

Store Image and Its Effect on Customer Perception of Retail Stores

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Abstract

This paper investigates the various aspects of store image, which affect the impression and preferences of shoppers. It argues that the levels of customer preferences determine the influence of the setting of the store on its image. Studying customer perceptions on store image further enhances the knowledge of marketers; marketers can use this knowledge in acquiring more loyal customers and meeting their requirements in terms of store image. This study identifies the factors that are deemed to be the most important by customers and provides marketers with awareness regarding the psychological elements of customers that influence their perception of store image. A survey was conducted on customers in shopping malls to identify the effects of the principal factors of store image on customer perception. This study used path analysis as the principal analytical tool for conducting causal evaluations and investigated the significant effects of store image attributes (i.e., store atmosphere, music, merchandise quality, service, price, and convenience) on customer perceptions. Results indicated that the perceptions of customers integrate all of the cues and messages they have received and experienced in the store, in addition to their own perceptions of the importance of store image dimensions.

This study investigates the effect of the significant factors of store image on customer perception in the Malaysian context.

Keywords: store image, store atmosphere, music, merchandise quality, service, price, convenience, customer perception

1. Introduction

Marketing experts have highlighted that product consumption does not simply imply the act of buying, but also involves the act shopping and how it is used as a pleasurable tool (Dowling, 1993). The place where products are being sold has a social significance for people (Dowling, 1993). The social association that the customer relates to the shopping experience relies on the store environment. Developing the store surroundings by providing them with a cultural significance from the shopper perspective will help form the image and reputation of the retailer. Store image influences customers (Dawson, Bloch, & Ridgeway, 1990); thus, store designers and managers are beginning to understand the importance of knowing the facts that shoppers seek in selecting the store they visit and the products they purchase, as well as the significance of gaining customer loyalty. Knowledge about these critical aspects that are influenced by store design can be used as a solution to enable evidence-based store designs.

Porter and Claycomb (1997) suggested that customers associate their feelings, thoughts, and impressions with the stores, and these factors affect their patronage and purchase behavior. This premise is line with that of Stern et al. (2001), who asserted that the purchase choices of customers are influenced by the store image. Kim and Jin (2001) reported that the repurchase intention and the satisfaction derived from shopping at a store are induced during the initial purchasing stage in which the customers associate their emotions with the store image. Hence, the perception of customers regarding a store is developed by the store image, and this perception is signified by their repurchase intention and satisfaction levels. Several scholars (i.e., Kim & Han, 2000; Birtwistle & Shearer, 2001) studied the concept of store image and suggested various store attributes that contribute to the overall perception of the store. However, consensus is lacking with regard to the attributes that increase customer satisfaction based on store image. Hence, this issue of store image should be further investigated. Retailers and store owners should identify the effective attributes for enhancing the image of their stores.

The attributes of a successful store image should be examined to empirically study store image. Chowdhary (1999) argued that customers build a perception of the store based on their numerous visits to the store, and that the final impression is a combination of all of the aspects of the store that have affected them. Several researchers (i.e., Bloemer & De Ruyter, 1998; Jin & Kim, 2003) indicated that customer views of a store image are derived from the overall outstanding features of the store.

Thang and Tan (2003) argued that the view of customers regarding the store image features affects their store preferences. This premise is true only if the store image expectations of customers are in line with their perceptions. Visser et al. (2006) explained that the retailer must align the features of the store to attract customers, such that it could become the preferred retailer. Studies on image indicated the influence of stakeholder perceptions on the main features of the firm, and the firm could use this information in formulating management strategies (Markwick & Fill, 1995). The communications strategy can be subsequently aligned with the strategic goals.

To develop and build the level of customer patronage, these criteria should be incorporated into the marketing strategy (Osman, 1993). This approach would allow retailers to manage the image of the store by optimizing these features. All of the channels used to reflect the corporate image should be standardized; moreover, the store image should reflect corporate image while meeting customer needs. Osman (1993) pointed out that managers should optimize the features that they deem to be critical to increase the patronage of customers. However, to ensure the success of this strategy, the features must go hand-in-hand with the experiences felt by the customers at the store itself (Thompson & Chen, 1998).

Retailers can measure their store image and thus identify their own weaknesses or strengths (Assael, 1992). In addition to realizing the importance of store image to the success of their stores, retailers should acknowledge the challenges that accompany this endeavor. Numerous efforts to measure store image and properly interpret the concept have been undertaken. These efforts include using images in displays and logos and conveying the ambience of the company to reflect its personality. Nevertheless, the lack of consensus on the concept of “image” causes problems in defining and generalizing store image as well (Stern et al., 2001).

Majority of the variables involved in store image have been studied individually. The missing element is determining the significant factors in the variables of store image, which affect customer perception of store preference. Therefore, this study examines the factors that influence the perception of customers in Malaysia—a multicultural country with people of various ethnicities and ideas on store images. The study will identify the most important factors according to the views of customers and provide marketers with awareness of the psychological elements of customers that influence their perception of store image.

Factors such as store atmosphere, music, service, convenience, merchandise quality, price, and customer perception are determined to be important based on the extensive literature review. This study aims to seek sufficient information on these variables and their correlations.

1.1 Key Concepts of Store Image

Martineau (1958) introduced the idea of store image and described it as the definition of a customer regarding a store according to its attributes that work functionally and psychologically. Martineau explained that the characteristics of store image help the customer differentiate it from that of other stores. The functional characteristics of a store include the layout of the store and its products, location, price and value-for-money attribute, and customer service. The psychological aspects include the luxury and attraction of the store. According to Kunkel and Berry (1969), customers obtain an image of a store after having experienced the store and comparing this experience to their expectations; the outcome of this comparison induces future revisits and repurchase decisions.

Lindquist (1974–1975) defined store image as the integration of tangible and intangible factors from the customer viewpoint. Meanwhile, North et al. (2003) described store image as the identity of the store and a factor that influences the initial purchase decision making of customers. Arons (1961) argued that customers learn to differentiate store image based on the relationship and meaning of the store attributes. Meaning includes the aspects of the stores; relationship pertains to how the aspects work cohesively to attract customers. Experts have used different means of interpreting store image. Store image denotes the feeling of customers toward a store; store attributes reflect various aspects, and customers have a relative location for each store in their minds.

The findings of the preceding studies highlight the critical importance of store image and indicate that retailers plan their marketing strategies based on store image. Retailers have determined that changing certain dimensions

of store image causes customers to react to their store differently and even encourages the purchase of products and services from the store.

1.2 Store Atmosphere

The customer experience is significantly influenced by the store atmosphere. "Atmospherics" is a terminology used in describing the art of designing a store, such that it increases the sensory feeling of customers. Atmospherics optimizes the spatial aesthetic characteristics in the store and is the subtle and silent background language that affects customers (Kotler, 1973–1974). This background aesthetic flavor influences the emotions of customers and can cause them to evaluate the products differently. Koo (2003) suggested that customers with a positive experience would be highly satisfied, which in turn, would induce them to increasingly frequent the store, thus boosting store sales. Several researchers who examined store atmosphere indicated that the ambience and design of the store are critical factors that influence customer preference, service and product quality, price perception, and cost of shopping experience (Baker et al., 2002; Thang & Tan, 2003).

Newman and Patel (2004) identified store atmosphere as another critical determinant of the store choice of customers. Meanwhile, Richardson et al. (1996) contended that store aesthetics can enhance customer perception of the quality of the products in the store. The interior décor of a store is viewed differently by customers and management (Samli et al., 1998). Samli et al. reported that compared to the customers, the management regards store image as less important, and suggested that the retailers can enhance this attribute easily to please the customers and increase their satisfaction and repurchase levels.

The smell inside a store can be an effective trigger of emotions as well. A pleasant smell of fragrances tends to increase the behavior of curiosity among customers (Orth & Bourrain, 2005). The affective expectations of consumers are important; thus, the feelings derived during shopping likewise convey an emotional experience (Wirtz, Mattila, & Tan, 2007).

Donovan et al. (1994) contended that purchasing intention and the actual purchasing process are affected by the emotional state of a customer. A soothing and welcoming store atmosphere arouses a positive emotional state and induces customers to spend more time in the store, thus increasing the opportunity to make additional purchases. To meet the needs of their target market, store designers can use this concept by strategically designing their store atmosphere to increase the in-store experience of patrons (Hartman & Spiro, 2005). Thus, store atmosphere is a prominent tool that retailers can use for enhancing the behavior of customers toward their purchase decisions from the store.

1.3 Music

Music that is played in the background directly influences the moods of shoppers, and it induces them to form an opinion regarding the store and its service (Herrington & Capella, 1994). This type of music functions as a major atmospheric influence in conveying the overall image of the store; at the same time, it works on the cognitive and behavioral responses of shoppers. Several empirical studies have investigated the relationship between music and its influence on shoppers under various conditions. In his study on the effects of music, Bruner (1990) classified music within several marketing contexts, such as how music influences the purchase intention and the recall factor, and how it could change behavior. Bruner likewise investigated other factors, such as the influence of music on shopping duration, product selection, and overall sales, and revealed that music is capable of eliciting the powerful affective responses of customers.

Oakes and North (2008) pointed out the positive significant results of music and demonstrated its role in the service landscape to generate the desired customer responses. Oakes and North assigned various variables to music (i.e., volume, tempo, and type of music) and indicated that changing some of these variables triggers the desired positive outcomes, such as the shopping amount and time spent and affective customer responses. The music factor has been investigated extensively in the past two decades, but only a few studies focused on the critical factor of the impact of music on shoppers. Areni (2003) distinguished between the findings of scholars and retailers, and revealed that when the proper atmospheric music is played, shoppers linger longer in the store, are drawn to or repelled by the store, and are encouraged to purchase or discouraged from shopping. Morin et al. (2007) asserted that soothing music generates a positive outcome in terms of service evaluation and purchasing decisions.

1.4 Merchandise Quality

Quality denotes the intrinsic and extrinsic values attached to a brand or product based on customer perception (Zeithaml, 1988). Intrinsic value includes the performance and durability of a product, whereas extrinsic value incorporates the brand name and warranty of the product. Verbeke (2000) argued that a key criterion of quality is

the brand name, and brands with an international stature provide the notion of high quality. This intrinsic quality is used by consumers in valuing foreign brands as products of higher quality.

For an existing strong brand, the perceived quality further enhances its success; meanwhile, for a weak or new brand, the perceived quality decreases its opportunity to succeed (Aaker, 2000). Laroche and Tffoli (1999) reported that the price and quality of a brand are critical factors that affect purchasing decisions. They explained that quality is associated with the price of popular brands. Customers who perceive quality and price positively typically believe that high price implies high quality, whereas low price suggests low quality. Several studies (e.g., Netemeyer et al., 1993) indicated that quality and price are critical in the selection of products, and perceived quality is an important factor in the purchase and perusal of products for personal use. Intrinsic cues such as physical quality are associated with guaranteed superiority or the assumed standard of a product (Zeithaml, 1988). Familiar brands are more attractive to customers compared to less famous or new brands (Burrow, 2006). Purchasing a product from an unfamiliar brand is a risk that consumers avoid. From the customer perspective, perceived quality is closely related to brand loyalty, especially when product quality cannot be ascertained beforehand.

Perceived quality is an important element for marketing into new regions or when fixing premium prices (Amine, 1996). Product quality is associated with customer decision making. Consumers commonly purchase popular brands that have a strong quality and good reputation in the market. Among the product qualities that appeal to consumers are the style, materials, and design of products. Thang and Tan (2003) and Collins-Dodd and Lindley (2003) cited merchandise as the most critical attribute of store selection preference.

Customers typically assume that international brands have a higher quality, which in turn, provide them with a good perception of the store that carries these brands. Vahie and Paswan (2006) reported that the congruence of store quality and product quality of the international brand appeals to the emotions of customers. Customer perception of store image is based on certain situations, and having the proper merchandise is more important than other attributes.

Customers can decide on the store image after only one visit to a store that does not carry their preferred style (Newman & Patel, 2004). Hu and Jasper (2006) indicated that stores that convey social cues could impart a highly favorable product perception toward customers. These cues include the lifestyle quality of customers. This idea reiterates the importance of having merchandise that is suitable for the targeted customer segment. Paulins and Geistfeld (2003) concurred with this concept and further explained that stores whose marketing strategies are not aligned with customer wishes (e.g., not displaying the merchandise that customers prefer) would ultimately lose their customers.

1.5 Service

The service factor, which incorporates the interaction between the employees of a business and its customers, is an essential brand criterion (Newman & Patel, 2004). Members of the sales staff directly interact with customers. Newman and Patel (2004) argued that customers evaluate the service rendered; good service induces customers to share their positive experience with others through word-of-mouth marketing and increases customer loyalty to the store.

The service rendered by sales personnel significantly affects the store preference of customers, especially their choice of a business that involves home delivery services (Teller, Kotzab, & Grant, 2006). Berman and Evans (1992) pointed out that the courtesy and knowledge demonstrated by the sales staff is an important factor for customers. Store image is enhanced through the good service provided by the staff. Service induces customer loyalty to a store (Miranda et al., 2005). Moreover, service plays a major role in increasing the repurchase intention of customers (Hellier et al., 2003). Emotional arousal functions as a moderator in the repurchase intention of customers who have obtained good service quality.

1.6 Price

Value-for-money is an important factor of customer purchasing decisions. Considerable research has ascertained the effect of price on purchase decisions. Kotler and Bernard (2005) defined price as the monetary value attached to a product or service. Price denotes the total value that is paid by customers for a product or service. Price is controlled on the basis of the demand and supply curve in the market, and price fluctuates accordingly. McDowell et al. (2006) argued that the fluctuation in product prices likewise occurs in conjunction with the income level of a society; as income increases, prices tend to increase as well, which may cause inflation in the absence of appropriate control mechanisms. Price elasticity is controlled by the type of product; variations in product demand are contingent upon the need for the product, the nature of the product (i.e., whether the product

is complementary to another product or it replaces another product), and the impact that the product generates (McDowell et al., 2006). Price sensitivity is intensified by price elasticity, and it changes according to the product features (Rao & Kent, 1989). Price and quality are closely related. Zeithaml (1988) indicated that customers associate price and quality very differently. Price is not the only indicator of quality because other factors are involved, such as the differences in prices and quality among similar types of products, information levels of customers, and customer knowledge in terms of differentiating these groups of products. The connection between price and quality merely assures customers that a high-value product connotes high quality.

Elements such as customer emotions toward a product, brand reputation, quality, and price are related to the perceived value of the product (Zeithaml, 1988). The conceptual evaluation that is attached to a product denotes the integration of price and quality as reflected in the Profit Impact of Marketing Strategies (Bradley, 1995). This perceived value attached to a product creates a competitive advantage for the product and its brand. Zeithaml (1988) suggested that when customers receive the quality that they expect of a product, they subsequently bestow a high value on the product. The product price and quality of the received product are translated as the value given to the product. The external quality of a product is more evident to customers when they attach a value to it. Chan (2007) indicated that customers value a brand when they use externally derived information and knowledge. Chan further explained that a lesser supply of a product would increase the value attached to it by customers.

1.7 Convenience at the Store

Convenience is an important factor in the current fast-moving environment. A principal aspect of convenience is store location and other related factors, such as parking and transportation. Retailers should consider location because this decision cannot be undone easily. Customers are heavily influenced by various factors, including time required to travel to the store, transportation to arrive at the store, location of the store, and eventually, sales in the store (Wood & Browne, 2007). Thang and Tan (2003) reported that customers choose a store to visit based on its accessibility, ease of transportation, and time required to go to this store. Accessibility was the second most important factor in selecting a store; even stores on the same location were affected by the accessibility factor.

Another important consideration in terms of the convenience factor are store hours, or the opening and closing time. Hyllegard et al. (2005) argued that older customers regarded store hours as unimportant because these customers have more time available to them. Hyllegard et al. likewise indicated that both convenience and store hours influenced customers patronizing a store among different age groups. Retailers that have a younger target market should therefore consider this factor by extending their opening hours and increasing the convenience for the target market. Young people nowadays have busy lifestyles, and store hours should accommodate this aspect of their lives (Hyllegard et al., 2005).

A small difference in terms of distance can have a principal effect on customers, and thus on the success of the store (Wood & Browne, 2007). Miranda et al. (2005) confirmed this result, given that the issue of customer loyalty to a particular store is contingent upon the distance travelled to reach the store. Facilitating the customer shopping experience at a store allows the retailers to create a competitive advantage for themselves (Newman & Patel, 2004). In Korea, Koo (2003) examined the correlations among factors, such as store image, customer satisfaction, and customer loyalty in discount stores, and reported that convenience significantly affected loyalty but not satisfaction. By contrast, Chang and Tu (2005) argued that customer loyalty and satisfaction are directly linked to convenience and indirectly linked to satisfaction, and thus to loyalty. Hence, retailers that intend to increase their number of customers and enhance customer loyalty can work on convenience and related aspects to further grow their business.

1.8 Customer Perception

The perception of customers is derived not only from their knowledge regarding the product alone, but also from their perceived images of the product (Lindquist, 1974–1975). Schiffman and Kanuk (2007) described perception as the stages that a customer or a person undergoes in selecting, rearranging, and interpreting external triggers into a cohesive picture. People generally interpret truth based on perception rather than the actual reality. Inference theory states that evaluations are made based on knowledge received from cues that exist externally. Fisk (1961–1962) explained that opinions or judgments are created through experiences that are related to inferences, which in turn, induce certain perceptions. In terms of a new product, customers rely on their past experiences of the brand in evaluating the product. Baker et al. (2002) suggested that customers use the environment as the place from which to obtain information regarding a product. Moye and Kincaid (2002) argued that customers rely on store image factors, and these factors form their perception on how to react to the

products. Thompson and Chen (1998) indicated that perception is not always reliable and is highly contingent upon the lifestyle and age of customers. They pointed out the importance of using store image to influence customer behavior and obtaining customer views on the store image. Gaining a sense of customer views on the store image and then designing the store accordingly are essential. Being different will attract customers and is an important element for customer retention. Assael (1992) reiterated this aspect by suggesting that store selection is critically important because it decides the purchase of products in the first place.

2. Conceptualization and Theoretical Development

2.1 Research Hypotheses

After critically reviewing the existing literature, several hypotheses are proposed to justify the objectives of the current study.

Donovan et al. (1994) contended that purchase intention and the actual purchasing process are affected by the emotional state of a customer. A soothing and welcoming store atmosphere arouses a positive emotional state and induces customers to spend more time in the store. Therefore, the current study posits the following hypothesis:

H₀₁: A positive and significant relationship exists between store atmosphere and customer perception.

Areni (2003) distinguished between the findings of scholars and retailers, and revealed that when the proper atmospheric music is played, shoppers linger longer in the store, are drawn to or repelled by the store, and are encouraged to purchase or discouraged from shopping. Morin et al. (2007) pointed out that soothing music generates a positive outcome in terms of service evaluation and purchasing decisions. Therefore, the current study proposes the following hypothesis:

H₀₂: A positive and significant relationship exists between music and customer perception.

Paulins and Geistfeld (2003) explained that stores whose marketing strategies are not aligned with the wishes of their customers (e.g., not displaying the merchandise that customers prefer) would ultimately lose their customers. Thang and Tan (2003) and Collins-Dodd and Lindley (2003) cited merchandise as the most critical attribute of store selection preference. Therefore, the current study puts forward the following hypothesis:

H₀₃: A positive and significant relationship exists between merchandise quality and customer perception.

Newman and Patel (2004) argued that customers evaluate the service rendered; good service induces customers to share their positive experience with others through word-of-mouth marketing and increases customer loyalty to the store. Hu and Jasper (2006) indicated that good customer service induces customers to obtain a good perception of the store and its products. Therefore, the current study posits the following hypothesis:

H₀₄: A positive and significant relationship exists between service and customer perception.

Zeithaml (1988) suggested that when customers receive the quality that they expect of a product, they subsequently bestow a high value on the product. The product price and quality of the received product are translated as the value given to the product. Kalyanaram and Winer (1995) pointed out that customers compare prices when deciding on a product. Therefore, the current study suggests the following hypothesis:

H₀₅: A positive and significant relationship exists between price and customer perception.

Kim and Jin (2001) contended that convenience is one of the reasons for customer preference for multinational discount stores over national stores. Another important consideration in terms of convenience are store hours, or the opening and closing time. Chang and Tu (2005) argued that customer loyalty and satisfaction are directly linked to convenience. Therefore, the current study proposes the following hypothesis:

H₀₆: A positive and significant relationship exists between convenience and customer perception.

3. Research Methodology

This study investigates the effects of substantial independent variables of Store Image, namely, Store Atmosphere, Music, Merchandise Quality, Price, Service, and Convenience at the Store, and a dependent variable, Customer Perception. Thus, a survey was conducted among customers in different shopping centers. The sample population was obtained from three famous shopping malls in Kuala Lumpur, Malaysia because of a good mixture of customers of different demographics in terms of race and cultural behavior. The selected shopping malls (Pavilion, KLCC, and Mid Valley Megamall) are famous for the variety of brands and products sold. Men's and women's fashionable clothing, footwear, and other luxury garment products are popular in these shopping complexes.

Questionnaires were distributed to the customers of five famous brand stores (Zara, Massimo Dutti, Polo Ralph Lauren, Esprit, and Calvin Klein) in the selected shopping malls. The estimate of population size was derived according to the information obtained from the shopping malls and store officials. The obtained estimation was divided by the sample size, and the resulting number became the basis for selecting the sample members through random systematic sampling. Prior to conducting the survey, we had a discussion with the managers of the selected brand stores and obtained authorization to stand in the store and request customers to participate in the survey. Random sampling method was utilized because identifying specific persons as samples for this research was unnecessary. A total of 225 people were approached. Fifty-four percent of the respondents were women and 46% were men, and most of the respondents were between the ages of 21 to 30 years (46%) and 31 to 40 years (38%).

A cross-sectional study was used as the research structure. A five-point Likert scale was assigned to the independent variables, namely, Store Atmosphere, Music, Merchandise Quality, Price, Service, and Convenience at the Store, and the dependent variable, Customer Perception of the Store Image. A pilot test was conducted to justify that the questions used in the questionnaire would achieve the research objectives. Validity and reliability tests were likewise conducted to ascertain that the questions were valid and reliable. Analysis of the answers in the questionnaires was conducted using IBM SPSS 20 and AMOS Graphics 22.

4. Analysis and Results

Table 1 shows the descriptive statistics of the seven main variables in this study. The mean of all of the variables exceeds 4, whereas the mean of Atmosphere slightly differs from those of the other variables. Moreover, less heterogeneity is observed in all of the variables based on the standard deviation column.

Table 1. Descriptive statistics of variables

Variable	Mean	Standard deviation	SE Mean	Min	Max
Atmosphere	4.33	0.95	0.063	1.05	4.96
Music	4.44	1.14	0.076	1.01	4.96
Merchandise Quality	4.39	1.18	0.078	1.04	4.95
Price	4.47	1.05	0.070	1.04	4.96
Service	4.46	1.06	0.097	1.05	4.96
Convenience	4.43	1.08	0.072	1.00	4.97
Customer perception	4.48	1.10	0.073	1.06	4.95

Table 1 shows that the mean score value of Atmosphere is 4.33. Based on the questionnaires, the respondents' level of understanding and importance for the Atmosphere variable is high, which indicates the effective and significant state of the judgment capability of the respondents. The mean score value of Music is 4.44, which indicates an impressive and significant state of customer feedback on this variable. The mean value score of Merchandise Quality (4.39) demonstrates the significant mood of customer judgment capability. Moreover, the mean score for Price is 4.47, which is at a high level. The results imply that the respondents attach more importance to the price of each item sold in the shops, which establishes an image of the shop in their minds. The customers are extremely price-sensitive when shopping at the store, which highlights the importance of pricing strategy in encouraging the customers to repurchase at the shops. Service is another important variable used in this study. The mean score of Service is 4.46. The customers at the shop have acknowledged that the importance of service in the store is inevitable. The delivery of services both before and after the purchase is regarded as among the most important criteria from the perspective of respondents. This result is significant because it demonstrates the sensitivity of respondents toward the services at the shop. Moreover, from the mean score value of Convenience (4.43), this variable cannot be ignored because it constitutes the image of the store in the minds of customers. Finally, Customer Perception, which is the dependent variable in this study, denotes a high level of significance with a mean score of 4.48. The respondent feedback on Customer Perception suggests the highest level of agreeableness. The level of agreeableness of the respondents implies that their perception of the store image is outstanding.

4.1 Path Analysis

Path analysis helps transcend the direct effects of estimation and allows for the assessment of the causal processes of observed relationships and their relative importance in the influential paths (Homan, 2001). Therefore, to assess the indirect and total effects of all of the independent variables in Customer Perception (Figure 1), we used the AMOS Graphics software; the results are presented in Figure 1.

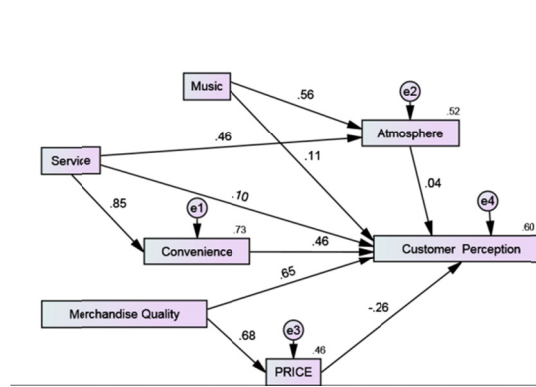


Figure 1. Path analysis of causal relationships and their standardized effects

Based on the fit indices, the hypothesized model fit the data well. The χ^2 value for the present model was 2.11 ($p=0.26$), which indicates that the observed and model-implied covariance matrices are not significantly different.

The other statistics likewise showed good model fit with the data (CFI=0.995, NFI=0.99, RMSEA= 0.065).

CFI (Comparative Fit Index) and NFI (Normed Fit Index) are goodness-of-fit indices, which should be above 0.85 for the model to be acceptable. RMSEA (Root Mean Square Residual) is a badness-of-fit index and must be between 0 and 0.08. This model was confirmed to be substantially acceptable and meaningful.

With regard to the predicted direct paths, Customer Perception was significantly and positively predicted by Music ($\beta=0.11$, $t=3.11$), Service ($\beta=0.10$, $t=3.03$), Convenience ($\beta=0.46$, $t=5.08$), and Merchandise Quality ($\beta=0.65$, $t=6.97$), whereas Customer Perception was significantly and negatively predicted by Price ($\beta=-0.26$, $t=-3.56$). The predictors accounted for 58% of variance in Customer Perception.

With regard to the predicted indirect path, the total effects of Music ($\beta=0.13$, $t=3.22$), Service ($\beta=0.49$, $t=5.31$), and Merchandise Quality ($\beta=0.47$, $t=5.10$) on Customer Perception were positively significant.

Table 2 summarizes the direct and indirect effects of variables.

Table 2. Direct and indirect effects of variables

Variable		Atmosphere	Service	Convenience	Price	Customer perception
Atmosphere	Direct	-	-	-	-	0.02
	Indirect	-	-	-	-	-
	Total	-	-	-	-	0.02
Music	Direct	0.56	-	-	-	0.11
	Indirect	-	-	-	-	0.02
	Total	0.56	-	-	-	0.13
Merchandise quality	Direct	-	-	-	0.68	0.65
	Indirect	-	-	-	-	-0.17
	Total	-	-	-	0.68	0.47
Price	Direct	-	-	-	-	-0.26
	Indirect	-	-	-	-	-
	Total	-	-	-	-	-0.26
Service	Direct	0.46	-	0.85	-	0.10
	Indirect	-	-	-	-	0.41
	Total	0.46	-	0.85	-	0.51
Convenience	Direct	-	-	-	-	0.46
	Indirect	-	-	-	-	-
	Total	-	-	-	-	0.46

5. Discussion and Conclusion

This study aimed to investigate the effects of the key dimensions of store image (Store Atmosphere, Music, Merchandise Quality, Service, Price, and Convenience) on Customer Perception. To achieve this objective, the responses of customers in five famous brand stores (Zara, Massimo Dutti, Polo Ralph Lauren, Esprit, and Calvin Klein) toward the six attributes of store image were analyzed.

The results supported the significant and positive relationship between Store Atmosphere, Music, Merchandise Quality, Service, and Convenience and Customer Perception. Interestingly, a significant and slightly negative relationship was observed between Price and Customer Perception.

According to Richardson et al. (1996), store atmosphere significantly enhances the perception of customers regarding the store they visit. Similarly, Samli et al. (1998) argued that atmosphere strongly and significantly contributes to customer perception regarding the store. With regard to the effect of music, Bruner (1990) reported that music influences customer perception, with the intent of changing customer behavior toward the stores. Based on the results of the current study, although music and service have a direct significant relationship with customer perception, these factors likewise indirectly influence customer perception by contributing to the store atmosphere. Thus, creating outstanding features such as a specific interior design, great product presentation, and high quality of service, as well as playing music at the store enhance the attractiveness of the store. Accordingly, having pleasant and differentiated surroundings helps the retail store to compete with others to ensure the satisfaction and continued patronage of customers.

Berman and Evans (1992) indicated that courtesy and knowledge demonstrated by the sales staff are important factors for customers. The results of the current study implied that the quality of service offered to shoppers (i.e., available expertise and knowledgeable sales personnel) positively affects customer perception. Moreover, service is an important feature of store image that affects the impression of customers directly and customer perception indirectly by influencing two other attributes of store image, namely, atmosphere and convenience.

Chang and Tu (2005) indicated that customer perception, as well as customer loyalty and satisfaction, are directly linked to convenience. With regard to convenience dimensions (i.e., store opening hours, store location, and ease of finding merchandise at the store), the results of the current study supported the identical findings of previous research by Wood and Browne (2007) and Chang and Tu (2005). Hence, shopping comfort is another considerable component of store image that significantly and positively affects customer perception and store choice.

Paulins and Geistfeld (2003) concurred with the previous findings and further explained that merchandise quality significantly influences customer perception. Moreover, they argued that stores risk losing their customers if the quality of their merchandise is not aligned with the wishes of customers (i.e., not displaying the merchandise according to customer preference). The findings of the current study implied that the quality of merchandise significantly influences customer perception and affects product price. Shoppers perceive a high store image when they purchase a product with a high quality and reasonable price. Therefore, merchandise quality is a critical element of store image that is consistently assessed by customers. Possessing this feature, along with sensible price, can become a sustainable advantage in the long run and maintain the position of the store in the market.

Compared with the other components of store image, the impact of price is remarkable and slightly negative, which may indicate that customers sensitively evaluate product value. With regard to merchandise quality (i.e., variety of product designs, longevity, and quality of product relative to price) in similar types of products and at nearly the same level of design and quality, a higher price is perceived as unreasonable by shoppers, which reduces customer perception to some extent. Consequently, setting a price that is reasonable and compatible with the brand and the product is strongly influential on customer perception. Bradley (1995) reported that the price attached to a product creates a competitive advantage for the product in the store and induces a strong impression in the minds of customers. Zeithaml (1988) argued that price is influential and significant in customer perception; when customers receive the quality that they expect of a product, they willingly attach high value to the product.

Overall, customer perception integrates all of the cues and messages that customers have received and experienced in the store, in addition to their own impressions of the significance of store image dimensions.

Retailers in the globally competitive retail industry should have knowledge and information on customer perception, which can be used as a strategic tool for acquiring new customers and retaining existing customers. Marketers and store managers nowadays should have complete knowledge of the components of store image and customer perception to allow them to plan the appropriate marketing strategies for their businesses and their

stores. Using this knowledge as a strategic tool can increase the market share of a company and enhance its market performance in general.

Although the factors for creating a successful store image are known, implementing an appropriate marketing communication strategy is relatively difficult because the market requirements can be uncertain. Thus, managers should ensure that what they believe is essential is in line with the perception of customers. Lack of knowledge about customer views can increase the inaccuracy in marketing and communication strategies.

The views of both customers and retailers should be considered in designing store image. Customer viewpoint is derived from subtle cues that customers perceive when visiting the store and their impression of its features. By contrast, the viewpoint of retailers is based on their strategic goals, their corporate image, and the factors they believe would be appreciated by customers. An ideal view of the experience of customers in stores develops their expectation of a particular store. Thus, the alignment of the views of management and customers should be contingent upon this ideal view, and management should aim to achieve this ideal.

6. Suggestions for Retailers

Corporate identity is used by firms to differentiate themselves from their rivals. It involves a holistic corporate communication mix to project the unique corporate identity. This image is improved using various cues and distinct messages that help create a memorable image. Store image is an essential component in marketing and representing the corporate image; it influences customer perception of the store and its identity. Moreover, store image attracts customers to the store through direct communication. Therefore, to invest in the proper look for the store image, retailers should consider the perception of both management and customers. The correct store image affects the sales of stores. Therefore, understanding the importance of the dimensions of store image is crucial in building a prominent market share in the competitive retail business. The results of this study provide retail store managers with sufficient knowledge on the importance of store dimensions and store image from the customer perspective. Retailers that fail to maintain a proper store image could lose their customers and adversely affect the corporate image of the firm. Moreover, this study contributes to the understanding of retailers regarding store image that meets customer requirements and upholds corporate identity.

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