

Customer Satisfaction and Enterprise Performance: A Study from the Electronics and Communication Equipment Retail Industry in the Czech Republic

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Abstract

The aim of this paper is to identify whether customer satisfaction measured by means of mystery shopping in selected retail companies in the electronics and communication equipment industry and their loyalty expressed by the NPS score correlate with the performance of the selected enterprises. The study contains research into communication with customers at the point of sale and customer satisfaction, with a focus on the five most significant representatives of this industry. The performance of companies is evaluated through the ROA, ROE and ATO indicators based on data available in the Magnusweb database. The study shows that customers satisfied during the sale of products also express their loyalty, which was measured by the NPS score. The said research conducted in the Czech Republic failed to prove the correlation between customer satisfaction and loyalty on the one hand and the selected enterprise performance indicators on the other. The same conclusion has also appeared in several research studies conducted abroad.

Keywords: *customer satisfaction; Czech Republic; enterprise performance; electronics and communication equipment; retail.*

1. Introduction

Enterprise performance as well as customer satisfaction (CS) and loyalty are phenomena that are at the forefront of the assessment of not only the current, but also the future value and the prospect of an enterprise in the current demanding, fully competitive conditions. CS and loyalty are prerequisites for the strengthening of the position of an enterprise in the market, and thus are also connected with achieving success in customer orientation (Kotler & Keller, 2013), which in turn is connected with the quality of services provided. The focus on service quality combined with communication with customers during the sale of competitive products is undoubtedly key to increasing the performance of an enterprise, in this case in retail in the electronics and communication equipment industry at traditional (not on-line) points of sale.

In the presented study, enterprise performance is measured based on the analysis of publicly available (Magnusweb) data from closing financial statements (specifically, balance sheets and profit and loss statements). This (quantitative) way of measuring performance based on accounting data is fairly common (compare with, e.g., Gunasekaran et al., 2005; Gupta & Galloway, 2003). CS is one of the conclusions of an independent research study conducted by way of mystery shopping, which is suitable for checking customer service and communication with customers. The items 'satisfaction' and 'loyalty' are included in the records obtained by trained observers according to mystery shopping scenarios at the point of sale of the tested enterprises in three regions of the Czech Republic (cf. Eger & Mičík, 2017). Mystery shopping is used to gather information about customer-oriented communication,

their satisfaction with retail and customer feedback via NPS.

The purpose of this study is to investigate the level of customer-oriented service (communication), CS and search for its relation to the Net Promoter Score in retail industry Electronics and communication equipment in the Czech Republic. And following that the study examines the link between CS and various financial ratios that measure the performance of companies in the Czech Republic. This study may contribute in several ways to the literature regarding retail and personal selling, and CS and customer loyalty.

First, we assess the influence of some part of the shopping environment and of customer-oriented communication on CS and customer loyalty. Second, we operationalize and assess company's performance. Third, the study adds to the very limited research on company's performance and CS in retailing in the Czech Republic.

2. Literature overview

2.1. Enterprise performance

In general, enterprise performance can be defined in various ways, depending on the context that allows performance to be subsequently specified (Suchánek, Richter, & Králová, 2014). The specification of enterprise performance thus also affects the way it is measured. Drucker (1992) defines performance as the ultimate test of any organization. It may be added that such a test must have an economic dimension. More specifically, performance may be defined as the ability of an enterprise to increase the value of the invested capital (Hindls et al. 2003). With respect to CS, performance can be defined as the

enterprise's ability to achieve its goals by meeting its customers' expectations more effectively and efficiently than its competitors (Kotler, 1984).

Enterprise performance needs not only to be defined, but also measured. The method of measuring enterprise performance further specifies its concept. If performance is the ability of an enterprise to achieve (economic) goals and satisfy customers (see above), then measuring performance is a specific way of achieving this. "Performance measurement is the process of determining how successful organizations or individuals have been in attaining their objectives" (Sinclair & Zairi, 1995 in Tunji-Olayeni et al. 2014). For the success of an enterprise, this process is crucial mainly in the context of changes: "performance measurement is critical to the success of organizational change programs in general" (Chang, 2006).

The process of performance measurement presents a series of activities that must be executed in such a way that its objective is achieved. "Performance measures are defined as a tool for assessing how well the activities within a process or the process outputs achieve a specified goal" (Chen & Cheng, 2007). Additionally, the goals must be set within the actual framework of the economic environment in which the enterprise operates, i.e., the goals must be achievable. "The best measures are customer-focused and goal-oriented and goals should also reflect current realities" (Chen & Cheng, 2007).

At first sight, performance measurement seems to be static, i.e., conducted at a certain moment, but even at the given moment it is still possible to make comparisons, i.e., compare the measured values with those that are planned or ideal (benchmarking). "The concept of performance measures is the process of comparing actual operation results with established performance targets" (Ahmad et al. 2005) and "the target value is used to evaluate performance measurement data, usually to assess performance achieved compared to performance expected" (Chen & Cheng, 2007). Performance should be measured regularly and over the long term. Chen and Cheng put emphasis on qualitative performance measurement and business improvement using Six Sigma and the balanced scorecard (compare Chen & Cheng, 2007).

The quantitative measurement of enterprise performance based on accounting data is connected with the fact that CS translates into a successful business in the sense of sales volume and consequently profit and rate of return (compare Neely et al. 1995). In the context of CS, it is obvious that the key indicator that can evaluate the specific performance of an enterprise and which can be measured is the rate of return of the company (more specifically, the ROA indicator). This also corresponds with a number of research studies conducted (e.g., Anderson et al. 1997; Terpstra & Verbeeten, 2014; Yeung et al. 2002). The revenue, profit, rate of return and successful performance impact the enterprise's evaluation by its surroundings, i.e., the capital market indicators that reflect the value of the company (for details, see, e.g., Jacobson & Mizik, 2009).

Within a comprehensive approach to measuring company performance, there are various categories of financial indicators. Some authors use indicators related to the rate of return, activity, debt ratio, liquidity, growth indicators and asset structure indicators (for details, see Delen et al. 2013). Others use indicators pertaining to the rate of return, debt ratio, liquidity and growth indicators (for details, see Heikal et al. 2014).

In a number of research studies, financial performance in the context of CS is evaluated by standard financial indicators, such as ROA, ROE (e.g., Al-Hawari & Ward, 2006), accompanied by capital market indicators (e.g., Sun, Dae-Young, 2013). It can be inferred that, at least from the long-term perspective, a company's rate of return is affected by a number of other influences. For the purpose of our research, which does not focus solely on analyzing performance, but rather the relationship between performance and CS, it is desirable to focus primarily on the measure of performance, that is, the rate of return, and indicators capable of measuring it in the context of

CS. Additional indicators that provably influence the rate of return can be found and added. In the case of enterprises in the Czech Republic, one such indicator is asset turnover (ATO) (for details, see Suchánek & Králová, 2016a; Suchánek & Králová, 2016b).

2.2. Retail, personal selling, customer satisfaction

CS and retention are critical for retail also in the area of electronics and communication equipment. Providing quality customer service is the way to be distinguished from competitors. An organizations employees skills and competencies (Egerová, 2015; Zeglat et al, 2014) are essential to making a successful service encounter and interaction. Customer service should be an essential part of marketing strategy. The scholars found that CS is a major driver of customer loyalty and earlier empirical findings revealed that customer loyalty could lead to a 25-85 percent increase in profit (Reichheld et al., 1990). CS effects positive word-of-mouth and future repeat purchase (Abu-EL Samen et al, 2011; Bolton et al, 1998). Srivastava and Kaul (2016) claim, that customer loyalty is a dream that all retailer chase. Companies that have a more satisfied customer base also experience higher economics returns such as return on investments and profitability (Aaker & Jacobs, 1994; Abu-EL Samen et al, 2011; Bolton et al, 1998; Yeung et al., 2002.). Customer service is an important topic because it has a strong link to long-term financial outcomes such as profitability (Abu-EL Samen et al, 2011; Duncan & Eliot, 2004).

CS and future intentions in retail affects a product and its market image. Value, service, trust, reliability, and the behaviour of salespeople help create brand image. Communication in personal selling is an important part of sales behaviour and can help any company increase its CS level and improve the customer experience (Gilbert & Veloutsou 2006; Pimpakorn & Patterson, 2010, Wangenheim et al., 2007). It is apparent that if customers are satisfied, have trust in salespeople and see value in the provided customer service, they are more likely to come back and repeat purchase in the future (El-Bachir, 2014; Gruca & Rego, 2005; Kim, Park. & Jeong, 2004). The existence of individual employees' customer service skills is a major contributor that leads to achievement of CS and customer loyalty in service business (Abu-ELSamen et al., 2011) and also in retail (Eger & Mičík, 2017).

Traditionally, it is supposed that CS is an important factor in the performance and competitiveness of retail shops. Some authors argue that customer loyalty is of greater importance than CS (Fraering & Minor, 2013; Belás & Gabčová, 2016), while others (e.g. Khan & Rizwan, 2014) argue that CS explains 93% of customer loyalty. In general, there are two approaches to CS in literature, expectancy-disconfirmation approach and performance-only approach (Gilbert & Veloutsou, 2006). In our study, we work with performance-only approach. According to our adopted approach, CS is defined as "an overall evaluation based on the customer's total purchase and consumption experience with a good or service over time" (Anderson, Fornell, & Mazvancheryl, 2004). The deterministic approach of customer loyalty (Odin et al, 2001), which we use in our study, addresses customer loyalty as an attitude manifested through customers' preferences, buying intentions, supplier patronization and recommendation willingness.

Belás and Gabčová (2006) found a strong positive correlation between CS and customer loyalty in Czech banks. Our study is focused on customer-oriented communication, customer overall satisfaction with the shopping process, and customer loyalty in the retail industry Electronics and communication equipment. Customer service and communication with customers become more important in retailing than before (Beneke et al., 2012; Jankal & Jankalova, 2011; Parment, 2013).

The mystery shopping technique (MS) can be used to assess how employees interact with customers and to identify CS and areas for future service quality improvement. MS studies

have been conducted especially in retail by Gosselt et al. (2007), Janka and Jankalova (2011), Kehagias, Rigopoulou, and Vassilikopoulou (2011) and Eger and Mičik (2017).

Delivering quality customer service is essential to sustain any kind of business (Chen & Barrows, 2015). Some studies show that up to 70% of organizations are losing customers due to poor customer service, and just less than 15% due to poor quality of the product (e.g. Michelson, 2015).

2.3. Customer satisfaction and enterprise performance

Several studies suggest that there is a positive relationship between employee satisfaction and CS but only some of them examine necessary relationship between CS and enterprise performance (Wangenheim et al., 2007). For example, findings from research conducted by Chi and Gursoy (2009) suggest that while CS has positive significant impact on financial performance, employee satisfaction has no direct significant impact on financial performance. Report by FeedbackSystems (2016) summarizes findings from several studies and argues: "One of the main benefits of CS research is the capability to observe trends on indicators that are directly tied to financial performance." This is also the focus of this study conducted in the context of the Czech Republic.

3. Method

3.1. Research question

The study provides an answer to the following central research question: Is there a association between CS resulting from the sale of products in selected enterprises of the electronics and communication equipment retail industry and the performance of these enterprises?

3.2. Study design

To answer the present research question, the study used a convergent parallel mixed methods research design, which allows the researcher to explore a research problem (Gray, 2009). In this design, both qualitative and quantitative data were collected during the same phase of research and data were analysed separately and independently (Creswell & Plano Clark, 2011). The quantitative approach comprises an analysis of the performance of selected companies and the qualitative approach applies the mystery shopping survey. The MS was used to gather information about the selling process and CS and customer loyalty.

Before conducting our research, we formulated the following hypotheses:

Hypothesis 1: There are positive relationships between service skills and overall CS.

Hypothesis 2: There is a positive relationship between customer overall satisfaction and customer loyalty in retail industry Electronic and communication equipment in the Czech Republic.

Hypothesis 3: There is a positive association between customer loyalty and the performance of selected companies from retail industry Electronic and communication equipment in the Czech Republic.

3.3. Analysis of financial performance

When measuring performance using financial indicators, it is necessary to specifically define the indicators or a set of indicators that will be used for the purpose of performance measurement. In this respect, the aforementioned and proven financial indicators of the rate of return, ROA and ROE, suggest themselves to be used, complemented by the activity-related ATO indicator (Suchánek & Králová, 2016c). The ROA indicator

is constructed as the ratio of EBIT (earnings before interest and taxes) to total assets. The ROE indicator is constructed as the ratio of net income to the book value of equity. The ATO indicator is constructed as the ratio of total revenue to total assets. For all three of the above-mentioned indicators, it can be said that the higher their value, the higher the rate of return, the efficiency and in this context also the performance of the enterprise.

The results were evaluated using two methods based on multiple criteria decision-making (cf. Babic & Plazibat, 1998). Using the first method (ranking method), the companies' results in the selected financial indicators were sorted by ranking, with their average ranking determining the final rank according to their performance (Šubrt et al., 2015). Using the other method, the average values of the said indicators in the given industry (specifically, retail without motor vehicles) were ascertained. The results (averages) of the respective indicators for the industry were obtained from publicly available data from the Ministry of Industry and Trade of the Czech Republic (see Department 31400, 2015). Enterprises were evaluated either as performing (if the indicator value was above the industry average) or non-performing (if the indicator value was below the industry average). Subsequently, the results reached using both methods were synthesized and performance determined, i.e., the measure of performance of the researched companies.

3.4. Mystery shopping

The scenario and research tool were used in research conducted by Eger and Mičik (2017). The scenario of MS was validated by three experts from retail industries and planned research was again piloted to assess to clarity and relevance of the questionnaire items (cf. Kehagias, Rigopoulou, & Vassilikopoulou 2011). Process of scale construction was similar to Dew and Xiao (2011) approach.

To obtain more objective assessments from the customer's point of view, not the employee's, but skilled customers (mystery shoppers) evaluate the sales process. In this study, their overall view of the shopping process is crucial. The study also answers an ultimate question regarding loyalty represented by the NPS indicator. This indicator is used in our research as customer's cumulative statement of their loyalty (cf. deterministic approach to customer loyalty above), because companies with satisfied customers tend to enjoy greater customer loyalty that leads to a positive word of mouth (Luo & Bhattacharya, 2006, Xu & Goedegebuure, 2005).

The use of so-called immediate CS measurement (last item in this MS scenario) and the answer to a single question (NPS) represents simplification and research limitation (Grisaffe, 2007) in comparison to cumulated satisfaction, which summarizes complex indexes like the ACSI (American Index of Customer Satisfaction) and the ECSI (European Customer Satisfaction Index) (cf. Eklöv & Westlund, 2002).

Mystery shopping is a technique for measuring service quality. ESOMAR (2005) states: 'The purpose of mystery shopping studies is to help focus the attention of business management on customer service improvement by providing information on the operation and the quality of service it is providing.'

The scenario was based on theoretical issues (ESOMAR, 2005; Ford et al., 2011; Kehagias, Rigopoulou, & Vassilikopoulou, 2011; Schmidt & Hollensen, 2006; Schmidt & Vadi and Suuroja, 2006; Wilson, 2001). Its structure and the content of partial items were prepared according to the mentioned resources and prior research (Eger & Mičik, 2017).

Mystery shopping has the potential to directly measure service performance across the range of present standards, including behavioural aspects (Wilson, 2001). Skilled mystery shoppers can make a relatively objective assessment of all observed aspects of the service experience.

The scenario contains items divided into seven parts: store entrance (A), staff appearance (B), needs and benefits (C), listening and answering (D), offer-knowledge of the product (E),

negotiating and satisfaction with the overall impression (F) and the last small section contains the NPS question and scale (0 – 10) for an answer. A Likert-type scale were used in the scenario to measure individual items (1=strongly disagree (parts A–E) / very dissatisfied (part F), 5=strongly agree (parts A–E) / very satisfied (part F).

The research was conducted in three regions (in small and large cities), which were selected to represent the level of customer service in retail of selected firms of the area Electronics and communication equipment in the Czech Republic. The research covers the retail area (industry) electronics and communication equipment.

To achieve an objective result by mystery shopping, research was conducted in two waves, first in March and in April 2017 and second one year later in the same time. The total number of all mystery shopping visits was 204 (18 + 26 in Electro World, 18 + 23 in Euronics, 16 + 26 in Datart, 15 + 21 in Planeo Elektro and 15 + 26 in OKAY Elektro points of sale). These firms are the most famous companies in the mentioned retail industry, with great turnover in the context of the Czech Republic.

3.5. The characteristics of the examined sample of companies

The research sample consists of five companies that operate retail chains of electronics stores in the Czech Republic. Specifically, these companies are: HP TRONIC Zlín, spol. s r.o. (operating the chain of EURONICS stores), DATART INTERNATIONAL, a.s. (operating the chain of DATART stores), FAST ČR, a.s. (operating the chain of PLANEEO stores), OKAY s.r.o. (operating the chain of OKAY stores) and Electro World s.r.o. (operating the chain of ELECTRO WORLD stores). These companies rank among the six largest retailers of electronics in the Czech Republic (Marketing & Media, 2011). According to a different study, they are among the ten most frequently visited electronics retail outlets in the Czech Republic (Macich jr., 2013). The companies Datart, Electro World and HP Tronic were also listed among the seven (excluding e-shops without brick-and-mortar stores) largest electronics retailers in the Czech Republic in 2016 (Redakce W4T, 2016). It can thus be said that the said sample of companies consists of the largest electronics retailers in the Czech Republic when it comes to traditional (not online) sales. The said companies therefore form a representative sample in the electronics retail segment (excluding online sales).

In 2015, the annual retail sale of information and communication equipment in specialised stores amounted to CZK 18,873 mil. and the retail sale of other household equipment in specialised stores was CZK 104,785 mil. (i.e., a total of CZK 123.7 billion, Czech Statistical Office, 2017). The combined sales of all the companies listed above in 2015 amounted to CZK 27.5 billion, which represents 22.2% of total market turnover. Due to the fact that the total figure of CZK 123.7 billion also includes e-shops, the actual market share of the companies included in the study was actually higher.

4. Results

The mystery shopping visits (204) executed in three regions in the first half of 2017 and 2018 to the aforementioned five companies allow us to evaluate the effect of the different variables on overall CS. Table 1 allowed us to identify correlations between important parts (variables) from the research construct. These results help us better understand the relationship between selected variables for the retail industry Electronics and communication equipment.

The table below (Table 1) compares selected areas and items of the customer-oriented service MS survey in the manner of shop interior, staff appearance, communication with cus-

tomers (C, D, E) and satisfaction with the overall impression. The correlation matrix is used to investigate the dependence between variables from our construct focused on customer-oriented communication and on customer-oriented service (cf. Eger & Mičík, 2017).

Areas and number of items	α	A	B	C	D	E	F
A Store entrance (3)	0.69	-					
B Staff appearance (2)	0.75	.407	-				
C Needs and benefits (2)	0.56	.286	.227	-			
D Listening and answering (2)	0.75	.294	.280	.446	-		
E Offer-knowledge of the product (2)	0.73	.284	.261	.535	.593	-	
F Satisfaction (2)	0.85	.380	.272	.338	.633	.644	-
Mean		3.8	4.4	3.7	4.0	3.8	3.9
SD		.703	.655	.889	.669	.790	.724

Table 1. Descriptive statistics, the individual section – customer-oriented service (mean, standard deviation, and correlation matrix)

Source: Authors

The reliability of instrument is established by internal consistency (Cronbach's alpha). Almost all partial scales showed acceptable values above or near 0.7. Nunnally and Bernstein (1994) reported about acceptable values of alpha from 0.7. Area Needs and benefits contains only 2 items focused on these two features of mentioned area and Cronbach's alpha is only 0.6.

Partial conclusions are as follows:

- ❑ “WAO” effect – Shop looks attractive from the outsider – no significant correlations were found with other items except the items staff appearance (middle correlation).
- ❑ Positive correlations exist among variables E-C, and E-D. The highest correlation coefficient was found between the items satisfaction with the overall impression and listening and answering and offer – knowledge of the product.
- ❑ The findings show that product presentation and communication with customers (D, E) have positive effects on customers' expression of their satisfaction with the overall impression of the buying process (F Satisfaction).
- ❑ The relationship between service skills and customer overall satisfaction is supported (H1).

Net Promoter Score, or NPS, measures customer experience and predicts business growth. The NPS calculation: Subtracting the percentage of Detractors from the percentage of Promoters. The Net Promoter Score is an index ranging from -100 to 100.

As shown in Table 2, the company with a high NPS score also received the best rating by mystery shoppers in terms of the item: I am satisfied with the overall purchase experience (5-point Likert scale from 1 = very dissatisfied to 5 = very satisfied).

	Number of MS	Value of NPS	Satisfaction Average
Electro World s.r.o.	44	18	4.11
Euronics / HP TRONIC Zlín, spol. s r.o.	41	0	3.81
Datart / DATART INTERNATIONAL a.s.	42	2	3.93
Planeo / FAST ČR, a.s.	36	-25	3.75
OKAY / Okay s.r.o	41	-22	3.71

Table 2. Companies of the industry electronics and communication equipment and NPS

Source: Authors

Table 2 demonstrates the association between the item overall customers satisfaction and the item customer loyalty (NPS). This table 2 shows that there exists a relationship between overall CS (from mystery shopping) and customer

loyalty (index NPS), H2 is supported (see the research limitation below). The results of our partial study confirm that CS is a strong antecedent to customer loyalty (cf. Anderson & Sullivan, 1993, Xu at al., 2006, Eger & Mičik, 2017). In order to depict the connections between selected variables, a statistical analysis was conducted. Due to the character of the data, Kendall Tau indicator was used on the basis of which the occurrence of the statistical significance was tested ($t=0.55$, $p=0.0000001$).

The results of the analysis of the companies' financial performance suggest that the highest performing enterprise in the sample is Datart international, both in terms of ranking averages and industry comparison. The enterprise with the lowest performance is Electro World, again according to ranking averages and in comparison with the industry. The ROE indicator of this enterprise had a positive value but still it is the worst enterprise in comparison with the other companies within the sample, as the company's equity is in fact negative (profit, of

course, is also negative). The three remaining companies took second to fourth place, based on the comparison with the industry average, and therefore can be viewed as medium-performing enterprises. From the point of view of ranking averages, the second highest-performing company is Okay; Fast ČR came in third and HP Tronic Zlín took fourth place.

Regarding the methodology of determining the ranking of the companies, i.e., their performance, it is obvious that the overall rank based on the indicators is more precise, that is, it makes it possible to better differentiate the performance of companies than the overall rank based on the industry average. The results also clearly indicate that with respect to the industry only two enterprises (Datart international and HP Tronic Zlín) are performing companies (with at least two of the three indicators above the industry average) and three enterprises (Fast ČR, Okay and Electro World) are non-performing (with two out of three of whose indicators were below the industry average).

Companies	ROA	ROE	ATO	Average rank based on indicators	Overall rank based on indicators	Overall rank based on industry average	Final order
HP TRONIC Zlín	2.33%	9.61%	2.42	3.33	4	1-2	2-3
DATART INTERNATIONAL	1.95%	17.02%	3.61	2.33	1-2	1-2	1
FAST ČR, a.s.	6.08%	14.85%	1.83	3	3	3-5	4
OKAY s.r.o.	4.90%	19.43%	2.25	2.33	1-2	3-5	2-3
Electro world s.r.o.	-19.66%	156.66%	3.1	4	5	3-5	5
Industry average	6.55%	8.64%	2.29				

Table 3. Results of the selected financial indicators of the surveyed enterprises in 2015, including the industry average for 2015 and the resulting rank

Source: Authors

Companies	ROA	ROE	ATO	Average rank based on indicators	Overall rank based on indicators	Overall rank based on industry average	Final order
HP TRONIC Zlín	3.12%	27.00%	2.49	2.33	1	1-2	1
DATART INTERNATIONAL	1.56%	5.78	3.71	3.33	4	3-5	4
FAST ČR, a.s.	6.69%	15.46%	1.85	2.67	2	3-5	3
OKAY s.r.o.	4.80%	15.03%	2.4	3	3	1-2	2
Electro world s.r.o.	-11.25%	-116.90%	4.19	3.67	5	3-5	5
Industry average	6.98%	11.22%	2.17				

Table 4. Selected financial indicators of the surveyed companies in 2016

Source: Authors

Table 4 contains the results of the selected financial indicators of the surveyed enterprises in 2016, including the industry average for 2016 and the resulting rank. Available results for 2016 indicate that the order of enterprises slightly changed compared to 2015. The results of the analysis of the companies' financial performance suggest that the highest performing enterprise in the sample is HP Tronic Zlín, both in terms of ranking averages and industry comparison. The enterprise with the lowest performance is Electro World, again according to ranking averages and in comparison with the industry. The three remaining companies (Datart International, FAST ČR and Okay) took second to fourth place, based on the comparison with the industry average, and therefore can be viewed as medium-performing enterprises. From the point of view of ranking averages, the second highest-performing company is Fast ČR; Okay came in third and Datart international took fourth place.

The overall ranking of enterprises is not clear. The more sophisticated (and in this respect more precise) order of enterprises, according to the mutual comparison of the indicators, shows that three enterprises are performance (HP Tronic, Okay, Fast ČR) and two enterprise are non-performance (Electro World, Datart International).

Hypothesis no. 3: There is a positive association between customer loyalty and the performance of selected companies from the retail industry Electronic and communication equipment in the Czech Republic, is not supported (H3).

The conducted study analyzes five enterprises from selected retail industry which represent only a quarter of total market turnover in this industry. But these enterprises are the most important players in this industry, and the deeper understanding

of this issue is taking place in similar studies (cf. Chi & Gursoy, 2009). It is not possible to assume the implementation of a comprehensive study for the retail industry, where many small entities operate.

5. Discussion and conclusion

The mystery shopping results confirmed the findings from the previous study, Eger and Mičik (2017), and proved that customer-oriented services and positive communication with customers lead to overall CS. According to our results, overall CS leads to greater customer loyalty (similar conclusion reached by Anderson & Sullivan, 1993, AbuEl Samen et al, 2011, Xu et al., 2006).

When comparing the performance results of the particular companies and the level of satisfaction of their customers, it is obvious that the statement about greater CS and greater company performance is in fact not valid, as proven in the area of services, for example, by Zeithaml (2000). The only non-performing companies in the sample (Electro World and Datart international) are the companies with the highest CS. On the other hand, the best-performing company (HP Tronic Zlín) came in third in terms of CS. The second highest-performing company is Okay, which took fifth place in terms of CS, and the third highest-performing company is Fast ČR (Planeo), which in terms of CS took fourth place. We need to briefly state some facts about these companies from publicly available sources.

For example, in its 2015 annual report, Elektro World states that it is one of the largest multi-channel retail chains

specializing in the sale of consumer electronics, computer and telecommunications technology, including the provision of related services. The company is aware of its wide portfolio of products and touts its customer service, although the same annual report also presents information about its takeover by the largest retail chain in Slovakia, Nay a.s., and the launch of a process to deal with the loss that Elektro World had posted. The Czech Office for the Protection of Competition authorized this merger in mid-2014 (Novinky, 2014). In 2017, Elektro World has 18 large-format stores in the Czech Republic. On the one hand, it is optimizing its network and distribution, and on the other it is developing its assortment of products and its customer club, with more than 200 thousand members.

Euronics has 120 smaller stores throughout the Czech Republic and as seen in Table 4, the company's economic results are positive.

For further context, here is information about the company Datart international, which has developed over the years and nowadays is one of the largest retail chains in the Czech Republic with stores specializing in the sale of electronics. In 2015, the Datart international retail chain included 42 stores and continually posts increasing revenue. In mid-2017, a decision was made on the merger of the Euronics and Datart International companies, which would result in the formation of the largest electronics retailer in the Czech Republic (ČTK, Ekonomika, 2017). The entire transaction has already been approved by the Czech Office for the Protection of Competition (ČTK, 2017).

The Okay company also continues to expand and under the Okay brand there are several entities and stores specializing in different types of goods and services. The size of the stores is comparable to those of the Datart Company, but already in 2014 there were 135 Okay stores; however, this research focuses solely on Okay Elektro. According to its website, Planeo Elektro

currently operates 246 stores. That makes its retail chain the largest network, although the stores are smaller than those of Euronics and much smaller than those of Elektro World. In 2015, the company's revenue grew and its profit doubled.

The results of the research study show that the correlation between CS and performance is the exact opposite of what had been expected (inversely proportional, i.e., the higher the performance of the company, the lower the CS). However, these results correspond with the statement that CS is connected with costs and therefore greater CS is associated with higher costs (Iltner and Larcker, 1998). What can be inferred from this is that greater CS leads to lower performance as a result of higher costs. The same result, i.e., the conclusion that non-performing companies have more satisfied customers than performing ones, was also reached in a study conducted among food companies in the Czech Republic (Suchánek & Králová, 2016c).

It may seem that the situation where greater CS is linked to lower performance is typical for Czech companies. However, even research studies conducted abroad are not unanimous and some research (dealing with services) has confirmed our conclusion (Anderson, Fornell and Rust, 1997).

Limitations of the study. First, the research focused on CS and the performance of selected companies from the retail industry was conducted in the context of the Czech Republic in 2017. Second, the conducted research survey focuses only on the most famous companies in the mentioned retail industry. Therefore, to generalize it to results for other retail industries, the study should have involved more mystery shopping in other retail industries. One of the main limitations of this study is that CS was examined as a unidimensional constructs. Future studies should utilize multi-dimensional constructs to capture the true essence of CS. Finally, the scope and depth of discussion in the paper is compromised when compared to the selected research surveys.

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