



# Building store brands using store image differentiation

Amit Saraswat and Toby Mammen  
*ICFAI Business School, Ahmedabad, India*

Jayesh P. Aagja  
*Institute of Management, Nirma University, Ahmedabad, India, and*

Ruchi Tewari  
*ICFAI Business School, Ahmedabad, India*

## Abstract

**Purpose** – The opening up of the Indian retail sector has seen a proliferation of the corporate players through different retail formats and stores – the majority being in the food and groceries. This necessitates creating, building, and managing differentiated retail store brands, and image differentiation, to attract and retain shoppers. This research paper attempts to understand whether the Indian consumers differentiate the various store brands and images based on their experiences.

**Design/methodology/approach** – The study was conducted in two stages – list of parameters of evaluation of retail store image (developed from the literature), discussed with middle-level managers from the retail sector to finalize parameters relevant for store image measurement in the Indian context and a questionnaire evolved for primary data collection, administered to 326 SEC A and B respondents (shoppers of food and grocery from modern retail stores). To assess the store image dimensions perceived by these shoppers, factor analysis was employed and for understanding various store image attributes used for differentiation of store brands one-way analysis of variance was employed.

**Findings** – Results reflect that Indian shoppers have started identifying the dimensions of retail store image and are differentiating the various stores on the basis of functional attributes. Eventually, the stores would have to create differentiation based on psychological attributes.

**Research limitations/implications** – The paper is limited to the organised modern food and grocery retail stores of Ahmedabad city.

**Originality/value** – The paper can be helpful to Indian retail store chains to focus on elements to create a differentiated store image.

**Keywords** Stores, Brand image, Retailing, India

**Paper type** Research paper

## Introduction

With the opening up of the Indian economy and consequent growth rate above 6 per cent for over a decade and half, several sectors have emerged as opportunities for growth. Modern retail is one such opportunity.

The retail sector in India is witnessing unprecedented growth. Rising income levels, shifting lifestyles, favorable demographics, and changing aspirations of the burgeoning middle class have unleashed a retail revolution in the country. Fresh retail geographies are emerging, innovative formats are being introduced and retailers are tapping new customer segments with prolific product offerings.

A.T. Kearney, a global consulting firm, tracks the global and Indian retail markets closely and brings out a report on “emerging opportunities for global retailers” which has the annual A.T. Kearney Global Retail Development Index™. This index identifies



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the “windows of opportunity” to invest in organized retail in developing markets. According to Kearney’s (2008) report, “emerging opportunities for global retailers”, the overall Indian retail market in 2008 was valued at US\$511 billion and is projected to grow to US\$833 billion in the next five years. The modern organised retail sector is expected to grow at a compounded annual growth rate of 40 per cent to US\$107 billion by 2013 from a current base of US\$20 billion which is < 5 per cent of the total retail market. A multitude of international brands and retailers have either already established themselves in the market or are aggressively securing a presence through joint ventures, franchisee and other arrangements.

The choices are broad and the bandwidth of an average consumer has grown exponentially both in terms of the places to shop and the choice of brands. Another aspect of the current state of Modern Indian Retail is that it is attracting leading corporate players and thus competition will be severe in the near future. This will necessitate development of differentiated retail brands and managing store image differentiation to attract and retain the Indian shopper who is exploring options and trying varied choices.

With consumers having broad choice in terms of outlets and products, and the actual product offered being generally comparable amongst the retailers, store image may emerge as a key determining factor in the decision to choose one retailer over another.

Shoppers often like to shop from familiar places and thus familiarity becomes a basis for customer loyalty (Schroeder, 2007). For retailers, the premise, “familiarity leads to customer loyalty” becomes a ground to compete over and for which they use a large portion of their budgets on advertising – name and logo recognition – or on cheap prices rather than competitive prices.

Unfortunately, these approaches have severe limitations in building a great reputation for customer service. It may take years to be recognized through one’s logo and name and the efforts may not remain a differentiator for long.

With the realization that brands are one of the most valuable intangible assets, and given the highly competitive nature of the retailing industry, branding has become an important tool for retailers to influence customer perceptions and drive store choice and loyalty (Ailawadi and Keller, 2004).

An Indian retailer can build a good reputation of the store, and create a differentiated store image and identity in clear and actionable terms that makes it into a recognizable brand. This approach to brand building calls for a consistency in the store image. The store should try to use service and merchandise, such that the consumers associate the store with a distinct shopping experience.

The Indian retail sector which is in a nascent stage should make an interesting study to understand whether consumers are able to distinguish and respond to store image differentiation.

### **Literature review**

Image is a commonly used term but attains unique meanings when applied to the genre of marketing, as it can be conceptualized from both the production and consumption perspectives. What remains common between these two varied ends is the perception of “reality” upon which both the markets and the consumers operate. The perceptions are derived from the personal experiences of the consumer ends and the reference points

from the markets end and these two are synergized in the meanings which the consumers attach to various relationships with a brand. Therefore, image is a subjective, personal, and consumer-centric concept. When applied to marketing and more specifically to retailing, the notion of image begins to get translated into store image.

*What is store image?*

The symbolic, experiential expression of the manner in which consumers “see” or “visualize” a store is store image. Various researchers have given different definitions of store image and a few established ones are mentioned in Table I.

Different researchers have focused upon varying attributes of store image and indicate the factors which affect it fall into two broad categories – utility and the impression oriented made. The former has been understood as the “functional” quality (Martineau, 1958; Lindquist, 1974), and “tangible aspect” (Barr and Field, 1997), while the latter as the “psychological” (Martineau, 1958; Lindquist, 1974) and the “intangible aspect” (Barr and Field, 1997).

The utility, functional, or tangible aspect refers to the factual or physical store functions such as merchandise assortment, price range, store layout, or any other possible qualities while the impression oriented, psychological or intangible aspect refers to intangible feelings (consumers’ experience on being exposed to the store) that a store delivers to its consumers, such as sense of belonging, feeling of excitement or feeling of warmth and friendliness. However, owing to the interpretative nature of image, this distinction is often seen as artificial and misleading.

*Dimensions of store image*

A fundamental understanding of store image leads one to understand the impact store image may have upon the business operations. Once the customers experience and

Martineau (1958)	“[...] the way in which the store is defined in the shopper’s mind partly by the functional qualities and partly by an aura of psychological attributes”
Kunkel and Berry (1968)	“[...] discriminative stimuli for an action’s expected reinforcement. Specifically, retail store image is the total store image is the total conceptualized or expected reinforcement that a person associates with shopping at a particular store” and “[...] an image is acquired through experience and is thus learned”
Barr and Field (1997)	“[...] multi-sensory, multidimensional and subject to fading without reinforcement”
Oxenfeld (1974)	“[...] more than the sum of its parts [...], it represents interaction among characteristics and includes extraneous elements [...], it has some emotional content [...] a combination of factual and emotional material”
Aron (1960)	“[...] a complex of meanings and relationships serving to characterize the store for people”
James <i>et al.</i> (1976)	“[...] a set of attitudes based upon evaluation of those store attributes deemed important by consumers”
Engel <i>et al.</i> (1986)	“[...] one type of attitude, measured across a number of dimensions hopefully reflecting salient attributes”
Steenkamp and Wedel (1991)	“[...] the overall attitude towards the store, an attitude which is based on the perceptions of relevant store attributes”

**Table I.**  
Definitions of store image

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internalize the image, there is a clear reason to understand that once they are likely to feel comfortable, they will begin to accept the store which is in tune with their lifestyle, patronize the items that reflect their taste and requirements of what they wish to eat, wear, give to others, and furnish their homes with. Therefore, store image provides value-added benefits to the shoppers. There is a lot of literature available on identifying the elements of store image. The four prime categories are layout and architecture; symbols and color; advertising; and sales personnel (Barr and Field, 1997). There is another set of nine categories (merchandise, service, clientele, physical facilities, convenience, promotion, store atmosphere, institutional factors, and post-transactional satisfaction), which were themselves made up from a range of attributes (Lindquist, 1974), and finally with the efforts of Hansen and Deutscher (1977), Zimmer and Golden (1988) and McGoldrick (2002), a summary of 18 “general areas” comprising 90 “specific elements” used in previous image and brand identity studies were evolved. The elements of store image therefore are a combination of the functional and the psychological attributes and the interplay between the two creates the “identity prism” (Kapferer, 1986). So, a holistic construct of store image is a result of the meanings attached by customers to the functional and the psychological elements, based upon their selective knowledge and past experiences (Hirschman, 1981; Mazursky and Jacoby, 1986).

A positive store image has been identified as a key determinant of economic success (Jacoby and Mazursky, 1984; Hildebrandt, 1988), store choice (Doyle and Fenwick, 1974; Schiffman *et al.*, 1977; Burns, 1992) and store loyalty (Mazursky and Jacoby, 1986; Osman, 1993). Martineau (1958) considered store image a source of competitive differentiation. So, customer experience is the key to customer satisfaction and the foundation to store differentiation, resulting in the creation of a brand.

### *Store image and branding*

While image is a well-established concept in retail marketing academic literature, a more “tangible” and closely related concept is the retail brand. Retail brands, like retail images, are multidimensional, incorporating aspects of products and services. They are also multi-sensory based on the shopper’s own real-life experience which might be pleasant or horrible, frustrating or fun, and again, like images, they are subject to fading without reinforcements. The symbolic, experiential dimensions of brand image lead to questions of how consumers “see” or “visualize” a brand, or how they picture the brand.

The way in which a brand is perceived is very much based on individual feelings, expectations, preferences and experience. This means that different groups of customers place different importance on various store image dimensions. Thus, a retailer must choose to emphasize one or several store image dimensions at the store, and this emphasis should be based on the importance and preferred dimensions that are desired by its target customers.

Branding is applicable to retailers (Alexander and Colgate, 2005; Burt and Sparks, 2002; Davies, 1992; Dennis *et al.*, 2002; Wileman and Jary, 1997). It is an important driver in the retailing industry to influence customer perceptions and store choice and loyalty particularly because of the highly competitive nature of the industry. A widely acknowledged definition of a brand defines it as “a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need” (Ailawadi and Keller, 2004). A retailer’s stores can be considered to be their “products” (Zentes *et al.*, 2008). A retail brand is, then, a group of the retailer’s

outlets which carry a unique name, symbol, logo or combination thereof. It identifies the goods and services of a retailer and differentiates them from those of competitors (Ailawadi and Keller, 2004).

Thus, the first step in retail branding is to achieve differentiation of the store based on the differentiated store image. No differentiation in store image would mean that branding the store may be difficult.

*Store image measurement*

Attempts at measuring retail store images find ground in attribute measurement and various methodological approaches have been employed and studied by different researchers. A review of literature shows that majority of approaches to the measurement of store image was dependent on the researcher's definition of store image as well his/her conception of what specific store dimensions composed store image (Oh, 1999).

Store image measurement approaches can be generally grouped into unstructured and structured methods, an understanding of which is detailed in Table II.

Berry (1969) identified 12 components of department store image. Different combinations of some of these 12 components were thought to be crucial to the image of a given department store. The 12 components are listed in Table III.

Hirschman *et al.* (1978) state that ten store attributes are representative and pertinent for store image. Hirschman's store attributes are as follows:

- (1) sales clerk service;
- (2) location of the store;
- (3) merchandise pricing;
- (4) credit or billing policies;
- (5) layout and atmosphere;

Technique	Researchers
<i>Structured techniques</i>	
Semantic differential	Kelly and Stephenson (1967), Hirschman <i>et al.</i> (1978), Menezes and Elbert (1979), Golden <i>et al.</i> (1987), and Wong and Tees (2001)
Multidimensional scaling	Doyle and Fenwick (1974), Jain and Etgar (1976), and Davies (1987)
Conjoint and cluster analysis	Amirani and Gates (1993)
Multi-attribute modelling	James <i>et al.</i> (1976)
<i>Multivariate analytical approaches</i>	
Factor analysis	Nevin and Houston (1980) and Morgan (1993)
Multiple regression analysis	Nevin and Houston (1980) and Howell and Rogers (1983)
Multiple discriminant analysis	Ring (1979)
Joint space analysis	Pessemier (1980)
Brand-anchored conjoint approach	Louviere and Johnson (1990)
<i>Unstructured techniques</i>	
Content analysis	Zimmer and Golden (1988)
Word association	Dickson and Albaum (1977)
Open-ended questioning	James <i>et al.</i> (1976) and McDougall and Fry (1974-1975)

**Table II.**  
Store image measurement techniques

**Sources:** Adapted from Amirani and Gates (1993) and Oh (1999)

Identified store image component	Identified subcomponent
1. Price of merchandise	a. Low prices b. Fair or competitive prices c. High or noncompetitive prices d. Values, except with specific regard to premiums, such as stamps, or quality of merchandise
2. Quality of merchandise	a. Good or poor quality of merchandise b. Good or poor department(s), except with respect to assortment, fashion, etc. c. Stock brand names
3. Assortment of merchandise	a. Breadth of merchandise b. Depth of merchandise c. Carries a brand I like
4. Fashion of merchandise	a. Attitude of sales personnel b. Knowledgability of sales personnel c. Number of sales personnel d. Good or poor service
5. Sales personnel	a. Location from home b. Location from work c. Access d. Good or poor location without reference to home or work
6. Locational convenience	a. Parking b. Hours store is open c. Convenience with regard to other stores d. Store layout with respect to convenience e. Convenience (in general)
7. Other convenience factors	a. Credit b. Delivery c. Restaurant facilities d. Other services (gift consultants, layaway plans, baby strollers, escalators, etc.)
8. Services	a. Special sales, including quality or assortment of sales merchandise b. Stamps and other premiums c. Fashion shows and other special events
9. Sales promotions	a. Style and quality of advertising b. Media and vehicles used c. Reliability of advertising
10. Advertising	a. Layout of store without respect to convenience b. External and internal decor of the store c. Merchandise display d. Customer type e. Congestion f. Good for gifts, except with respect to quality, assortment or fashion of merchandise g. "Prestige" store
11. Store atmosphere	a. Returns b. Exchanges c. Reputation for fairness
12. Reputation on adjustments	

**Table III.**  
Twelve components of  
department store image

- (6) quality of merchandise;
- (7) variety/assortment of merchandise;
- (8) merchandise display;
- (9) guarantee, exchange and adjustment policies; and
- (10) real savings represented in sales.

To conduct the final survey with shoppers of organized retail grocery stores in Ahmedabad, a semi-structured questionnaire was prepared for expert interviews using the dimensions of store image as specified by Berry (1969) and Hirschman *et al.* (1978). Of the various techniques available, semantic differential scale is most frequently used for image measurement as it has a few distinct advantages – ease of administration, a minimum level of literacy, ease of coding and analyzing responses, the treatment of data as intervals and high reliability (Oh, 1999). Specific attributes representing “parts of image” are studied using semantic differential scales.

### **Research objectives**

As the major purpose of the study was to ascertain whether the Indian consumers differentiate the various store brands and images based on their experiences, the research study conducted in Ahmedabad had the following objectives:

- (1) to assess the dimensions used by shoppers for perceiving the organized retail store image; and
- (2) to discern the basis of differentiating images of various organized retail stores.

Retail store image is a construct which is constituted by sub-constructs (Berry, 1969; Hirschman *et al.*, 1978). For assessing the dimensions or sub-constructs which shoppers adopt for forming image pertaining to modern organized retail stores, it was decided to use factor analysis. Further, as discerned in literature review, modern retail store image consists of functional and psychological aspects/basis. An attempt has been made to assess which of the functional and psychological bases are relevant in differentiating images of modern organized retail stores for shoppers in the Indian context.

The hypotheses for our study are as follows:

- H1.* Shoppers do not differentiate retail stores on functional benefits.
- H2.* Shoppers do not differentiate retail stores on psychological benefits.

### **Methodology**

#### *Exploratory research*

Exploratory research was done in two phases. In Phase 1, based on a review of the literature on store image, items and dimensions measuring store image were collated. In Phase 2, a semi-structured questionnaire was prepared for interviews with experts – middle-level managers of the organized retail outlets in Ahmedabad.

Based on the deliberations and the literature review, final parameters of the store image were zeroed down upon and a questionnaire was constructed. The store image parameters were put on a semantic differential scale with bi-polar adjectives. All were measured on a scale of 1 to 7 (Table IV).

No.	Statement	Statement no.	Factor loading	Eigen value	Percentage of variance explained	Reliability alpha
<i>A Customers presence</i>						
1	Quiet-noisy	S1	0.77	1.56	7.81	0.67
2	Less crowded-over crowded	S3	0.80			
<i>B Store staff related</i>						
1	Appropriately dressed staff inappropriately dressed staff	S4	0.66	2.87	14.37	0.85
2	Polite staff-impolite staff	S5	0.79			
3	Friendly staff-unfriendly staff	S6	0.84			
4	Competent staff-incompetent staff	S7	0.79			
<i>C Customer convenience related</i>						
1	Store at walking distance-store located at a far distance	S10	0.71	2.06	10.29	0.66
2	Availability of fresh fruits and vegetables- non-availability of FFV	S11	0.66			
3	High quality of food and grocery-low quality of food	S12	0.63			
4	Free parking-paid parking	S13	0.57			
<i>D Store ambience</i>						
1	Well lit-dull	S2	0.67	2.34	11.70	0.70
2	Enough parking space-less parking space	S8	0.45			
3	Clean store-dirty store	S17	0.73			
4	Spacious store-small store	S18	0.75			
<i>E Service related</i>						
1	Short waiting time for billing-long waiting time	S15	0.82	2.23	11.14	0.79
2	Prompt service in store-slow service in store	S16	0.70			
3	Fast billing and check out-late billing and check out	S19	0.76			
<i>F Sensory appeal</i>						
1	Wide variety of fruits and vegetables-less variety of fruits and vegetables	S20	0.55	2.10	10.50	0.72
2	Appealing color scheme-unappealing color scheme	S21	0.77			
3	Good fragrance-bad fragrance	S22	0.76			

**Table IV.**  
Final factor  
loading pattern

### *Data collection and sampling*

Using the structured questionnaire, investigators used the personal interview mode to collect data between January and March 2008 from 364 respondents. Using convenience sampling, the respondents were selected on the basis of having regularly shopped for at least one year for food and grocery from various supermarkets and hypermarkets in Ahmedabad city. These shoppers were asked to indicate their most preferred modern organized retail outlet. They were then required to provide responses on the store image scale items for their most preferred organized retail outlet. In total, 14 major modern organized retail outlets were indicated by shoppers as their most preferred outlet, of which only six (namely Reliance Fresh, More, Big Bazaar, Star India Bazaar, Reliance Mart, and D-Mart) were preferred by substantial numbers of shoppers. These respondents were from socio-economic classification A and B[1] and were well spread



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across the length and breadth of Ahmedabad city. This ensured a diversity of respondents. Of the 364 respondents approached, after initial screening, 296 usable questionnaires were finally obtained and used for data analysis.

### Data analysis and results

Once the data were coded, validated, and cleaned, analysis was undertaken using both SPSS and SAS 9.2. After basic statistics like mean and standard deviation were computed, factor analysis was undertaken to condense the 22 scale items into the six first-order store image dimensions. On examining the data, Statement 9 namely timely home delivery contained very high-missing values (more than 10 per cent) due to a lack of response probably as none of the retail stores provided home delivery service and Statement 9 was hence dropped from further analysis.

To check whether the data were amenable to factor analysis, Bartlett's test of Sphericity and Kaiser-Meyer-Olkin (KMO) Measure of sampling adequacy (MSA) was done. As per Hair *et al.* (2006), KMO MSA is a stronger test of appropriateness of a correlation matrix for factor analysis. The KMO MSA value was 0.863 implying that the datasets were appropriate. The KMO MSA for each individual variable was also above 0.50 thereby all the variables were included in the factor analysis routine. Bartlett's  $\chi^2$ -value of the dataset was 2,381.000 with  $df = 190$  ( $p = 0$ ) also implying that factor analysis could be performed on this dataset.

Factor analysis was performed on the remaining 21 variables of the store image scale using principal component analysis and Varimax with Kaiser Normalisation rotation method. The factor extraction was done for Eigen values greater than one.

With the remaining 21 factors, after the first run of factor analysis, Statement 14 (effective discounts/promotional schemes) was removed since most factors cross loaded on this statement. Looking at the data, it became evident that respondents perceive all stores similarly in their offerings of discounts and schemes. The factor analysis was rerun with the remaining 20 variables resulting in six factors accounting for 65.8 per cent of the variability. Except for statement S8 (enough parking space – less parking space), the communalities of each scale item are all  $> 0.5$ .

Statements S4 (appropriately – inappropriately dressed staff), S7 (competent – incompetent staff), S5 (polite – impolite staff), S6 (friendly – unfriendly staff) load onto one factor which was named as store staff related, since all these are related to store staff. On the other hand, statements S18 (spacious store – small store), S17 (clean – dirty store), S2 (well lit – dull), and S8 (enough parking space – less parking space) are linked into factor 2 termed as Store Ambience.

Similarly, looking to the factor loadings, the other four factors can be named as service related, customer convenience related, misc items and customer presence.

Factor F, namely sensory appeal, contains an item – wide variety of fruits and vegetables. The reason for getting these items in a single factor is that some customers have responded to “appealing colour scheme”, keeping the colour scheme of the store in mind while others have responded to the colour scheme of the merchandise. For this reason, fragrance, color scheme and wide variety of fruits which also adds to the fragrance and the colour scheme has been confused.

These factors can be categorized as functional or psychological. Functional factors provide functional/tangible benefits like free parking, convenient location, fast billing, and related aspects to the shoppers. Psychological factors provide psychological benefits like sensory appeal to the shoppers.

After finding out store image factors, the second stage of analysis focused on identifying store image attributes used by the shoppers to differentiate various modern organized retail stores. One-way analysis of variance (ANOVA) was used for this analysis using most preferred retail outlet of each individual respondent as the dependent variable. This variable refers to retail outlet most preferred by the respondent and hence patronized in the past year. Six different retail outlets were being patronized by the respondents. The independent variables were the 21 store image attributes.

The results of ANOVA are as follows (Table V).

Except five items, all the other items were statistically insignificant at a 0.05 level of significance. The five items which were statistically significant are given in Table VI.

Table VI gives us a comparative view of statistically significant statements with dimensions accepted in past studies undertaken by different researchers on organized retail stores. These statements relate to functional benefits. None of the psychological benefits features in Table VI.

We conclude that:

- H1.* Shoppers do not differentiate retail stores on functional benefits is rejected.  
*H2.* Shoppers do not differentiate retail stores on psychological benefits is accepted.

Statements	Type	Sum of squares	df	Mean square	F	Sig.
Quiet-noisy	Functional	39.469	5	7.894	4.644	0.000
Well lit-dull	Functional	4.227	5	0.845	0.790	0.557
Less crowded-over crowded	Functional	35.779	5	7.156	4.012	0.002
Appropriately dressed staff-inappropriately dressed staff	Functional	6.300	5	1.260	0.923	0.466
Polite staff-impolite staff	Functional	1.456	5	0.291	0.231	0.949
Friendly staff-unfriendly staff	Functional	3.555	5	0.711	0.559	0.732
Competent staff-incompetent staff	Functional	4.628	5	0.926	0.676	0.642
Enough parking space-less parking space	Functional	25.682	5	5.136	2.655	0.023
Store at walking distance-store located at a far distance	Functional	23.307	5	4.661	2.296	0.045
Availability of fresh fruits and vegetables-non-availability of fresh fruits and vegetables	Functional	6.747	5	1.349	0.826	0.532
High quality of food and grocery-low quality of food	Functional	0.305	5	0.061	0.054	0.998
Free parking-paid parking	Functional	2.916	5	0.583	0.368	0.871
Short waiting time for billing-long waiting time	Functional	4.888	5	0.978	0.737	0.597
Prompt service in store-slow service in store	Functional	15.388	5	3.078	1.680	0.139
Clean store-dirty store	Functional	2.073	5	0.415	0.281	0.923
Spacious store-small store	Functional	3.359	5	0.672	0.480	0.791
Fast billing and check out-late billing and check out	Functional	18.183	5	3.637	2.338	0.052
Wide variety of fruits and vegetables-less variety of fruits and vegetables	Functional	27.799	5	5.560	2.496	0.031
Appealing color scheme-unappealing color scheme	Psychological	5.249	5	1.050	0.692	0.630
Good fragrance-bad fragrance	Psychological	1.773	5	0.355	0.261	0.934
		0.875	5	0.175	0.109	0.990

**Table V.**  
ANOVA results of store image attributes and shopper groups

**Discussion and implications**

Modern organized retail stores in India are competing based on providing a good value proposition to Indian shoppers. They are currently following the strategy of using a large portion of their budgets on advertising – either on name and logo recognition or on cheap prices rather than competitive prices. It has resulted in price-based competition to attract shoppers.

This is also corroborated by the fact that most of the factors in the study cross-loaded onto Statement 14 (effective discounts/promotional schemes) which implies that respondents perceive all stores similarly in their offerings of discounts and schemes.

Another strategy of making competition less relevant is to position one’s retail mall on a non-price plank. One such plank that can be adopted by modern, organized retail stores could be providing a superior shopping experience using service and merchandise and other functional and psychological store image attributes to shoppers thereby creating a distinct store image. By creating a differentiated store image and maintaining it consistently would over time make it into a recognizable brand.

The present research is aimed at understanding store image differentiation in the organized food and grocery retail context in India. For this, interviews with middle-level executives of modern organized retail stores were undertaken to assess whether the items of the store image scale developed in the west were capturing the store image construct in the Indian context.

Based on factor analysis, we deduced six factors with an eigen value > 1. They are store-staff related, store ambience, service related, customer convenience related, sensory appeal and number of customers present at a time.

The present state of retail image construct consists of dimensions like store staff related, store ambience, service related, customer convenience related, sensory appeal, and customer presence. We further examined them for statistical significance for differentiating organized store image using ANOVA.

The results of factor analysis and ANOVA highlight a potentially interesting scenario. The study reveals that customers have started identifying the dimensions of retail store image. However, the results of ANOVA indicate that, currently, the customers are not able to differentiate the various stores on the basis of psychological aspects of store image. They are able to discriminate among different stores based on functional and tangible aspects like quiet or noisy store, overcrowded or less overcrowded store, parking space, store at a walking distance or at a far-off distance, and fast billing and checkout. This finding is consistent with dimensions like locational convenience and other

	Significant statements		Existing literature
S1	Quiet	Noisy	
S3	Less crowded	Over crowded	Berry’s (1969) “congestion” of store atmosphere dimension
S8	Enough parking space	Less parking space	Berry (1969) “parking facility” of “other convenience factors”
S10	Store at walking distance	Far located	Berry (1969) “location from home or work”
S19	Fast billing and check out	Late billing and check out	Hirschman <i>et al.</i> (1978) “sales clerk service”

**Table VI.**  
Store image differences:  
significant items

convenience factors deduced for retail organized store image in a study by Berry (1969) and attributes like sales clerk service, location of a store and layout, and atmosphere found in a study by Hirschman *et al.* (1978). The absence of psychological aspects/dimensions in forming retail organized store image may be as modern organized food and grocery retail is still in a nascent stage in India. It may also be due to the large number of functional aspects which were included in the survey based on extant literature and expert opinion, thus potentially underplaying the role of psychological aspects.

These results indicate that the modern organized food and grocery retail chains are differentiating themselves by functional/tangible factors like parking space, proximity of the store, and noise levels. At this nascent stage of modern-organized retail evolution in India, functional differentiation may be the key influencer of customers' store image formation and possibly selection decision.

But eventually, retailers should start directing efforts towards differentiating their store based on psychological aspects which will lead to distinct brand positions. If the differentiation in psychological aspects of store image does develop, strong store brands may develop and customers will visit stores not just driven by their whims and fancies or due to promotions, nearness or just some experience, but due to strong identification which they perceive with a particular modern organized retail store brand.

As per Martineau (1958):

The shopping situation must therefore include many things not directly associated with specific items but closely connected with various patterns of consumer behavior. As the shopper fits the stores into her planning, she manipulates store images in her mind – not images of this counter or that department but impressions or pictures of entire stores. In large part, where she goes and what she buys depends on the subjective attributes that are part of the store images – atmosphere, status, personnel, other customers. Consciously or unconsciously, they sway her expectation and direct her steps.

Discussions with retail experts from industry and academia further added might to our findings as they agreed with the conclusions.

### Future research directions

Since the study has been an initial effort, further work is required to identify other dimension factors affecting the store image of modern-organized retail food and grocery stores in the Indian context. There is a need to include more items on merchandise and pricing. Other retail segments like apparel, pharmacy, jewellery, etc. also need to be studied to understand factors affecting store image differentiation. Studies could also be undertaken in other service sectors like banking, telecom, insurance, internet, fast food, etc. to assess store image differentiation in the Indian context. Similarly, studies could be carried out to related constructs like service loyalty and service quality with store image. The present study has been carried out in one city in Gujarat state. Similar replication studies should be done in other major cities of India before findings could be generalized for the entire country. Future research could focus on segmenting and profiling the respondents based on psychographics.

### Note

1. SEC A and B: Socio-Economic Class of a respondent is determined based on occupation and education of the chief wage earner (one who contributes maximum to the family's income) of the respondent's family. The Indian urban market is segmented into SEC A to E.

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#### About the authors

Amit Saraswat an alumnus of IIT Roorkee, has over 14 years of experience, of which the past three being in academics. He has over five publications to his credit in various international and national journals and an authorship of an edited book on ERP. He currently teaches marketing management, services marketing, and decision science courses at IBS Ahmedabad. His research interests are in the area of services marketing. Amit Saraswat is the corresponding author and can be contacted at: [saraswatamit@yahoo.com](mailto:saraswatamit@yahoo.com)

Toby Mammen has over 20 years of experience, of which the past five years has been in management education at the postgraduate level, the remaining in various industries in different capacities. He currently teaches marketing management, business research methods and market research at IBS Ahmedabad. His research interests are in the area of brand management, choice research, image research, customer satisfaction and services marketing.

Jayesh P. Aagja is an Assistant Professor with the Institute of Management, Nirma University, Ahmedabad. He has over 11 years of academic experience at postgraduate level of teaching management courses. He has a doctorate in management. He has presented research papers in national and international conferences. His areas of research interests are service quality, services marketing, and consumer behavior.

Ruchi Tewari is a full time faculty with IBS, Ahmedabad, with over 12 years teaching experience handling business communication, soft skills, and business ethics and corporate governance for postgraduate management students. She is a doctoral student pursuing PhD in the area of communication post an MPhil in English literature. She has participated in various international conferences and workshops with publications in several academic journals, edited books, and magazines.