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Title

STORE IMAGE DIMENSIONS: CUSTOMERS' PERCEPTION

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Abstract:

India's retail sector is fuelled by strong economy, favourable demographics, rising youth mass, and the rapidly changing lifestyles. In this changing economy, the business hubs are developing rapidly, only a planned **retail store** can survive in long run. Therefore it is important to study the image of a store and the related dimensions from customers'' point of view. The main aim is to study the complex nature of consumers' attitudes and motives of choosing a retail store. Even under normal condition, the consumer decision making varies widely on the basis of age, educational qualification, income level etc. All these factors have an impact on the consumers' which the present study aims to probe into. This particular research paper intends to study the important attributes and their levels of choosing a retail store in the cities Cuttack and Bhubaneswar, Odisha by using **CONJOINT** analysis. Participants were chosen randomly in specific areas of the store. Of 250 customers approached, 230 agreed to participate in the survey.

Key Words: Retail store, Atmosphere, Convenience, Service, Merchandise, Promotion

Introduction:

Exploration of the buying dynamics is of considerable significance for the success of any retail store. Undoubtedly, the retail marketers who better understand the consumer behaviour have greater competitive advantage in the market place. The choice of a store has a profound effect on the entire business life of a retail operation. In this era of globalization and increasing competition, retailers are showing keen interest in formulating well-designed strategic plans that can attract and retain customers by understanding and catering to their needs and changing interests. An effective strategy enables the retailer to stay in the market. To formulate a good market strategy the retailers should first understand the market, the retail format and the target customers. The retailers need to change the retail format to provide the retail mix that its target customers look for.

Thus an integrated effort has been made through this paper to identify and examine the different important factors which influence the customers' retail store choice behaviour. Such an endeavor

would help the marketers to build up appropriate marketing strategies so as to provide the higher value satisfaction to the people and to develop the brand image of the store.

Retail store image dimensions:

Customers generally evaluate a retail store on many aspects. It is necessary to understand the need of the customer and their response to the various marketing efforts undertaken by the retail organizations. Thus, the concept of store image dimensions evolved as a marketing tool describing the psychological factors which influence to choose a store. Store image has been defined as the combination of attitudes of evaluating and positioning the store as deemed of by the customer (James et al. 1976).The image of a store consists of the attributes that a customer perceives (Zimmer and Golden, 1988). Rearden et al. 1995; Hutcheson, 1998 defined store image as a major marketing tool to grab the customer in this increasing competitive retailing environment.

The retailers need the knowledge to understand the customers to stay ahead in this competitive environment. The customers can be retained if they can derive the maximum level of satisfaction in the sense of service quality, merchandise, atmosphere, promotion and the convenience from the store.

Atmosphere – Store atmosphere is the combination of layout, smell of the store, fixtures used and the shopping experience. The importance of the physical environment in a retail setting has long been recognized. The ability to modify in-store behaviour through the creation of an atmosphere has been acknowledged by many retail executives and retail organizations. Some studies have uncovered statistically significant relationship between atmospherics and shopping behaviour. Consumer responses increase by changes in ambience of the store.

"The store can create a good atmosphere to influence customers' store choice behavior" (Baker, Grewal and Parshuraman, 1994)

Promotion - Shoppers, at times, enjoy looking for information and keeping a record of new developments and so the retail stores are adopting new technologies of promoting the stores. Promotional strategies are the backbone of retail business. Retail promotion is simply the method of communicating with the people. The role of advertising is most indispensable for store choice

behavior in promoting a store. The promotional activities include the special offer, attractive store displays and the information about the future sales.

"Advertising, in store promotional activities, display boards are the major promotional activities of a store" (Birtwistle & Shearer, 2001; Lumpkin et al., 1985).

Service - The success of any retail store depends on the level of satisfaction of the customers. The satisfied customers are the creator of the future customers by referring the name of the store to their near and dears. The customer becomes satisfied at the first hand, by the best service offered by the sales personal in the store. No matter how good the products are but, the customers will be attracted more by service of the store personals, payment options, home delivery services and post purchase behavior.

"Customer service is the most important factor", (Bartholomew, 2001)

Merchandise - The range of merchandise is the most important reason for the customer to patronize a store. The retail store can attract the visitors and convert them to the prospective buyer by having a good range of qualitative merchandise. If a customer perceives that the retailer's products are of a high quality with good brand name and of many varieties then that customer will recommend the retailer to family and friends.

"Small retailers have started providing a broader assortment of merchandise to compete with low price strategy adopted by reputed retailers", (Levy and Weitz, 1998)

Convenience - Many times it is seen that the consumers prefer to visit the nearby market as it is very convenient to visit the shop at any time. It is very easy for the customer to go to the market with the entire family and also cost saving. It is convenient to all the customers to visit a retail store with good parking place, ease of movement in the store and with wideness in opening hour.

"Piyush Kumar Sinha and Arindam Banerjee (2004) studied that the shoppers have several reasons for choosing their store. Overall, proximity and merchandise are the primary reasons"

Objective of the study:

The objective of the study is to understand the store choice behavior of retail store customers in rural area in India in general and Cuttack, Bhubaneswar (Orissa) in particular and further, the paper aims at finding out:

a) the attributes of image of the retail store.

b) the best combination of the different levels of attributes of choosing a retail store.

c) the part utilities of the attributes using conjoint analysis.

d) the range of the utilities of the different levels of attributes.

Methodology:

The methodology to conduct the study is composed of following tasks.

a) A pre-tested questionnaire was administered to the selected group of retail store visitors, personal interviews with the help of the pre-tested interview schedule was taken. Besides, personal observation was done wherever necessarily applicable. A pilot survey was conducted and the questionnaire was improved in that light. A structured questionnaire was used as a data collection tool.

b) Analytical Framework for the study is aimed at getting an insight into the behavior of customers by analyzing the data gathered.

Sources of Data and Sample Size:

The sample consists of the visitors of the different retail stores in the selected cities. It includes male and female visitors from different occupation, age and income group. In order to confine our study, a field survey was conducted across the retail stores and the visitors were selected randomly and they were approached to be included in the survey. For the sake of convenience the study concentrated on interview, questionnaire-survey method.

a) **Sample Design:** random sampling was used keeping the target segment in mind.

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b) **Sample size: 250** retail store visitors were approached but **230** customers were agreed to participate in the survey.

c) **Data collection Period**: The period of the data collection is limited to only a 3 -week period in March 2011.

d) **Data collection method:** A structured questionnaire was prepared and requisite information were collected through personal interviews.

e) **Tools and techniques used:** Conjoint analysis using regression coefficients.

Frame work of the Analysis:

The shoppers are fairly involved in store choice decision making process. It is important for a store to understand the behaviour of the retail store customer for developing marketing strategies. It is found that shoppers choose the store based on many aspects. It is also observed that the importance of each of these aspects changes with the kind of store the shopper wants to visit. For that reason, the shoppers were first explored for the primary reasons for choosing a store. And by brain storming process it was found that the shoppers become attracted by the attributes mainly **Atmosphere, Promotion, Merchandise, Service** and **Convenience**. An attempt is also made to consider the different levels of each attribute. Here the main focus is to find out the **Utility** of each attribute and their levels.

Conjoint analysis is a branch of multivariate analysis used for market segmentation and positioning the retail store. It is a technique which uses the concept of the joint effect of a number of dependent variables on a single independent variable. The consumer decision making process of choosing a retail store is tried out by using **conjoint analysis**. The part utilities of the levels of the attributes obtained by performing conjoint analysis using **SPSS-11.0** version are used to find out the individual utility of the attributes.

The best attribute can be chosen by combining the part utilities. The attributes and the levels are:

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Table no-1

Attributes	Levels
ATMOSPHERE	Interior decoration ,Shopping Experience, Store layout ,Smell of the store ,Fixtures used **(5 levels)**
PROMOTION	Attractiveness of store displays, Special offer, Information about upcoming sales, Models of advertising **(4 levels)**
SERVICE	Number of sales personnel ,Behaviour of sales personnel, Payment option, After-sales service, Home delivery service **(5 levels)**
MERCHANDISE	Quality of merchandise, Brand assortment of merchandise ,Variety of merchandise, Fashionability of merchandise **(4 levels)**
CONVINIENCE	Store opening hour, Proximity to store, ,Check-out, Parking **(4 levels)**

Here we have 5 x 4 x 5 x 4 x 5 = 2000 combinations of levels. These combinations are ranked and the rank in reverse order is named as variable V19. The conjoint analysis is carried out by using the regression model. The dummy variables V1 to V18 are used with their effect coding as the dependent variable and V19 is used as the independent variable.

Analysis and Interpretation:

Effect Coding

 Conjoint analysis is performed by using regression model by taking variables V1to V18 as dependent and V19 as independent variable. The effect coding of the variables are given in table -2

Table no: 2

ATMOSPHERE	V1	V2	V3	V4
Interior decoration	-1	-1	-1	-1
Shopping Experience	0	1	-1	0
Store layout	1	0	1	1
Smell of the store	-1	-1	0	-1
Fixtures used	1	1	1	1
PROMOTION	**V5**	**V6**	**V7**	
Attractiveness of store displays	-1	1	-1	
Special offer	1	1	-1	
Information about upcoming sales	1	-1	1	
Models of advertising	-1	-1	1	
SERVICE	**V8**	**V9**	**V10**	**V11**
Number of sales personnel	-1	-1	-1	-1
Behaviour of sales personnel	0	1	-1	0
Payment option	1	0	1	1
After-sales service	-1	1	1	-1
Home delivery service	1	-1	0	1
MERCHANDISE	**V12**	**V13**	**V14**	
Quality of merchandise	0	0	1	
Brand assortment of merchandise	1	0	0	
Variety of merchandise	-1	1	-1	
Fashionability of merchandise	0	-1	0	
CONVINIENCE	**V16**	**V17**	**V18**	
Store opening hour	1	1	0	
Proximity to store	-1	-1	1	
Check-out	-1	-1	-1	
Parking	1	0	1	

Regression Coefficients

A regression model is used by taking V1 to V18 as independent variable and V19 representing the rank of different combinations of levels as the dependent variable. Table No.-3 gives the detailed picture of regression coefficients obtained by analyzing the data using SPSS-11.0 version.

Table no: 3

Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
			0.9682		41.46	4.73E-12
	V1	0.223	1.3693	0.225	3.9762	0.000744
	V2	1.22	1.3693	1.223	0.568	0.576341
	V3	7	1.3693	7.1	5.1122	5.31E-05
	V4	0.56	1.3693	0.62	2.3532	0.028954
	V5	5.21	1.3693	5.196	0.081	0.936132
	V6	8.1	1.23651	8.12	4.56	0.569821
	V7	-7.1	1.3265	-7.12	-2.36	0.221111
	V8	2.14	1.96	2.19	3.56	4.41E-10
	V9	1.56	1.69	1.78	1.62	2.31E-5
	V10	-2.12	1.58	-2.23	-1.96	2.31E-2
	V11	1.26	1.032	1.36	1.23	2.31E-3
	V12	2.32	1.56	2.32	1.98	1.31E-2
	V13	-1.32	1.698	-1.39	-0.1562	0.898756
	V14	0.56	1.456	0.58	0.1113	3.31E-9
	V15	1.89	1.056	1.94	0.236	1.3E1-11
	V16	5.8	1.458	5.78	4.89	5.131E-5
	V17	-6.2	1.456	-5.98	5.69	0.002569
	V18	4.6	1.897	4.62	3.56	0.236542
	Dependent Variable: V19					

Part utilities of the different levels of attributes

The part utilities of the different levels of attributes as obtained from table no-3 are given in table -4

Table: 4

Levels of Attributes	Utilities	Rank
Store layout, Special offer, Number of sales personnel, Quality of merchandise,	7 + 8.1 + 2.14 +2.32 + 5.8 =25.36	1
Store layout, Special offer, Behaviour of sales personnel, Quality of merchandise,	7 + 8.1 + 1.56 + 2.32 + 5.8 = 24.78	2
Store layout, Special offer, After-sales service, Quality of merchandise,	7 + 8.1 + 1.26 + 2.32 + 5.8 =24.48	3
Store layout, Special offer, Number of sales personnel, Variety of merchandise,	7 + 8.1 + 2.14 + 0.56+ 5.8 = 23.6	4
Store layout, Special offer, Behaviour of sales personnel, Variety of merchandise,	7 + 8.1 + 1.56 + 0.56+ 5.8 = 23.01	5

The attribute 'Atmosphere' has the maximum utility, so it is ranked as one. The attributes 'Promotion' and 'Convenience' are the second best and third best attributes. Similarly the attribute 'Service' is the fourth best attribute and the least preferable attribute is 'Merchandise'.

Combination of utilities

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Now with the part utilities of every level of attributes, we can find out the best combination as given in the following table. **(Only five best combinations are retained)**

Table: 5

Attributes	Levels	Part utilities	Range of Utilities	Rank
ATMOSPHERE			Max-Min 16.003	1
	Interior decoration	0.223		
	Shopping Experience	1.22		
	Store layout	7		
	Smell of the store	0.56		
	Fixtures used	-9.003		
PROMOTION			Max-Min 12.31	2
	Attractiveness of store displays	5.21		
	Special offer	8.1		
	Information about upcoming sales	-7.1		
	Models of advertising	-6.21		
SERVICE			Max-Min 4.98	4
	Number of sales personnel	2.14		
	Behaviour of sales personnel	1.56		
	Payment option	-2.12		
	After-sales service	1.26		
	Home delivery service	-2.84		
MERCHANDISE			Max-Min 3.88	5
	Quality of merchandise	2.32		
	Brand assortment of merchandise	-1.32		
	Variety of merchandise	0.56		
	Fashionability of merchandise	-1.56		
CONVINIENCE			Max-Min 11.89	3
	Store opening hour	1.89		
	Proximity to store	5.8		
	Ease of movement	-6.2		
	Check-out	4.6		
	Parking	-6.09		

Conclusion:

India's retail market has experienced enormous growth over the past decade. Retailing in India is evolving rapidly, with consumer spending growing by unprecedented rates and with increasing number of global players investing in this sector. With the growing competition, retailers need to re-evaluate the marketing plan. Retailers will stand out as leaders in their respective market by focusing their efforts on the benefits of a changing customer base. Even reputed retailers have discovered the need for a more upscale image to reach a larger customer base. The particular research paper is an extension in that direction only. The researcher has tried to focus on this issue and the findings are listed below:

1. The attribute 'Atmosphere' has the maximum utility, so it is ranked as one.

2. The attributes 'Promotion' and 'Convenience' are the second best and third best attributes.

3. The attribute 'Service' is the fourth best attribute and the least preferable attribute is 'Merchandise'

4. The combination of the different levels of attributes such as Store layout, Special offer, Number of sales personnel, Quality of merchandise and Proximity to store stands first in store choice behaviour.

5. The combination of Store layout, Special offer, Behaviour of sales personnel, Quality of merchandise and Proximity to store occupies the second best position of choosing a retail store.

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