Price transparency reflects assurance and reliability

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ABSTRACT

This paper aims to examine the effect of price transparency on assurance, reliability and customer loyalty in the case of Wal-Mart Best Price Store. A total of 402 usable responses were gathered from customers of Wal-Mart store in Bhopal (MP), India. The study scales were refined and validated by exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). The AMOS 22.0 and SmartPLS 3.0 statistical programmes were used for measurement validation and to test the structural model. The results indicated that the price transparency has a significant effect on assurance and reliability to ensure customer loyalty. Also, the study did not find a direct effect of price transparency on customer loyalty. The identified dimensions of price transparency are expected to bring clarity to the issue of customer assurance, reliability and loyalty. This would help the management of the retailing sector. The study seems to offer opportunities to understand that only price transparency is not responsible for improving customer loyalty. It influences assurance and reliability which further increase customer loyalty.

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1. Introduction

There is a growing realisation in marketing theory and practice that the customer loyalty is important because it increases profits through repeat patronage and positive word-of-mouth (Pandey et al., 2015; Foscht et al., 2009). Within this context, it is very important to understand consumer behaviour in order to determine how to attract and retain them (Business Korea, 1998). Particularly in the highly complex and dynamic environment of the retail sector, customer loyalty has become an important aspect. Now the customers are more price-sensitive and less loyal (Low, 2012). On the other hand, it has been observed in the case of Wal-Mart Best Price modern wholesale, retail stores in India, customers become more loyal encouraged by their price transparency. Wal-Mart stores mention brief product information, net weight, maximum retail price (MRP), offer (discount) price, and profit margin on its product's price tag for customers. Although customers aware that Wal-Mart retail store is a place for wholesale purchasing and minimum billing condition is ₹1000 at the time of purchasing, customers prefer to purchase from its stores and loyal ones towards it. Additionally, it seems that those customers do not have the Best Price's membership card or want to purchase few items less than the worth of ₹1000 request to others those have the membership card to enter with them in the store for purchasing

and combined billing. It is also come to the notice that some customers request to other people, relatives, friends, etc., to become a membership card holder because they may not have the business and required documents for membership of War-Mart. According to the current membership policy of Best Price stores in Bhopal, Madhya Pradesh (MP) those have registered business, institution, shop, industry, firm, etc., can become a member with 5 membership cards including the prime card. The prime card holder may nominate the other family members, relatives, friends and somebody else for the remaining membership cards based on his own registered business.

Usually, several research studies have investigated that attracting new customers and retaining the existing ones is challenging for the firm at present scenario and focused to identify the reasons for customer switching behaviour and its dimensions to understand the customer loyalty in various sectors (N'Goala, 2007, Khare, 2014, Gupta and Dev, 2012). But the present study is trying to claim that people seem to more loyal towards Wal-Mart Best Price wholesale stores due to its price transparency. Further, the research examines the effect of price transparency on assurance and reliability to ensure the customer loyalty towards Wal-Mart.

However, no holistic view of price transparency in relation to assurance and reliability has been considered. More specific, no direct link between them has been, so far, clearly established. This paper aims to fill in the existing research gap by developing and testing a research model of price transparency and its direct effect on assurance, reliability and customer loyalty.

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2. Theoretical background and hypotheses development

2.1. A brief history of Wal-Mart in India

Bharti Enterprises, an Indian largest telecom company and Wal-Mart Stores, a USA retail giant have set up an equal joint venture to float a company called Bharti Wal-Mart Private Limited in 2007 with the intention of opening wholesale retail stores through Best Price modern wholesale stores in India. This partnership has given Wal-Mart access to the highly regulated Indian retail market, which was valued at US$320 billion (Lakshman, 2006). The two had a 50:50 partnership to run the wholesale cash-and-carry business that sells to hotels, canteens and retail stores. It was decided that this joint venture will manage the supply chain together while Bharti Enterprises would be franchised to run the retail portion (Mukherjee, 2006). Wal-Mart brought a tremendous amount of supply chain and information technology intellectual property into this joint venture (Lakshman, 2006). Bharti saw an opportunity to turn around the infrastructure, supply chain and IT through a strategic alliance with Wal-Mart. They were decided to maintain low prices and offer a variety of staples and households items very conveniently in their stores. Over 90–95% of these products are sourced locally which help to keep costs to a minimum. The first store was opened in Amritsar (Punjab) in 2009. On 9 October 2013, Bharti Enterprises and Wal-Mart Stores, Inc. announced that they have reached an agreement to own independently and operate separate business formats in India based on external and internal factors, including the new foreign direct investment (FDI) policy (The Times of India, 2013). Under the requirements contained in the new FDI policy, Wal-Mart could not invest in multi-brand retail through the existing Bharti retail business. After that, Wal-Mart planned to continue to grow this business while working with the government and interested stakeholders to create conditions that enable FDI in multi-brand retail. Now the Wal-Mart India Private Limited is a wholly owned subsidiary of Wal-Mart Stores Inc. and operating 20 Best Price modern wholesale stores in 9 states across India (Wal-Mart, 2013). Two of them are in Bhopal, the capital of Madhya Pradesh (MP).

2.2. Price transparency

Matzler et al. (2006) comprehensively explored the several dimensions of price satisfaction and investigated that price transparency is the most important factor affecting it. According to their study, price transparency refers to a clear, current and effortless overview of quoted prices. Ferguson (2014) defined that transparency in pricing occurs when the seller reveals to the consumer price setting (e.g., designated markup price, discount price). When the consumers knew what the market and offered price of a product, potentially, it may help them to compare and accept that price (Maxwell, 1995). It refers to consumer belief that a price is favourable, related to the absence of hidden costs and unexpected price changes (Diller, 1997). Interestingly, when a product is presented with price transparency, leads to higher perceptions of fairness, resulting in increased repurchase intentions (Carlson and Weathers, 2008). Ferguson and Ellen (2013) are evident that price transparency has an impact on customer's perceptions of price fairness. It strongly influences overall satisfaction and has an indirect effect on positive word-of-mouth and customer loyalty (Matzler et al., 2007).

In times of cut throat competition in the retail sector, Wal-Mart's Best Price business model is founded on providing the lowest prices to its customers with price transparency (Gereffi and Christian, 2009). This is the normal practice in Wal-Mart stores that the product's market price, their offer price and the difference between these two prices as customer's profit margin on each

product is clearly displayed. It helps to customers for comparing the price offering of Wal-Mart's product to their competitors' offering. Wal-Mart stores also tend to equally value fashion trends, quality, variety and personalised service over the cost (Ramstad, 2006). These practices may have a great importance to customers because of the growing unethical and unfair business practices in the retail sector (Gershoff et al., 2012). It has been observed that customers are very passionate about Best Price stores because they feel the benefits such as convenience, time savings, a good deal of product information, fast delivery of goods combined with enhanced online shopping and quality products at low prices. In addition to these factors, a few more factors which may capture customer's attitudes and shopping intentions such as shopping experience, atmosphere, pleasure, effectiveness, products' presentation, staff knowledge, ethical behaviour, feasible store operating hours, customer care, responsiveness and other customer's services of Wal-Mart stores. But the price transparency is a primary concern of customers and also a focal point of the study. The remaining factors are very common and provided by all types of organised retail stores to their customers nowadays. There are very few studies on price transparency, most of them in financial services (Lymperopoulos et al., 2013). Those studies are in retailing often used the term price fairness in their theoretical framing under the head of retail fairness (Nguyen and Klaus, 2013). However, no holistic view of price transparency in relation to consumer behaviour in the context of Wal-Mart stores has been taken. There is a need to identify the price transparency dimensions in case of the retail sector. Thus, the present study explores the various dimensions of price transparency. Further, providing price transparency to customers could reinforce loyalty behaviour (Chen et al., 2001). Thus, the study hypothesises:

H1 : Price transparency has a significant direct effect on customer loyalty.

2.3. Effect of price transparency on assurance and reliability

Marketers have heavily relied on the SERVQUAL instruments to provide at certain key moments in customer touch (Parasuraman et al., 1988). Parasuraman et al. (1988) defined assurance as the knowledge and courtesy of a firm's employees and their ability to inspire trust and confidence, and reliability as the ability of service firms to perform the promised service dependably and accurately. Further, Parasuraman et al. (1991) argued assurance was concerned with the service delivery process whereas reliability was mainly concerned with the outcome of service. This involves many of the psychological and behavioural aspects including the way service staff performs their tasks, what they say and how the service is being delivered (Bell et al., 2005). Despite a significant interest in service quality and its dimensions, to best of our knowledge, no specific research has empirically investigated the effects of price transparency on assurance and reliability from customers' point of view in retailing sector. Therefore, the present study aims to focus on this issue because it is an important theoretical as well as a practical issue for most retailers and customer researchers.

On the other hand, Arrow (1974) emphasised that the role of assurance and reliability as the foundation of every economic transaction. Similarly, Simons (2002) reiterated the importance of assurance, reliability and trust which increases the profits of firms. Kanagaretnam et al. (2010) found that transparency significantly increases trusting behaviour. Bertini and Gourville (2012) also claimed that transparency in pricing engages customers and build trust and goodwill among them. In the case of Wal-Mart stores, the consumer may judge their price transparency according to the derived value, the price relative to other prices (i.e. offered by

competitors or paid by other customers) and the fairness of the price transparency practices. Failing to be transparent about pricing may foster distrust (Ferguson and Ellen, 2013). Accordingly, the study identifies and manages various constructs of assurance and reliability and examines the effect of price transparency on both (Zeithaml, 1988). Therefore, the study proposes that:

H2 : Price transparency has a significant effect on assurance.

H3 : Price transparency has a significant effect on reliability.

2.4. Effects of assurance and reliability on customer loyalty

The literature widely acknowledges the importance of customer loyalty in business markets for firms to cope successfully with the highly competitive environment (Ryssel et al., 2004; Ulaga, 2003; Daggar et al., 2011). It is essential to creating a competitive advantage and thus gaining the economic benefits for firms (Verhoef, 2003). It has been proven that loyalty positively impacts sales, share-of-wallet and customer retention (Oderkerken-Schroder et al., 2003; Reynolds and Beatty, 1999). For this, firms engage in continuous relationships with their customers and obtain mutual benefits for both a firm and a customer (Ruiz-Molina and Gil-Saura, 2012). Loyalty can be measured with purchasing motives, word-of-mouth, recommend to others, lower price sensitivity and willingness to continue with the firm (Lariviere et al., 2014; Wang and Wu, 2012; Akhter et al. 2011, Foscht et al., 2009).

In contrast, it has been observed that customers become more loyal towards Wal-Mart stores, encouraged by their price transparency. Previous research has also found some effect of price transparency on customer's judgements of fairness (Carlson and Weathers, 2008). When a product is presented with price transparency to customers, it may be assurance about the firm's customer oriented price setting policy and may communicate that the firm's products and their prices are reliable from others. Further, it may influence loyalty behaviour of the customer towards the firm. Subramanian et al. (2014) found that service quality dimensions significantly influence customer purchasing intention. With the same line, Selnes and Gonhaug (2000) stated that high reliability will have a strong positive effect on customer satisfaction and loyalty. Thus, the study hypothesises that:

H4 : Assurance of price transparency significantly influences customer loyalty.

H5 : Reliability on price transparency significantly influences customer loyalty.

Based on the above literature, the research proposes following the conceptual framework of the study (Fig. 1).
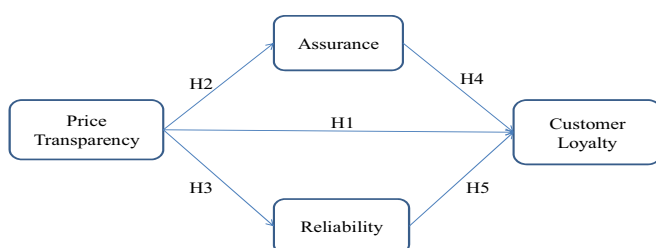

Fig. 1. Conceptual framework.

3. Methodology

3.1. Measurement instrument

The survey instrument was developed with multi-item measures for each construct based on an extensive review of the literature and informal discussion with customers of Wal-Mart Best Price store. Some of these are exploratory in nature suggested by marketing experts and customers. A draft of the questionnaire was examined by an academic experienced in questionnaire design. The questionnaire was subsequently piloted with 30 different Best Price store customers to access the terminology, clarity and response format. Minor amendments were made based on feedback from the pilot survey. The final set of 30 observable constructs was selected for four latent constructs. The details of all the constructs are presented in the Appendix (Table A1). The questionnaire consisted of two sections. In the first section, questions were related to Best Price store's products and services. The last section contained questions regarding demographic information of the participants. Respondents were also asked about their membership status (card holder, a family member of the card holder and accompanied with card holder) and a number of years of shopping from Best Price store. The survey instrument was consisted of close-ended questions that the respondent has to answer in a set format. All the items were put on a five-point Likert scale where a value of 1 expresses strongly disagree, and a value of 5 expresses strongly agree. Participants were asked to indicate their level of agreement with each statement.

3.2. Sample size and data collection

Testing the suggested research hypotheses through structural equation modeling (SEM) needs to set a prior sample size based on the latent variables in the study (Westland, 2010). It was obtained online through Daniel Soper's A-priori sample size calculator for SEM. The minimum sample size recommended was 387 to detect the effects of the study model based on 4 latent and 30 observed variables with a probability level of 0.05.

A cross-sectional research design with convenience sampling method was conducted due to cost and time constrains. Data was gathered from Wal-Mart Best Price store's customers of Bhopal, Madhya Pradesh, India. Questionnaires were distributed to the customers in a parking place, outside of the Best Price Stores. In addition, Best Price store's customers were identified in the city and insisted on returning the filled questionnaire within 5–7 min. It is observed that most of the respondents do not participate in the survey at that time due to unavailability of the pen. For avoiding this situation, they were offered a dot pen as an incentive to fill the survey instrument. In order to avoid possible biases, samples were personally collected from customers of different demographical characteristics and geographical locations of Bhopal. They were assured complete anonymity of responses. Total of 430 questionnaires were received out of which 402 were found to be completely and accurately filled with a response rate of 93.5%; the rest 28 were discarded due to incomplete information. The detailed sample characteristics are presented in Table 1.

4. Data analysis and findings

The conceptual model of the study was tested using SEM approach with analysis of moment structures (AMOS) 22.0 software (Sharma and Crossler, 2014). It is a comprehensive statistical tool for examining relations between observed and latent variables (Bollen, 1989). It was also used for concurrent assessment of both reliability and validity. After the structural model had been

Table 1
Demographic information of the customers.

Demographic characteristics	Data	Frequency (n=402)	Percentage
Gender	Male	378	94
	Female	24	6
Age	Less than 20 years	12	2.9
	20–30 years	70	17.4
	30–40 years	136	33.8
	40–50 years	104	25.9
	50 Years and above	80	20
Education	Undergraduate	92	22.8
	Graduate	223	55.5
	Postgraduate	75	18.7
	Doctorate or equivalent degree	12	3
Occupation	Service	37	9.2
	Professional	40	9.9
	Businessman	197	49
	Self-employed	44	10.9
	Student	8	2
	House wife	18	4.5
	Pensioner	36	9
	Agriculturist	22	5.5
Membership status	Card holder	256	63.7
	Family member of card holder	120	29.9
	Accompanied by card holder	26	6.4
No. of years of shopping from Best Price store	Less than 1 year	24	6
	1–3 years	112	27.9
	3–5 years	218	54.2
	5 Years and above	48	11.9

examined, the paper used a partial least squares (PLS) approach with a 2000 subsamples bootstrapping procedure using the SmartPLS software to test the associated hypotheses, which provides more information including t-statistics for drawing conclusions from the data (Ringle et al., 2005).

4.1. Scale validity and reliability

The measurement scales were refined and validated by exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). Before applying of factor analysis, it was confirmed that the assumptions of normality, linearity and homoscedasticity were not violated using the Kaiser-Meyer-Olkin (KMO) index accompanied by the Bartlett's test (Hair et al., 2009). It was found that KMO index is 0.665 with Bartlett's test (Chi-square=1.069; the degree of freedom=435; p=0.000), indicating that the sample size was adequate for applying factor analysis (Hair et al., 1998). After that, an exploratory factor analysis has been conducted using principal components analysis with varimax rotation on the all 30 items of four measurement scales in the study, under the restriction that the eigenvalues of each generated factor were more than one. Of the 30 original items, two items were excluded due to low factor loading (< 0.50). After identifying 28 clear factors, a confirmatory factor analysis (CFA) was conducted to assess the construct validity of each latent construct of the measurement model. Construct validity is examined through convergent validity and discriminant validity (Bagozzi and Edwards, 1998). Convergent validity gets established through three ways including factor loadings, average variance extracted (AVE) and composite reliability (Lin and Ding, 2006). As shown in Table 2, factor loadings range from 0.503 to 0.899 and AVE ranges from 0.521 to 0.679, both exceed the recommended threshold criterion of 0.50 (Hair et al., 2006). Composite reliability (CR) of all the latent variables is greater than the acceptable limit of 0.70 (Carmines and Zeller, 1988). Furthermore,

Table 2
Measurement model summary.

Construct	Items	Factor Loading	AVE	CR	Cronbach's α
Price transparency (PT)			0.521	0.763	0.746
	PT-1	0.531			
	PT-2	0.763			
	PT-3	0.820			
	PT-4	0.369			
		(Eliminated)			
	PT-5	0.547			
	PT-6	0.503			
	PT-7	0.686			
	PT-8	0.528			
Assurance (A)			0.553	0.861	0.823
	A-1	0.627			
	A-2	0.637			
	A-3	0.652			
	A-4	0.636			
	A-5	0.554			
	A-6	0.538			
	A-7	0.587			
	A-8	0.304			
		(Eliminated)			
	A-9	0.511			
	A-10	0.772			
	A-11	0.540			
	A-12	0.796			
Reliability (r)			0.568	0.886	0.846
	R-1	0.864			
	R-2	0.792			
	R-3	0.875			
	R-4	0.612			
	R-5	0.674			
	R-6	0.665			
Customer loyalty (CL)			0.679	0.894	0.851
	CL-1	0.711			
	CL-2	0.899			
	CL-3	0.814			
	CL-4	0.860			

Note: AVE=average variance extracted, CR=composite reliability

Table 3
Discriminant validity of latent constructs.

Dimensions	PT	A	R	CL
PT	**0.722**[a]			
A	0.635	**0.744**[a]		
R	0.689	0.655	**0.754**[a]	
CL	0.489	0.641	0.623	**0.824**[a]

Notes: [a] Square roots of AVE shown on diagonal.

discriminant validity has been assessed using the Fornell and Larcker (1981) criterion. Table 3 shows the values of the square root of the AVE are all greater than the inter-construct correlations. The internal reliability of all scales was also calculated by Cronbach's α which has the greater value from the recommended value 0.70 (Nunnally, 1978). Thus, measurement model reflects good construct validity and reliability.

Although, the study did not collect any sensitive information from participants to avoid their bias in responses and they were assured of the confidentiality of their responses. To cross check for common method variance (CMV), the paper also incorporated the ex-post approach as recommended by Richardson et al. (2009). Accordingly, the confirmatory factor analysis (CFA) is one of the best techniques which commonly used to control for CMV. This analysis also indicates that the study does not show a substantial bias. The study also examined the variable inflation factor (VIF) values for multicollinearity assessment (Kline, 1998). As the study latent constructs had no VIF values exceeding 5.0 (PT=1.53; A=1.58; R=1.17; CL=1.38) multicollinearity did not appear to be
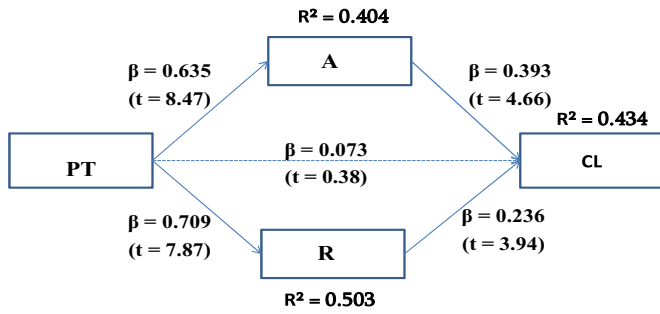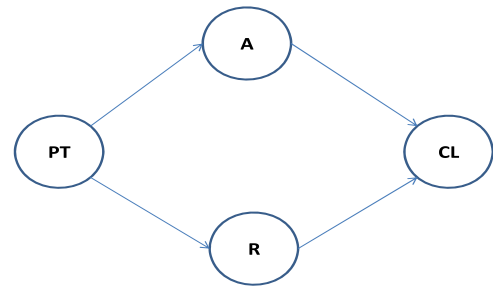
Fig. 2. Structural model.

Fig. 3. Modified model.

significant problem in dataset and satisfied Grewal et al. (2004) conditions.

4.2. Assessment of model fit

As SmartPLS software does not provide a traditional assessment of overall model fit (Chin, 2001), the study tested the theoretical model using SEM approach with analysis of moment structures (AMOS) 22.0 software (Byrne, 2001). Model estimation results in a good fit between the model and data: chi-square (χ^2)= 275.22; p=0.000, degree of freedom (df)=181; χ^2/df=1.52; goodness-of-fit (GFI)=0.912; adjusted goodness-of-fit index (AGFI)=0.85; comparative fit index (CFI)=0.98; root mean square error of approximation (rMSEA)=0.053. All the above fulfil the acceptable limits (Byrne, 2010). Hence, the hypotheses developed for the study were tested, as shown in Fig. 2.

4.3. Testing of research hypotheses

The paper used SmartPLS 3.0 to test the associated hypotheses which provide more information including t-statistics for drawing conclusions from the data (Chin, 2001). Standardised path coefficients (β), t-statistics, and associated significance levels for all relationships in the study model are presented in Table 4. The results indicated that all the paths are significant except first (H1), which implies that price transparency has a significant direct effect on customer loyalty, was not supported (β=0.073; t=0.38; p=0.706). However, it was found that price transparency has a significant effect on assurance (β=0.635; t=8.47; $p < 0.001$), thus supporting H2. Also, H3 which implies price transparency has a significant effect on reliability (β=0.709; t=7.87; $p < 0.001$), and H4, which implies assurance of price transparency significantly influences customer loyalty (β=0.393; t=4.66; $p < 0.001$). It was also found that reliability on price transparency significantly influences customer loyalty (β=0.236; t=3.94; $p < 0.001$). Thus, H2, H3, H4 and H5 were accepted, while H1 was rejected.

The study model has a high predictive power in terms of reliability on price transparency; it explained 50.3% of the construct's variance (Fig. 2). In addition, the model explained 40.4% of

Table 4
Results of hypotheses testing.

Path	Path coefficient (β)	t-value	p-value	Result
H1: PT→CL	0.073	0.38	p=0.706 (NS)	Rejected
H2: PT→A	0.635	8.47	$p < 0.001$*	Accepted
H3: PT→R	0.709	7.87	$p < 0.001$*	Accepted
H4: A→CL	0.393	4.66	$p < 0.001$*	Accepted
H5: R→CL	0.236	3.94	$p < 0.001$*	Accepted

Note: NS implies "Not Significant".

  * Implies significant at $p < 0.001$.

the variance in the assurance of price transparency and 43.4% in customer loyalty for both, assurance and reliability of price transparency. The amount of variance explained by the study model is good enough, which adds support to the theoretical soundness (Awwad, 2012). After the deletion of price transparency to customer loyalty link, the results of the structural equation modelling were then tested using AMOS 22. Goodness-of-fit statistics, indicating the overall acceptability of the structural model analysed, were acceptable: χ^2=302.06; p=0.000; df=185; χ^2/df=1.63; GFI=0.925; AGFI=0.84; CFI=0.96; RMSEA=0.061. Accordingly, the hypothesised model was modified (Fig. 3) to remove the arrow representing the direct effect of price transparency on customer loyalty.

5. Discussion and managerial implications

The current study aimed to investigate the role of price transparency on customer loyalty, directly and via assurance and reliability. Moreover, the study explores the various constructs of price transparency and investigates its effect on assurance and reliability. In particular, the study also links assurance and reliability to customer loyalty separately. The results of the study provide empirical evidence to support strongly the adoption of the price transparency constructs as an important predictor of customer assurance and reliability in the retailing sector. Further, the study empirically highlights that the assurance and reliability influences customer loyalty. Given that all hypotheses are supported except the first one (H1) and high standardise regression coefficients are obtained. As hypothesised, the study found that price transparency has a significant effect on assurance and reliability, with price transparency appearing as the strongest predictor of reliability, closely followed by assurance. These findings were also supported with the predictive power of the study model which explains 50.3% and 40.4% of the effect of price transparency on reliability and assurance respectively. However, the study data does not confirm the direct link from price transparency to customer loyalty. Moreover, as hypothesised, the study found assurance and reliability to be significantly related to customer loyalty, with assurance appearing as the strongest predictor of loyalty and followed by reliability. For supporting, the study model explains 43.4% of the effect of assurance and reliability on customer loyalty. Therefore, it seems reasonable to conclude that assurance and reliability can be improved substantially by focusing on the price transparency which further influences customer loyalty within the retailing sector (Matzler et al., 2007). In addition, the study identifies the key components within this domain and delineates gaps in our knowledge of price transparency that require managerial and research attention. This would help the management of retailers.

The study provides insights into the price transparency in today's changed scenario of retailing and using it as a weapon for

competitive differentiation. The key dimensions of price transparency identified in the study are discounted pricing, lowest pricing, no price negotiation, fair pricing, profit margin information, transparent billing and price bundling with their loadings respectively. All these are consistent with the pricing practices literature in the retail sector (Ferguson and Ellen, 2013; Ahmetoglu et al., 2014). Previous articles on Wal-Mart inevitably emphasise lowest and discounted prices as the number one priority of the Best Price brand (Slater, 2003; Bianco, 2006; Lichtenstein, 2006). Comparative pricing was eliminated due to low factor loading in the study. It was observed during the survey that majority of participants have an opinion about Wal-Mart Best Price store's pricing is not comparatively low to their local markets for all products. This is consistent with the previous research which suggested that Wal-Mart will face competition in Indian market from unorganised retail stores (Halepete et al., 2008). Further, participants admitted that some products in Best Price store are available on comparatively low prices. These dimensions will act as guidelines for the store managers as it will help them to understand the particular dimensions that customers consider while purchasing the products and services of retail stores (Chen et al., 2001). This is particularly important because dipping customer confidence due to inadequate knowledge of price transparency makes it necessary for managers to have proper use of identified dimensions in the retailing sector (Manning and Sprott, 2007). The key components identified in the study can be utilised by the retailers in order to boost the customer confidence (Nguyen and Klaus, 2013). However, the degree of emphasis placed on these dimensions depends on the objectives of the retailers. As consumer buying patterns are changing in the retailing sector, it is necessary to boost of customer confidence so that they become a loyal one (Ellison and Ellison, 2009). In this regard assurance and reliability are key indicators of customer's confidence. Hence, the study also contributes to the literature by examining the impact of various components of price transparency on assurance and reliability. Among the assurance dimensions identified key constructs in the study are customer care, fast delivery of goods, variety of products, quality of services, brand reputation, quality of products, ethical behaviour, value for money, feasible store operating hours, no hidden charges and convenience with their loadings respectively. These dimensions highlight the importance placed by customers on the products and services provided to them (Grewal et al., 2012; Nguyen and Klaus, 2013). This is in line with previous studies, which referred to these constructs as essential to building customer confidence in retailing (Nguyen and Mutum, 2012; Nguyen and Simkin, 2013; Subramanian et al., 2014). Merrilees and Miller (2010) worked on these dimensions and combined branding and segmentation theory. Time saving is eliminated due to low factor loading. It is quite remarkable that few customers actually complained that purchasing from Best Price store is time-consuming. Particularly, they pointed out the slow billing process in Wal-Mart store. It may be the reason that staff in billing counter is not trained efficiently. This finding is interesting for retail managers; they should work out a way to improve billing process. Moreover, the results reported here add to the extant literature by suggesting that assurance resides in the price transparency associated with the retailing sector. The study found the key sub-dimensions of reliability are fair dealing, honesty, fulfil promises, quick response, trust and integrity with their loadings respectively. These dimensions are consistent with the reliability construct in retailing sector (Subramanian et al., 2014; Merrilees and Miller, 2010). It is clear from the study data that customer's reliability on Best Price store mostly depends on its price transparency, and they have a positive perception about its business dealing, honesty, keep promises, quick responses policies and show trust on its integrity. Furthermore, the study found that

price transparency has a more significant ($\beta=0.709$) effect on reliability and closely followed by on ($\beta=0.635$) assurance. Thus, as the level of price transparency increases the level of reliability and assurance increases. Further, the study identified the key customer loyalty components are positive word-of-mouth, committed, recommend to others and first choice with their loadings respectively. Several studies have reported the same constructs in different fields (Beerli et al., 2004; Bennett et al., 2005; Jamal and Anastasiadou, 2009; Brady et al., 2012).

The above discussion on different dimensions obtained in the study is also applicable to different retailers, for example, Reliance Fresh, Vishal Mega Mart, V-Mart, Future Retail, Aditya Birla Retail Ltd., etc. These dimensions can be used to track the relative performance of a retailer with respect to their competitors. Hence, a fair understanding of all these dimensions and their impact on customer loyalty can help the retail managers to formulate proper strategies to build customer confidence. Another important finding of the study is the direct impact of price transparency on customer loyalty which was not found significant in the structural model. This finding provides strong support for the Hemphill (2005) research finding which stated that consumers, those generally viewing Wal-Mart as an excellent retailer offering the merchandise with lowest and discounted prices, reportedly mistrust Wal-Mart's practices. On the other hand, the study provides empirical evidence to support the significant effect of price transparency on customer loyalty via assurance and reliability (Rust et al., 2004). This indicates that if Wal-Mart is successful in India, not only of its price transparency (Merrilees and Miller, 2010; Halepete et al., 2008). There are two more key areas where Wal-Mart has performed well in India. It has been communicating its brand assurance and reliability to customers through price transparency and make them loyal one. The findings are interesting for retail managers. It can be concluded that only price transparency is not responsible for improving customer loyalty. Price transparency influences assurance and reliability which further increase customer loyalty.

Finally, the study provides some key suggestions based on informal discussion with customers during the survey. The majority of participants had complained about long waiting time in billing counters of Best Price stores, especially on Sunday or any occasion or holiday. An extensive review of the literature suggested that waiting is less acceptable because it leads to feelings of crowding, neglect, irritation and creates boredom (McGuire et al., 2010). Konninou and Cranage (2013) investigated that as waiting time increases customer satisfaction and loyalty decreases. Staff should be trained more efficiently with the billing system. If possible, only experienced and effective staff member should be appointed on billing counters. Participants were also recommended that Best Price store's staff should help them to package for their purchased items. They admitted that store provides packaging materials for their convenience, but they expect more to Wal-Mart stores. Additionally, many of respondents felt that return policy of purchased items of the store is not fair. It takes more than expected time and a staff member also asks many irrelevant questions even the returned product is sealed packed. It is also felt that most of the electronic and electric items (e.g. LCD and LED TV, mobile phone, computers, laptop, printer, washing machine, fridge, etc.) available at the Best Price stores are outdated. Most of the respondents recommended that they would prefer to purchase the advanced products. In addition, it is equally important to mention that all the above problems and recommendations may vary from one geographical location to another. Of course, customers are different in different parts of the world, but to be successful, it is important for firms to understand completely their consumers (Halepete et al., 2008). As consumer behaviour is changing with

the time period, there is a need to cultivate customers' confidence with innovative ways (Ganguli and Roy, 2011). This implies that Wal-Mart needs to change, not only its offerings but also resolve any problems faced by their customers (Gereffi and Christian, 2009).

6. Limitations and future research

As with all research studies, the findings presented are characterised by some limitations. All the dimensions in the study were measured at one point in time. It may be worthwhile to study customer loyalty over time in order to be able to take into account the dynamics in consumer behavioural patterns. The application of the price transparency dimensions identified in the study cannot be generalised as we have taken only one firm (Wal-Mart). Also, the present study only focused on the customer's side than on the firm's side. Future research should include staff opinion to generate results that are more applicable. Some variables in this study were exploratory in nature, which could not be fully explored in the study and should, therefore, be explored in future research. Moreover, investing the effect of price transparency on assurance and reliability is conceptually interesting. The findings of the study can serve as a guide towards further research in same as well as in different fields. As Wal-Mart has always tried to keep its format standard in their all international operations (Halepete et al., 2008), the scope of the study may not be limited to a geographical location and will guide the firms and managers to understand customer behaviour in order to attract and retain them. The beauty of the current study is, it has established the strong relationship between price transparency and assurance and reliability which motivates to future researchers for further work on these constructs.

Appendix: A

See Table A1.

Table A1
List of scale items.

Latent variables	Observable variables	Citation
Price transparency (PT)		Nguyen and Klaus, 2013; Lymperopoulos et al., 2013; Ferguson and Ellen, 2013; Low, 2012; Matzler et al., 2007 and 2006
	Profit margin information (PT-1)	Lymperopoulos et al., 2013; Fox and Hoch, 2005
	Lowest pricing (PT-2)	Kushwaha and Agrawal, 2015; Ferguson, 2014; Valenzuela, 2010; Merrilees and Miller, 2010; Halepete et al., 2008; Lees et al., 2007; Hemphill, 2005
	Discounted pricing (PT-3)	Halepete et al., 2008; Sanchanta, 2007; Hemphill, 2005
	Comparative pricing (PT-4)	Xia et al., 2004; Cox, 2001
	Fair pricing (PT-5)	Nguyen and Klaus, 2013; Ferguson and Ellen, 2013; Martin-Consuegra et al., 2007; Matzler et al., 2007 and 2006
	Price bundling (PT-6)	Ahmetoglu et al., 2014; Poundstone, 2009; Manning and Sprott, 2007; Stremersch and Tellis, 2002
	No Price negotiation (PT-7)	Ferguson, 2014; Merrilees and Miller, 2010; Hardesty et al., 2007
	Transparent billing (PT-8)	**Self-developed**
Assurance (A)		Ferguson, 2014; Subramanian et al., 2014; Orbitz, 2010; Parasuraman et al., 1988
	Quality of products (A-1)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Merrilees and Miller, 2010; Halepete et al., 2008
	Quality of services (A-2)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Halepete et al., 2008
	Variety of products (A-3)	Subramanian et al., 2014; Verhoef and Langerak, 2001
	Brand reputation (A-4)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Merrilees and Miller, 2010; Halepete et al., 2008
	Value for money (A-5)	Nguyen and Klaus, 2013; Merrilees and Miller, 2010; Halepete et al., 2008
	No hidden charges (A-6)	**Self-developed**
	Ethical behaviour (A-7)	Subramanian et al., 2014; Nguyen and Klaus, 2013, Merrilees and Miller, 2010; Bessire, 2005
	Time savings (A-8)	Subramanian et al., 2014; Liu et al., 2008
	Convenience (A-9)	Subramanian et al., 2014; Halepete et al., 2008, Liu et al., 2008
	Fast delivery of goods (A-10)	Subramanian et al., 2014; Shankar et al., 2003
	Feasible store operating hours (A-11)	Subramanian et al., 2014; Halepete et al., 2008; Liu et al., 2008
	Customer care (A-12)	Subramanian et al., 2014; Merrilees and Miller, 2010
Reliability (r)		Subramanian et al., 2014; Lymperopoulos et al., 2013; Nguyen and Klaus, 2013; Parasuraman et al., 1988
	Honesty (r-1)	Nguyen and Klaus, 2013; Wu et al., 2012; Dreze and Nunes, 2009; Lee-Wingate and Stern, 2007
	Fulfil promises (r-2)	Subramanian et al., 2014; Nguyen and Klaus, 2013
	Fair dealing (r-3)	Nguyen and Klaus, 2013; Lymperopoulos et al., 2013; Lee-Wingate and Stern, 2007
	Integrity (r-4)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Wu et al., 2012; Dreze and Nunes, 2009
	Quick response (r-5)	Subramanian et al., 2014; Gong et al., 2012
	Trust (r-6)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Kanagaretnam et al., 2010; Bessire, 2005; Hemphill, 2005
Customer loyalty (CL)		Subramanian et al., 2014; Nguyen and Klaus, 2013; Brady et al., 2012; Fornell et al., 2010; Homburg et al., 2007
	First choice (CL-1)	Nguyen and Klaus, 2013; Brady et al., 2012
	Positive word-of-mouth (CL-2)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Brady et al., 2012
	Recommend (CL-3)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Brady et al., 2012; Homburg et al., 2007
	Committed (CL-4)	Subramanian et al., 2014; Nguyen and Klaus, 2013; Fornell et al., 2010; Homburg et al., 2007

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