Original Research Article

An empirical study on inter-relationship among store image and store satisfaction in discount stores in Gujarat

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Abstract

The retail industry in India is the second largest employer after agriculture and amounts to more than $ 250 billion of business every year. In spite of the industry being so large just about 25% of the industry falls under the organised retail sector and hence the scope and growth of organised retail in India is tremendous. Retail is a consumer driven industry and hence prevails the need to study the consumer and their buying habits. Though the scope and avenues of research in this area are immense this research intends to study the impact of store image on consumer satisfaction. It is an empirical study using primary data collected through a structured questionnaire administered using personal interview (survey) method. After an intensive review of the literature and a thorough conceptualisation of the two variables under study (i.e. store image and store satisfaction), we can summarise the concrete attributes and benefit values towards the retail mall together form store images and the concrete attributes and benefit values may subsequently influence store satisfaction.

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1. Rationale

The last decade has witnessed a dramatic globalization of industries, mainly due to increasing liberalization of trade policies, growing stability in monetary transactions, uninterrupted flow of goods, advances in transportation, communication, and information technologies (Czinkota & Ronkeinan, 2001).[1] Especially, the organised retail business in India has experienced dramatic changes in last few years since entry of many large scale players with deep pocket and organisation capacity. Indian organised retail store format, previously dominate by a handful of players, is now in the eyesight of large number of Indian and foreign multi-national corporation as the next sun-shine sector. Because of this intense competition to take biggest pie of the consumer's pocket, Indian retailers are now concentrating their attention to understand the elements of Store Image and consumer satisfaction.

Moreover, in such a stiff competition, building and maintaining consumers continuous store association in the developing market are found to be more difficult than the stores in the maturity stage (Koo, 2003). But relatively little research has directed its focus on the various dimensions of retail images relevant to the organised retail environment in India and the hierarchical effects of store images and the overall store attitude on store satisfaction.

An in-depth review of literature has found that globally, several researchers have focused their interest on the determinants of store loyalty such as store atmosphere, store images, store satisfaction, service quality, perceived value, and attitudes toward a store (e.g. Bloemer and Odekerken-Schroder, 2002; Koo, 2003).[6] But in context to Indian retail environment very less relevant studies were found linking store image to consumer satisfaction. Therefore, this study would be a pioneering attempt in this regard.

2. Objectives of the Study

This study wishes to examine how various characteristics of the discount retail environment and the overall attitude towards a discount retail store, considered to be an abstract

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and global image component, influence consumers' satisfaction. The study has focused on tracing how the overall attitude is more closely related to in-store services: atmosphere, employee service, after sales service and merchandising. The present research will focused on how store satisfaction is formed through perceived store atmosphere and value. It has also examined how the overall attitude has strong influence on satisfaction.

The applications in management and implications for future research are also explored and rigorously discussed. As the urgent market environment is going to force both marketing academicians and practitioners, especially of multinational retail entities, to delve into the various factors affecting discount retail store satisfaction and loyalty, the present research has strived to investigate the said issues in fine detail.

It is proverbial that building and maintaining store associations in the mature market are more difficult than the stores in the early stage. But relatively little research has directed its focus on the various dimensions of retail images relevant to the discount retail environment and the effects of store images and the overall store attitude on store satisfaction. Hence, the study has focused on exploring the uncharted dimensions of store image and consumer satisfaction.

3. Conceptual Framework and Literature Review

As per the problem under study for this research two variables were considered for empirical study "*Store Image*" and "*Store Satisfaction*".

3.1. Store image

Store image in previous studies is closely linked to the multi-attribute model is defined in chapter 2 (conceptual framework). Martineau (1958) defines store images as the way in which the store is defined in the consumer's mind, partly by its functional qualities and partly by an aura of psychological attributes. Store image here has been conceptualised as ten different key attribute categories: (1) store atmosphere or environment or ambience, (2) behaviour and attitude of staff, (3) post purchase experience like return policy, (4) services provided in the store, (5) promotion and advertising, (6) product assortment and merchandising, (7) merchandise display, (8) pricing and value for money, (9) self owned brands of the store, (10) value image and prestige.

3.2. Store satisfaction

Bloemer & Ruyter (1998) defined satisfaction as "the outcome of the subjective evaluation that the chosen alternative (the store) meets or exceeds expectations (p. 501)." This conceptualization stems from the disconfirmation paradigm (Oliver, 1980), in which satisfaction is believed to occur through a matching of expectations the consumer

elaborates on the evaluation of a store. In all six items were taken to measure store satisfaction.[2]

4. Research Methodology

4.1. Scope of the study

The study would be conducted in the four major cities of Gujarat namely, Ahmedabad, Baroda, Surat and Rajkot. The research is intended to study the attributes of only the Retail Mall format of stores (also known as Discount stores) as the variables intended to analyze can only be studied in this format of organized retailing.

4.2. Research design

The problem defined as above requires the description of the state of affairs. This non-experimental form of study, based on responses of the respondents, has collected the primary data with the help of structured questionnaire. Thus, the present study is a descriptive type in nature. Hence, if we take a broader out-look, the present study can be defined as 'Descriptive and Non-experimental' in nature.

4.3. Hypothesis of the study

1. **H₁**. Store image (Store Characteristics) will have a positive influence on store satisfaction.
2. **H₁ₐ.** Store environment will have a positive influence on store satisfaction.
3. **H₁ᵦ.** Store appeal and convenience will have a positive influence on store satisfaction.
4. **H₁ᵧ.** Store sales return policy will have a positive influence on store satisfaction.
5. **H₁𝒹.** Store prestige will have a positive influence on store satisfaction.
6. **H₁ₑ.** Stores' product assortment and merchandising will have a positive influence on store satisfaction.
7. **H₁f.** Store employee behaviour will have a positive influence on store satisfaction.
8. **H₁g.** In-store services will have a positive influence on store satisfaction.
9. **H₁ₕ.** Store promotion and advertising will have a positive influence on store satisfaction.
10. **H₁ᵢ.** Stores' self-owned brands will have a positive influence on store satisfaction.

5. Sampling Method and Sample Size of the Study

To achieve the desired objective, the study has collected relevant primary data from Retail Mall intercepts at four locations namely Rajkot, Surat, Vadodara and Ahmedabad across Gujarat. Based upon convenience sampling, the data is collected from more than 300 respondents at each locations i.e. Rajkot, Surat, Vadodara and Ahmedabad bringing it to a total of minimum of 1200 respondents. However, keeping in mind the weaknesses that can prevail in data collection during the actual fieldwork it was advisable to collect data from a larger sample so that at least a minimum of 300 genuine responses from each city could be collected. Positively, after deducting out the weaker and defective responses a total of

1605 responses (Ahmedabad – 370, Vadodra – 376, Surat – 422 and Rajkot - 437) were found to be correct and genuine.

5.1. Instrument for data collection

Looking at various benefits of questionnaire method, objectives of the study and the nature of data to be collected, the study has used questionnaire as an instrument for collecting primary data. The structured questionnaire had close ended with Dichotomous and Likert five point scale questions. The questionnaire was divided into three sections, wherein, the first section chiefly attempted to collect demographic and sociological data like age, gender, employment status, income, marital status, educational qualification and family size. The second section primarily aims to collect the data from the respondents in respect to their perceived store image which included 32 statements. The third section came to collect data related to the consumers' level of store satisfaction which included six affirmative statements. These statements were carefully framed keeping in mind previous studies.[3,4] Respondents were required to indicate their responses to the statements in Likert five level scale formats (1. Strongly agree, 2. Agree, 3. Neither agree nor disagree, 4. Disagree, 5. Strongly disagree.) The Likert five level scale format was specifically used to make it simple for the respondents to respond to the items by giving it a quantitative value, with a level of agreement/disagreement or a neutral response. The items in the questionnaire and the scale format were carefully designed to maintain "symmetry" and "balance".

6. Method of Data Collection

Personal interviews were conducted in two ways, one a large number of questionnaires were filled up at the mall intercepts, where visitors to the mall were handed over the questionnaire and were asked to fill it up in their own time under personal guidance and assistance. Secondly, questionnaires were distributed amongst groups of people apart from mall intercepts, this method was specifically chosen because, people at mall intercepts usually were short of time and in a rush. Most of the time the data collection had to be done during non-rush-hours, so that the respondents had enough time to understand and answer the questionnaire. Though a large number of respondents were available during rush hours, the responses given by them were often weak and ineffective due to the shortage of time with the respondent. This was the very reason why questionnaires were also filled up at places other than mall intercepts.

7. Data Analysis and Interpretation

All 32 items of store image were used as an input in exploratory factor analysis. Varimax rotation was used with principle component analysis to extract the factors. Eigen value higher than 1 was used to finalize the number of factors. Based on communality less than 0.5, three statements 4 (this store is convenient), 15 (this store has informative

advertising) and 32 (the store carries many self-owned brands) were deleted. Among the deleted statements statement 4 (this store is convenient) was a part of factor 1 shopping appeal and convenience. Statement 15 (this store has information advertising) falls under the factor store promotions and advertising, but since this category included only one statement the entire factor got deleted from further analysis. Statement 32 (the store carries many self-owned brands) falls under the factor stores' self-owned brands, but since this category also included only one statement the entire factor got deleted from further analysis.[5,6]

With the deletion after three statements two out of the nine categories under consideration for store image namely "store promotion and advertising" and "stores' self-owned brands" were removed from further analysis. This left a total of seven factors for conducting an exploratory factor analysis.

Remaining 29 statements were re-entered for EFA. **Table 1** indicates that the KMO values were higher than 0.7 and Bartlett's test of Sphericity was significant ($p<0.05$). This shows that sample/data is fit for exploratory factor analysis.[7]

Table 1: KMO and Bartlett's Test for store image

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.924
Bartlett's Test of Sphericity	Approx. Chi-Square	1895
	df	406
	Sig.	0.000*

Note:*p<0.05 level

For factor analysis to be performed on any data set, it is first necessary to verify whether the data is fit for factor analysis. For the data to be considered fit for factor analysis two conditions must be satisfied. First Kaiser-Meyer-Olkin Measure of Sampling Adequacy needs to be above 0.7, which in our case is 0.924. This satisfies the first condition of sample adequacy. The second is Bartlett's test of Sphericity, where the significance value needs to be below 0.05. The data here also was found to be fit as ($p<0.05$ level).[8]

This means that the sample or the data collected from the sample is fit for factor analysis or in the more simpler terms we can say that factor analysis can be performed on this dataset.

Next Varimax rotation was used with principle component analysis to extract the factors. Eigen value higher than 1 was used to finalize the number of factors. Factors with Eigen values lower than one have been ignored and it does not form part of the factor list.

Table 2: Total variance explained

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
Shopping appeal & convenience	3.229	11.133	11.133
Employees attitude and Behaviour	3.013	10.389	21.522
In-store services	2.822	9.731	31.253
Store Environment and ambience	2.560	8.828	40.081
Product Assortment & Merchandising	2.203	7.595	47.676
Sales Return Policy	1.889	6.515	54.191
Status & prestige	1.815	6.260	60.451

The first factor formed here that is "shopping appeal and convenience" contributes maximum in explaining the variable (11.133 % of variance). The next factor formed in terms of importance is "employee attitude and behaviour", it is the next best factor contributing in explaining the variable (10.389% of variance). The third factor in terms of contribution to explaining the variable is "in-store services" (9.731% of variance). The fourth factor in terms of contribution to explaining the variable is "store environment and ambience" (8.828% of variance). The fifth factor in terms of contribution to explaining the variable is "product assortment and merchandising" (7.595% of variance). The sixth factor in terms of contribution to explaining the variable is "sales return policy" (6 .515% of variance). And the seven factor in terms of contribution to explaining the variable is "status and prestige" (6.260% of variance).

By conducting the principal component analysis we try to find out which factor explains store image the maximum. Each factor has been listed out on priority basis considering their percentage of variance. This tells us which of the factors contribute the most and which contributes the least in explaining the variable. The statements with communality less than 0.5 (Appendices C) were deleted.

A thumb rule for an acceptable cumulative variance is 50% in management studies that is the cumulative variance of all factors should be able to contribute at least 50% in explaining the particular variable.

The cumulative variance of all the factors put together in this study contribute up to 60.451% (

Table 2) which is considered to be good to explain the variable (store Image).

The next stage is to perform factor loading, factor loading is performed to find to know the level up to which a particular statement loads on to a given factor. Any statement with less than 50% loading (value <0.5). Any statement with a loading <0.5 is not advisable to be used for measurement purpose and hence, Items 12, 27, 28 and 29 were deleted due to lower factor loadings (<0.5). All the four statements were considered to be weak to be used for measurement is all of them possessed a loading below 50%. In other words not even 50% of these statements contributed in explaining the particular factor and technically it is not advisable to use these statements in the final measurement scale and hence had to be deleted.

8. Regression Analysis

This study aims to understand the relationship between store image (store characteristics) and satisfaction Considering this context, the regression analysis is the most appropriate statistical analysis. Regression analysis is used to explore the relationship between one continuous dependent variable and one or more number of independent variables or predictors (usually continuous). In fact, all the study variables were measured with continuous data.

To test this relationship, multivariate regression analysis is appropriate as it contains only one continuous dependent variable (store satisfaction) and seven continuous predictor (store characteristics/image). The average score of all these variables were computed and entered in SPSS 16.0. Enter method was used to analyze the relationship between variables. In regression, the first step is to test the model-fit i.e. how well the data fits with the model (relationships) proposed. **Table 3** indicates that the results of model fit statistics. It was found that the model is fit (F=243.567, p<0.05).

Table 3: Model fit statistics for store satisfaction taking store image as predictor

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	279.243	7	39.892	243.567	0.000*
	Residual	261.560	1597	0.164	
Total	540.803	1604			

Note:*p<0.05 level

The next aspect is the model's explanatory power. This value will tell you how much variance in the dependent variable is explained by independent variables. **Table 4** indicated that store image explains 51.6 per cent of variation in store satisfaction (R^2=0.516). Hence after, it is important to know the contribution of independent variable in the model.

Table 4: Model Summaryfor store satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.719	0.516	0.514	0.40470

Table 5: Coefficients for store satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.623	0.087		7.150	0.000
Store appeal and convenience	0.030	0.022	0.034	1.412	0.158
Behavior and attitude of staff	0.108	0.017	0.144	6.323	0.000*
In store services	0.304	0.020	0.341	14.915	0.000*
Store atmosphere or environment or ambience	0.242	0.026	0.219	9.355	0.000*
Product assortment and merchandising	0.044	0.020	0.051	2.236	0.025*
Sales return policy	0.021	0.012	0.034	1.680	0.093
Status and prestige	0.108	0.017	0.128	6.215	0.000*

Note:*p<0.05 level

The relationship between In-store services and store satisfaction was found to be significant and positive (t = 14.915, p<0.05). The weight of this variable is determined **Table 5**.

The relationship between store atmosphere or environment or ambience and store satisfaction was found to be
    Table 5.

The relationship between behavior and attitude of staff and store satisfaction was found to be significant and positive (t
    Table 5.

The relationship status & prestige and store satisfaction was found to be significant and positive (t = 6.215, p<0.05). The
    Table 5.

The relationship between product assortment and merchandising and store satisfaction was found to be
    Table 5.

However, two variables namely, Store appeal and convenience and Sales return policy found to be insignificant. Hence, from the above multivariate regression analysis, majority of the store characteristics, except two, have an impact on store satisfaction and thus have positive influence on store satisfaction.

8.1. Test of hypothesis

In order to test the Hypothesis and justify the presumptions, Regression Analysis was majorly used to find out and test the significance of the relationship between the variables in the question. Both Bivariate and Multivariate Regression analysis was employed to test the Hypothesis and conclude the results. Based on Hypothesis, following are the results and implications of the study.

8.2. Store image (Store Characteristics) will have a positive influence on store satisfaction

To test this relationship, multivariate regression analysis was used where all store characteristics were assumed to be predictor while store satisfaction was a dependent variable. The model summary of store satisfaction indicated that store

from standardized regression coefficients (β) which is equal to 0.341. As shown in

significant and positive (t = 9.355, p<0.05). The weight of this variable is determined from the standardized regression coefficients (β) which is equal to 0.219. As shown in

= 6.323, p<0.05). The weight of this variable is determined from standardized regression coefficients (β) which is equal to 0.144. As shown in

weight of this variable is determined from standardized regression coefficients (β) which is equal to 0.128. As shown in

significant and positive (t = 2.236, p<0.05). The weight of this variable is determined from standardized regression coefficients (β) which is equal to 0.051. As shown in

characteristics explains 51.6% of variation in store satisfaction. Further, the store characteristics were divided into 9 categories out of which two categories, namely, Store Promotion and Advertising and Stores Self owned brands are not taken into consideration as they do not explain even 50% of the Store image or simply, their preference does not constitute the overall store image. While the other seven categories were analyzed to know their impact on store satisfaction. Among these, the highest influencing variable is 'In-store services' with the maximum regression coefficient (β) = 0.341. Next in the line is 'Store atmosphere or environment or ambience' with (β) = 0.219, 'Behavior and Attitude of Staff' with (β) = 0.144, 'Status and Prestige' with (β) = 0.128 and 'Product Assortment and Merchandising' with (β) = 0.051. Two variables namely, 'Store Appeal and Convenience' (P (0.05) > Sig. (0.158)) and 'Sales return policy' (P (0.05) > Sig. (0.093)) were found insignificant. Thus, out of seven, five variables were found to be positive and significant which confirms Hypothesis (H1) i.e. Store Characteristics have a positive influence on Store satisfaction.

        However, the manager of the store should deliberate/think before putting *store promotion and advertising* and *stores self-owned brands* as they do not

constitute or contribute enough to build a store image. Further, 'In-store services' and 'Store atmosphere or environment or ambience' have the maximum impact on store satisfaction and thus should put-in more efforts on improving In-store services and store ambience in order to generate store satisfaction among consumers. In case of 'Store Appeal and Convenience' and 'Sales return policy', which were apparently found insignificant could be due to the fact that the customers are already habituated to these services. These are always expected and thus do not contribute in building store satisfaction.

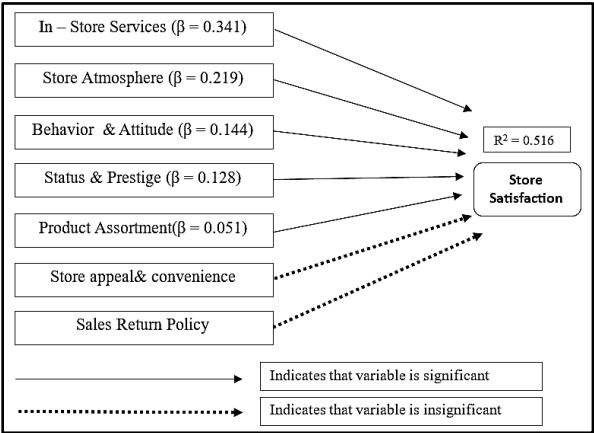H_1 = Store Image (Store Characteristics) will have a positive influence on store satisfaction

	Stores' self-owned brands will have a positive influence on store satisfaction.	
H_{1i}		Rejected

Table 6: Summary of hypotheses test

Hypothesis		Result/Decision
H_1	Store image (Store Characteristics) will have a positive influence on store satisfaction.	Accepted
H_{1a}	Store environment will have a positive influence on store satisfaction.	Accepted
H_{1b}	Store appeal and convenience will have a positive influence on store satisfaction.	Rejected
H_{1c}	Store sales return policy will have a positive influence on store satisfaction.	Rejected
H_{1d}	Store prestige will have a positive influence on store satisfaction.	Accepted
H_{1e}	Stores' product assortment and merchandising will have a positive influence on store satisfaction.	Accepted
H_{1f}	Store employee behaviour will have a positive influence on store satisfaction.	Accepted
H_{1g}	In-store services will have a positive influence on store satisfaction.	Accepted
H_{1h}	Store promotion and advertising will have a positive influence on store satisfaction.	Rejected

9. Conclusion

Based on the review of past studies, it has been known that the retail stores image and store satisfaction have been of utmost importance to most retailers and marketing practitioners. This study is an effort to draw an interrelationship between stores image and store satisfaction. The results of the study have been very positive and interesting and all the main proposed hypotheses tested positive.

Each of the variables are very meticulously structured and conceptualised and the most suitable statistical tools were applied to measure and test the results. A large sample size was selected from across stores in the state so as to achieve the most realistic results.

It can be concluded from the study that there does prevail a strong relationship between store image and store satisfaction and that changed in one would result in a change in another. Hence any marketing practitioner should keep in mind that a positive change in image will bring about positive change in consumer satisfaction and vice versa.

As such this study is a rigorous effort to understand the depths of consumer behaviours pertaining to the organised retail outlets. This study provides valuable insights for marketing practitioners and policymakers in the retail sector and intends to form a strong platform for future research.

10. Source of Funding

None.

11. Conflict of Interest

None.

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