

A man in a dark suit is seen from the back, standing in front of a wall covered in hand-drawn business illustrations. He is holding a pen and pointing at a lightbulb icon. The wall features various charts, including a bar chart with an upward arrow labeled 'WWW', a pie chart, a line graph, and another pie chart with segments labeled 30%, 15%, 7%, and 48%. There are also icons for a stack of money, a car, a cloud labeled 'CLOUD', and a city skyline at the bottom. Text on the wall includes 'idea 45% is SALE!', '25%', 'TEAM', and 'internet+'.

# Case Study III Galeries Lafayette





## Case Study: Working with Dirty Data I

Frederic Fuchsbaud is a marketing manager of the well-known French retail company Galeries Lafayette. Due to declining sales the CMO has called for a project to better understand how customers view Galeries Lafayette and how these perceptions **drive loyalty and commitment** to Galeries Lafayette. Essentially the key goal of the project is to identify the **key drivers of brand equity** for Galeries Lafayette. Frederic Fuchsbaud partnered with a research consultancy to get the necessary expertise on board and move the project forward. In an initial project step 20 depth interviews were conducted to get an understanding how its customers view Galeries Lafayette. What they like and what they dislike about Galeries Lafayette and how Galeries Lafayette could improve. Based on the insights generated a questionnaire was designed and mailed to 5000 customers of Galeries Lafayette with a stamped return envelope. About 600 customers returned a completed questionnaire. In a first step you should run a confirmatory factor analysis to determine the dimensions by which Galeries Lafayette is perceived by its customers.

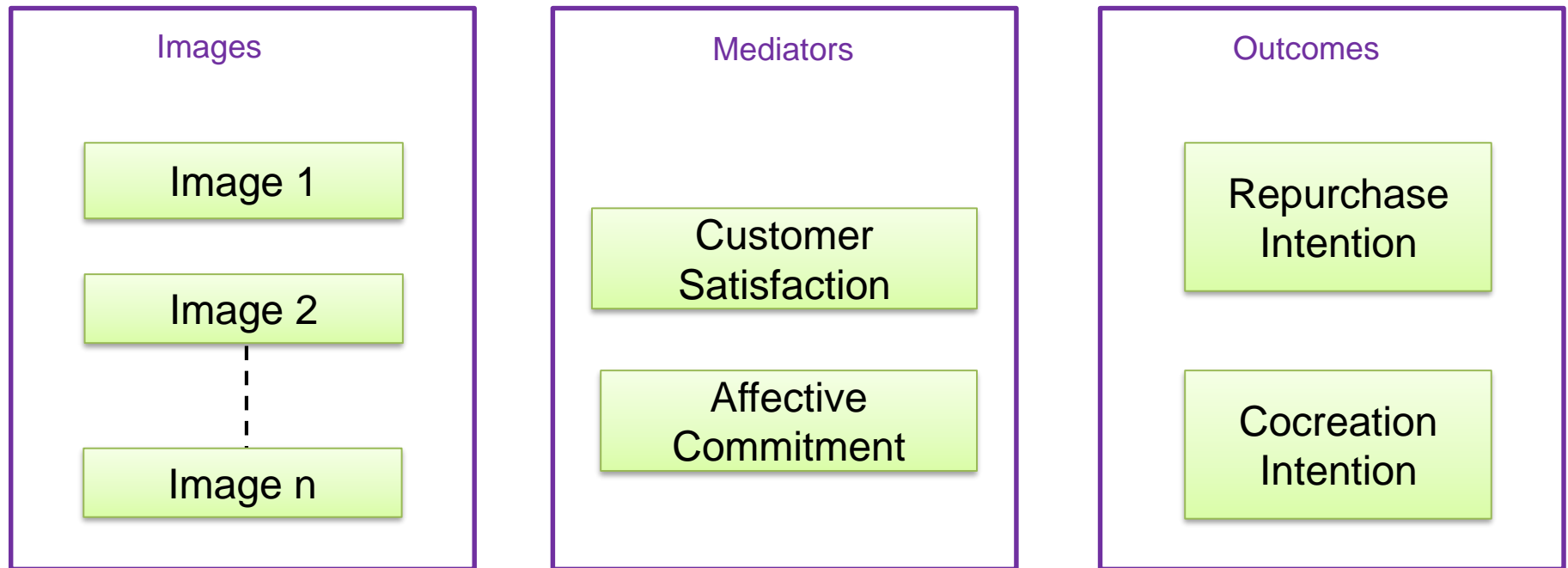
## Case Study: Working with Dirty Data II

The data set with the results from the survey is available on Moodle under the name **Case Study III\_Structural Equation Modeling.csv**. The data set contains a range of items measuring image perceptions, loyalty, commitment and more. In order to solve problem 1 please focus on the questions image1 to image22 in the data set. These are the 22 image statements that every respondent had to answer in the survey. The question addressed various topics, which had surfaced in the 20 depth interviews conducted prior to the survey. The question were answered with a Likert-scale anchored with 1 “does not apply at all” and 7 “does apply completely”. The image questions ranged from “Large Range of Assortment” to “Intimate Atmosphere”. Prior to conducting the confirmatory factor analyses run an exploratory factor analyses in R to get an initial idea by which dimensions customers perceive Galeries Lafayette. In the file all 22 image items are proposed to measure different constructs or perceptual dimensions. Then, based on these insights please apply the confirmatory factor analyses.



## Case Study: Working with Dirty Data III

Based on the results of step 1 please estimate the following model. Start with customer satisfaction and affective commitment as mediators.



Use the items COM\_A1 – COM\_A4 for Affective Commitment; SAT\_1 – SAT\_3 for Satisfaction, C\_REP1- C\_REP3 for Repurchase Intention, C\_CR1, C.CR3, C.CR4 for CoCreation.

Please prepare a report answering the following questions:

1. What are the dimensions by which Galeries Lafayette is perceived? Please explain your findings and rationale for your final result.
2. Are the mechanism driving satisfaction and affective commitment similar? Are satisfaction and affective commitment mediating the impact of image perceptions on outcomes? If yes for which outcomes?
3. What is driving the two distinct outcomes (repurchase and co-creation intention): Please rank the image dimensions with respect to the **total effect** on each outcome? Interpret your results.

**Please interpret your findings from a marketing perspective!**