; Khare, et al., 2010; Martinelli & Balboni, 2012; Tang, et al., 2015; Yu & Ramanathan, 2012; Yuen & Chan, 2010). According to Nadiri and Hussain (2005) service quality increases customer satisfaction, stimulus's intention to return, and

inspires recommendations. In line with this studies, and based on SERVQUAL and SERVPERF, the following hypotheses are proposed in the present study:

H₁: The perceived service quality by clients been a multidimensional construct.

H₂: The perceived service quality by the customers has a positive influence on their satisfaction.

H₃: The perceived service quality by the customers has a positive influence on corporate image.

H₄: Perceived service quality has positive relationship with customer loyalty.

Customer satisfaction

Customer satisfaction is the outcome of the customer's perception of the value received in a transaction or relationships, where value equals perceived service quality, compared to the value expected from transactions or relationships with competing vendors (Zeithaml, et al., 1990). Customer satisfaction is a mighty immaterial asset like to service quality and can be attained through the compliance of customer expectations (Oliver, 1980; Jayasankaraprasad & Kumar, 2012). Also, customer satisfaction is a function of the disagreement between a customer's expectations previous to buying and their perception of the same service subsequently Anderson and Sullivan (1993) and Oliver (1980) will be significant if the perception is placed at a higher level than the expectation. More value for customer incomes great satisfaction, which can benefit the retail enterprise in the long term (Cronin, et al., 2000) and generate higher profits. Customer satisfaction is found to be dependent on the quality of service presented to the customer and is one of the instruments to enhanced value for customers. The major challenges for service industry are service quality and customer satisfaction. According to Gundersen, et al. (1996) the central point of customer satisfaction is to identify the crucial attributes, considered by customers as their needs and expectations. The key to customer satisfaction lies in identifying and anticipating customer needs and especially in being able to satisfy them. Enterprises which are able to rapidly understand and to satisfy customers' needs, make greater profits than those which fail to understand and satisfy them (Dominici & Guzzo, 2010). On the another hand, Bennett and Rundle-Thiele (2002), argued that for customers to escalate their loyalty, their perceived value of the good or service presented need be at par with reality, forming an integral part of the corporate aims of the organization. Additionally, Sirdeshmukh, et al. (2002), reported that customers' satisfaction has close relationship to brand loyalty as well as service quality. Analogous claim is presented by Hoq and Amin (2010) who postulated that customer satisfaction is the emotional tendency of a customer towards repurchase of products and services offered by a retail store. In order to be successful, especially in the retail industry, managers must concentrate on retaining existing customers by implementing effective strategies towards customer satisfaction and loyalty, since the cost of attracting new customers is

higher than the cost of retaining existing ones (Yuen & Chan, 2010). Based on these findings, it is proposed that:

H₅: Customer satisfaction positively influences intention to return.

H₆: Customer satisfaction positively influences on customer loyalty to the staff.

H₇: Customer satisfaction positively influences word of mouth recommendations.

Corporate image

The concept of brand image has been widely studied by researchers in the area of marketing (Abd-El-Salam, et al., 2013; Kim & Kim, 2005; Kim & Lee, 2010; Sahin & Baloglu, 2011; Yu & Ramanathan, 2012). For Kim and Kim (2005) a brand represents the essence of the customers' perceptions of the organizations. Also, Keller (1993) defined corporate image as perceptions of an organization reflected in the associations held in consumers' memory. Corporate image is defined as the "general impression" left in the customers' mind as a result of accumulative impressions or feelings, attitudes, ideas and experiences with the firm, saved in memory, transformed into a positive/negative sense, retrieved to rebuilding image and recalled when the name of the firm is heard or brought to ones' mind (Bravo, et al., 2009). According to Sahin and Baloglu (2011) brand image is defined as the perception of customers about a brand or a product labelled with that brand. Different authors consider brand image as an important component of strong brands and a determinant in the obtainment of competitive advantages (Lim & O'Cass, 2001).

An overall assumption is that a promising corporate image will have a positive impact on consumers' behaviour towards the brand, such as the opportunity to command premium prices, buyers who are more loyal, and more positive word-of-mouth reputation (Martenson, 2007). Some researchers developed in last years, have tested the effect of corporate image on customer satisfaction and loyalty (Kim & Lee, 2010; Yu & Ramanathan, 2012). Their empirical findings showed that corporate image plays the important role in founding and retaining customer loyalty in the markets. Additionally, these authors found that customer satisfaction and corporate image perceptions positively influence service loyalty, with satisfaction having a greater influence on loyalty than image.

Thus, corporate image is believed to create a positive effect on customers' satisfaction. When customers are satisfied with the service provided of company, their attitude toward the company is enhanced (Srivastava & Sharma, 2013). Based on the reported research, it is proposed:

H₈: Corporate image has positive relationship with customer satisfaction.

H₉: Corporate image has positive relationship with customer loyalty.

Customer Loyalty

The literature suggests behavioural intentions as a construct which permits the evaluation of customer loyalty. These are behaviours related to the intention to repurchase and even to the intention of recommending the product/service (Zeithaml, et al., 1996; Sumaedi, et al., 2012; Yuen & Chan, 2010). Some studies developed in service industry have found the positive relationship between perceived service quality and loyalty. Customers frequently develop an attitude toward purchasing based on a prior service experience or, still, this attitude can also be influenced by previous information, based on the image of the retail in the market and even by word of mouth (WOM recommendation). With reference to the previous conception, customer loyalty has been usually defined as occurring when customers repetitively buying goods or services over time and retain positive attitudes towards the enterprise delivering the goods or services (Yuen & Chan, 2010). Service providers are increasingly developing loyalty, as they consider that it helps to rise income, and leads to largest market share, effectiveness and profitability. In this sense, behavioural intentions can be defining as the customer's judgment about the likeliness to repurchase in this firm or the willingness to recommend the firm to others. We conceptualize behavioural intentions as a higher-order construct consisting of (1) positive word of mouth, (2) willingness to recommend, and (3) intentions to continue buying from a particular service provider. Based on previous definition, behavioural intention in this study can be described as a stated likelihood to repurchase in the traditional trade in the North of Portugal, setting loyalty to the staff of the traditional retail store and to recommend this store to family, friends and others in the future. Research has established the many benefits of behavioural intention, such as making it a tendency for retailers to follow, as well as developing and maintaining a loyal customer base (Yuen & Chan, 2010). There is also ample evidence of the influence of service quality on behavioural intentions, a huge body of research has demonstrated the significant relationship between service quality and customers' behavioural intentions (Parasuraman, et al., 2005). It was expecting customers who perceive the quality of the service as high to be more likely to demonstrate intentions, and we again believe that this relationship will hold regardless of the buyers' collectivist orientation. Loyal customers are main assets to firms, they make proportionally more purchases at their' first choice' store than customers who shift. Usually, great service quality leads to customer loyalty, as it increases customer confidence towards and satisfaction with the company. It is supposed that positive perceptions of service quality enhance the possibility of customers being dedicated in supporting the company and developing and strengthening loyalty behaviour (Yuen & Chan, 2010). The customer loyalty is perceived like as behavioural intention and several scholars consent it is a construct of three levels, namely person-to-person loyalty and person-to-firm loyalty (intention return) and recommendation (WOM). Yuen and Chan (2010) approved the relationship between salesperson loyalty and firm loyalty and they

confirmed that the former will carry the latter. Additionally, Oh (1999) found a positive and significant relationship between intention to return and WOM recommendations. Based on these findings, it is proposed that:

H₁₀: Intention to return positively influences WOM recommendations.

H₁₁: Staff Loyalty positively influences Intention to return

According to this theoretical background, the aim of this study is to propose a model that consists of evaluating the impact of, as Figure 1 shows: (1) perceived service quality directly contribute to customer satisfaction, corporate image and customer loyalty; (2) corporate image and customer satisfaction directly contribute to customer satisfaction; (3) corporate image directly contribute to customer satisfaction; (4) customer satisfaction directly influences the intention to return, the loyalty to staff and WOM recommendation (Word-of-Mouth communication intention) and (5) the loyalty to staff has a direct influence on the intention to return and this has a direct impact on WOM recommendation.

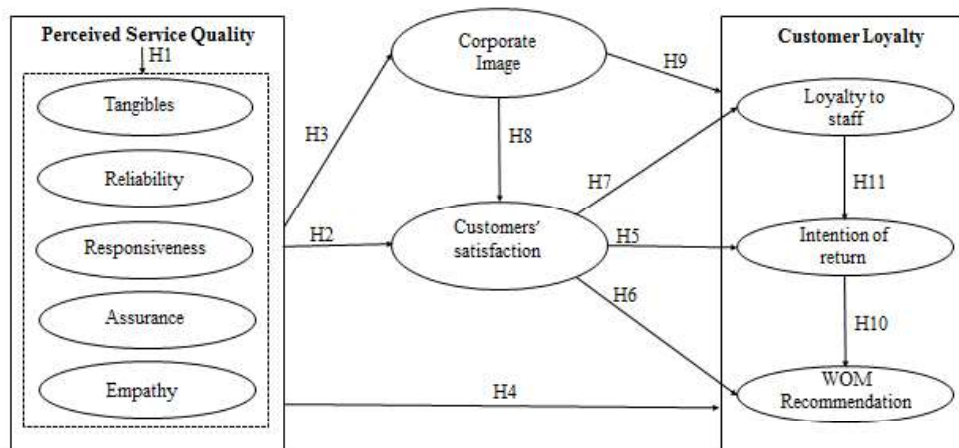


Figure 1. Research model.

DATA COLLECTION AND ANALYSIS

A questionnaire was designed as the survey instrument, which were included all the constructs of the proposed model. The questions in the questionnaire were based on a review of the literature in the area of the trade industry, described above in the theoretical background. This study was applied to customers from traditional retail stores in the north of Portugal during the month of February, 2017. It was used a non-probabilistic sampling using convenience technique. The questionnaires were distributed online, in order to facilitate a quick distribution and collection of questionnaires in all cities in Northern Portugal, and the answers came from the several cities and places of the north of Portugal. In this study, respondents were required to fill out a three-page three sections. The first section

consisted of a standard demographic profile of respondents. The second section contained the characterization of purchase process. The last section includes the statements of dimensions and their sub dimensions. The measurement items to measure primary and sub-dimensions of service quality were adapted from several researchers (Cronin & Taylor, 1992; Dabholkar, et al., 1996; Wu, et al., 2011) and a series of items focusing on the behavioural intentions, customer satisfaction, corporate image and service quality, which were adapted on the basis of several researchers' results (Wu, 2013; Yuen & Chan, 2010; Yu & Ramanathan, 2012; Zeithaml, et al., 1996). Respondents were asked to use a five-point Likert-type scale (between 1 = 'strongly disagree' and 5 = 'strongly agree') to record their perceptions. Construct reliability was assessed by using the Cronbach's alpha coefficient. Reliabilities ranged from 0.832 to 0.965, suggesting that the construct could be used with confidence.

For the descriptive analysis it was used absolute and relative frequency tables. The Spearman correlation coefficient it was used to measure the intensity of the linear correlation between variables. Multiple linear regression was used in order to estimate models that could identify the determinants of the behaviour of the variables under analysis. The significance level of 5% was assumed in all analysis.

FINDINGS, RESULTS AND ANALYSIS

Demographic Profile

The sample of the North of Portugal was composed of total 211 respondents which 58.3% (123) were females and 41.7% (88) were males. The maximum number of responses was obtained from 35 - 44 years old with 43.1% (91) and the second age group from 45 - 54 years, with 28% (59) responses. Most respondents 66.8% (141), were married or in an unmarried partner, 23.2% (49) were single. It is verified most of respondents had higher education qualifications, as 33.2% (70) were graduates; 10.4% (30) had postgraduate degrees; 14.2% (30) had a master's degree and 12.3% (26) were PhDs. As for the professional occupation mostly, 78.2% (165) were employed. In the activity sector, banking stood out with 34.1% (72) of the respondents, followed by education sector with 17.1% (36) of the individuals. Regarding the average annual income, it is observed that 28% (59) of the respondents earned between 7001€ to 20000€; 29.9% (51) earned between 20001€ to 40000€ and 21.3% (45) received annually between 40001€ to 80000€.

Purchase Process

The obtained results show that 98.1% (207) of the respondents purchases in traditional trade. It was verified that 74.4% (157) of the individuals had made purchases in traditional commerce there is more than 12 months. The most popular frequency of purchases registered was monthly, 33.6% (71) of the respondents go to the traditional trade once a month and 32.2% (68) do it weekly. As for the average

annual spending on purchases in the traditional commerce, it was found that 30.3% (64) of the respondents spend under 100€ and that 39.8% spend more than 400€ annually.

Correlation and regression analyses

Analysing the Table 1 shows that the sub-dimensions that constitute Service Quality (SQ) present strong and direct correlations with the SQ, namely reliability, responsiveness and empathy sub-dimensions with very strong correlation coefficients. These findings corroborate hypothesis 1.

Dimensions	Service Quality
Tangibles	0,828
Reliability	0,938
Assurance	0,895
Responsiveness	0,939
Empathy	0,935

Table 1. Spearman correlation between SQ and its constituent dimensions.

The Table 2 shows that the dimensions that constitute Customer Loyalty present strong and direct correlations with the same, namely the dimensions: Wow and intention to return. The staff loyal contributes least to the behavioural intentions (customer loyalty). All values are statistically significant at a significance level of 5%.

Dimensions	Customer Loyalty
WOM	0,891
Intention to Return	0,943
Loyalty to Staff	0,787

Table 2. Spearman's correlation between Customer Loyalty and its constituent dimensions.

In the Table 3 it is verified that all scale dimensions have positive statistically significant correlation coefficients. The correlation between Service Quality and Customer Satisfaction is strong; as well as between customer loyalty and service quality and customer satisfaction. However, the correlations of the corporate image dimension with the other dimensions were of moderate intensity. All values are statistically significant at a significance level of 5%.

	Service Quality	Customer Satisfaction	Customer Loyalty	Corporate Image
Service Quality	1	0,807	0,740	0,607
Customer Satisfaction		1	0,792	0,545
Customer Loyalty			1	0,635
Corporate Image				1

Table 3. Spearman correlation between dimensions of scale.

Ordinary least squares regression was used to analyse each path in the conceptual model. Statistical assumption tests were assessed for each of the six regression models prior to the analysis in order to ensure a robust result.

The results of the hypotheses tests are presented in Table 4. The application of the multiple linear regression model allowed us to obtain a parsimonious model that makes it possible to predict the dependent variable from a set of regressors (independent variables).

In the first regression model which tests the influence of service quality and corporate value on the variation of customer satisfaction is tested. The model obtained is at a statistically significant level of significance of 1% ($F = 263,672$; $p\text{-value} < 0,001$), that is, the variation of customer satisfaction is explained significantly by the estimated model. By the application of the test t , we conclude that service quality ($\beta = 0,783$; $p\text{-value} < 0,001$) and corporate image ($\beta = 0,097$; $p\text{-value} = 0,046 < 0,05$) determine significantly the behaviour of customer satisfaction. The adjusted coefficient of determination reveals that the model presented explains, on average, about 71,8% of the variation of customer satisfaction. Consequently, this model supports the octave hypothesis.

The second regression model that relates WOM with the regressors: customer satisfaction, retail service quality, corporate image and intention to return is at a significance level of 1% statistically significant. The determinants of the model influenced significantly the variation of WOM, as the test t , customer satisfaction with coefficient $\beta = 0,286$ and $p\text{-value} < 0,001$; service quality ($\beta = 0,286$; $p\text{-value} < 0,001$); intention to return with coefficient $\beta = 0,534$ and $p\text{-value} < 0,01$; corporate image with coefficient $\beta = -0,209$ and $p\text{-value} < 0,001$; are statistically significant. The estimated model explains, on average, about 77,3% of the WOM variation. The Image presents negative and significant influence in the WOM, this can be explained given that Image alone does not lead to recommendation, however when associated with service quality and the customer satisfaction presents positive influence in the customer loyalty. Thus, this model supports the sixth and the tenth hypothesis.

In the third regression model that relates intention to return with the regressors: customer satisfaction, service quality and corporate image is at a significance level of 1% statistically significant. The followings determinants of the model influenced significantly the variation of intention to return, as the test t , customer satisfaction with coefficient $\beta = 0,451$ and $p\text{-value} < 0,001$ and corporate image with coefficient $\beta = 0,268$ and $p\text{-value} < 0,001$; are statistically significant. The estimated model explains, on average, about 70,9% of the intention to return. The service quality regressor is not presented significantly in the variation of intention to return. Thus, this model supports the fifth and the seventh hypothesis.

The fourth regression model that relates loyalty to staff with the regressors: customer satisfaction, service quality, corporate image and intention to return is at a significance level of 1% statistically significant. The estimated model explains, on average, about 43,1% of the loyalty to staff. The followings determinants of the model influenced significantly the variation of loyalty to staff, as the test t , customer satisfaction with coefficient $\beta = 0,254$ and $p\text{-value} = 0,021 < 0,05$ and intention to return with

coefficient $\beta = 0,447$ and p-value $<0,001$; are statistically significant. The service quality and corporate image regressors are not presented significantly in the variation of loyalty to staff. Thus, this model supports the eleventh hypothesis.

The fifth regression model that relates customer loyalty with the regressors: customer satisfaction, service quality and corporate image is at a significance level of 1% statistically significant. The determinants of the model influence significantly the variation of customer loyalty, because by the test t customer satisfaction with coefficient $\beta = 0,536$ and p-value $<0,001$; service quality with coefficient $\beta = 0,173$ and p-value = $0,013 <0,05$; corporate image with coefficient $\beta = 0,248$ and p-value $<0,001$; are statistically significant. The estimated model explains, on average, about 74,9% of the customer loyalty variation. Therefore, this model supports the second, fourth and ninth hypothesis.

The sixth regression model that relates corporate image to the service quality regressor, is at a significance level of 1% statistically significant. The estimated model explains, on average, about 41,6% of the corporate image variation. By the application of the test t, the service quality with coefficient $\beta = 0,648$ and p-value $<0,001$, can be conclude that, determines significantly corporate image behaviour. Therefore, this model supports the third hypothesis.

Dependent variable	Independent variables	Adjusted R2	F value (p value)	Standardized coefficients	t value (p value)
Customer Satisfaction	Service Quality	0,718	263,672 (<0,001)	0,783	16,135(<0,001)
	Image			0,097	2,005(0,046)
WOM	Customer Satisfaction	0,773	176,030 (<0,001)	0,286	4,157(<0,001)
	Service Quality			0,286	4,324(<0,001)
	Image			-0,209	-4,138(<0,001)
Intention to Return	Intention to Return	0,709	168,609 (<0,001)	0,534	8,601(<0,001)
	Customer Satisfaction			0,451	6,340(<0,001)
	Service Quality			0,094	1,265(0,207)
Loyalty to Staff	Image	0,431	39,946 (<0,001)	0,402	8,078(<0,001)
	Customer Satisfaction			0,254	2,335(0,021)
	Service Quality			-0,098	-0,935(0,351)
Customer Loyalty	Image	0,749	206,451 (<0,001)	0,104	1,300(0,195)
	Intention to Return			0,447	4,549(<0,001)
	Customer Satisfaction			0,536	8,123(<0,001)
Corporate Image	Service Quality	0,416	148,001 (<0,001)	0,173	2,509(0,013)
	Image			0,248	5,374(<0,001)
	Service Quality			0,648	12,166(<0,001)

Table 4. A summary of regression models.

DISCUSSION AND CONCLUSION

The objective of this study was to identify the dimensions of service quality and examining the interrelationships among customer satisfaction, corporate image and customer loyalty and service quality in the traditional trade, in addition to investigate the customer satisfaction, service quality and corporate image as a key activator of the customer loyalty in the traditional trade in the North of

Portugal. The results from exploratory factor analysis indicate that service quality consists of five dimensions (tangibles, reliability, responsiveness, assurance and empathy). For traditional trade in the North of Portugal, reliability; responsiveness and empathy play an important role in determining service quality, and are followed by assurance and tangibles, which confirms the H1.

The results of this study demonstrate that service quality has a direct influence on corporate image, which in turn, influence customer loyalty. The positive relationship between service quality and corporate image suggests that customers who received high service quality during service delivery would form a favourable image of the traditional retail store. Additionally, service quality was also found to have direct effects on corporate image, supporting the H3. Furthermore, the relationship between customer satisfaction and corporate image is significant, thus, H8 is supported. Increased service quality then results in greater corporate image that results indirectly in greater customer loyalty, based on the positive relationship between image and customer loyalty, since the H9 was supported.

A positive relation between service quality and customer loyalty was expected, in this study also is confirmed, the relationship between service quality and customer loyalty is significant, though in this study the service quality does not have a positive influence on intention to return and on loyalty staff, however the service quality influences directly the customer loyalty overall, thus, H4 is supported. The results nonetheless show that service quality has an indirect effect on behavioural intentions, customer satisfaction and corporate image, since the H2 and H3 was supported.

Moreover, the findings showed that the service quality is an antecedent of customer satisfaction and this is indirectly influence customer loyalty. The level of satisfaction of the customers positively affects their word of communication about traditional stores retail of the north of Portugal and the customers' intentions to revisit these stores. Findings found have supported the H5, H6 and H7, are also consistent with the literature. In other researches such as this, satisfied customers have higher levels of intention for revisiting traditional stores of the north of Portugal and their satisfaction levels induce them to provide positive word of mouth communication.

Both customer satisfaction as corporate image directly influences customer loyalty. In general, satisfied customers form their favourable behavioural intentions to return or recommend the traditional retail store while experiencing a high level of service quality that produces a favourable corporate image. Customer satisfaction has a positive influence on behavioural intentions, suggesting that satisfied customers will return or revisit traditional retail store to repurchase again and may recommend their favourite traditional store to friends or relatives. Corporate image has been found to have a positive effect on behavioural intentions, implying that customers forming their positive overall impressions of the image of traditional store retail are more likely to return or revisit the similar store in the future.

This study identified five primary dimensions of service quality in the traditional trade in the North of Portugal. For example, management can use the information from this study to improve their understanding of the factors that create a pleasant purchasing experience and act to increase customers' positive customers' loyalty. Furthermore, the customers who return or revisit the traditional retail stores can help management to establish a good reputation through the positive word-of-mouth. In addition, retail management should know and resource the customer-important sub-dimensions to improve traditional trade' competitiveness. This information will enable management to accurately measure customers' perceptions of their overall experiences in the traditional trade. Therefore, management should realize that service quality in the trade industry definitely influences customers' future favourable behavioural intentions through satisfaction and corporate image.

As observed in this research, the main purpose was studied the relationships among higher order constructs such as customers' loyalty, customer satisfaction, corporate image, and service quality in traditional trade in the north of Portugal. Nevertheless, the interrelationships among these constructs and their supporting dimensional structures have not attracted a lot of attention in the retailing literature of Portugal. The results of this research provide retail management with a better understanding of the effect of service quality on corporate image, which then influence customer satisfaction.

The study results aid traditional trade stores owners and managers to recognize and prioritize the primary and sub-dimensions of service quality. Trade management should realize that the significance customers accentuate is based on each of the primary and sub-dimension of service quality. Moreover, traditional trade management should structure their infrastructure, processes, operations and resource allocation in terms of the relative importance of the service quality dimensions to their target at specific customers. Simultaneously, the retail managers should dedicate special attention to the corporate image that gives to the market, whether through communication actions or interaction with society where operate. The main limitation of the research is the convenience sampling technique, the study would obtain a greater meaning and general importance if it would have been conducted by random sampling method.

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