

Korean Customer Attitudes Towards Retail Regulations*

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Abstract

Purpose – This study is to identify how the retail regulations influence customer shopping behaviours and furthermore, whether the Store Closing Act really protects independent retailers as well as traditional markets in Korea.

Research design, data, and methodology – By adopting frequency analysis and factor analysis method, the research achieved research objectives. Before a field survey, the authors pre-tested the questionnaire developed, based on similar previous articles, and finalized. Amongst the 353 questionnaires distributed, 332 were returned. It means the response rate is 94.5%. Furthermore, available questionnaires are 330.

Results – Rather than stimulating customers to more frequently visit public markets, the regulation has provoked new customer shopping behaviours. In other words, some consumers tend to shop in big box retailers before or after a store closing day, whereas others are likely to stop shopping. What is important is that customers do not patronise small retailers and conventional markets, thanks to the Store Closing Act.

Conclusions – In order to keep retailers and public markets independent, the researchers suggest that the government should introduce new techniques without impeding the growth of a retailing sector.

Keywords: Retail Regulations, Customer Behavior, Shopping Pattern, Customer Attitudes, Korean Customer.

JEL Classifications: K23, L38, L52, O25.

1. Introduction

Since Korea introduced retail regulations to protect traditional markets as well as independent stores from intensified competition in 2010, the Korean customers have not been able to shop at discount stores/hypermarkets twice a month, because the "Retailing Industry Development Law" has banned large retailers to open their stores (Cho, 2014). When it comes to store closing days, the central government transferred its right to local authorities. In parallel with the rapid expansion of large retailers, small retailers have sustainably been struggling. Consequently, the Korean government has adopted retail restrictions on a retail sector to increase store traffic for conventional market and small shops.

Until 2010, there was no retail regulation on a large retailer. It means that customers used to enjoy Sunday shopping every week. As a matter of fact, the government aims at encouraging the customers who shop at discount stores/hypermarkets to visit traditional markets and small retailers on purpose. Compared to other countries who have realized that Sunday trading should be deregulated to boost a retail sector (e.g. Allen, 2009; Burt et al., 2010; Wenzel, 2010), some local governments have prohibited Sunday shopping at large retail outlets.

It is, therefore, worthwhile exploring how retail regulations have influenced customer shopping pattern towards store closing, and further, whether customers really increase the visiting frequency of conventional markets, as policy-makers expect. After a tightened retail regulation, the authors, therefore, attempt to identify the Korean customer attitudes towards retail restrictions.

This paper begins with literature review on customer attitudes towards store closing, together with hypotheses. The next section is a description of the research methodology to collect and analyze research data, and then, followed by research findings. The research concludes with a summary of major findings and managerial implications, and present research limitations and future directions.

2. Literature review

Given that most of countries that regulated retailers to close

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their stores on Sunday at the early stage have started to permit Sunday trading, it is not easy to find out the similar retail context to Korea, as noted by Cho (2014). As a consequence, there has been little attention to examining customer attitudes towards store closing. In addition, Korea has restricted multiple retailers to close stores, after allowed shop opening every Sunday until 2010. Without doubt, due to the short term of introducing such a regulation, Korean retailing researchers have been less interested in this topic.

Although there is no customer attitude literature related to store closing over the world, research variables can be derived from similar studies in the retailing articles. For instance, it would be expected that customer attitudes towards store closing are similar to consumer responses to stock out situations (e.g. Schary & Christopher, 1979; Emmelhainz et al., 1991; Campo et al., 2000; Zinn & Liu, 2001; Rani & Velayudhan, 2008). As noted by Rani and Velayudhan (2008), when encountering stockout on shelf, customers are able to purchase substitute brand, different stock keeping unit in same brand, and do not buy. Similarly, when being faced with a closed store, customers might be able to go to other stores, postpone shopping until the next trip to the same store and purchase in advance when they know store closing day. As a consequence, it is helpful to derive some variables from existing stockout-related articles, developing additional variables.

2.1. Retail legislations

Due to the declining number of small retailers and public markets, the Korean government has started to regulate a retail sector in 2010. Even though retail restrictions existed in the Korean market before 2010, they had nothing to do with large retailers. Since 2010, however, big box retailers have to close their shops twice a month.

Without doubt, this law has been made to protect independent stores, that is, to boost small- and medium-sized retailers. Allocating a huge amount of budget to modernize their shopping environments, the government aims at encouraging customers to more frequently visit them. As noted by Cho et al. (2014), nevertheless, it is very difficult to say that this restriction actively protects mom and pops.

From a customer's point of view, it is likely that the customers who want to shop in discount stores/hypermarkets might lose their shopping opportunities twice a month. It is apparent that the law has changed the shopping pattern of the existing customers who used to visit big box retailers, whenever they want.

2.2. Customer response options

As part of efforts to identify shopping behaviours when customers are faced with out-of-stock on store shelves, since 1970s, many researchers (e.g. Walter & Grabner, 1975; Charlton & Ehrenbert, 1976 Campo et al., 2000) have categorized consumer reactions into several groups. As evidence, Walter &

Grabner (1975) suggested six possible customer reactions: (1) purchase other brands with higher price, (2) buy other brands with same price, (3) purchase other brands with lower price, (4) buy other size, (5) postpone buying, and (6) visit another store, together with Schary and Christopher (1979), whilst Peckham (1963) grouped customer responses into three categories: (1) substitute other brand product, (2) purchase other size products in the same brand, and (3) do not buy.

Based on the above research results, the authors can expect the following options to identify customer attitudes towards small shops and traditional markets, and further, large retailers: (1) going to independent stores or traditional markets, (2) purchasing products earlier, (3) postpone buying, (4) visiting other shopping places, and (5) not shopping on store closing days, from a customer's perspective, regardless of whether customers are aware of shop closing days. It should, however, be noted that customers can show different shopping patterns, depending on whether they know when retailers close their shops. If customers know when large stores will not open their retail outlets in advance, it would be expected that the second and third options should be selected. On the other hand, if consumers are faced with closed shops without any notice, the possibilities of visiting small shops and conventional market or similar retail formats might be higher than other options. Furthermore, if customers choose the last option, it is evident that the growth of a retail sector might significantly be damaged. Accordingly, when developing a research model, the above contexts should be considered.

2.3. Attitudes towards small stores and traditional markets

Given that retail constraints have been developed to protect mom and pops and conventional markets in Korea, customer shopping patterns should be influenced. In other words, store closing code encourages the customers who used to shop in large retail outlets to increase the frequency of visiting small- and medium-sized retailers as well as traditional markets.

In order to investigate whether customer attitudes have changed since the introduction of retail legislations, it is necessary to look at how often customers go to small shops and public markets. Due to the two times of store closing per month, the opportunities to shop are limited from a customer's perspective. Without going to neighbor shops or conventional markets, it would, indeed, be difficult to buy products twice a month. Consequently, it is evident that retail regulations influence customer shopping patterns on store closing days.

2.3.1. Going to independent stores or traditional markets

After this regulation, it is doubtful whether customers more frequently go to independent retailers or conventional markets. What is important is that the store closing legislation stimulates customers to visit other shopping destinations. In case of the customers who do not know when multiple stores are closed and are faced with a closed store, the shopping frequency in

independent retailers and conventional markets might increase. As a result, it is expected that the number of shoppers in small stores and traditional markets is increased more than ever before. This law significantly affects customer attitudes towards-store closing. By contrast, it is likely that the customers who have already known when large retailers close their shops hesitate to choose small shops and/or public markets as a shopping destination. In this case, what percentage of them visit there should be an interesting issue. The advanced notice from large retailers is able to differently affect customer shopping behaviours.

Depending on whether customers are aware of the closing days of large stores, the extent to which customers go to small shops and traditional markets should be different. As a result, whether customers know when the stores being operated by retail giants are closed should be reflected on this study. Given the above discussion, the authors suggest the following hypotheses:

- <H1> Retail regulation encourages customers to visit independent retailers and/or traditional markets.
- <H2> Retail regulation influences customer attitudes towards small shops and/or public markets.
- <H 2-1> Customer attitudes affected by retail constraints are closely related to the visiting intention of mom and pops and/or public markets.

2.4. Attitudes towards large stores

Rather than visiting traditional markets or mom and pops, it would be expected that customers are able to show different shopping patterns, like buying in advance at large retail outlets or postponing buying. It is, thus, necessary to look at the extent to which retail regulation affects customer attitudes towards multiple retailers.

2.4.1. Purchasing products earlier or visiting large stores before store closing

It would be difficult to say that most of Korean customers are favorable to traditional markets and small shops as a shopping place. As evidence, during the period from 2001 to 2013, their sales volume sharply decreased to 20 from 40 trillion Won (Yonhapnews, 2014). It can be interpreted in a way that younger customers are more likely to shop in large stores, rather than in public markets, although the Korean government has invested a huge amount of budget in improving the image of independent shops and traditional markets, as part of efforts to protect small- and medium-sized retailers. It is, nevertheless, said that the customers who are unfavorable to traditional markets do not visit there, although the government has introduced such a regulation.

Considering that customers, particularly younger generations tend to avoid shopping in traditional retail formats (Jin & Shin, 2013), and further, know when stores will be closed, while shopping, they might be able to purchase more products earlier. It is also expected that customers try to visit large retailers before store closing day. This shopping pattern is one of customer

shopping behaviours towards the store closing law.

2.4.2. Postpone buying products

As opposed to the above option which buys products earlier, rather than visiting independent stores or traditional markets, it can be said that customers are able to delay shopping in itself after store closing day. Particularly, the customers who are loyal to large retailers might revisit stores later, unless purchase products in advance. Although suddenly faced with a closed retail store, the higher the degree of store loyalty, the stronger the customers revisit large stores, because of their previous decision to buy products later, as noted by Dick and Basu (1994) and Zeithaml et al. (1996).

Associated with the delay of buying products, there are two different contexts. The first is to be faced with a closed shop, whilst another is to decide whether to shop or not after knowing when retail giants will close their stores. Under the first retail situation, without hesitating to go to other shopping places, customers can leave the store, with an aim to revisit there later. Given that large retailers have operated their own loyalty schemes to increase this kind of customer (Stone et al., 2004), it would be expected that the customers who are encountered with a closed store tend to postpone purchasing products. On the other side of retail contexts, that is, based on the notice related to store closing, customers can make a decision on whether they go to independent retailers or public markets, or delay shopping later. Without postponing shopping, they have to go to other shopping destinations, including department stores and on-line shopping mall.

2.4.3. Visiting other shopping places

Although large retailers close their shops twice a month, there are other options to purchase products such as department stores, outlets, and on-line shopping malls dealing with grocery products, from a customer's perspective. The current RIDL has focused on regulating the supermarkets and hypermarkets/discount stores owned by large retailers, which means that other retail formats have nothing to do with a store closing act. Except for few retail format like the category killer of domestic appliances, most of retail firms have sold grocery products. Needless to say, as for independent retailers and traditional markets, grocery categories are the major product assortment. Accordingly, whatever customers want to purchase, there are many shopping destinations.

Due to the negative image of small- and medium-sized retailers or public markets, it is likely that customers are favourable to modernised retail formats in terms of shop fitting and store operation. As mentioned earlier, because of this trend, the government has allocated considerable budget to the improvement of store atmosphere, including service quality. Nevertheless, as a shopping place, customers can select one or more than one of modernized retail formats, except for independent stores and/or traditional markets. As pointed by Cho et al. (2014), although retail constraints have been introduced to protect mom and pops and conventional markets, its effects on

shop owners are subtle. Based on their findings, it can be said that the customers who want to buy something are likely to visit other retail places during store closing days.

In the same vein, it is expected that the customers who are faced with a closed large store tend to go to the more modernized retail formats than traditional markets. In addition, in case of the customers who know when large retailers close their shops and are unfavorable to small- and medium-sized retailers, visiting other shopping place might become normal. In this respect, it is apparent that retail legislation does not influence those of customers. Accordingly, the research suggests the following hypotheses:

- <H 3-1> Store Closing Code affects customer attitudes towards large stores.
- <H 3-2> Customer attitudes influenced by the Store Closing Act encourage customers to purchase products earlier before a closing day
- <H 3-3> Shop Closing Law encourages consumers to buy products after a closing day
- <H 3-4> Shop Closing Code encourages customers to visit other shopping places on a store closing day.

2.5. Not shopping on store closing days

As the final option amongst customer attitudes towards store closing, it can be said that customers might give up shopping because of inconvenience. It is particularly expected that the customers who are unfavorable to traditional markets and small- and medium-sized retailers are more likely to avoid shopping on a closing day. It is, furthermore, possible to witness the consumers who visit on a shop closing day to return to home without going other shops. On the other hand, it should be noted that some customers tend to stop shopping on Sunday when retailers close stores, regardless of the government's retail policy. In a word, rather than shopping on a store closing day, they prefer outdoor activities to enjoy their life.

What is important is that this kind of customer attitudes can be seen as part of the third shopping patterns which consumers tend to buy earlier or postpone shopping. The important difference between the third and fourth options is that the former is to shop on purpose, whilst the latter is not interested in shopping activity on a store closing day.

Given the above things, stopping shopping is one of the worst options in terms of the growth of a retail industry from a retailer's point of view.

As a consequence, the authors hypothesize that:

- <H 4> Retail regulation discourages customers to shop on a store closing day.

3. Research methodology

In order to demonstrate how much a retail regulation influen-

ces customer shopping patterns, the authors have adopted a quantitative research technique, rather than a qualitative one, and then, developed the questionnaire based on the previous research results. Of course, the survey instrument includes socio-demographic factors, customer attitudes towards regulations, and intention to visit public markets. Furthermore, data for this study were collected through a self-administered technique.

As the process of developing a questionnaire, the authors have hired the 10 volunteers who are undergraduate students at the Kongju National University (KNU) as well as the 12 residents who live near to traditional markets in Kyoung-Ki province twice during September in 2015. After those processes, the researchers finalized a questionnaire. The 353 questionnaires were distributed to the acquaintances of the researchers from September to October in 2015, and then, within a month, 332 are returned. It means that the response rate is 94.05%. The 330 out of 332 questionnaires are available, as seen in <Table 1>.

In order to measure the variables proposed, the researcher-shave utilized Likert five-position scales. These scales were adapted to explore the degree of retail regulation influences on the intention to visit traditional markets. With respect to a questionnaire structure, it is necessary to note that under each construct based on the previous research results, the researchers developed a variety of questions to identify the relationship among the variables.

<Table 1> Demographic Factors

Demographic Factors		Frequency	%
Gender	Female	228	69.1%
	Male	102	30.9%
Job	Salary	146	44.2%
	Owner	36	10.9%
	Students	65	19.7%
	Housewives	83	25.2%
Age	Under 20	17	5.2%
	20~29	91	27.6%
	30~39	78	23.6%
	40~49	80	24.2%
	Over 50	64	19.4%
Education	High school	94	28.5%
	College	209	63.3%
	Graduate	27	8.2%
Income	LT 200	130	39.4%
	200~299	74	22.4%
	300~399	59	17.9%
	400~499	32	9.7%
	GT500	35	10.6%
Family	1	24	7.3%
	2	34	10.4%
	3	84	25.0%
	4	147	44.8%
	5	41	12.5%

3.1. Test of dimensionality

Given that this study is to explore the Korean customer attitudes to retail regulations, it is necessary to select a proper research method. The researchers have various kinds of data analysis methods to assess the research reliability and validity of empirical measurement such as exploratory factor analysis and Cronbach's α .

<Table 2> Factor Analysis and Reliability

	Factor loading	Mean	Cronbach α
Visiting intention (eigen value=1.547, % of variance = 4.835%)			
visit_int1	0.809	2.82	0.919
visit_int2	0.808	2.77	
visit_int3	0.778	2.74	
visit_int4	0.71	2.83	
Customer Attitude towards public market (eigen value = 8.509, % of variance = 26.589%)			
trad_att1	0.665	2.7	0.889
trad_att2	0.809	3.3	
trad_att3	0.799	3.2	
trad_att4	0.831	3.25	
Customer attitude towards large retailers (eigen value= 1.262, % of variance = 3.945%)			
Inconvien1	0.678	2.04	0.608
Inconvien4	0.647	2.16	
Shopping Earlier (eigen value= 2.053, % of variance=6.417%)			
Earlier1	0.748	2.68	0.867
Earlier2	0.707	2.69	
Earlier3	0.609	2.24	
Earlier4	0.532	2.19	
Postponing shopping (eigen value=1.041, % of variance=3.252%)			
Postpone1	0.636	2.86	0.817
Postpone3	0.554	2.94	
Postpone4	0.607	2.71	
Visiting other shopping places (eigen value=1.355, % of variance=4.234%)			
Alternative1	0.826	2.56	0.763
Alternative2	0.769	2.74	
Alternative3	0.725	2.4	
Alternative4	0.471	2.87	
No-Shopping (eigen value=6.791, % of variance=21.222%)			
No-shop1	0.852	2.19	0.867
No-shop2	0.825	2.456	
No-shop3	0.82	2.392	
No-shop4	0.692	2.247	
Cumulative % = 70.49			

Whether the survey questions developed under each construct are appropriate to achieve a research purpose, the reliability of measurement should be demonstrated. The factor analysis method which is a useful tool for investigating variable relationships for complex concepts has been adopted. The relationship among the variables based on the literature review by using the principal components with the oblique rotation technique should be mentioned.

It is found that the result of data analysis passed the thresholds for sampling adequacy(KMO=0.897, Bartlett's Test of Sphericity 69698.674, $p < 0.000$). The researchers have confirmed that the analysis result which is 0.897 is available in terms of KMO value, as Kaiser (1974) highlighted that its figure should be higher than 0.7.

By utilizing the EFA, the researchers have eliminated 1 item under postponing buying products and 2 items under attitudes towards large retailer because of poor or substantial cross-loadings as seen in the <Table 2>. It is, furthermore, unnecessary to conduct a factor analysis technique associated with H 2-1. The data analysis results are reliable, since the accumulated variance value is 70.49% as seen in the <Table 2>. As a result, the unidimensionality of developed constructs and variable measures is confirmed, in that each item loads highest on its intended factor.

3.2. Research reliability and validity

Reliability and validity are both very important criteria for analyzing the quality of measures. The researchers performed both principle components factor analysis and exploratory factor analysis to assess the reliability and validity of the scales.

By adopting a factors analysis method, the research has explored the relationship between retail regulations and the intention to visit traditional markets and small- and medium-sized retailers. A seven-factor measurement model was set up to further assess construct reliability and validity according to the exploratory factor analysis approach. The Cronbach's α value of each construct ranged from 0.608 to 0.919 as shown in <Table 2>. The values of Cronbach's α should be greater than 0.60 to improve research reliability(Nunnally, 1978). All Cronbach's alpha indexes are higher than the preferable criterion of 0.60. Also, the research results imply that the eigenvalues for the seven factors are in excess of 1.0 and explained 70.49% of the total variance respectively. This shows a good construct reliability and validity.

Also, the professional staffs of KNU make considerable efforts to increase or improve the reliability of the research. This means that the proposed variables are confirmed and a questionnaire is finalized by pretesting. The researchers have assessed convergent and discriminant validity by investigating the cross-loadings from the correlations between each construct's component score and the indicators of other constructs. The <Table 3> indicates the matrix of correlations for the seven dimensions.

<Table 3> Correlation matrix

	1	2	3	4	5	6
Intention to visit public markets	1					
Attitudes towards public markets	.698**	1				
Attitudes towards large retailer	.324**	.211**	1			
Purchasing products earlier	-.042	-.209**	.332**	1		
Postponing shopping	-.137*	-.246**	.143**	.543**	1	
Visiting other shopping places	.090	-.029	.351**	.553**	.391**	1
No shopping on closing day	-.080	-.160**	.269**	.452**	.596**	.340**

Notes: * = $P < 0.01$ (two tailed), ** = $P < 0.05$ (two tailed)

4. Analysis results

As seen in the <Table 4>, retail regulations have differently affected customer shopping patterns, depending on the characteristics of socio-demographic factors. Associated with the H 1 which retail regulations affect customers'visiting intention of independent retailers and/or traditional markets, the researchers found that the Store Closing Code has, to some extent, motivated customers more than 40s to become favorable to small- and medium-sized retailers, although we did not know whether they really visited them. It is, furthermore, interesting to note that low-educated customers tend to like public markets, rather than high-educated ones. What is evident is that Korean customers believe that the introduction of retail legislation to protect public markets is needed.

<Table 4> ANOVA Analysis & Independent sample T-test

H1: Intention to visit public markets and independent retailers					
Factor		M	(SD)	t or F	P
Age	under 40	2.67	(1.05)	-2.205	0.028
	over 40	2.95	(1.22)		
Education	under college	3.18	(1.16)	4.069	0.000
	over college	2.63	(1.09)		
H2: Attitudes toward traditional markets					
Age	under 40	2.98	(1.03)	-2.472	0.014
	over 40	3.29	(1.19)		
Education	under college	3.42	(1.09)	3.176	0.002
	over college	2.99	(1.10)		
H2-1: Customer attitudes affected visiting intention					
Sex	male	3.08	(1.67)	-1.96	0.051
	female	2.77	(1.09)		

Education	under college	3.05	(1.00)	1.691	0.092
	over college	2.79	(1.39)		
H3-1: Attitudes toward large retailers					
Job	salaries	1.93	(0.84)	3.134	0.026
	owners	2.11	(1.03)		
	students	2.34	(0.89)		
	housewives	2.2	(1.15)		
Education	under college	2.32	(1.04)	2.625	0.009
	over college	2.01	(0.92)		
H3-2: Purchasing product earlier					
Age	under 40	2.65	(1.05)	3.977	0.000
	over 40	2.19	(1.00)		
Income	under 300	2.53	(1.05)	1.741	0.083
	over 300	2.32	(1.05)		
H3-3: Postponing buying products					
Age	under 40	2.94	(1.11)	1.888	0.060
	over 40	2.7	(1.18)		
Education	under college	2.65	(1.02)	-1.905	0.058
	over college	2.91	(1.19)		
H3-4: Visiting other shopping places					
Job	salaries	2.49	(0.92)	4.407	0.005
	owners	2.79	(1.14)		
	students	2.97	(0.76)		
	housewives	2.56	(0.99)		
Age	under 40	2.76	(0.93)	2.714	0.007
	over 40	2.48	(0.95)		
Income	under 300	2.72	(0.93)	1.909	0.057
	over 300	2.52	(0.97)		
H4: No shopping on closing day					
Job	salaries	2.14	(0.97)	3.354	0.019
	owners	2.57	(1.05)		
	students	2.54	(0.94)		
	housewives	2.34	(1.07)		

With regard to the customer attitudes affected by the Store Closing Act (H 2), the research can draw a conclusion that the retail regulations influence customers. In parallel with H 1, the retail constraints stimulated Korean customer to support small retailers. It is, moreover, necessary to look at the correlation between the customer attitudes influenced by regulations and the visiting intention of independent stores, as shown in <Table 5>. To achieve this research goal, the regression method in SPSS 21.0 has been employed with the retail regulations as independent variables influencing on the intention to buy products at traditional market as a dependent variable at the significance level of 5 percent. There was a significant difference between customer attitudes and the intention to shop at traditional

markets. As a result, the H 2-1 was accepted at $p < 0.0$ ($F = 171.288$) as shown in <Table 5>.

<Table 5> Regression analysis on the intention to visit public markets

Dimensions	Standardized β	t-value	Prob.
Regulations	F=171.288		***
Attitudes towards traditional markets	0.586	13.088	***
R2	0.343		

*: $P < 0.05$, **: $P < 0.01$, ***: $P = 0.000$, Dep. Var.: Intention to buy at traditional market

On the other hand, as presented in the <Table 4>, the Store Closing Act has an impact on customer attitudes towards big box retailers, negatively or positively. In other words, some Korean customers believed that the law should be abolished, but others highlighted that the degree of desire to visit retail giants like E-Mart, Lotte Mart and Home Plus, was lowered. Compared with a salary group, a student category is relatively more influenced by retail regulation. It can be, thus, said that the H 3-1 is supported.

More interestingly, the research found that customers are more likely to shop before or after the store closing day of big box retailers, rather than visiting conventional markets. Customers, furthermore, tend to go to modernized shopping destinations like shopping malls. This kind of shopping pattern is particularly shown by younger customers. It means that the H 3-2, H 3-3 and H 3-4 are accepted.

As one of the worst options from a policy-maker's point of view, the research reveals that the Store closing code is able to discourage customers to buy products, and then negatively influence the growth of a retailing industry. On the assumption that retail legislations have been basically established to boost a retailing sector, it is evident that the retail trading hours act does not make a contribution to the development of a retail business. The fact that customers stop shopping on a store closing day supports the H 4.

Through an empirical research, the authors confirmed that the retail regulation introduced has given rise to different shopping patterns, contrary to the expectation of the South Korean government.

5. Conclusions

The authors have examined how Korean customers are changing towards the Store Closing Code introduced to protect small- and medium-sized retailers, including traditional markets, and drawn the following conclusions.

Rather than stimulating customers to more frequently visit public markets or discouraging them to shop in large stores, firstly, the regulation has provoked new customer shopping

behaviors. In other words, some consumers tend to shop in big box retailers before or after a store closing day, whereas others are likely to stop shopping, as pointed out by Walter and Grabner (1975) who studied how customers respond to stock-out situation on store shelves. Although the research found that the introduction of retail legislations positively influenced the intention which Korean customers visit independent retailers as well as public markets, there is doubt whether the shopping frequency is indeed increased or not. Nevertheless, it is apparent that this law relatively affected the attitudes of older customers. What is important, however, is that customers do not patronise small retailers and conventional markets, thanks to the Store Closing Act.

In practice, the authors suggest that policy-makers should develop new innovative marketing vehicles as a retail regulation to protect independent shops, without impeding the growth of a retailing industry. In terms of the effects of the Store Closing Code, it would not be easier to say that the act which the Korean government regulates big box retailer to close their shops twice a month has significantly made a contribution to the protection of mom and pops. It means that the existing legislation does not work, as expected by the Korean government. Given that its objective is to boost traditional markets, it should be mentioned that the fact that customers do not visit small retailers on a store closing day might hurt the growth of a retailing industry. Generally speaking, we need a different type of retail regulations in reality.

6. Limitation and future research

Like any other research, there are some research limitations. With regard to the data collection, the authors have not paid attention into the trading area characteristics that respondents live. Despite the fact that research populations might be influenced by the distance between traditional markets or large retailers between their homes, the research does not consider this point. It would, secondly, be difficult to generalise above findings in Korea, because respondents are focused on Kyoung-Ki province. It should, thirdly, be noted whether the customers who are more likely to visit public markets on the closing day of big box stores increase their spending is not measured to investigate customer attitudes towards retail regulations in this study.

It is, consequently, necessary to reflect the characteristics of catchment areas when exploring how customers react to retail constraints in the future. In the same vein, when the authors examine the similar research topics, the spending size and the frequency of visiting public markets should be taken into account to clearly understand changing customer responses to retail regulations. First of all, the effects of the Store Closing Act on the protection of small- and medium-sized retailers should be measured in the near future. It is, furthermore, worthwhile investigating customer attitudes regularly, because retail legislations continuously are changing.

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