

Consumer Perception of Store Image and Store Loyalty

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Abstract

Retail image and store positioning are the factors that influence consumer loyalty and retail success. This study examined the relationship between measures of store image and store loyalty through a sample of 150 shoppers taken from three retail outlets of Peshawar. The result of the study shows that there exists a positive relationship between store image and store loyalty.

Keywords: Consumer Perception, Store Image, Store Loyalty

The measurement of retail image is a topic of great interest in retailing research and there are several ways to measure retail images and brand positions (Louviere & Johnson, 1990). In an increasingly competitive environment, companies must be customer oriented (Kotler, 1997). After all, the underpinning of the marketing concept is that identification and satisfaction of customer needs leads to improved customer retention (Day, 1994). It is thus not surprising that companies spend substantial resources to measure and manage customer satisfaction (Sivadas & Baker-Prewitt, 2000). It has been maintained that correct market positioning-based on a combination of price and product differentiation-can provide an important competitive advantage for commercial organizations (Day & Wensley, 1988). This is especially so within retailing, where effective positioning can lead to a variety of trading benefits (Birtwistle, Clark & Freathy, 1999).

During the past decades both marketing academics and practitioners have been intrigued by the relationship between satisfaction and loyalty (Dick & Basu, 1994; Oliver, 1996). However, these studies were mainly concentrated on products (brands) and to a somewhat lesser extent on services or channel intermediaries. Whereas research on the relationship between store satisfaction and store loyalty has remained limited, both in actual number as well as in scope. In the present competitive environment with rapid market entry of new store concepts

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and formats (Maronick & Stiff, 1985), the managerial challenge of increasing store loyalty also presents the research challenge of a more in-depth understanding and an empirical estimation of this important type of consumer behaviour. There is some evidence that store loyalty may be (positively) related to store image (Mazursky & Jacoby, 1986; Osman, 1993). However, it has remained unclear as to what is the exact relationship between store image and store loyalty. For instance, one question that has been left unanswered concerns the issue whether there is a direct relationship between store image and store loyalty or whether there is an indirect relationship.

In this study we attempt to answer this question which will provide a better understanding of customer perception of retail store image and its impact on their store loyalty. The scope of the study is confined to consumers who do shopping at three selected retail outlets of Peshawar. However, it will provide sufficient information on customer perception about retail store image and important factors and reasons for patronizing certain store.

The concept of retail store image first came of interest when Pierre Martineau (1958) described the 'personality of the retail store.' Since that pronouncement, it has generally been acknowledged that, over time, consumers form thoughts and feelings associated with stores, and that these overall impressions strongly influence their shopping and patronage behaviors (Porter & Claycomb, 1997).

Many conceptualizations of store image have been advanced in the past (Doyle & Fenwick, 1974; James et al., 1976; Kunkel & Berry, 1968; Marks, 1976). The dominant attitudinal perspective that is taken in the literature treats store image as the result of a multi-attribute model (Marks, 1976; James et al., 1976). Image is expressed as a function of the salient attributes of a particular store that are evaluated and weighted against each other. Store image has been defined as the complex of a consumer's perceptions of a store on different (salient) attributes (Bloemer & de Ruyter, 1998). This definition is in line with the definition of Houston and Nevin (1981). Retail store image is an overall impression of a store as perceived by consumers (Keaveney & Hunt, 1992). One of the commonly accepted formal definitions of retail store image is an individual's cognitions and emotions that are inferred from perceptions or memory inputs that are attached to a particular store and which represent what that store signifies to an individual (Baker, Grewal & Parasuraman, 1994; Mazursky & Jacoby, 1986). However, over the years different authors have distinguished different store attributes or characteristics that are part of the overall image towards the store (the so-called retail mix). For example, Lindquist (1974), in his study on the store image literature, has combined models from 19 studies and came up

with nine different elements: merchandise, service, clientele, physical facilities, comfort, promotion, store atmosphere, institutional and post-transaction satisfaction. Similarly, Bearden (1977) suggested the following characteristics: price, quality of the merchandise, assortment, atmosphere, location, parking facilities and friendly personnel. However, more recently, store image is supposed to be composed of the different elements of the retail marketing mix as introduced by Ghosh (1990). These elements are: location, merchandise, store atmosphere, customer service, price, advertising, personal selling and sales incentive programs. For each retail store a distinct image may exist within consumers' minds. This is based on the salient elements of the retail mix. The merchandise of a retailer is its most important retail mix element. A retailer has to make sure that he/she offers those products to his/her customers that they expect him/her to offer. Nevertheless, other nonfunctional elements also have to be in line with the expectations of the customer in order for a customer to become store loyal (Bloemer & de Ruyter, 1998). In conceptualizing store loyalty, it is better to develop a distinction between repeat visiting behavior and store loyalty. Repeat visiting behavior is the actual revisiting of the store (Bloemer & de Ruyter, 1998). However, behavioral conceptualization is often inadequate to explain how and why store patronage occurs. In fact, these merely reflect the outcome of a decision process in which internal dispositions play a role. Thus it becomes clear that repeat visiting behavior is also important, but attention should be paid to the antecedents that may account for the occurrence of certain behavior (East, Harris, Wilson & Lomax, 1995).

The definition in this study is based on the work of Jacoby and Chestnut (1978). The critical part of this definition of store loyalty is store commitment. We propose that store commitment is a necessary condition for store loyalty to occur. In case of absence of store commitment a patron to a store is merely spuriously loyal, i.e. repeat visiting behavior is directed by inertia (Dick & Basu, 1994).

When the decision-making and evaluative processes are not explicit and are very limited, the consumer will not become committed to the store and cannot be store loyal (Bloemer & de Ruyter, 1998). Consumers whose patronage is not based on store loyalty may exhibit an attachment to store attributes and can easily be lured away by competitors through, for instance, pricing strategies. In contrast, Osman (1993, p. 135) argues that 'a customer who is loyal to a certain retail establishment will give this store his or her priority visit in any shopping event'. According to Lastovicka and Gardner (1977), the level of consumer commitment can differ considerably. Therefore, they assume there is a continuum of store loyalty. At one end of the continuum, one finds true store loyalty; the repeat visiting behavior based on a maximum

amount of commitment. At the other end of the continuum, one finds spurious store loyalty; the repeat visiting of the store not based on any commitment at all. In this way, store commitment enables us to define a degree of store loyalty (Bloemer & de Ruyter, 1998).

Method

The accessible population for this study consisted of store customers. Retail stores were selected from Peshawar, the provincial capital of the Khyber Pukhtunkhwa (KPK), and the actual shoppers were contacted there, as the basic objective of this study was to understand customer perception of retail store image. The sample consisted of 150 actual customers. The subjects were selected at random and comprised of both sexes.

Questionnaires were administered to collect the data. First part of the questionnaire was designed to get the demographic information of the respondents, where as second part gathered information on the store image and store loyalty. A systematic review of the retail image and perceived quality literature was conducted to develop the measurement scales. On the basis of the work by Zimmer and Golden (1988), the scale items were finalized. The scale focused on the dimensions of retail image, that is, merchandise, service, and physical facilities. The scale items were measured on five-point Likert scales, varying from 1 = strongly disagree to 5 = strongly agree. Respondents were asked to focus on their departmental store shopping experience during the past three months. This enabled us to obtain a variety of perspectives more than what we would have obtained by focusing on their favorite departmental store.

Analysis and Discussion

Store image

The Mean score on store image in Table 1 below shows that almost all the respondents agree with the store image items. However, shoppers were not very much clear regarding the help from the store employee's e.g. answering of a certain question and the help from the employees of the store and the way of their treatment of the customers. The item 'The employees of this store are appropriately dressed and neat' has the lowest mean i.e. 1.84 and the item 'I would like more information about this store' has the highest mean i.e. 2.55.

Table-1: Store Image

Store Image	Mean
This looks like the type of store where I would like to shop	1.85
I would like more information about this store	2.55
I would tell my friends about this store to come and shop here	1.96
This store will carry the latest and new products	1.88
Comparative to other stores, products at this store have high price	2.01
The interior furnishings in this store give the shopper the feeling that it is a quality Retail outlet	2.17
The employees of this store are appropriately dressed and neat	1.84
The store has a pleasant shopping environment	1.93
The employees are knowledgeable about new trends and products in the market	2.5
The employees of this store are helpful and well-mannered	2.24
If I had a question about certain product, I could get the answer at this store	2.29
Comparative to other stores, this store has high quality products	2.17
Mean Store Image	2.11

Gender wise differences about store image

The table 2 shows the gender wise differences among the shoppers about store image. There were significant differences among male and female shoppers about the store image except the item 'If I had a question about certain product, I could get the answer at this store?' It means that what the store image means for male shoppers do not mean the same for the female shoppers

Table-2: Gender wise differences about Store image

value	Male	Female	t-
This looks like the type of store where I would like to shop?	1.67	2.16	0.000
I would like more information about this store?	2.11	3.33	0.000
I would tell my friends about this store to come and shop here?	1.79	2.25	0.000
This store will carry the latest and new products?	1.71	2.18	0.000
Comparative to other stores, products at this store have high price	1.61	2.71	0.000

The interior furnishings in this store give the shopper the feeling that it is a quality Retail outlet?	1.95	2.56	0.000
The employees of this store are appropriately dressed and neat?	1.66	2.15	0.000
The store has a pleasant shopping environment?	1.74	2.25	0.000
The employees are knowledgeable about new trends and products in the market?	2.22	2.98	0.000
The employees of this store are helpful and well mannered?	2.07	2.53	0.001
If I had a question about certain product, I could get the answer at this store?	2.18	2.47	0.076
Comparative to other stores, this store has high quality products?	1.98	2.51	0.000

Mean Store Loyalty

Regarding the store loyalty, the shoppers were satisfied and they intended to buy the next time at the same store. However, the shoppers were not very clear regarding few of the options such as, 'the store will be their first choice of purchase', 'buying from other stores if the store they mentioned is not nearby located' and 'suggesting others to come and shop'. Table 3 substantiates the findings.

Table-3: Mean Store Loyalty

I consider myself to be loyal to this store	2.29
This store would be my first choice when I want to buy some thing	2.25
I will not buy from other stores even if these stores are near to me	2.52
I am satisfied with my previous purchases I made at this store	1.95
I will buy again at this store	1.93
I will suggest others to come and shop at this store	2.30
Mean Store Loyalty	2.21

Gender wise analysis of Mean Store Loyalty

Table 4 shows the mean store loyalty among the male and female shoppers. It revealed that there are significant differences among the male and female shoppers concerning the loyalty status of the store ($p < .05$).

Table-4: Gender wise differences about Store Loyalty

	Male	Female	t-value
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I consider myself to be loyal to this store	2.04	2.71	0.000
This store would be my first choice when I want to buy some thing	2.02	2.65	0.001
I will not buy from other stores even if these stores are near to me	2.05	3.33	0.000
I am satisfied with my previous purchases I made at this store	1.66	2.45	0.000
I will buy again at this store	1.71	2.33	0.000
I will suggest others to come and shop at this store	2.02	2.78	0.000

Relationship among store image and store loyalty factors

Different relationships have been formed among various factors of the store image and the store loyalty as presented in table 5. The table shows that there was a significant relationship between ‘telling to others about the store and shoppers satisfaction’ which is 0.61, ‘telling to others to shop at this store and buying again at the same store’ which is 0.778 and ‘telling to others to shop at this store and the store possess high quality products’ which is 0.76.

Table. 5: Correlations between Store Image and Store Loyalty Factors

			I would tell my friend about this store to come and shop here?	I am satisfied with my previous purchase i made at this store?	I will buy again at this store?	Comparative to other stores, this store has high quality products?
Spearman's rho	I would tell my friend about this store to come and shop here?	Correlation Coefficient	1.000	.619(**)	.778(**)	.765(**)
		Sig. (2-tailed)	.	.000	.000	.000
		N	150	150	150	150
	I am satisfied with my previous purchase i made at this store?	Correlation Coefficient	.619(**)	1.000	.744(**)	.691(**)
		Sig. (2-tailed)	.000	.	.000	.000
		N	150	150	150	150
	I will buy again at this store?	Correlation Coefficient	.778(**)	.744(**)	1.000	.795(**)
		Sig. (2-tailed)	.000	.000	.	.000
		N	150	150	150	150
	Comparative to other stores, this store has high quality products?	Correlation Coefficient	.765(**)	.691(**)	.795(**)	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	150	150	150	150

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

In addition to that correlation between ‘I am satisfied with my previous purchase I made at this store?’ and ‘I buy again at this store?’ is 0.744. Whereas the correlation between ‘I will buy again at this store?’ and

‘Comparative to other stores, this store has high quality products?’ This shows that all the store image and store loyalty factors have strong correlation.

In this study relationship between store image and store loyalty was analyzed using different factors like repetitive purchase, customer satisfaction and quality of products available at the store. From analysis it is evident there is a relationship between store image and store loyalty. People perceived different factors regarding a store if they found themselves satisfied then they come again to purchase and also refer other people to buy from that particular store. This supports the findings of a previous study conducted by Birtwistle et al. (1999) who investigated similar relationships.

Conclusion

Different relationships have been formed among various factors of the store image and the store loyalty. The result shows that there is strong correlation among the factors of store image and store loyalty and that there are significant differences between the male and female regarding the store image and store loyalty.

Regarding the store loyalty, it was found that the shoppers are satisfied and they intend to buy the next time at the same store. Regarding the mean store loyalty among the male and female shoppers, it was found that there are significant differences among the male and female shoppers concerning the loyalty status of the store.

It can be concluded that almost all the people agreed with the store image items. However, it was found that there exist differences among the male and female shoppers about store image which means that what the store image means for male shoppers does not mean the same for the female shoppers.

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