T.C. KOCAELİ ÜNİVERSİTESİ

SOSYAL BİLİMLER ENSTİTÜSÜ

İŞLETME ANABİLİM DALI

ÜRETİM YÖNETİMİ VE PAZARLAMA BİLİM DALI

TÜKETİCİLERİN ALIŞVERİŞ SONRASI PİŞMANLIK TEPKİSİ VE MARKA BAĞLILIĞI ÜZERİNDEKİ ETKİSİ

(THE EFFECT OF POST PURCHASE CONSUMER REGRET AND ITS INFLUENCE ON BRAND LOYALTY)

YÜKSEK LİSANS TEZİ

NEWTON OWUOR OYUKE

KOCAELI 2018

T.C. KOCAELİ ÜNİVERSİTESİ

SOSYAL BİLİMLER ENSTİTÜSÜ

İŞLETME ANABİLİM DALI

ÜRETİM YÖNETİMİ VE PAZARLAMA BİLİM DALI

TÜKETİCİLERİN ALIŞVERİŞ SONRASI PİŞMANLIK TEPKİSİ VE MARKA BAĞLILIĞI ÜZERİNDEKİ ETKİSİ

(THE EFFECT OF POST PURCHASE CONSUMER REGRET AND ITS INFLUENCE ON BRAND LOYALTY)

YÜKSEK LİSANS TEZİ

ÖĞRENCI: NEWTON OWUOR OYUKE

DANIŞMAN: PROF. DR. ÜMİT ALNIAÇIK

KOCAELI 2018

T.C. KOCAELİ ÜNİVERSİTESİ

SOSYAL BİLİMLER ENSTİTÜSÜ

İŞLETME ANABİLİM DALI

ÜRETİM YÖNETİMİ VE PAZARLAMA BİLİM DALI

TÜKETİCİLERİN ALIŞVERİŞ SONRASI PİŞMANLIK TEPKİSİ VE MARKA BAĞLILIĞI ÜZERİNDEKİ ETKİSİ (THE EFFECT OF POST PURCHASE CONSUMER REGRET AND ITS INFLUENCE ON BRAND LOYALTY)

YÜKSEK LİSANS TEZİ

Tezi Hazırlayan: Newton Owuor Oyuke

Tezin Kabul Edildiği Enstitü Yönetim Kurulu Karar ve No: 23.01.2019/04

Jüri Başkanı: Prof. Dr. Ümit ALNIAÇIK ……………

Jüri Üyesi: Prof. Dr. Burcu CANDAN ……………

Jüri Üyesi: Prof. Dr. Remzi ALTUNIŞIK ……………

KOCAELİ 2018

ACKNOWLEDGENTS

I wish to pass my sincere acknowledgement to all those who have contributed both directly and indirectly in making this thesis a reality. First of all, I wish to express my heartfelt thanks to my supervisor; Prof. Dr. Ümit Alniaçik whose help and support has been tremendous in coining the study from scratch to a working a document. I also acknowledge the cooperation of senior members at my department for which their useful comments have enabled me to improve my study. My family has also been of tremendous help through encouragements and other support. To those whom I haven't mentioned, I wouldn't have done this work without you, thank you for your great help.

CONTENTS

LIST OF TABLES

TABLE OF FIGURES

ÖZET

Bu çalışma, tüketici karar verme koşullarından kaynaklanan pişmanlığı incelemektedir. Pişmanlık konusunda çok sayıda araştırma olmasına rağmen, pazarlama konusundaki araştırmalar, özellikle yetersiz bir durumda, stok durumu ve fiyat indirimi durumunda, eylemde ortaya çıkan pişmanlığın doğasını açıklama ya çalışan araştırmalar yeterli değildir.

Bu çalışma, eylemi pişmanlığın ana kaynağı olarak tanımlamaktadır. Spesifik olarak, çalışma stoktaki alt optimallik durumundaki pişmanlığı araştırmaktadır. Daha sonra indirim fiyatı stratejilerinin koşulları araştırılmış pişmanlık ve marka değiştirme niyetlerinin yoğunluğu incelenmiştir. Veriler yüz yüze yapılan anket kullanılarak kolayda örnekleme ile seçilen 195 üniversite öğrencisinden toplanmıştır. Stok durumu, alt-optimal durum ve indirimli fiyat durumu hakkındaki bilgiler anketteki kısa bir hikaye ile tarafından manipüle edilimiştir. Tüketici tepkileri (örneğin, pişmanlık duyma, markayı değiştirme niyeti, olumsuz duygular) Likert tipi maddeli ölçekler ile ölçülmüştür.

Veriler üzerinde yapılan analizler sonucunda, pişmanlığın, stokların ve yetersizliğin bir onayının olduğu yerlerde yaşanması muhtemeldir. Bu durumda yaşanan pişmanlık, tüketicilerin markaya güvenini etkilemesi muhtemeldir. Tüketicilerin de olumsuz duygular yaşamaları olasıdır. Bunlar marka değiştirme niyetlerine yol açabilir. Tercih edilen stok fiyatı ile aynı fiyat durumunda, daha yüksek düzeyde pişmanlık ve olumsuz duyguların yaşanması muhtemeldir ve bu da marka değiştirme niyetlerine yol açmaktadır. Bununla birlikte, düşük fiyatlandırma durumlarında, özellikle indirim durumlarında, düşük pişmanlık seviyeleri yaşanır, bu nedenle negatif duygulara ve ardından marka değiştirme niyetinde olumsuz bir etkiye neden olabilir.

ABSTRACT

This study proposes to examine regret arising from consumer decision making circumstances. Even though there is wide and extensive research in the subject of regret, spares research in marketing explain the nature of regret arising in action especially in a suboptimal condition, stock out situation and discount pricing situation.

The study defines action as the key source of regret. Specifically, the study investigates regret in the condition of sub optimality in stock out. Subsequently circumstances of discount pricing strategies are investigated and the intensity of regret and brand switching intentions were examined. Data was collected from a convenient sample of 195 university students by using a questionnaire which was conducted face to face. Information about stock-out situation, sub-optimal condition and discount price situation is manipulated by a short excerpt in the questionnaire. Consumer responses (i.e. experienced regret, intention to switch the brand, negative emotions) in such a situation is measured by Likert type multi item scales.

The results analyzed posited that, regret is likely to be experienced where there is a confirmation of stock out and suboptimality. The regret experienced in this circumstance is likely to influence consumers brand loyalty. Consumers are also likely to experience negative emotions. These might lead to brand switching intentions. In the condition of same price as the preferred stock out brand, greater levels of regret and negative emotions are likely to be experienced, leading to brand switching intentions. However, in low pricing situations specifically discount situations low levels of regret are experienced hence leading to low negative emotions and subsequently negative effect on brand switching intention.

INTRODUCTION

A. Background

Market managers are always on toes and interested to understand better the influences of post purchase behavior, they would precisely think of the answers to the question; What brings consumers back for more? Under what circumstances are consumers likely to be satisfied with the choice of brand they make and when exactly do consumers experience regret? In the case of stock out situation is there any particular behavior of the consumer? Stock out is the term used to portray the situation of when stock for a specific commodity is depleted. The word is used interchangeably with out-of-stock (Hoyer et al., 2018). Stockouts by and large allude to a commodity being inaccessible for buy at retail, rather than somewhere else in the inventory network. They are most obvious in the quick-moving consumer merchandise areas. The inverse of a stock out would be an overstock, in which case there is an excess of stock (Frey and Stutzer, 2012).

A stock-out circumstance is quite hazardous to the retailers and suppliers for a few reasons. Consumers may express regret when they find out what product they were aiming to buy is out of stock. The regret may come in terms of not coming earlier of even the idea of visiting that store where the products have run out of stock (Frey and Stutzer, 2012). Additionally, this can resultantly affect the consumer brand loyalty and brand switching intentions of such customers. There are various offenders to fault for a stock out of products (Hoyer et al., 2018). These are like lack of working capital coming about because of poor income administration on the retailer's part that confines the estimations of month to month orders or having wasteful procedures for stocking stocks and submitting recharging requests. Additionally, an unseasonal spike in buying and poor training of staff on the most proficient method to screen stock levels and performance renewal leads to stock outs (O'Shaughnessy, 2012).

Having incorrect stock information that outcomes from shipment changes, lost commodity’s, returns, or stolen products can also be a reason for stock out. Finally, there can be an absence of interest gauging because of nonappearance of information on stock turn, offer through, recorded deals, advancements, regularity, and the financial atmosphere (Bui et al., 2011). Stockouts are extensively perceived by scientists and professionals as a critical issue for retail stores, their supporting supply chains and the customers. Evaluations of stock out rates in retail stores have reliably arrived at the midpoint of about 10% frequency (Campbell and Ma, 2016). The stock out issue is imperative to the consumer network because stock out rates influence consumer brand loyalty and brand switching intensions of consumers (O'Shaughnessy, 2012).

Suboptimal conditions of products can also influence the consumer brand loyalty due to regret consumers experience. Suboptimal condition of goods is when goods fall below the expected quality. The goods can either be damaged or generally substandard (Hoyer et al., 2018). This being the case, it is expected that most consumers who find themselves with goods in a suboptimal condition will react in some way. Most consumers will most likely show regret for having bought the product and some for their purchasing behavior. The effects of this reaction are expected to be negative towards the store where that product was bought (Bui et al., 2011). Subsequently, the clients regret may be economic where they decide not to go back to that store. They can even tell others on their regret which could be detrimental for any business at the end (Hsee and Zhang, 2010). However, huge numbers of the basic reasons for suboptimal condition can be avoided when compelling procedures are set up in any business. To limit the chance of stock outs and products being in suboptimal conditions, the sellers should concentrate on expanding their retail execution and production network practices (O'Shaughnessy, 2012).

Retail stock outs have been examined from two noteworthy points of view namely estimation of stock out rates in stores and consumer reaction to stock outs (Bui et al., 2011). Notwithstanding the point of this view, most people propose that shop owners manage stock outs by making a move to diminish the number of stock outs however much as could be expected (McCaffery and Slemrod, Eds.). Conversely, the adequacy of the new measures as a substitute way to deal with overseeing stock outs is for the most part made. A cure is a motivation to initiate consumers to not leave a store because of a stock out. There is also need to deal with goods with suboptimal conditions (Hoyer et al., 2018).

There is no consumer who would want to be told, “Sorry, we are out of stock” (Hoyer et al., 2018). The expenditures associated with being out of cost affect a lot of things. They affect relations between retailers and consumers. They also affect brand equity and investor confidence. There is a need to make an investment in the right business tools to avoid such a situation. This may involve having an enhanced retail execution by partnering with many distributors and manufacturers. Additionally, properly trained employees and suppliers can reduce the negative effects of stock out at drastic levels (Frey and Stutzer, 2012).

B. Problem Statement and Justification

Stockouts remain a noteworthy issue not only for retail firms but also for marketers who are willing to make their products available for consumption or to their customers. The outcomes of stock outs rise above the retail store to incorporate its supporting inventory network (Campbell and Ma, 2016). Nevertheless, the impact on the behavior of consumers. Stock outs can affect the firm’s restocking approach, the levels, and area of inventories and the cost of crisis shipments required to renew out-of-stock things (Hoyer et al., 2018). In spite of the fact that there is a substantive writing in research that measures the recurrence of consumer’s reaction to stock outs, study of the impact of these reactions like consumer regret on is minimal (Frey and Stutzer, 2012).

The issue of stock out and suboptimal conditions of products has been known to affect the behavior and reaction of many consumers. They may show regret in these situation (O'Shaughnessy, 2012). Regret theory was first introduced in the marketing domain to help explain the irrational decision making of consumers (Loomes and Sugden 1982).

Recently marketers have used the tool of regret theory to garner greater insights into the consumption behaviors of their consumers. However, there is limited academic and professional literature on the effects of these reactions by consumers to consumer brand loyalty, brand switching intentions and the mediating effect of price in the later (Frey and Stutzer, 2012). Along these lines, the impact of each effect on consumer reaction should be inspected keenly. There are also some issues that regret experienced in stock out situation and suboptimal condition affects consumer brand loyalty. However, most of these statements lack sufficient backing from literature works. There is also limited information on the effects of customer reaction to products being at suboptimal conditions on consumer brand loyalty (Frey and Stutzer, 2006).

This being the case, there is need to study and understand whether regret experienced in stock out situation and suboptimal condition affects consumer brand loyalty. Such findings will be helpful to both suppliers and retailers to understand how consumers feel after stock out the situation and suboptimal condition of products and how pricing may influence consumers reaction to a particular brand in these conditions. They will also know how these reactions affect their businesses especially on consumer brand switching intentions.

C. Purpose of The Study

The research aims to find out if regrets experienced in stock out the situation and the suboptimal condition affects consumers brand switching intentions. It also seeks to establish how regret experienced in stock out situation and the suboptimal condition affects consumer brand loyalty. The research also to establish if the discount pricing strategy in case of suboptimal condition mediates the levels of regret, negative emotions felt by consumers in this condition and how these levels affect brand loyalty.

D. Objectives of Present Research

The research main objective is to find out if regrets experienced in stock out the situation and the suboptimal condition affects consumer Brand Loyalty. It also examines the mediating role of discount pricing on the relationship between regret, negative emotions and brand switching intentions. Specific objectives of this study are as follows.

i. To determine if consumers experience regret in suboptimal condition and stock out situation.
ii. To determine if there an effect on consumer brand switching intentions from regret experienced in stock out situation and suboptimal condition.
iii. To determine if there is relationship between negative emotions and brand switching intentions in suboptimal conditions and stock out situations.
iv. To determine if discount pricing strategy effects of the levels of regret experienced in suboptimal and stock out situation on brand switching intentions.
v. To determine if discounting pricing strategy affects the level of negative emotions on brand switching intentions.

E. Research Questions

This research is divided into research question aiming to help the researcher get a better view of the main topic. The main research question is, does regret experienced in stock out the situation and the suboptimal condition affects consumer brand loyalty and brand switching intentions? The research question is very broad and is divided into smaller research questions that have a more specific area of research to focus on. These research questions are listed below.

i. Do consumers experience regret in suboptimal and stock out situation?
ii. Is there an effect on Consumer Brand Loyalty from regret experienced in stock out the situation and suboptimal condition?
iii. Is there relationship between negative emotions and brand switching intentions?
iv. Does discount pricing strategy affect the levels of regret experienced in Stock out and suboptimal situation?

v. Does discount affect the levels of negative emotion on brand switching intentions in suboptimal and stock out situations

F. Plan of Chapters

The first chapter of this paper, the introduction has the background, problem statement, justification, purpose and objectives of the research. It also contains the research questions and the plan of chapters section. The literature review chapter follows it. The review of literature will have the theoretical framework. It will also cater for the study of literary works from previous authors on regret experienced in stock out the situation and the suboptimal condition affects consumer style inventory, brand loyalty, and product category involvement.

The methodology chapter will come up with how the research will be designed and conducted. This will involve the design and approach of research, data collection methods, and the target population. It will have sections on reliability and validity and ethical and moral consideration. This chapter will be followed by the analysis, presentation, and discussion of results from the study. The last chapter will have conclusions and recommendations.

CHAPTER ONE

1. LITERATURE REVIEW

1.1. A REVIEW OF RESEARCH ON REGRET

Many inquiries, in an extensive variety of controls, have considered important the vital role of emotions in decisions and choices. Both neuroscience and consumer behavior studies give abundant confirmations that emotions impact behaviors. The emotion that has received the most research consideration from scholars is regret. Regret is the second most specified emotion in regular dialect. It could work as a shock, inspire people to assess and legitimize their choices and lead them to enhance their studies. Previous study discoveries from the field of neuroscience, likewise, affirm that an existence without regrets is very far-fetched (Cooke et al, 2001).

The impact of emotions on basic leadership is generally recognized in a few controls. In spite of the fact that studies on the issue started in financial aspects and brain research, regret could be presently presented as a multi-disciplinary subject keen on numerous other diverse areas, for example, back, promoting, neuroscience, medication, and law (Musalem et al., 2010).

Regret could be known among the few emotion-related ideas that was intrigued by financial analysts and detailed into a hypothesis to be measured and experimentally upheld as a choice determinant and result. Olofsson (2006), at first centered around the idea and endeavored to process the greatest conceivable regret and enhance the prescient legitimacy of the financial experts' standard expected utility model of the decision by presenting thought of foreseen regret. The developed monetary hypotheses as foundations, fixation the utility or express estimation of the idea and have a principal concentrate on accomplishing ideal outcomes of choices whether large scale or miniaturized scale economy situated and attempt to (Beneke et al., 2012) All things considered, the efficient introduction of the idea was barely characterized or operationalized; the scientific details are centered, exclusively, around subjective highlights of regret and — separated from utility—other basic components, affiliations, or outcomes were disregarded.

The second approach began in mental investigation into the forerunners and outcomes of encountering or envisioning regret regarding decisions and choices. Babbel (2010) are among the primary studies that took after this approach and concentrated on different issues, for example, goal, inspiration, intrigue, want, and causal locus of regret. The subjective part of regret in basic leadership forms, and additionally, behaviors are for the most part keen on inquiries about on the brain science of regret (Balakrishnan, 2008).

As to field of study in marketing and consumer behavior, the second approach seems, by all accounts, to be more pertinent and is for the most part taken after. The outcomes picked up by financial specialists, regarding regret, are somewhat applauded and recollected in discourses, at whatever point required (Gruen, 2007). However, people do not plan to create a foundation on mental speculations of regret as a point, since the outcomes of regret are intriguing. Regret is the distinction in esteem between the benefits really got. Surveying the foundation hypotheses reminds the way that both amount and quality situated controls bolster the compelling part of regret in regular basic leadership. Aside from getting a charge out of a double develop involving the two musings and emotions, regret keeps up a double nature and work and is molded through double sources. With respect to basic part of the issue, an audit of each is taken after (Eroglu et al., 2011).

Regret is frequently known for its damaging capacity and is in this manner typically endeavored to be expelled, denied or diminished. Dithering in basic leadership, inconvenience with the points of confinement of individual control, misguided thinking, inclination damping, negativity or doubt when picking the choices are just a couple of the damaging elements of regret that could be in respect to consumer behavior studies (Ehrenthal and Stolzle, 2013). Nonetheless, aside from the damaging capacity, regret could have a few helpful capacities which are recipient of people. The restorative, motivational, profitable and informative advantages of regret ought not to be disregarded. Regret commits one's error more remarkable and goes about as an impetus to fix the causes; there is a learning system related to this emotion. It, along these lines, could work as a "treatment" gives the inclination to reprimand oneself, and to assess the basic leadership process keeping in mind the end goal to revise past errors. It is related to endeavors to fix wrong choices made previously and avert comparable errors in future (Corsten and Gruen, 2004).

Not to overlook that the idea does not just apply at the individual level; regret could have social advantages which would be unquestionably vital for all social orders. Social orders fit for regret may get themselves the recipients of moral, instructional, motivational and even utilitarian prizes, among others; regret is a gatekeeper of goodness for social orders and in addition people. At whatever point a consumer sees that a predestined option would have yielded a superior result, sentiment regret is experienced (Musalem et al., 2010). Nonetheless, regret could be not just experienced past. Situated yet in addition foreseen present or future arranged. Put essentially, the pessimistic encounters enter individuals' recollections and perception and advise them about what they fouled up as well as what they could do right in future. In spite of the fact that time factor could be known as the main contrast in the two ideas, considers. Understanding the purchaser defenses process could give a premise to regret treatment for helping individuals discover the methods of reasoning that will work for them in decreasing agonizing regret (Mittal et al., 2005).

Regret, as for all intents and purposes all emotions, has social beginnings, social ramifications, and social standards that direct its demeanor. Experienced and expected regret could be entirely unexpected in their tendencies and capacities. The thoughts regarding the part of regret experienced were long present in choice research. Nonetheless, it was not until the point when the mid-80s previously the expectant parts of regret were expressly joined in basic leadership process (Beneke et al., 2012).

A few investigations of human leadership have demonstrated the noteworthy connection amongst experienced and foreseen regret, contending that accomplished regret, after a specific activity, has a tendency to end up noticeably expectant. The purchaser's response to stock out circumstances had suggestions for retail grouping, edge space designation, evaluating, and coordination. Indeed, an incredible number of mechanical literary works concentrates on the ideal combination of streamlining ventures (Mittal et al., 2005), or concentrates on the expenses of stock out situations and suboptimal conditions circumstances (Campbell 2016).

Despite the fact that there was a requirement for an expanded comprehension of customer reaction, in the segment to the brand stock out situations and suboptimal conditions circumstance, just a couple of logical investigations hit been attempted around there. With striking exemptions, Olofsson (2006), most logical study is on the stock out situations and suboptimal conditions customer reaction hit been founded on research facility tries or glorified circumstances, on gaging stock out situations and suboptimal conditions reactions utilizing self-controlled polls. Beneke et al., (2012), initiate a connection between assortment looking for inclinations of customers and stock out situations and suboptimal conditions reactions. By utilizing self-managed surveys to deliver a recurrence dispersion of "proposed" stock out situations and suboptimal conditions reactions. Eroglu et al., (2011) found that a specific number of individuals have change stores if the brand was out of hit for a more drawn out timeframe

1.2. GENERAL PHENOMENON OF REGRET AS IN MARKETING

Landman (1993) defines regret as “a more or less painful judgment and state of feeling sorry for misfortunes, limitations, losses, shortcoming, transgressions, or mistakes.” Research on regret in the field of marketing has proved that regret has a negative outcome on the consumer purchasing behavior. (Inman et al 1997; Taylor and Schneider, 1998; Tsiro and Mittal, 2000) a negative influence on purchasing intentions and a facilitative effect on promoting coping strategies such as the behavior of brand switching. Consistently, individuals both settle on decisions and regrets. Regardless of whether it is second-guessing a noteworthy life decision like one's profession or regret over buying a specific product, the issue of regret is recognizable and substantial. It is critical to take in more about this mental event with a specific end goal to enable individuals to avoid regret by settling on better decisions later (Pieters and Zeelenberg, 2007). Research on regret requires both figuring out how the characteristic system of regret functions, and furthermore what outside conditions influence the level of the regret (Das and Kerr, 2010).

Researchers in the domain of marketing especially those studying regret have come up with various models of consumer satisfaction. Satisfaction is a major determinant of brand loyalty. Satisfaction and dissatisfaction are important consents in consumer post purchase evaluations. Taylor (1997) was the first marketing researcher who delved into researching on consumer regret and expectations of unchosen alternatives. Her researched proved that unchosen alternatives affect consumers satisfaction levels. Taylor (1997) included regret in her satisfaction levels model while trying to investigate the phenomenon. She found that individuals are likely to think more about negative event in their past and this intensifies their regret with time. Other researchers (Gilovich and Medvec 1995; Mellers et al. 1998) also made similar observations.

Inman et all (1997) incorporated disappointed in the model of satisfaction. The model is made up of three basic element each signifying a contributing factor to consumers assessment of a chosen product. The components were; expected performance, difference between anticipated and actual performance, and regret as the final component. According to the author the model provides consumer post choice valuation by and adjustment and anchoring framework. The authors noted that consumers experienced disappointment and regret when adjustment were made based on the anchor. Interesting results were obtained from the test of the model. Regret was observed as having an effect on post choice valuations. This research was a significant contribution to the field of regret research since it merged the regret concept and that of satisfaction into one model then examining their effects on post choice valuations. The main objective of Inman et al (2002) was to show that individuals are likely to experience more regret when they switch from status quo. It also showed that consumers are likely to experience less regret than if they had not made a switch.

Status Quo in the field of marketing has been defined as the tendency to have a repeated purchase, meaning to select the same brand over subsequent. inn consumer decision making the effect of status quo might mean that if repeated purchase results in a negative outcome then individuals are likely to have less experiences of regret than if the negative outcome result in purchasing an alternative brand. Researchers felt that such results of status quo might have been over generalized. They proposed that inn some occasions consumes might have prior experience justifying switching intention. This said it is likely to weaken the regret intensity when the made decisions turns out to be negative. Psychology research has shown that regret intensifies when an individual feels the he/she is personally responsible for the decisions they make. If the decisions to switch are supported by positive reasons then induvial experience low levels of regret from making such decisions.

From their research the authors concluded that regret is likely to be less experienced when strong reasons exist for the decision to switch. It is also noted that the individual history with the brand is likely to impact regret experienced arising from the choice made. They suggested that when the there is high experience with a brand the greater the status quo. Hence greater regret is likely to be experienced when a switch is made in the case of higher experience. It is therefore proven that when there is high brand history greater regret is experienced from a negative switch than when the history is low.

This article illustrated that individuals especially consumers might experience regret when they stick to status quo even if there were positive reasons for a switch. In fact, regret arising from status quo or the status quo effect might be higher than that arising from switching reasons that were not compelling enough.

1.2.1. Anticipated Regret

Research in the domain of marketing has dealt with specific issues relating to anticipated, experienced and future regret. Simonson (1992) was the first researcher to examine the role of anticipated regret in the context of timing of purchase. In other words, this involved making decisions to do purchase at the present versus delaying the purchase in anticipatory of a better deal. The price paid; was it expensive or inexpensive? And the brand choice. Simonson (1992) posited that consumers always make the decision to make a purchase at the time or might end up postponing the purchase in anticipation of a better deal. It is noted that if the consumer made the decisions purchase the product which if she/he finds out that it was offered later o on better deals hen the consumer is likely to experience regret. In the other case if the consumer found out that she/he had missed a better deal then he/she would also experience regret.

Buying a product on the basis of current available information seems to be the norm of consumers. Whereas as waiting for a better deal is more of a gamble for the consumer. The norm theory by Kahneman and Miller (1986) suggested that consumer experienced greater regret when they made decisions that deviated from their norm that resulted into negative outcomes. Consequently, it is therefore stated that consumers who postponed the purchasing decision in order to wait for a better deal might end up experiencing greater regret when they find out that the initial deal was better than their counterparts who made the purchasing decision at the current time of the original deal and found a better deal later.

Similar arguments can be used to predict consumers regret experience with reference to the paid price and the brand chosen. If the consumer chooses a better brand that’s more expensive over a poor brand that is less expensive and later finds out that the expensive better brand is inferior to the alternative less priced less brand then he/she might experience less regret. This is because the author believed that choosing a better brand is more likely to be a less of a gamble than choosing a poor brand.

In conclusion Simnson's research showed how making individual anticipate the persistence of regret might influence consumers choice. The author also showed that regret is associated with something that an individual has done or has not done and the magnitude of emotions experienced depended on the levels of actual and alternative outcome levels. The researcher also showed that price and brand chosen might act as mediators to anticipatory regret.

1.2.2. **Experienced Regret**

Tsiors and Mittal (2000) developed a model of experienced regret, established a multi-item scale for measuring and distinguishing emotion from satisfaction. The authors examined how regret and satisfaction have consequences on consumers. The authors illustrated how regret might be experienced in the event that the knowledge of the forgone outcome is not known. They also investigated the moderating roles of status quo and irrevocability of the outcome. Cognitive process was also observed.

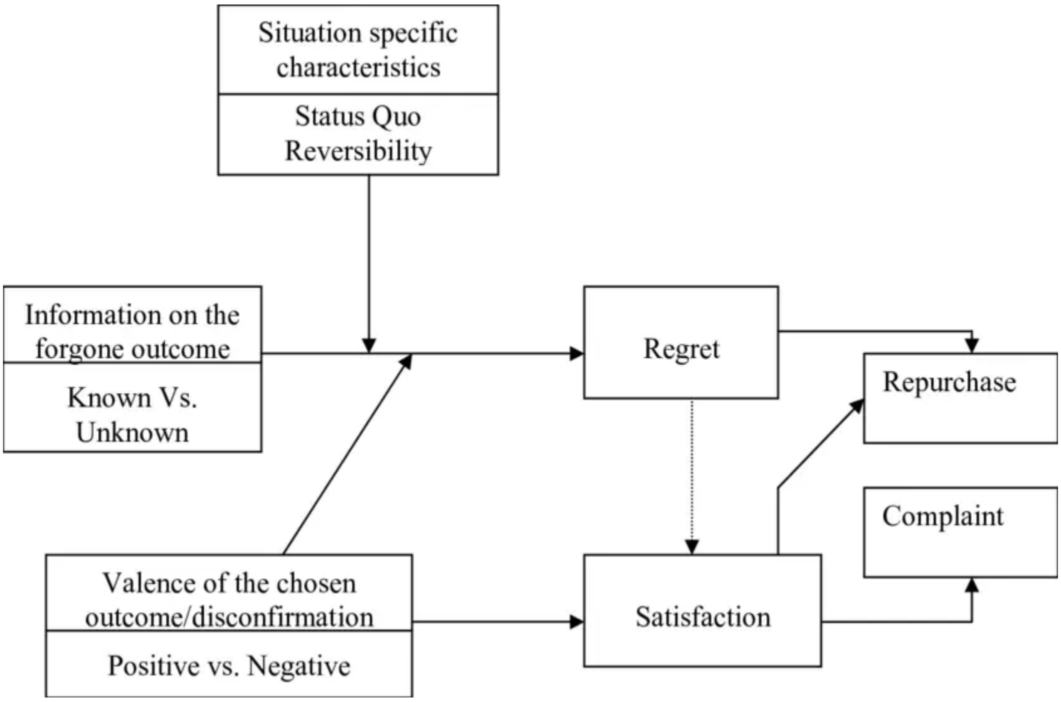

Figure 1:Tsiros and Mitall (2000) Regret Model

Experienced regret is defined by Tsiors and Mittal (2000) as "the result of comparing one's outcome with s better outcome that would have occurred had a different alternative been selected." This definition evolved from other concepts of the regret emotion. Bell (1982) and Loomes and Sugden (1982) defined experienced regret as "a consequence of decision making under risk and may arise when individuals appear, after the fact to have made the wrong decision appear to be the right one at the time it was made." Zeelenberg (1996) defined experienced regret as "a negatively cognitively determined emotion that we experience when realizing that out current situation would have been better had we acted differently."

From these definitions it is conclude that even though regret as much as satisfaction results from comparing the actual performance against a reference point, the understanding of regret as a separate construct will provide greater understanding of post choice valuation. Regret and satisfaction have been proven to be two separate constructs. Regret is more associated with choice while satisfaction id more associated with outcome.

Tsiros and Mittal (2000) provided a comprehensive model of experienced regret. The model showed comparison between forgone alternative and the chosen alternative. The authors suggested that in order for consumers to evaluate post choice decisions they first compare the outcomes received versus that of predetermined levels of expectations. This comparison affects the consumer's repurchasing intentions. Some individuals might however compare between the outcome of the forgone alternative and the received outcome. If the consumer finds that the foregone alternative outcome would have been better than the receive alternative outcome then the consumer might make the decision to purchase the forgone alternative next time he/she makes a purchase. Therefore, leading to brand switching intentions. Therefore, Satisfaction and regret influence repurchase intentions. Regret has a negative influence on satisfaction.

The Tsiros and Mittal’s (2000) research makes significance contribution in understanding regret in the domain of marketing. The research makes the understanding of experienced regret easier.

1.2.3. **Future Regret**

Whether consumers experience regret in timing purchase decisions and how regret relates to satisfaction were explored by Cooke et al. (2001). The authors also examined how consumers avoid regret in these contexts. This was termed as future regret in later purchasing situations. The authors used post purchase and pre-purchase pricing situations to determine satisfaction and regret measures in reference to purchasing timing situations. Pre-purchase prices referred to the prices that are exposed to a consumer before purchasing a given product.

If prices decrease steadily and become higher than the prices that were there at the time of purchasing the product then the consumer might experience greater regret for not purchasing the product earlier. On the other hand, post purchase prices are prices exposed to the consumer after purchase. It is noted that consumer is likely to experience greater regret when he/she find out that the price product price has decreased after purchase. The authors proved that prices affect consumer regret and might be moderated by them. Simonson research as discussed earlier is relevant in the context of consumer post pricing and pre-pricing regrets.

Cooke et all (2001) suggested that post purchase prices affect regret and satisfaction more than pre-purchase prices. The author noted that consumers generally make decisions to purchase based on analysis of cost benefit. Based on these researches it might be concluded that consumers make forward looking purchasing decisions.

The results of the research of Siminson (2000) and Cooke et al 2001 proved that consumers facing purchasing decision are likely to try to avoid regret by setting stricta decisional threshold. On another had Cook et al (2001) showed that consumers consider prices in future while trying to make purchasing decision. The timing and context of purchase also seemed to affect consumers reaction. The researchers also showed that hedonic consequences are likely to motivate consumers hence anticipation of future regret.

The inclination that beats a person when they know the activity they are going to attempt will have extreme repercussions later. Planning to delay the outcomes of a stupid act to a later date when people have had time to consider it. This inclines consumers' behaviors on their future choices in terms of whether to buy at a store after stock outs or poor condition of products (Bui et al., 2011).

1.3. CONSUMER BRAND LOYALTY

Brand loyalty is where there is a pattern in consumer behavior to be committed to a certain brand and make repeated purchases from that brand over time. Customers who are loyal buy a specific brand repeatedly regardless of the price or convenience (Alaei et al., 2014). Many marketers underestimate the value of brand loyalty for their businesses despite knowing the value of feedback from consumers. The most essential benefit of consumer brand loyalty is the retention of the loyal customers. Customers loyal to a specific brand will keep on buying that brand regardless of the situation they are in. consumer brand loyalty is also essential as the business get feedback from clients that understand the product. This feedback is good in future developments or improvements in the quality and general wellbeing of that product (Mittal et al., 2005).

Previous research by Waller et al. (2010), (Zeelenberg and Pieters 1999) indicates that there is a workable relationship between consumer brand loyalty and regret. However sparse research explains the relationship between these variables in a stock out and suboptimal condition and also in discount price strategy condition. Loyal customers may experience regret over the quality of the brand or its stock out. This is supported by the fact that regret is a behavioral issue that is bound to every individual that is disappointed by another issue. However, there is no known effect of this regret based on the future decision by the consumer after the regret situation.

Additionally, Beneke et al., (2012), stated that one key issue in retail administration was the fix of satisfactory commodity assortment, through the administration of stock available. In dealing with this procedure, the retailer must strike a harmony between finished facts that inventory administration costs were higher, and gambling stock outs that conceivably result in lost transaction and conceivable long haul negative erect. Basically, stock-outs were a critical administrative issue (McCaffery and Slemrod, Eds.). The pervasiveness in purchaser settings had been very much recorded (Alaei et al., 2014). A consumer report by Ehrenthal et al., (2014) on the investigation of retail organizations demonstrated that this issue was not to conventional retail settings, as exhibited by the way that mail-arrange clients announced out-of-stock things as the most regular protestation. From an administrative perspective, the pervasiveness of stock outs had various ramifications that outcome in regular exchange that must be made (Beneke et al., 2012).

Furthermore, studies by Alaei et al., (2014) and Waller et al. (2010) postulated that adjusting the advantage of adding more products to a gathering with the cost related with the higher probability of stockpots, and adjusting the expense of keeping up a specific level of inventory versus the expense of stock outs was just two of numerous dealers the retailer must consider. The 2014 Progressive Grocer destitute was requesting digit composing archiving the recurrence of stock outs watched for things sold in general stores (Alaei et al., 2014). In oppositeness to earlier stock out investigations that attempted to judge the format of a stock out on the premise of unsold stock as it were.

When recording stock outs, a distinction was pre-assembled between accessibility of creation on racks and availability in the store; the last point that the creation was just acquirable in the amassing backroom. The adapting likewise detailed breakdowns for creation classifications, the life of the week, levels of sort faithfully caught by certain creation classes. In the wake of recording the recurrence of stockouts and the expected reactions, Trautrims et al. (2009), at that point evaluated the expense of stock outs. A critical commitment of this belief was the plan for methodically characterizing seasoned conceivable purchaser reactions to stock-outs, which induced diverse investigations that took after. Olofsson (2006) additionally proposed assistance for evaluating the cost of stock outs.

Thusly, the two introductions were gazing at customer greeting as a way to judge the expense of stock outs. The two techniques pre-assembled enter presumptions in the estimations. Explanations depended on midpoints accomplished in pre-observations (McCaffery and Slemrod, Eds.). Trautrims et al. (2009) also explored the long-haul essence of an out of stock condition. Just quaternary brands, digit local and digit national, stayed acquirable to consumers. The topical brands raised the cost. Typically, quaternary brands picked up shop bargain amid the deficiency. Over the long haul, surrounded by the creators as an accentuation of quaternary months, the quaternary brands maintain a higher than imaginative offer (Alaei et al., 2014).

Eroglu et al., (2011) spearheaded research into the creation attributes and shopping circumstances as corresponds to stock-outs. Ehrenthal et al., (2014) built up a model that assistance to show a positive, bending connection amongst dispersion and bazaar share. Brands with a bigger arrangement advantage more than brands with comparative arrangement when a small arrangement commodity was out of stock. This was expected in the model that merchants want to refill racks with the prizewinning offering brand. This restocking system drives brands with better bazaar bargain than find amend dispersion which, thusly, adds to promote store bargain picks up. This spiraling procedure represents the bending connection amongst dispersion and bazaar share. Private brands were not consolidated in the model (Ehrenthal et al., 2014).

Over a time of five days, Trautrims et al. (2009), far off five things from the rack of a value cut market. Determination of the basic need was finished by the prizewinning offering thing of the mandate brand in the accompanying: espresso, organic product juice, toothpaste, spread, and tomato ketchup. Purchasers were met at the left path about arranged SDL and different practices alongside the stock out. Results were very various for the five keeping in mind that things when contrasted with different things organization out of stock in the store. Consumer's reaction was driven by different elements, which change significantly the choice procedure; same elements lead the inquiries to incidental conclusions. Commodity and brand exchanging were generally likely. The reality was that the study occurred in an alcohol shop (where customers should be very much educated about the products and betray-substitution and was carried on for smash hit's products, though Beneke et al., (2012), concentrated on branded basic need. Summing one up can express that brand and commodity substitution dangers were rattling high. Customers' responses were, at that point, unequivocally influenced results particularly, as featured by Ehrenthal et al., (2014), that led a study on oats and margarine, both were low-status merchandise, by and large, supplied in striking amounts at home, so a purchaser most likely postpone the buy of products in an out of stock. In that event it was brought up that a buy deferring was practically unrealistic, yet this thought was brought in years with a lower versatility; on an alternate note one could express that, being mixed beverages high-status products purchased for extraordinary events, were probably going to experience a buy delay (Ehrenthal et al., 2014).

As stated, a variety of elements intercedes in this circumstance. It had been hit by ordered different classifications. As indicated by Trautrims et al. (2009), the main factor was the tradeoff between store loyalty and shoppers' loyalty. In this viewpoint, Beneke et al., (2012), included causes like apparent creation hazard, the earnestness of the need, expected creation use (consistent use versus uncommon event) and brand loyalty versus store loyalty, at last, Ehrenthal et al., (2014) incorporated the power of retail rivalry, the level of store loyalty and the customer's shopping designs. Some other creators merged on exogenous drivers like the seriousness of stock out and heterogeneity in consumer inclinations, time reliance and the aggregate effect of stock outs after some time (Waller et al., 2010).

1.3.1. **Brand Symbolism**

Some brand strategists have recognized symbolic and utilitarian brands, i.e. brands that fundamentally fulfill consumers' usefulness or product-related needs and brands purchased to upgrade self- or social regard. It has been proposed that brands ought to be situated as either practical or symbolic however not both. Brand imagery and usefulness are separate marvels. That imagery includes two measurements, namely distinction and identity articulation. In this way, as opposed to current consideration, it appears that brands can be effectively situated as both symbolic and practical and, if a symbolic brand idea is wanted, renown or upscale is only one of the conceivable situating choices accessible. Thus, the involvement of the symbolism is critical to the overall decision of consumers on the product. It is also important to establish the regret a consumer has on the poor quality and stock out on a product based on the symbolism that a product represents (Gruen, 2007).

1.3.2. **Experiential Benefits**

As products and merchandise are commoditized, the experience will develop as the subsequent stage in the movement of money, from now onwards, many organizations will find that their front line lies in experimental experience. These standard techniques miss the genuine and necessary chance to impact consumers inwardly. As an exceptionally focused commercial center where separation is hard to accomplish, consumers are more impervious to publicizing, the quantity of brand-advocates has diminished and the strategies for promoting are constantly changing (Gruen, 2007). Therefore, experiential marketing has turned into a basic piece of the advertising mix in many organizations. While customary promoting choices place consumers in a "tuning in" mode, experiential advertising makes suitable attractive offers to feelings of the member. By making a feeling of shock, starting cooperation and drenching consumers in an experience, brands go well beyond the separation strategies of their opposition (Eroglu et al., 2011).

Organizations who utilize experiential marketing have seen and keep on seeing critical outcomes in consumer devotion and fulfillment and income. It is hard for consumers to associate with a faceless organization. Experiential marketing gives brands an identity that consumers make a real association with. Affiliating this made identity to a product additionally fortifies the relationship they have with your organization. Much like the science reasonable display utilizing lights to influence choices, experiential advertising sets up an intelligent comprehension of data—from a given product's capacities to estimating to security highlights. Instead of being addressed about the basic data, interest makes a positive experience that has been appealed to expand buy goal and consumer loyalty. Making an enthusiastic association through paramount brand experiences has been demonstrated to not just improve consumer loyalty and probability to repurchase, yet transforms a brand steadfast consumer into a brand advocate. Consumers sincerely joined to a brand, feel a feeling of possession in it and are probably going to share their surveys with family and companions.

Trautrims et al. (2009) argue that experiential occasions advance at a more individual level contrasted with broad communications crusades. By investing more energy with partners, less time by and large to rouse activity and growing longer connections, many brands experience an enhanced ROI. By advancing products through curated singular experiences instead of non-individual broad communications channels, utilizing experiential advertising makes an exceptional sentiment engagement that empowers consumers' immediate association with one's brand.

1.3.3. **Expected Benefits**

The present enthusiasm for brand loyalty depends on the legitimate conclusion that purchaser data securing and basic leadership process will contrast contingent on the commodity as well as circumstance (Eroglu et al., 2011). "Low" product category involvement has appeared to advance to the point where it is currently accepted that for most/many buys customers are unconcerned, unreasoning, negligent and by and large, essentially couldn't care less (Waller et al., 2010). Trautrims et al. (2009), venture to "reason that for some buys a choice procedure never happens, not even on the principal consumer. Nonetheless, have people now gone too far the other way, which is, expecting too little from the customer as opposed to accepting excessively? Is it sensible to propose that shoppers select commodities with definitely no point of view and don't frame any inclination for one brand over another? The purchaser does not buy stochastically. Not very many customers would remain before a show and select a brand blindfolded (Gruen, 2007). Shoppers do have explanations behind their determinations; they may not be intricate reasons, but rather they do consider their buys. Purposes behind brand decision might be essential in light of the fact that it is the most reduced estimated, or the main brand the consumer knew about. However, there is a choice procedure yet it might be extremely straightforward and noncomplex. The incorporated data reaction method of Ehrenthal et al., (2014) recommend that notwithstanding for "low" product category involvement buys influence is framed (despite the fact that it might be founded on low force convictions) before the behavior. This is by all accounts a considerably more reasonable portrayal of the choice procedure instead of accepting "that individuals do not purchase trifling commodities since they like them, yet rather, they like them since they get them (Musalem et al., 2010).

A related inquiry which likewise should be tended to is "are 'low' product category involvement commodities actually of practically zero significance to the purchaser? People's reaction is that there are not very many commodities which are of such low significance that the shopper does not give it a second thought. It might at first glance give the idea that such "low" product category involvement commodities as bathroom tissue, canned peas, lights, and so on are of little significance. However, truth be told, they are imperative to the customer as far as the fulfillment they hope to get from utilization, Previous experience may lead one to expect certain execution principles and if the shopper is sure that he/she will get these advantages (Ehrenthal et al., 2014). The consumer is not probably going to have an intricate basic leadership process (i.e., schedule, rehash buy) and this buy may seem, by all accounts, to be a "low" product category involvement buy. nonetheless, notwithstanding for a commodity, for example, tissue, it is a "low" product category involvement buying simply because of high trust in expected advantages from the brand acquired, not on the grounds that the consumer does not think about commodity execution. Indeed, even without a study venture, one needs to concur that most shoppers are extremely worried about the execution of tissue (Gruen, 2007).

If the normal advantages are not understood, the "low" product category involvement commodity will turn into a "high" product category involvement commodity since disappointment is probably going to prompt increased enthusiasm for mark choices that will give the normal advantages. The point, obviously, is that such "low" product category involvement commodities are "low" simply because of trust in expected brand execution, not on the grounds that the commodity is insignificant. Once more, there are not very many commodities which the consumer truly does not think about. They are worried about commodity execution. It would be a noteworthy mix up for a commodity chief to expect consumers couldn't care less about the execution of the commodities they buy. In any case, from looking into huge numbers of the customer investigate learns about "low" product category involvement commodities, the commodity director could without much of a stretch close consumer do not consider or think about his/her commodity. This would be a grave error (Ehrenthal et al., 2014).

1.4. BRAND SWITCHING INTENTIONS

Many Consumers make their evaluations of brands from a variety of information, among the variety is price standardizations (Vaidydanathan 2000) past satisfaction experiences (Inman et al 1997) and contrasting effect of other brands (Levin 2002). As researched and determined by Inman et al,1997 that dissatisfaction is positively related to regret and that switching behavior is directly related to regret (Zeelenberg and Pieters,1999). Regret triggers the possibility of a consumer changing the circumstances of a situation at the present or in the future. Research has shown that at this point people tend to adopt coping strategies. Coping can be defined as the behavioral and cognitive effort one makes to master, reduce or tolerate internal and external conflicts among them and demands (Folkman and Lazarus 1980). Coping efforts serve as both manager of sources of stress (Problem focused coping) and regulator of stressful emotions (emotion focused coping) (Pearling and Schooler, 1978).

Coping strategies such as problem focused coping guides considerations to methods of correcting bad decision, therefore making consumers to undo the purchase psychologically. This may make the consumer return the already bought product at the bought moment, in the future or maybe switch to a more non-problematic brand.

CHAPTER TWO

2. CONCEPTUAL MODEL, HYPOTHESES DEVELOPMENT, RESEARCH DESIGN AND METHODOLOGY

2.1. INTRODUCTION

Chapter two analyzed the literature that relates to regret in suboptimal condition its relation to brand loyalty to provide a background for this chapter so as to develop the hypotheses and associated research methodology that were used to test the hypotheses. This chapter also gives details of the methodology diploid for the research. Chapter two identified previous research on regret and the different constructs of brand loyalty on the other hand, it also identified reasons for brand switching intentions by consumers. This chapter provides details for the justification of the methodology diploid to examine the relationship between these constructs.

This chapter commences by specifying the research problem and consequently the research question. From these, the conceptual model and hypotheses are developed. The third section considers the research methodology including the research design. The fourth section details specific methods that are diploid these includes; sampling methods, survey design, data collection and data analysis. The last sections include the ethical considerations. The final section concludes the chapter. This paves way for the fourth chapter, “Analysis.”

2.2. RESEARCH PROBLEM

This section describes the research question and the conceptual model, and it details the hypotheses.

2.2.1. Research Question

The problem for this research is founded on chapter 2. Increased industrialization and expansions of markets have led to high competitions among producers in the markets. These developments have also led to increased spending power among consumers and also consumers are often faced with a wider base of products and brands to choose from and while making these decisions consumers have always been faced with sets of difficulties when making decision at the time and after purchase. Moving forward consumers are often face with conditions where they end up purchasing the un-preferred product due to unavailability of the preferred product. Previous research has shown that in these cases most consumers end up feeling regret(Iwasaki & Havitz, 1998; Martin, 2004; Traylor, 1983). Essentially, we have come to realize that pricing strategy is a key antecedent to brand loyalty. Thus, price strategy can also be used as a moderator of regret. Ultimately, the literature agrees that pricing affects brand loyalty the other precedent for this case is also that regret experienced by consumers at the and after purchase has influence on the consumers brand loyalty (Zeelenberg and Pieters, 1999). However, the nature of this effect is inconclusive. Therefore, the questions remains, Do consumers experience regret in suboptimal and stock out situation?, Is there an effect on Consumer Brand Loyalty from regret experienced in stock out the situation and suboptimal condition?, Is there relationship between negative emotions and brand switching intentions?, Does discount pricing strategy mediate the levels of regret experienced in Stock out and suboptimal situation?, Does discount mediate the levels of negative emotion on brand switching intentions in suboptimal and stock out situations ?, Does regret experienced by consumers moderated by discount strategy of pricing and does this moderation minimize the levels of brand switching intention of the consumers? Especially in a suboptimal and stockout condition. These sets the stage for our research problem

2.2.2. Conceptual Model Development

Regret is a key negative emotion consumer attempt to avoid while making decisions. Marketing researchers agree that, in addition to assessments of satisfaction, regret better explains post-choice valuation especially on suboptimal conditions or stock out situation. Regret also influences consumers perception of brand and their brand loyalty. But low pricing strategy has proven to have a relationship with Brand Loyalty.

This theoretical study examines the moderating effect of product price on regret and brand loyalty arising from suboptimal condition in stock out situation. A conceptual model is developed by indicating the key moderator likely to impact the consumer regret experienced in stock out the situation and the suboptimal conditions.

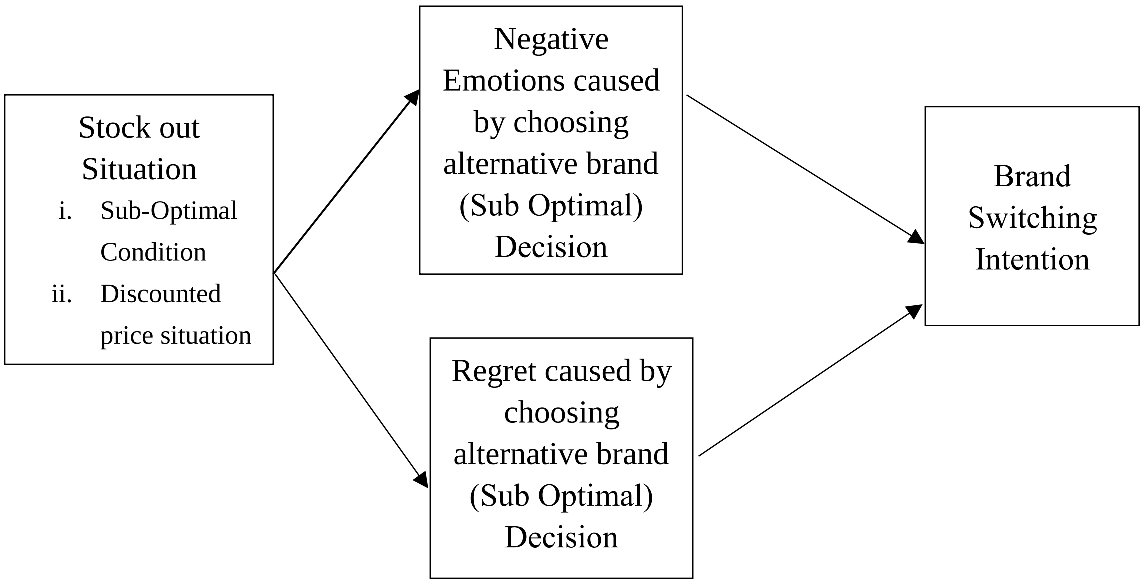

Figure 2:Research Conceptual Model

The conceptual model had both dependent and independent variables with a mediating variable. It details the relationship between the dependent and independent variables to provide a framework for the hypotheses (Sekaran, 2003). Dependent variables are brand switching intention. While pricing as the mediating variable between consumer regret in suboptimal condition and brand switching intention. The independent variables were suboptimal conditions or stock out situations with relation to consumer regret. These dependent and independent variables were used to develop the hypotheses in this study.

2.3. HYPOTHESIS DEVELOPMENT

2.3.1. Effects of Suboptimal conditions on consumer Regret

In general, the research focus has been on regret as a consequence of an action done by the consumer while trying to get maximum efficiency at the time of making decision (Zeelenberg 1999). However, in real life, consumers more than once find themselves making decisions in conditions that are not ideal, these conditions can be such as stock out and in suboptimal conditions. For example, it may be a common occurrence that consumers fail to find the products that they desire to purchase the consumers then end up settling down for a product that is available on shelve (Fitzsimons 2000)1 or decide to make the purchase some other time (Dhar 1997). In not more than one occasion consumers are made to make decisions when the undesired product is suboptimal, the available brand of product can either be inferior or superior in terms of quality to the preferred unavailable product. The questions remain; do consumers who make decisions in suboptimal conditions experience regret? Do consumers who make decisions in conditions that are not suboptimal also experience regret? That is when the brand in stock is superior to the preferred brand that is out of stock. Generally, research has argued that consumers always experience regret in suboptimal conditions. A consumer is likely to experience regret when making a purchase of a substandard brand than when purchasing an optimal brand of product
From this General perceived notion, we posit that;
H1 Suboptimal conditions in stock out situations is positively related to regret

2.3.2. Regret in suboptimal condition and Brand switching intentions

Tsiros and Mittal (2000) in their research found out that consumers have high chances of experiencing regret when a purchased brand of product does not perform better than the forgone alternative. They also found out that the consumer might feel satisfied with the forgone alternative and hence might switch to the forgone alternative in future. Switching may refer to the act of abandoning one prior brand or product or retailer for a different one (Zeelenberg and Pieters 2002). It has been suggested by researcher that a positive relationship exists between switching intentions or switching to regret, Zeenlenber and Pieters 2002 argue that the more a consumer experiences regret the higher the chances of the consumer switching. There is also a positive relationship between switching and regret. (Inman et al., 1997), and regret is directly related to switching behavior (Zeelenberg and Pieters, 1999). The tie between regret and brand switching is well documented; induction of regret increases the intentions of switching brands for future purchase scenarios. Based on the previous rationale, we propose that:

H2. Regret in suboptimal condition is positively related to brand switching intention

2.3.3. **Extent of Negative Emotions and Brand Switching**

Generally, research have shown that people are pleasure seekers, thus will seek for ways within their environment in order to regulate this state (Panksepp, 1998). The research of consumer behavior has proven that negative emotions can result from actions that are different to consumption goals (Menon and Dube, 2007; Lerner and Keltner, 2000). An example of events that are different from consumption goals is regret. Richins (1997) showed that negative emotions are among items that are identified in the measurements of consumer emotions in a consumption context. Using a multidimensional scaling he identified three items for the negative emotions construct, these were; experiences of anger, irritation and being upset it is from this research that we make conclusions that consumers might be able to mitigate their levels of regret can experience fewer negative emotions towards a given purchase decision in a suboptimal and stock out situation. The among of negative emotions felt also plays a role in brand switching intentions (Martin and Tesser 1996). Based on the research on these previous researches we conclude that:

H3; Negative emotions is positively to brand switching intentions

2.3.4. **Discount Pricing Strategy effect on regret, negative emotions on brand switching intentions**

Low pricing is among factors that affect consumers decision making in consumption context. In special consumption context consumers may chose alternative products or brands due to their pricing. Previous research has shown pricing is a major influence on consumer decision making. Chengyue, Yin (2009) Argue that price promotion lowers consumers motivation to exert mental effort, this simply means that the consumer is guided by limited information processing and quicker and easier condition of preferences. They also stated that paying a lower price for a product of given quality can lower deliberations by making the purchasing encounter less consequential. This may lead to the consumer having low regret levels and low negative emotions leading to low brand switching intentions. H. Zhou, Z Gu (2015) in their study of the moderating effect of pricing role on anticipated regret noted that there was a high correlation between anticipated regret and low pricing situation. Thus, from their findings we conclude that;

H4a; Discount strategy mediates the level of effect of regret on brand switching intentions in suboptimal and stock outs situations

H4b; Discount strategy mediates the level of effect of negative emotions on brand switching intentions in suboptimal and stock outs situations

2.4. RESEARCH DESIGN AND METHODOLOGY

2.4.1. **Introduction**

The section above of this chapter focused on the first four steps of the research process. This section addresses steps of the process. This section involves the research design and the methodology adopted for this study. The stage focuses on the approach and paradigm which guided this study. Subsequently the research design will be discussed, it will describe the type of research designs, methods, and strategy adopted in collecting and analyzing the data to be collected. The next section of this chapter will pay attention to the methodology of the research, detailing the data collection method, sampling strategy as well as the measurement instrument to be deployed. This will then be followed by a brief explanation of data analysis approach that will be used. Finally, the research ethics that guided the researcher will be highlighted.

2.4.2. **Research Paradigm and Approach**

3.4.2.1. Research Paradigm

Saunders *et al* (2009) describes research paradigm as “a way of examining social phenomena from which particular understanding of these phenomena can be gained and explanation attempted.” Therefore, according to Filstead as discussed by Ponerotto (2005), a research paradigm provides a philosophical conceptual framework for the organized study. Due to these notions research design and methodology have always been considered to be of less important as compared to the research paradigm that guide the study. Guba & Lincoln 2009. In this regard, different research typologies of research paradigms have been established, with two mains emphasized as being helpful. These two were established by Guba & Lincoln’s (1994), they distinguished between four paradigms: Positivism, post positivism, constructivism-interpretivism and critical-ideological Ponterotto (2005) and Burrell & Morgn’s (1982) typology which distinguished four research paradigms; Interpretive, radical humanist, radical structuralist and functionalist. Saunders et al (2009)

This research adopts positivism research paradigm describe by Guba and Lincoln (1994). Although positivism is considered as a form of philosophical realism, Ponterotto (2005), where the researcher undertakes the philosophical stance of a natural scientist as described by Saunders (2009), Post positivism recognizes an objective in reality that is not perfect (Guba & Lincoln in Ponterotto (2005). Post-positivism is characterized by assumptions of beliefs related to the philosophical anchors. Ponterotto (2005)

3.4.2.2. Research Approach

Determining the type of reasoning or research approach to be deployed is necessary when conducting a research study. Mouton (2001) identifies a pair elementary types of reasoning; inductive generalization which involves applying inferences from a sample to the target population and deductive reasoning which involves drawing conclusions from previous prepositions. Mouton also mentions a third reasoning type; reproductive reasoning which he argues that it just another form of inductive generalization. Saunders (2009) Also identifies inductive and induction types of research approaches. In regards, deduction is characterized by deducting a hypothesis based on theory, quantitative data collection and research independence. On the other hand, induction is characterized by formulation of a theory based on observation, qualitative data collection and researcher inclusion in research process. Saunders et al (2009). This study adopts deductive research approach.

2.4.3. **Research Design**

A research design is the framework, flowing from the research paradigm and approach previously discussed which is used to guide procedure and methods used in collecting and analyzing the data required. Burns & Bush (2010), Lacobucci & Churchill (2010). Research design is a blue print that describes each procedure in the research process. From hypothesis formulation to data analysis. Cooper & Shindler (1998).

There are many kinds of research design frameworks, the three basics; Exploratory research, Descriptive research, and Casual are the most common.

3.4.3.1. Casual Research/ explanatory research- this design is focused on answering questions related to the cause and effect relationships. It achieves its objective by conducting experiments (Bush & Burns (2010); Lacobucci % Churchill (2010)

3.4.3.2. Exploratory research- this is characterised by collection and analysis of informal and unstructured data. The objective of this research is uncovering new ideas and obtaining further insights about a research problem. Burns & Bush (2010); lacobucci & Churchil (2010)

3.4.3.3. Descriptive research- the objective of this research is to try, and answer questions related to where, what, who, when and who of a research problem Locobucci & Churchill (2010). Burns & Bush (2010). The design is characterised by pre-planned and structured design. Prior formulation of specific hypothesis is also deployed. Malhontra (2012)

This research study adopts descriptive research design since it is the most suitable approach in describing the relationships between marketing variables as advised by Lacobucci & Churchill (2010). This is also consistent with the research's primary and secondary objectives. This design also is consistent with the research approach and research paradigm as described in the previous section.

Malhontra (2012) and McDaniel & Gates suggest that employing descriptive research design must be done circumspectly. However, this type of study is not suitable in determining causality and effect between marketing variables.

2.4.4. **Research Strategy**

Even though Lacobucci & Chruchill (2010), Cooper & Schindler (1998) and Burns & Bush considered exploratory, descriptive and casual research as main categories of research designs, Sunders et al (2009) considers them as simply classification of research purpose. The authors defined the plan whereby the researcher addresses the research objective as the research strategy. The authors identified 7 items that are not mutually exclusive but can be deployed for descriptive, exploratory and causal research designs. Saunders (2009). The seven strategies include; Case studies, survey, action research, experiment, grounded theory, ethnography and archival research

Survey- commonly used in descriptive and exploratory. Saunders (2009). Cooper & Schinlder (1998) describes this as part of a communication approach which is concerned with questioning and recording responses of a particular population for later analysis. It adopts qualitative and quantitative data using structured data collection instruments such as questionnaires, observations and interviews.

This research chose survey research strategy to be deployed, this can be grouped under the broad heading of descriptive quantitative research. Leedy & Ormod (2010). Survey is commonly employed in gathering primary data which is later used with less or more sophistication to research human behavior in different levels and areas. Leedy & Romond (2010)

Another reason for choosing survey research is because of its advantages which Malhotra (2012) discusses widely. These are enhanced reliability through using questionnaire as data collection instrument, the ease and simplicity in collecting, analyzing and interpreting data.

2.4.5. **Research Methods**

Burns & Bush (2010) considered a research method as a description of the proposed research design and the methodology of the research study. On the other hand, Saunders et al (2009), defined research methods as a strategic choice related to qualitative and quantitative data research procedures and techniques combination. Qualitative and quantitative research approaches have been comparable for a while.

The processes they employ are always united and assumed in divergent ways thus necessitating dissimilar research methods. Leedy & Ormrod (2010). Saunders (2010) mention that this has enabled researchers to make a selection among multiple data collection techniques and analysis process or single data collection and corresponding analysis technique. As the mono-method encompasses the use of a single data collection technique with suitable statistical data analysis method. Or multiple methods and mixed methods approach.

Multi method approach encompasses using either qualitative or quantitative techniques in collecting and analyzing data. This can further be broken down into mixed method and mixed model research. Saunders (2009).

This research adopts mono-method approach which encompasses the use of self-administered questionnaire so as to achieve the research objectives.

2.4.6. **Research Ethics**

Cooper & Schindler (1998), demands that all participants of a research process behave ethically. This relates to the researcher's behavior towards individuals who are either the subjects of a project or research. Saunders (2009). Ethics however goes beyond respondents and includes research sponsors, clients and other researchers. Cooper & Schindler (1998). Kocaeli University provides for code of ethics research, which also extends to the society and the academic community.

Coopers & Schindler (1998) identify key ethical issues. Saunders et al (2009) also does the same. Kocaeli University also provide these issues which were adopted in this research. The issues were;

i. Respect of the respondent's privacy and confidentiality. This was adopted in this research. therefor the respondents were assured that the information provided on the questionnaires would be subjected to anonymity.
ii. Prior to the research the respondents were given an opportunity to decide whether they would like to participate or not, the time that they were required to complete the questionnaire components. They were also requested to complete all questions to avoid incorrect answers and incompletion.
iii. Care was taken in storing and processing data during and after the data, this was done using appropriate methods to ensure confidentiality.
iv. The researcher was also fair in selecting participants that formed the criteria that was adopted previously the respondents were then informed that they would participate on voluntary basis.

2.5. METHODOLOGY

2.5.1. **Survey Method**

It is believed that the method used in gathering primary data, consistent with positivism in research paradigm and deductive research approach employed for the purpose of achieving primary and secondary objectives of the study is that of a self-administered questionnaire. Vause in Saunders et al (2009) stated that some researchers define questionnaire in general terms including the techniques that the respondents use in answering the questions. It is therefore noted that questionnaires included the methods of administration example a questionnaire where the interviewer is present and where an interviewee is not present. The method chosen for this questionnaire was self-administration through physical distribution. Malhotra (2012) and McDaniel (2013) outlined the advantages of using online survey, this included the speed and how it can be deployed rapidly and in real time. The results can also be tabulated and computed in the same online platform. Online questionnaires have also proven to be convenient since the respondent would be able to respond anywhere and anytime he/she deems fit. Another advantage is the ability to make the questionnaire personal according to respondents answers therefore it is easy and time saving.

There are also disadvantages of online surveys which include the inability to control and monitor the data collection environment. Unavailability of the sample frame online. Insufficient bandwidth and the inability to make clarifications whenever needed. They also state that the most disadvantage is the lack of representativeness. This is due to the biasness to only respondent who can access internet. Malhotra (2012), McDaniel & Gates (2013). Despite these concerns, questionnaires can be prepared and improved in order to be reliable and valid. This can be done through the correct use of words and terminologies and pretesting. Saunders et al (2009).

2.5.2. **Questionnaire design**

The internal validity and reliability of the data collected as well as the rate of response can be affected by the effectiveness of the prior pre-testing of the survey, the structure of the questionnaire and the design of the questions. Saunders et al (2009). No scientific principles exist that would guide a researcher in designing an optimal questionnaire. The questionnaire designing process is therefore less a science and more of an art. Lacobucci & Churchill (2010), Malhotra (2012). The researcher is responsible for the design of the questionnaire, so authors have tried came up with the process of designing a questionnaire these are referred to as stages Lacobucci & Churchill (2010) and guidelines Malhotra (2012) or phases Burns & Bush (2010). The authors provide these stages, guidelines or phases for researchers to follow in order to avoid possible errors

An approach of adopting existing items was followed in designing the questionnaire for this research as recommended by the above authors. All the items were followed in designing the particular questions as discussed bellow

3.5.2.1. Regret

The procedures of this study will be adopted from the experimental design of Kahnneman and Tversky (1982). Two purchasing scenarios will be presented to the respondents in which the respondents are to assume that they are to imagine that they are shopping for a smartphone. When they visit the store of purchase, they find that the product they intended to purchase out of stock. Instead they settle for an alternative smartphone. They later find a consumer reports that rate the alternative smartphone to the preferred one. On one of the questionnaires in order to present the discount variable, the respondents were told that the available product had a discount level of 20%

Manipulation check;

In Questionnaire **A** the available product has a discount and is rated inferior to the unavailable preferred brand.

In Questionnaire **B** the available brand has the same price and it is rated inferior to the unavailable preferred brand.

A three-item construct adopted from previous research on regret (Tsiros and Mittal, 2000; Oliver, 1997) were presented to the respondents to ascertain their levels of regret. The items are; “Regret buying the available brand than the preferred brand” this statement ascertains the respondents’ level of regret on buying the available brand other than the preferred brand. The second item “Wish you had not made the decision to buy the available brand” ascertains the respondent’s level of not buying the available brand. The third item “Feel sorry for buying the available brand other than the preferred brand” is used to ascertain the respondent’s level of sorry feeling. The items were anchored by a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

3.5.2.2. Negative emotions

Negative emotions are measured using a 3-item construct adopted from the previous research on negative emotions with respect to consumption context (Richins 1997; Reynolds et al 2006). The construct consisted of the following items; “You feel angry with your purchase decision”, “You feel irritated with your purchase decisions” and “You feel upset with your purchase decision”. The items were anchored by a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree).

3.5.2.3. ***Brand Switching Intentions***

An item for measure was adopted to measure the brand switching intention. The item was adopted based on previous validated research and measures of brand switching intentions, Chattopadhyay and Basu (1990): Gotlieb and Sarel (1991). The item consisted of the following question; “Based on the scenario how probable are you to switch to the available brand in the future?” ; The item was then anchored by a seven-point Likert scale of 1 Low Probable to 7 Highly Probable

2.5.3. **Structure of the questionnaire**

Lacobucci & Churchill (2010) Malhotra (2012) mentioned that physical characteristics of a questionnaire such as its length and layout may negatively or positively impact the results of the research. It is also noted that the respondence reaction and level cooperation is dependent by the accuracy of responses. The administration method adopted affects these attributes also.

In this study attention was paid to the questionnaire format and length as recommended by Lacobucci & Churchill (2010). The questionnaire was the separated into several sections. In regard to this the questionnaire was separated into three sections. The first section covered the attributes of the respondents' that age, level of education, marriage and sex. The second section covered the scenario of the study as adopted and the third section covered respondents' reaction to the scenario provided.

2.5.4. **Pretesting the questionnaire**

It is generally argued and accepted that data collection instrument such a questionnaire should not be administered in the field of data collection unless it is pretested. Malhotra (2012) Saunders et al (2009). Pretesting a questionnaire is therefore important and essential as stated by Lacobucci & Churchill (2010). The main purpose of doing a pertest is to refine the questionnaire. This involves identifying and rectifying any potential problems and errors related to the instruction's questions flow and length among other things Burns & Bush (2010), Cooper and Schindler (1998) Malhotra (2010). Even though it is ideally better to conduct pretesting with the respondents from the target population as suggested by Burns & and Bush (2010), Cooper & Schindler (1998) argues that for the sake of convenience the pre-test can be conducted using responds surrogates whom should have almost the same characteristics as the original sampling frame. The suggestions of Cooper sand Shindler (1998) were adopted for this research.

2.5.5. **Sampling**

Sampling is based on the notion that it is probable to draw inferences about a population or a collection of elements by selecting some of the elements of the population. Cooper & Shindler (1998), Lacobucci & Churchill (2010). Burns and Bush state that sampling offers numerous advantages as compared to conducting census which involves every element of the population. Cost reduction and saving, quality improvement or accuracy and faster results. In some instances, conducting a full census is preferred as compared to sampling. In order to take full advantage of sampling advantages, sampling was adopted for this research.

Distinct steps can be followed in drawing out samples from a population. Burns & Bush refers to these steps as sampling procedure while Lacobucci & Churchill 2010 refer to them as sample plan. This research adopts Lacobucci and Churchill method of sampling.

i. *Defining the target population*- Burns and Bush (2010) state that in defining the target population is important to clearly specify the unit of study as well as the demographic and other characteristics that distinguish the population from other population. It is also important to mention sample units that are not selected for the study or that are not included. Lacobacci & Churchill 2010. In order to achieve the objectives of this research as stated in the first chapter the target population is defined according to the suggestions stated above. In this regard the researcher considered consumers from 18 years and older since consumers in this bracket are considered to be able to understand a shopping scenario and also be able to correctly interpret provided information and questions. Also, most shoppers who make their own decision without the influence of adult parent lands in this group. Adults who speak Turkish or English were included in practical considerations in order to avoid response and non-response errors. 96% of Turkish adults speak Turkish. This also made sure that the respondents would be able to understand the language of use.

ii. *Identifying the sample frame* – According to Cooper & Schindler (1998) a sample frame is a list of sampling units from which a researcher draws a sample. Examples include third-party databases, organisation files, directories etc. (Bush &Burns (2010). In terms of this study the sampling frame was done from a list of Student undertaking their studies at Kocaeli University in Turkey.

iii. *Selecting a sampling technique for the study*- there are two main types of sampling techniques or designs, namely non-probability sampling and probability sampling. In Probability sampling each sampling frame has a non-zero probability of being chosen for inclusion while in non-probability sampling there is no known probability of element chosen therefore the sample is not a representative of the population. Burns & Bush (2010). The sampling for this study was conducted on a non-probability basis because this technique is sufficient for achieving the research objectives. Also, this was cost effective and convenient. The particular non-probability sampling technique used is convenient sampling. This is intended to improve representativeness of the sample and ensure same distribution of characteristics described in the target population.

iv. *Determining the samples size*- According to Cooper and Shindler (1998) the most important factors in determining or calculating the sample size are; the sample size of the population variance because a bigger dispersion in the sampling frame needs a larger sample; the amount of precision which is determined by the interval range and the degree of confidence Cooper & Schindler (1998)

In order to determine the minimum sample size statistically Mc Daniel & Gates (2013) suggest that an approximation of the standard deviation of the population, a determination of an admissible sampling error and the desired level of confidence be provided. This ensures that the sample is located within the acceptable range of population.

Determining the level of confidence statistically is specified using either the standard error of the arithmetic mean, $\bar{X}$, or the proportion *p*. Malhontra (2012)

Standard error of the mean was adopted to calculate the level of confidence in this study

The formula of the standard error $\sigma x = \frac{\sigma}{\sqrt{n}}$

Solving *n* $n = \frac{\sigma^2 z^2}{D^2}$

Steps from Malhontra (2012) were adopted in in applying the above formulas. These were done as follows

i. Maximum difference allowed (D) between population mean (*x*) and sample mean (μ). Maximum deference allowed was set at 5%

ii. Specifying the level of confidence which was set at 95% for this research.

iii. The z-value, this value represents the area under sampling distributed between two points of data. Therefore, z value was set at 1.96

iv. The standard deviation of the population (σ) was calculated based on the judgment of the researcher. Measurement and scales were used as advised by Malhontra (2012). Thus, Likert scales were adopted in measuring the items as suggested by previous researchers. Therefore, the standard deviation was set to 1 i.e. $\sigma = 1$

v. The sample size is then determined by calculating the standard error of the mean

Thus, $n = \frac{1^2 1.96^2}{0.05^2}$

= 1536.64

Thus, a sample size of 1, 537 is suggested for this study.

Cooper & Schinder (1998) state that sample size can be influenced by cost consideration and the type of the sample as well as the method to be deployed in data collection. Other factors that influence the sample size include; Time and money to be invested or in collecting, analysing and interpreting the data, these also affect the degree of accuracy required in the findings. Sunders et al (2009).

4. *Sample unit for the study*- the sample units were identified instep *ii*. above. The researcher identified students due to their availability. Other factor included the ability of respondents to purchase their own phones and the availability of time and money to be invested

Due to the lack of availability of money and time, the researcher opted to use a sample size of 200 students as opposed to the suggested one. Also, students were readily available hence saving time and cost

2.6. ANALYSIS USED TO RESEARCH THE HYPOTHESES

Quester and Lim's (2003) study adopted Pearson Correlation analysis and regression analysis to test their hypothesis. As suggested by them, this research will adopt regression analysis to test it hypothesis between the variables. Before conducting a regression analysis preliminary analysis will be done in order to determine the accuracy and credibility of the entire research. Skewness and Kurtosis will be tested in order to check for the normal distribution of the data. Cronbach's Alpha will be used to test the reliability of the data. Number of factors that determine the maximum variability of the data will be tested using Factor analysis. Consequently, using regression analysis, correlation between the variables will be determined in order to test the hypothesis.

2.7. CONCLUSION

The above chapter focused on the research design or the master plan. The research design which was deployed in collecting and analyzing data in this research was discussed in this chapter in details. The chapter also focused on the methodology of the research describing data collection method, sampling technique and the data analysis method. The chapter was concluded by a research ethics that were adopted for the foundation of this research. The next chapter of this research focuses on analyzing the research data and interpreting of the results of the analysis.

CHAPTER THREE

3. ANALYSIS

3.1. INTRODUCTION

This chapter looks at the detailed analysis of the data and its statistical results from the conducted survey. The purpose of this survey is to determine if consumer regret in sub optimal and stock out situation influences consumer brand loyalty. The research also seeks to determine the influence of discount price strategy on consumer regret, brand switching intentions in a suboptimal and stock out condition. Before the conclusion of analysis tests are conducted to determine the normality, reliability and validity of the data.

3.2. RESPONSE RATE

The response rate is detailed in this section. Physical distribution of questionnaires was conducted. Two hundred questionnaires were physically distributed in a university in Kenya by the researcher. One hundred and ninety-five respondents (45.1% Male and 54.9 % Female, with an average age of 23.5 years, and Marital Status 86.7 Single and 13.3 Married) correctly responded to all of the questions. 82.7% of the respondents were undergraduates while 17.4% of the respondents were graduate students. This made a response rate of 97.5%/ Each respondent is randomly assigned to one of the two conditions. Table 1. General Respondents Demographics

Table 1: Response Rate

Item		Percentage Frequency
Gender	Male	45.1
	Female	54.9
Level of Education	Undergraduate	82.6
	Graduate	17.4

Marital Status	Single	86.7
	Married	13.3

3.3. PRELIMINARY DATA ANALYSIS

The standard deviation and mean of the data were computed to illustrate the central tendency and dispersion of the variables. Skewness and Kurtosis were also computed to determine the bell curve symmetry and to check for the normal distribution of the data. A t-test was also conducted in order to determine the difference between A respondents and B respondents.

Mean is an average of each of the variables. From the mean it was determined that the standard deviation of almost all the data score fall within 2 standard deviations of the mean. Skewness and Kurtosis show the normal distribution of data. Skewness relates to the symmetry around the mean while Kurtosis relates to the peak of the curve. Data with a Skewness of between -2 and 2 are deemed to be distributed normally, thereby adding rigor to the research.

3.3.1. Descriptive statistics for Regret, Negative emotions and Brand Switching Intentions

On a 7-point Likert scale the means of the 3 variables relating to regret ranged from 3.9 to 4.2, the mean of Extent of Negative emotion had a mean of between 3.4 to 3.9, while brand switching intension had a mean of between 4.4-3.7 as per table. (Table 4.1) The variables for the three items had a standard deviation ranging from 1.4 to 2.4. These indicated that the respondents had commitment in decision making. The sample also exhibited normal patterns of behavior.

Table 2: Descriptive statistics for Regret and Brand Switching Intentions variables

Construct	Variable Items	Mean	Standard Deviation	Skewness	Kurtosis
Regret	Regret buying the AVAILABLE brand than the PREFERRED brand	3.92	2.581	0.059	-1.761
	Wish you had not made the decision to buy the AVAILABLE brand	3.98	2.131	-0.035	-1.593
	Feel sorry for buying the available brand other than the preferred brand	4.20	1.896	-0.186	-1.140
Extent of Negative emotion	You feel angry with your purchase decision	3.64	2.351	0.350	-1.444
	You feel irritated with your purchase decisions	3.47	1.465	0.036	-.865
	You feel upset with your purchase decision	3.91	1.968	0.090	-1.569
Brand Switching Intentions	How probable are you to switch to the AVAILABLE BRAND in the future	3.73	2.461	0.221	-1.663

3.3.2. Factor Analysis and Reliability analysis

Before testing research hypotheses, Exploratory Factor Analysis and reliability analysis were also performed to check the dimensionality and reliability of the regret scale and negative emotion scale.

3.3.2.1. Factor Analysis and Reliability analysis of Regret Scale

Principal components analysis revealed a single factor for the regret scale which explained 79.117% of the total variance. All of the scale items heavily loaded onto this single factor. Cronbach Alpha coefficient is found to be 0.863. Consequently, we created a composite regret variable by averaging three items under regret scale. The mean score of this composite variable is 4.0 showing a significant difference from the mid-point (3,5) of the 1-7 range scale (t_{195}=9,529, $p<0,001$). The composite variable is used in correlation analyses in order to test the research hypotheses. Table

3 shows descriptive statistics and exploratory factor analysis results along with the reliability coefficient of the regret scale.

Table 3: Regret Scales Items, Descriptive Statistic s and Exploratory Factor Analysis Results

Item	Mean	Standard Deviation	Factor Loads	Explained Variance %	Cronbach Alpha
Regret buying the AVAILABLE brand than the PREFERRED brand	3.92	2.581	0.926	79.117	0.863
Wish you had not made the decision to buy the AVAILABLE brand	3.98	2.131	0.905		
Feel sorry for buying the available brand other than the preferred brand	4.20	1.896	0.835		

3.3.2.2. **Factor Analysis and Reliability analysis of Negative Emotion Scale**

Principal components analysis revealed a single factor for the Negative emotion scale which explained 71.496% of the total variance. All of the scale items heavily loaded onto this single factor. Cronbach Alpha coefficient is found to be 0.790. Consequently, we created a composite regret variable by averaging three items under negative emotion scale. The mean score of this composite variable is 3.6 showing a significant difference from the mid-point (3,5) of the 1-7 range scale (t_{195}=9,529, p<0,001). The composite variable is used in correlation analyses in order to test the research hypotheses. Table 4 shows descriptive statistics and exploratory factor analysis results along with the reliability coefficient of the regret scale.

Table 4: Negative Emotion Scales Items, Descriptive Statistic s and Exploratory Factor Analysis Results

Item	**Mean**	**Standard Deviation**	**Factor Loads**	**Explained Variance %**	**Cronbach Alpha**
You feel angry with your purchase decision	3.64	2.351	0.894	71.496	0.790
You feel irritated with your purchase decisions	3.47	1.469	0.793		

You feel upset with your purchase decision	3.93	1.962	0.847		

3.3.3. **Correlation Analysis of regret, Negative Emotions and Brand Switching intentions**

In the next stage, we performed two different correlation analyses to examine the relations between Regret, Negative Emotions and Brand Switching intentions. As seen in Table 6, correlations among study variables reveal that regret is significantly correlated to intentions to switch favorite brand (r = 0662, p= 0.035). Further, regret (in case of sub-optimal decision due to stock out condition) is found to be significantly positively correlated with Negative emotions (r = 0.767, p < 0.001). Thus, showing that regret caused by sub-optimal decision positively influences consumer brand loyalty, and also showing that that regret caused by sub-optimal decision positively influence the intention to switch the favorite brand. This result supported our H1 hypothesis that regret in this condition is significantly related to brand switching intentions.

Table 5: Means, Standard Deviations, and Interrelations of Study Variables

Item	Mean	Standard Deviation	Regret	Negative Emotions	Brand Switching Intention
Regret	4.036	1.968			
Negative Emotion	3.668	1.649	0.767**		
Brand Switching Intention	4.159	1.002	0.662**	0.507**	

**Correlation is significant at the 0.01 level (2-tailed)

3.4. NO DISCOUNT IN SUBOPTIMAL CONDITION ANALYSIS

The research also tested the hypothesis in case of no discount in a stock outs and sub optimal conditions. This was done in order to find out the influence of discount pricing in suboptimal condition influences consumer regret.

3.4.1. Correlation Analysis of regret, brand switching intentions and brand Loyalty in no discounted condition

Correlation analysis was performed on subjects that were assigned the no discount condition to examine the strength of relationships between regret, Negative emotions and Brand Switching intentions in this case. As seen in Table 7, correlations among study variables reveal that regret is highly significantly correlated to intentions to switch favorite brand ($r = 0.993$, $p > 0.035$). This is considered higher than the correlation performed in the case of where there was a discount. Further, regret (in case of discounted product sub-optimal decision due to stock out condition in discounted product) is found to be significantly positively correlated with brand loyalty ($r = 0.941$, $p < 0.001$). In fact, this figure is high. Thus, showing that regret caused by sub-optimal decision positively influence consumer brand loyalty, and that regret caused by sub-optimal decision positively influence the intention to switch the favorite brand are supported in this condition.

Table 6: Correlation Means, Standard Deviations, and Interrelations of Study Variables in no discount situation

Item	Mean	Standard Deviation	Regret	Negative Emotions	Brand Switching Intentions
Regret	4.10	2.013			
Negative Emotion	3.95	2.473	0.993**		
Brand Switching Intention	4.05	2.480	0.941**	0.937**	

**Correlation is significant at the 0.01 level (2-tailed).

3.5. DISCOUNT IN SUB OPTIMAL CONDITION

The research also analyzed tests in discount situation. This was done in order to ascertain the relationship between regret, Negative emotions and brand switching intentions in the case of discounted pricing strategy in suboptimal condition. Where the price of the available brand is the same as that of the preferred brand. In this case correlation analysis between the item’s constructs were performed

3.5.1. **Correlation Analysis of regret, Negative emotions and brand switching intentions in discounted condition**

In the next stage, we performed two different correlation analyses to examine the relations between regret, intentions to switch brand and brand loyalty. As seen in Table 8, correlations among study variables reveal that regret is significantly correlated to Negative emotions (r = 0.379,). It is also noted that the significance is lower as compared to that of No discount situation (Table 7). Further, regret (in case of sub-optimal decision due to stock out condition) is found to be significantly positively correlated with brand loyalty ($r = 0.323$, $p < 0.001$). Thus, regret caused by sub-optimal decision positively influence consumer brand loyalty, and that regret caused by sub-optimal decision positively influence the intention to switch the favorite brand are supported in this condition. There was also a negative correlation between Negative emotions and Brand switching intentions, this was interesting to note ($r=-0.187$, $p>0.001$).

Table 7: Correlation analysis Means, Standard Deviations, and Interrelations of Study Variables in discounted situation

Item	Mean	Standard Deviation	Regret	Negative Emotions	Brand Switching Intention
Regret	4.10	2.013			
Negative Emotion	3.95	2.473	0.379**		
Brand Switching Intentions	3.61	2.480	0.323**	-0.187**	

**Correlation is significant at the 0.01 level (2-tailed).

3.6. REGRESSION ANALYSIS

Multiple regression analysis was calculated in order to predict brand switching intentions of the respondents based on regret and negative emotions. The question of whether the respondents would switch to the available brand in the future was assessed.

3.6.1. The effect of regret and negative emotions on brand switching intentions in the future

3.6.1.1. No Discount

Multiple leaner regression was calculated to predict switching to available based on regret and negative emotion. A significant regression equation was found (F2,94) = 859.313 P < .0005 with an R^2 of 0.949. Respondents predicted brand switching is equal to 9.151-0.524(Negative Emotion)-0.737(Regret). The respondents Switching to the available brand in the future decreased with increase in regret and negative emotions where there was no discount in this case the price of the preferred stock out and that of the available suboptimal brand were the same.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.974[b]	.949	.948	.597

a. Discount Status = No Discount

b. Predictors: (Constant), Extent of Negative Emotion, Magnitude of regret

Table 9: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.151	.141		64.735	.000
	Magnitude of regret	-.737	.123	-.584	-6.006	.000
	Extent of Negative Emotion	-.524	.128	-.397	-4.081	.000

a. Discount Status = No Discount

b. Dependent Variable: How probable are you to switch to the AVAILABLE BRAND in the future

3.6.1.2. **Discount**

Multiple leaner regression was calculated to predict switching to available based on regret and negative emotion in a discounted situation. A significant regression equation was found ($F_{2,97}$) =9.296 P < .0005 with an R^2 of 0.161. Respondents predicted brand switching is equal to 1.989+0.534(Regret). In this condition negative emotion was not statistically significant p>0.05 therefore it was removed from the equation. The respondents Switching to the available brand in the future increased with increase in regret.

Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.401[b]	.161	.144	2.127

a. Discount Status = Discount

b. Predictors: (Constant), Extent Of Negative Emotion, Magnitude of regret

Table 11: Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.989	.671		2.963	.004
	Magnitude of regret	.534	.129	.426	4.143	.000
	Extent of Negative Emotion	-.136	.196	-.071	-.693	.490

a. Discount Status = Discount

b. Dependent Variable: How probable are you to switch to the AVAILABLE BRAND in the future

3.7. SUMMARY

The hypotheses of the study suggested the following:

H1 Suboptimal conditions in stock out situations is positively related to regret

H2. Regret in suboptimal condition is positively related to brand switching intention

H_3; Negative emotions is positively related to brand switching intentions

H4a; Discount pricing strategy mediates the level of regret, negative emotions and brand switching intentions in suboptimal and stock outs situations

The data collected and analyzed for this study showed that individuals experience regret in suboptimal conditions and stock out situations, and thus experience negative emotions which lead to the individual making coping decisions that may lead to brand switching intentions. The correlation analysis between these items proved H1, H2 and H3. The study also predicted the changes in Brand Switching intentions with respect to regret and Negative emotions in a discounted pricing strategy in a suboptimal condition and stock out situation. The study showed interesting results. Respondents showed low levels of brand switching intentions in respect to increase in regret and negative emotions where the available brand was the same as preferred stock out brand. on the other hand, in discounted situations the respondents showed chances of switching to the available brand in respect to regret. Therefore, showing that H4 was realized and proven. The conclusion, findings, implications and practical contribution of this research are discussed in the next section, chapter 5, of this research.

CONCLUSION

This chapter begins with a discussion of the results in chapter four, its then followed by a theoretical and managerial contribution. Finally, the limitations of the research and the recommendations for future research under regret are made.

A. Discussion of The Results

Consumer regret has been a topic of research and discussion among researchers in the field of psychology and marketing. Various issues relating to regret have been examined by different researchers for example the affective responses of regret arising from action versus inaction leading to negative and positive outcomes (Landman 1988), the role of counterfactual thinking in experienced regret (Zeelenberg et al 1998). The existence of temporal pattern of regret (Gilovich and Medvec 1995), emotional functionality (Zeelenberg 1999), effect of inaction on regret (Zeelenberg rt al. 2002). In contrast consumer research in marketing has been focused on the extent of consumer emotion perceived from post choice valuation (Simonson 1992, Inman et al 1997, Taylor 1997, Cooke et al. 2001, Inman and Zeelenberg 2002, Tsiros and Mittal 2002). Furthermore Simonson 1992, made a study that examined the behavioral emotional consequence experienced when individuals are made to think about regret they will experience before buying a product.

Further research has been conducted in the field of regret and consumer brand loyalty, research by (Inman et al 1997, Taylor and Schneider 1998, Tsiros and Mittal 2000) on regret has shown to have negative influence on consumer satisfaction levels, and a facilitative effect on promoting proactive coping strategies such as brand switching behavior (Zeelenberg and Pieters 1999). There is positive relationship between dissatisfaction and regret (Inman et al 1997) and regret is directly related to switching behavior (Zeelenberg and Pieters 1999)/ regret triggers consumers to analyze and access the purchasing situation which in turn make them adopt coping strategies. According to Schooler and Pearling (1978) coping serves as management of stress. The consumer adopts methods of managing the stress and regulating the amount of stress.

Managing the stress makes the consumer direct attention to correcting the decision therefore making consumers to physiologically undo the purchase. This may lead to switching to another brand in the future or return of the product. According to Conway and Terry (1992) the effectiveness of coping strategies adopted varies according to the extent of which the event is controllable.

The purpose of this study is to shed light on when regret emanating from stock out and suboptimal conditions lead to switching behavior, and if switching behavior is mitigated by discount price strategy and consequently the effect of price and postpone purchase on brand loyalty. To the best of our knowledge no study in the field of marketing specifically regret and brand loyalty has examined the consequences of emotion arising from stock out and suboptimal condition on brand switching intention and pricing. In optimal conditions and socked situation, the researchers assumed that consumers make decision based on highest expected outcome from their decision, hence lower chances of regret. However, this might not be the case on conditions such as stock out and suboptimal affecting the preferred brand.

Relationship between suboptimal condition in stock out situation and regret were tested. This was done in order to find out if consumers in this conditions experience regret. Specifically, when consumers find their preferred brand of product is out of stock and they end up buying an available brand which is discounted, inferior of to the preferred and out of stock brand. Do consumers experience regret in these decisions? On the other hand, do regret experience in these situational decisions lead to brand switching behavior? Do price presentation methods such as discounts reduce the strength of relationship between these variables?

i. Regret in Suboptimal condition and stock out situations

The first hypothesis deals with the effect of suboptimal condition in stock out situation on regret. as posited the results derived have shown that individuals experience regrets in suboptimal condition in stock out situations. This compares to the previous research on regret (e.g.Gilovich and Medvec 1995, Landman 1993) where it has been reported that consumers experience regrets in these conditions. In other words when an individual decides to purchase a different brand which is suboptimal to the preferred product the individual might end up feeling regret and remorse for his/her action of purchasing the alternative product. The results further showed that individuals find it easier to not purchase the available brand after purchasing it than purchasing it. It was also noted that individuals are less likely to experience regret if the available product had discount. This is because in the event of a positive outcome one is likely to feel more satisfied with their decision than to feel regret. On the other hand, the amount of regret experienced when the available brand had same price and inferior brand to the preferred product was more. This is because in the event of a negative outcome one is likely to regret that fact that they purchased an inferior brand of a product. Even though the results were limited, they showed that there is a relationship between price and regret in suboptimal conditions.

Regret in stock out situation and suboptimal condition may be due to missing out on a forgone gain. In other words, in case one incurs financial loses or tangible loses one might end up feeling regret, on the other hand if the financial loses are minimal one may also think that things would have been a lot worse "At least the alternative product wasn't expensive" and simultaneously may have thought that things would have been worse "at least I have not made a bad purchase'' "Next time I will stick to the usual brand or preferred brand.''

ii. Brand Switching intention

The second hypothesis examined the effects of regrets on brand switching intention. As hypothesized individuals are likely to experience brand switching intentions in suboptimal condition and stock out situation. This implies that when an individual faces similar purchasing situation of buying an alternative brand in sock out of the preferred brand, the individual might end up switching from the current retailer to a new retailer in order to lower his/her chances of buying a brand that is inferior. Greater switching intentions are exhibited when an individual decides to purchase an alternative inferior product. This result corroborates with previous research in this field. According to the previous research regret and switching intentions have shown positive relationship (e.g. Tsiros and Mittal 2000). Therefore, in this condition when one experience regret it is likely that they might experience switching intentions. The results also indicate that in case of a discounted inferior alternative product the chances of switching to it are low than those of an inferior same price brand. Individuals might end up comparing their experience with the brand choice they made with the forgone alternative.

iii. Negative Emotions

The hypothesis confirmed previous body of literature and research that showed that there is a relationship between regret, negative emotions and brand switching intentions. The higher the negative emotions felt the higher the brand switching intentions were. It was noted that in the two different scenario negative emotions had relationship with the other variables. In the low pricing or discount pricing situation the levels or strength of this relationships were available but minimal as compared to the strength of the same in a situation where the consumers bought the available suboptimal product at the same price as that of the unavailable preferred product.

iv. Discount price presentation and switching intentions

The research also examined the relationship between regret, negative emotions and also brand switching intentions in the context of discounted suboptimal product in a stock out situation. The mediating effect of low price or discount price was tested to see the variations of strength of relationship between the three main variables. It was noted in the correlation analysis that there was a significant relationship between the three variables in a discounted situation. However, the strength of this relationship was minimum as compared to where the consumer had purchased the available product at the same price as the stock out preferred product. This showed that in the case of a discounted situation the consumer might experience minimal levels of regret and negative emotions hence lowering the levels of his/her brand switching intentions. This means that the consumer might end up being loyal to the unavailable preferred brand in this situation. It was interestingly noted that there was also negative correlation between negative emotions and brand switching intentions. Further anlysis using multiple regression analysis to predict changes in Brand Swtching intentions with respect to regret and negative emotions indicated that consumers might want to switch to the available brand even though it is inferior than preferred and of low price. This change might be attributed to the discounting piecing strategy. One might end up feeling les regret due to minimal financial loss.

B. Theoretical and Practical Contributions

The finding that were made on this research have several implications on research and practices. First the theoretical contributions of the research are made first followed by the practical contributions of the research.

To the best of the researcher's knowledge this is the first research in the field of marketing especially consumer regret that examine regret arising from sub optimal condition and stock out situation and its influence on brand loyalty especially in discounted price situation. Existing research on regret in the field of marketing has focused on the emotion arising from suboptimal and stock out situation. Research in psychology also indicates that regret also arises when an individual decides and ends up with negative experience. As discussed earlier research in marketing has investigated whether regret leads to brand switching intentions.

This research identified a situation in marketing especially in the category of consumer regret when regret emanating from sub optimal to brand condition in stock out situation leads to negative emotions and eventually brand switching intentions. The research found out that when there is a suboptimal condition preceded by a stock out condition leads to regret. The research also noted that there is a minimal amount of regret in a situation where there is discounted price strategy in sub optimal condition and stock out. In other words, where the available product was found to be of low price, the levels of regret were low as compared to when the available brand of product was same price. On the other hand, the price of the suboptimal product had effect on the levels of regret. In the other words when an individual purchased a cheaper suboptimal alternative product the levels of regret was minimal. This can be credited to the amount of tangible and financial loses that the individual might have undergone as compared to when an individual purchased a suboptimal product with no discounts. It is important to note that prior research has investigated experience of regret arising from decisions made in optimal conditions. However, individuals are also capable of making decisions in sub optimal conditions in stock out situations. Research has stayed mute on the relationship between regret, brand switching intention and the role that discounts play to mediate this. We believe that this the research on this part of marketing is equally important.

The research provided greater insights in terms of pricing of a suboptimal and optimal product in a stock out situation. It is noted that price plays a bigger role in this situation. It was observed that price made variations. Individuals who bought suboptimal products at a cheaper price showed minimal levels of regret as compare to those who bought suboptimal product at the same price as the preferred brand of product. It is also posited that when individuals experience less regret in a discounted suboptimal condition in stock outs as compared to undiscounted suboptimal condition hence leading to high levels of brand switching intentions. Also, in optimal and undiscounted situation prospects of switching were evidence.

In terms of practical contributions, the findings of this study implied that brand managers or marketing managers need to ensure that stocks of their brand in various stores are properly managed to avoid out of stock situation. As it was noted consumers are most likely to experience regret hence their preferred brand is out of stock and hence end up buying an alternative. Consequently, leading to brand switching. It was also noted that managers should adopt methods that improves consumer brand loyalty as there is a strong link between consumer brand loyalty and negative emotions. Secondly it is also important that producers ensure that their product quality meets consumer satisfaction level. High performance ensures high brand loyalty which minimizes consumer brand switching intention in stock out situations.

Finally, it was noted that pricing affects the consumer decision making in such situation hence manager should adopt the correct pricing strategy. When consumers purchase a suboptimal alternative at a cheaper price levels of regret are minimal as compared to when the prices are standard or more expensive.

C. Limitations

This study reported in this research has several limitations. There is limitation in measuring individual's intention of switching instead of measuring the actual behavior. The research also did not specifically access and analyze the perception of normality behavior with respect to study conditions. In other words, the study did not analyze the respondent's response in case of optimal and not stock out condition or incase of where the available inferior product was more expensive than the preferred out of stock. Assumption was made that in a normal condition regret wouldn't be experience hence therefore the brand switching behavior wouldn't be experienced. Based on this assumption of normality individuals experienced greater regrets in suboptimal and stock out situation. In other words, the respondents were not asked to respond in a normal condition. In order to avoid this limitation, it is advisable to conduct a pretest in order to identify normality events.

Moreover, the research solely used students as subject and mobile phone as the product. This may limit the generalizability of the findings that were made. In other words, the same results achieved might not be achieved in other consumer populations and products. It is therefore advisable to replicate the study using non-student as subject and different products, this may lead to a considerable degree of validity. Finally, the research majorly focused on regret while other variables such as disappointment, anger and frustration can also be adopted and examined on their relations to brand switching intentions in these situations.

D. Future Research Recommendations

The main dependent variable in this research was regret. As suggested above a lot of variables like anger, disappointment and frustration might be adopted to get a broader view of consumer emotions. Furthermore, in this research normality of event s were not considered so the effect of the magnitudes of normality of events according to the norm theory y was not analyzed. It may be interesting to study how regret is influenced by normality of events. This will in turn show how consumer brand switching behavior is influenced.

Also, in this study the subjects were not exposed to more information of the brand available, it would be interesting to study how product information play a role in this. In most cases while shopping consumers tend to ask sales representatives for recommendation and advices. In future it will be a step in this research to note how prior information or recommendation from sales representatives and additional information influences consumer post purchase regret. Also, the different forms of price presentations were not tested, it is recommended that the various forms of price strategy are tested on singular basis.

The research used only students as subjects and the product as the object, it is recommended that future research should try and adopt different population as subject and different product object. It is believed that this situation might provide different results. The research further didn’t test situations of online shopping it dependent on physical shopping. There I more increase in online shopping also which needs to be studied

Product involvement should also be analyzed and how it plays a role in consumer regret in this situation

REFERENCES

Alaei, S., Behravesh, M., Karegar, N. (2014). Analysis of Production - Inventory Decisions in a Decentralized Supply Chain. Prague Economic Papers, 23(2), 198–21. DOI: 10.18267/j.pep.480.

Babble, E. (2010). *The practice of Social Research*.12th ed. USA

Beneke, J., Hayworth, C., Hobson, R., Mia, Z. (2012). Examining the Effect of Retail Service Quality Dimensions on Customer Satisfaction and Loyalty: The Case of the Supermarket Shopper. Acta Commercii, 12(1), 27–43.

Burns, A.C. & Bush, R.F. (2010). *Marketing research*. 6th ed. Upper Saddle River: Prentice Hall.

Campbell, C., & Ma, J. J. (2016). Looking Forward, Looking Back: Drawing on the Past to Shape the Future of Marketing: Proceedings of the 2015 World Marketing Congress. Cham: Springer International Publishing.

Campo, K., Gijsbrechts, E., Nisol, P. (2000). Towards Understanding Consumer Response to Stock-Outs. Journal of Retailing, 76(2), 219–242. DOI: 10.1016/S0022-4359(00)00026-9.

Campo, K., Gijsbrechts, E., Nisol, P. (2004). Dynamics in Consumer Response to Product Unavailability: Do Stock-out Reactions Signal Response to Permanent Assortment Reductions? Journal of Business Research, 57(8), 834– 843.DOI: 10.1016/S0148-2963(02)00486-1.

Corsten, Daniel & Gruen, Thomas. (2004). Stock-Outs cause Walkouts. University of St.Gallen. 82.

Cooke, Alan D.J., Tom Meyvis and Alan Schwartz (2001), “Avoiding Future Regret In Purchase-Timing Decisions,” Journal Of Consumer Research, 27(March), 447 – 459.

Cooper, D.R. & Schindler, P.S. 1998. *Business research methods*. 6th ed. Boston, Mass.: Irwin McGraw-Hill.

Chattopadhyay, A. and Basu, K. (1990), “Humor in advertising: the moderating role of priorbrand evaluation”, Journal of Marketing Research, Vol. 27, pp. 466-76

Das, N., & Kerr, A. H. (2010). “Woulda, Coulda, Shoulda”: A Conceptual Study of the Sources of Post Purchase Regret. The Journal of Marketing Theory and Practice, 18(2), 171–180. doi:10.2753/MTP1069-6679180205

Ehrenthal, J. C. F., Stolzle, W. (2013). A Study of the Causes for Retail Stockouts. International Journal of Physical Distribution & Logistics Management, 43(1), 54–69. DOI: 10.1108/09600031311293255.

Ehrenthal, J., Gruen, T., Hofstetter, J. (2014). Value Attenuation and Retail Out-of-stocks, A Service-dominant Logic Perspective. International Journal of Physical Distribution & Logistics Management, 44(1/2), 39–57. DOI: 10.1108/ijpdlm-02-2013-0028.

Eroglu, C., Williams, B., Waller, M. (2011). Consumer-driven Retail Operations – The Moderating Effects of Consumer Demand and Case Pack Quantity. International Journal of Physical Distribution & Logistics Management, 41(5), 420–434. DOI: 10.1108/09600031111138808.

Essays, UK. (2013). Consumer Response in Stock Out Situations Marketing Essay. Retrieved from https://www.ukessays.com/essays/marketing/consumer-response-in-stock-out-situations-marketing-essay.php?cref=1

Ettouzani, Y., Yates, N., Mena, C. (2012). Examining Retail on shelf Availability: Promotional Impact and a Call for Research. International Journal of Physical Distribution & Logistics Management, 42(3), 213–243.

Fink. (2014). *Conducting research literature reviews: from the Internet to paper.* Sage Publications.

Frey, B.S. and Stutzer, A. (2006) ‘Mis predicting utility and the political process’, in

Frey, B.S. and Stutzer, A. (2012). Economic Consequences of Mis predicting Utility, mimeo, University of Basel.

Folkman, Susan & S. Lazarus, Richard. (1980). An Analysis of Coping in a Middle-Aged Community Sample. Journal of health and social behavior. 21. 219-39. 10.2307/2136617.

Gilovich, T., and V.H. Medvec (1995), “The Experience of Regret: What, When and Why,” Psychological Review, 102, 379 – 395.

Gruen, T. (2007). Retail Out-of-Stocks. Colorado Springs: University of Colorado.

Gruen, T., Corsten, D. (2007). A Comprehensive Guide to Retail Out-of-Stock Reduction in the Fast-Moving Consumer Goods Industry. Colorado: Grocery Manufacturers’ Association.

Guba, E. G., & Lincoln, Y. S. (2009). Paradigmatic controversies, contradictions, and emerging confluence. In N. K. Denzin & Y. S. Lincoln (Eds.), The Sage handbook of qualitative research (3rd ed., pp. 191-215). Thousand Oaks, CA: Sage

Gotlieb, J.B. and Sarel, D. (1991), “Comparative advertising effectiveness: the role of involvementand source credibility”, Journal of Advertising, Vol. 20 No. 1, pp. 38-45

Inman, Jeffrey J., James S. Dyer and Jianmin Jia (1997), “A Generalized Utility Model Of Disappointment And Regret Effects On Post-Choice Valuation,” Marketing Science, 16(2), 97 – 111

Inman and Marcel Zeelenberg (2002), “Regret In Repeat Purchase Versus Switching Decisions: The Attenuating Role Of Decision Justifiability,” Journal Of Consumer Research, 29 (June), 116 – 128.

Iwasaki, Yoshitaka. (1998). A path analytic model of the relationships between involvement, psychological commitment, and loyalty. Journal of Leisure Research. 30. 256-280.

Hoffmann, J. a, von Helversen, B., & Rieskamp, J. (2013). Deliberation’s blindsight: how cognitive load can improve judgments. Psychological Science, 24

Hoyer, W. D., MacInnis, D. J., & Pieters, R. (2018). Consumer behavior.

Hsee, C.K. and Zhang, J. (2010) ‘General evaluability theory’, Perspectives on Psychological Science, Vol. 5, No. 4, pp.343–355. j.1745-6606. 1993.tb00737.x

Juslin, P., Karlsson, L., & Olsson, H. (2008). Information integration in multiple cue judgment: a division of labor hypothesis. Cognition, 106(1), 259–98. doi: 10.1016/j.cognition.2007.02.003

Kahneman, D. and Tversky, A. (1982), “The psychology of preferences”, Scientific American,Vol. 246 No. 1, pp. 160-73.

Lacobucci, D. & Churchill, G.A. (2010). *Marketing research methodological foundations*. 10th ed. Mason, Ohio: South-Western.
Leedy, P.D. & Ormrod, J.E. 2010. *Practical research: planning and design*. 9th ed. Boston, Mass.: Pearson Education
Loomes, Graham and Robert Sugden (1982), "Regret Theory: An Alternative Theory of Rational Choice Under Uncertainty," The Economic Journal, 92(December), 805 – 824.
Lerner, J. and Keltner, D. (2000), "Beyond valence: toward a model of emotion-specific influences on judgement and choice", Cognition and Emotion, Vol. 14 No. 4, pp. 473-93.
Malhotra, N.K. 2012. *Basic marketing research: integration of social media*. 4th ed. Upper Saddle River, NJ: Pearson Education.
Martin, L.L. and Tesser, A. (1996), "Clarifying our thoughts", in Dyer, R.S. (Ed.), RuminativeThoughts: Advances in Social Cognition, Lawrence Erlbaum Associates, Mahwah, NJ,pp. 189-209
McCaffery, E.J. and Slemrod, J. (Eds.): Behavioral Public Finance, pp.113–140, Russell Sage Foundation, New York.
McDaniel Jr, C. & Gates, R. H. 2013. *Marketing research*, 8th ed. Singapore: John Wiley & Sons.
Menon, K. and Dube, L. (2007), "The effect of emotional provider support on angry versus anxious consumers", International Journal of Research in Marketing, Vol. 24, p. 268
Musalem, A., Olivares, M., Bradlow, E., Terwiesch, C., Corsten, D. (2010). Structural Estimation of the Effect of Out-of-Stocks. Management Science, 56(7), 1180–1197. DOI: 10.1287/mnsc.1100.1170.
Mouton, E. (2001). Practice of business and social research. Capetown: Oxford University Press
My Bui, Anjala S. Krishen, Kenneth Bates, (2011) "Modeling regret effects on consumer post-purchase decisions", European Journal of Marketing, Vol. 45 Issue: 7/8, pp.1068-1090, https://doi.org/10.1108/03090561111137615
Olofsson, L. (2006). On-shelf Availability Making-It-Happen Together. Paper presented at the Inspiring Partnerships through Innovation and style Meeting Stockholm. Supermarket News.
O'Shaughnessy, J. (2012). Consumer Behaviour: Perspectives, Findings and Explanations.
Panksepp, J. (1998), Affective Neuroscience: The Foundations of Human and Animal Emotions,Oxford University Press, New York, NY
Pearlin, Leonard & Schooler, Carmi. (1978). The Structure of Coping. Journal of health and social behavior. 19. 2-21. 10.2307/2136319.
Potgieter, D, Wies, M. & Strasheim, A. 2013. Demographic differences in adult consumers' decision-making styles in Tshwane, South Africa. *Journal of Family Ecology and Consumer Sciences*, 41:11-27
Pieters, R., & Zeelenberg, M. (2007). A Theory of Regret Regulation 1.1. Journal of Consumer Psychology, 17(1), 29–35. doi:10.1207/s15327663jcp1701_6
Reynolds, K.E., Folse, J.A.G. and Jones, M.A. (2006), "Search regret: antecedents and consequences", Journal of Retailing, Vol. 82, p. 339.Richins, M.L. (1997), "Measuring

emotions in the consumption experience", Journal of Consumer Research, Vol. 24 No. 2, p. 127

Richins, M.L. (1997), "Measuring emotions in the consumption experience", Journal of Consumer Research, Vol. 24 No. 2, p. 127

Saunders, Lewis & Thornhill (2009). *Research methods for business students*. 5th ed. London: Pearson Education.

Sekaran, U. (2003) Research Methods for Business: A Skill-Building Approach. 4th Edition, John Wiley & Sons, New York.

Simonson, Itamar (1992), "The Influence Of Anticipating Regret And Responsibility On Purchase Decisions," Journal Of Consumer Research, 19 (June), 105 – 118.

Spence, T. Mark and Merrie Brucks (1997), "The Moderating Effects of Problem Characteristics on Experts' and Novices' Judgments," Journal of Marketing Research, May, 233 – 247.

Sproles, G. B. (1985). *From perfectionism to Dadaism: measuring consumers' decision-making styles.*

Sproles, G. B., & Kendall, E. (1986). A methodology for profiling consumers decision-making styles. *The journal of Consumer Affairs*, 20(2), 267-279. http://dx.doi.org/10.1111/

Supermarket Guru Consumer Panel (2011). Shoppers Cite Store Annoyances, The Woodlands:

Ton, Z., Raman, A. (2010). The Effect of Product Variety and Inventory Levels on Retail Store Sales: A Longitudinal Study. Production and Operations Management, 19(5), 546–560. DOI: 10.1111/j.1937-5956.2010.01120. x.

Trautrims, A., Grant, D. B., Fernie, J., Harrison, T. (2009). Optimizing On-shelf Availability for Customer Service and Profit. Journal of Business Logistics, 30(2), 231–247. DOI: 10.1002/j.2158-1592. 2009.tb00122. x.

Tsiros, Michael and Vikas Mittal (2000), "Regret: A Model of Its Antecedents and Consequences in Consumer Decision Making," Journal of Consumer Research, 26 (June), 401 – 417

Vaidyanathan R, Praveen Aggarwal, (2000) "Strategic brand alliances: implications of ingredient branding for national and private label brands", Journal of Product & Brand Management, Vol. 9 Issue: 4, pp.214-228, doi.org/10.1108/10610420010344013

Von Helversen, B., & Rieskamp, J. (2008). The mapping model: a cognitive theory of quantitative estimation. Journal of Experimental Psychology. General, 137(1), 73–96. doi:10.1037/0096-3445.137.1.73

Von Helversen, B., Mata, R., & Olsson, H. (2010). Do children profit from looking beyond

Waller, M. A., Williams, B. D., Tangari, A. H., Burton, S. (2010). Marketing at the Retail Shelf: Exploring Moderating Effects of Logistics on SKU Market Share. Journal of the Academy of Marketing Science, 38(1), 105–117. DOI: 10.1007/s11747-009-0146-0.

Yin, C.Y. and Yu, H.Y. (2009) The Impact of Anticipated Regret on Consumer Impulse Buying Behavior. Management Review, 21, 71-93.

Zeelenberg, Marcel (1999), "The Use Of Crying Over Spilt Milk: A Note On The Rationality And Functionality Of Regret," Philosophical Psychology, 12(3), 325 – 340

Zhou, H. and Gu, Z. (2015) The Effect of Different Price Presentations on Consumer Impulse Buying Behavior: The Role of Anticipated Regret. American Journal of Industrial and Business Management, 5, 27-36. doi.org/10.4236/ajibm.2015.51004

APPENDICES

APPENDIX 1: QUESTIONNAIRE A

SURVEY

This survey form, is for scientific research conducted at Kocaeli University. The purpose of the research is to determine if regret experienced in stock out and suboptimal conditions can lead to brand switching. Your responses will be kept strictly confidential and third parties will not be informed about the evaluations you have made. Thank for your participation

Kindly Answer the following questions

Gender	Male	☐	Marital Status	Single	☐
	Female	☐		Married	☐
Age	☐		Academic Status	Undergraduate	☐
				Graduate	☐

READ THE FOLLOWING SCENARIO AND ANSWER THE QUESTIONS BELOW

Imagine that you are shopping for a smart phone. For the past couple of months you have been looking at various brands of smart phones and ultimately had managed to narrow it down to one brand that you would prefer to buy: marked PREF. BRAND. Smart phone.

Visiting the Store

You go to a large consumer electronics store, to purchase your PREFERRED BRAND of smart phone. However, much to your disappointment you find that it is out of stock and not available for the next two weeks. Even though you know that you have the alternative of coming back and buying PREFERRED BRAND when it is available, you decide that since you are in the store you would go through some of the available brands. In the process of looking at some of the product display cards of the available brands in the store, you come across another brand, AVAILABLE BRAND, of smartphone that looks interesting.

You decide to go ahead and purchase the AVAIL BRAND even though you can always wait for the two weeks and come back when PREF BRAND is available. Some days later you happen to be going through Consumer Reports (an independent nonprofit source for product testing and information) where you find that the phones – PREF BRAND (the originally preferred brand) and AVAIL BRAND (the brand you purchased), have been rated. The Consumer Reports ratings indicated two points:

• Both the brands were acceptable and they were in the middle range of all the smartphones rated in that particular issue.

• In comparing the ratings of the two smartphones, you found that AVAIL BRAND was rated **inferior** to PREF BRAND. (In other words his initial thought that AVAIL BRAND was **inferior** to BRAND PREF was supported by the Consumer Reports ratings.)

AFTER YOU HAVE READ THE SCENARIO AND UNDERSTOOD WHAT TOOK PLACE ON THE TRIP, PLEASE ANSWER QUESTIONS PROVIDED

Please Read the Summary of Events below and Then Respond to the Statements by indicating the scale of your opinion

Summary of Events

You made a decision to purchase AVAILABLE BRAND since your initial PREFERRED BRAND, PREFF BRAND, was not available.

You purchased the brand available even though you ought it to be inferior to PREF BRAND, because most likely it would suit your purposes.

Later, consumer reports rating showed that AVAILABLE BRAND was inferior to PREF BRAND

QUESTIONS

Based on the scenario above to what extent do you

1= Strongly disagree	**3= Somewhat disagree**	**5= Somewhat agree**	**7= Strongly Agree**
2= Disagree	**4= Neither agree or disagree**	**6= Agree**	

No	Item	Scale						
		1	2	3	4	5	6	7
i.	Regret buying the AVAILABLE brand than the PREFERRED brand							
ii.	Wish you had not made the decision to buy the AVAILABLE brand							
iii.	Feel sorry for buying the available brand other than the preferred brand							
iv.	You feel angry with your purchase decision							
v.	You feel irritated with your purchase decisions							
vi.	You feel upset with your purchase decision							

Based on the Scenario **1=Low probable 7=Highly Probable**

No	Item	Scale						
i.	How probable are you to switch to the AVAILABLE BRAND in the future							

APPENDIX 2; QUESTIONNAIRE B

SURVEY

This survey form, is for scientific research conducted at Kocaeli University. The purpose of the research is to determine if regret experienced in stock out and suboptimal conditions can lead to brand switching. Your responses will be kept strictly confidential and third parties will not be informed about the evaluations you have made. Thank for your participation

Kindly Answer the following questions

Gender	Male	☐	Marital Status	Single	☐
	Female	☐		Married	☐
Age	☐		Academic Status	Undergraduate	☐
				Graduate	☐
Department	____________				

READ THE FOLLOWING SCENARIO AND ANSWER THE QUESTIONS BELOW

Imagine that you are shopping for a smart phone. For the past couple of months, you have been looking at various brands of smart phones and ultimately had managed to narrow it down to one brand that you would prefer to buy: marked PREF. BRAND. Smart phone.

Visiting the Store

You go to a large consumer electronics store, to purchase your PREFERRED BRAND of smart phone. However, much to your disappointment you find that it is out of stock and not available for the next two weeks. Even though you know that you have the alternative of coming back and buying PREFERRED BRAND when it is available, you decide that since you are in the store you would go through some of the available brands. In the process of looking at some of the product display cards of the available brands in the store, you come across another brand, AVAILABLE BRAND, of smartphone that looks interesting which has 20**% discount** compared to the PREFERRED BRAND."

You decide to go ahead and purchase the AVAIL BRAND even though you can always wait for the two weeks and come back when PREF BRAND is available. Some days later you happen to be going through Consumer Reports (an independent nonprofit source for product testing and information) where you find that the phones – PREF BRAND (the originally preferred brand) and AVAIL BRAND (the brand you purchased), have been rated. The Consumer Reports ratings indicated two points:

• Both the brands were acceptable and they were in the middle range of all the smartphones rated in that particular issue.

• In comparing the ratings of the two smartphones, you found that AVAIL BRAND was rated **inferior** to PREF BRAND. (In other words, his initial thought that AVAIL BRAND was **inferior** to BRAND PREF was supported by the Consumer Reports ratings.)

AFTER YOU HAVE READ THE SCENARIO AND UNDERSTOOD WHAT TOOK PLACE ON THE TRIP, PLEASE ANSWER QUESTIONS PROVIDED

Please Read the Summary of Events below and Then Respond to the Statements by indicating the scale of your opinion

Summary of Events

You decided to purchase AVAILABLE BRAND since your initial PREFERRED BRAND, PREFF BRAND, was not available.

You purchased the brand available even though you ought it to be slightly inferior to PREF BRAND, because most likely it would suit your purposes.

Later, consumer reports rating showed that AVAILABLE BRAND was slightly inferior to PREF BRAND

QUESTIONS

Based on the scenario above to what extent do you

1= Strongly disagree	**3= Somewhat disagree**	**5= Somewhat agree**	**7= Strongly Agree**
2= Disagree	**4= Neither agree or disagree**	**6= Agree**	

No	Item	Scale						
		1	2	3	4	5	6	7
vii.	Regret buying the AVAILABLE brand than the PREFERRED brand							
viii.	Wish you had not made the decision to buy the AVAILABLE brand							
ix.	Feel sorry for buying the available brand other than the preferred brand							
x.	You feel angry with your purchase decision							
xi.	You feel irritated with your purchase decisions							
xii.	You feel upset with your purchase decision							

Based on the Scenario **1=Low probable 7=Highly Probable**

No	Item	Scale						
		1	2	3	4	5	6	7
ii.	How probable are you to switch to the AVAILABLE BRAND in the future							