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Retailer self-perceived store image and competitive position

Harmen Oppewal and Harry Timmermans

Abstract

Store image has traditionally been studied from the perspective of the consumer. However, it is the way in which retailers perceive the image of their own store that determines how they will act to improve their store for the customer. This study is aimed at exploring the nature of retailers' perception of their own store image and, given some methodological problems related to previous research, developing a task to measure self-perceived store image in terms of competitive advantage. A task is developed in which retailers rank 17 store attribute positions to indicate what they think are their major competitive advantages. The paper reports results from an application involving 183 retailers in a European town. The research findings indicate that on average retailers consider service as the dimension on which they most positively distinguish themselves from competitors; price and promotion are considered least distinguishing. Empirical evidence further suggests six dimensions (price, location, store interior, selection, service and product quality) to underlie retailer self-perceived store image and three self-perceived image types: one based on product quality advantages, one on price and one on accessibility. No relation is found between these types and selected retailer background variables. Finally, the data suggest only few systematic image changes over time.

Keywords

Store image, competitive position, retail mix, retailer behaviour.

Introduction

Store image is an important factor in two types of decisions relevant to developments in retail markets: consumer decisions where and when to shop and retailer decisions when, where and how to operate their stores.

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Consumer store image is important because consumer decisions where to shop depend on their perceptions of the available shopping alternatives. So, not surprisingly, there is a large literature on how to measure images of competing stores, which factors or dimensions constitute consumer store image, and the role of store image factors in consumer choice of shopping destination (for reviews, see Lindquist 1974; Mazursky and Jacoby 1986; McGoldrick 1990, pp. 123–138; Louviere and Johnson 1991; Keaveney and Hunt 1992; Timmermans 1993).

Retailer store image is important because it is a factor determining retailer strategic behaviour. Retailers try to position their stores such that a defendable and sustainable market position is obtained that fits their firms' larger goals and strategies. This strategic process involves the necessary actions being taken to resolve discrepancies between the stores' desired and achieved position on each of the retail mix variables (e.g., Arnold *et al.* 1983).

Little is known however about how retailers perceive their own achieved competitive position. Strategic management textbooks advise that retailers frequently assess how consumers perceive their own store relative to competing stores. It has been observed, however, that systematic measuring and monitoring of consumer store image is not a regular practice among retailers (e.g., Arnold *et al.* 1983). It has also been found that retailer perceptions of store image may differ in systematic ways from the consumer's store image. McClure and Ryan (1968), for example, found that retailer perceptions of brand images of electrical appliances are different from consumers' perceptions. In a study of four department stores (Pathak, Crissy and Sweitzer 1974), it was found that store managers overrated their stores on all store image dimensions that were used in the study (merchandising suitability, sales personnel, store congeniality and locational convenience).

To attain a better understanding of retailer strategic behaviour, it is therefore relevant to study retailer self-perceived store image and competitive position. This study aims to contribute to this area of research by exploring the structure of retailer self-perceived store image and developing a method to measure self-perceived image and competitive advantage. We wish to know how retailers perceive their own store's image and competitive advantage. In particular, we wish to know what the major differences among retailers are with respect to self-perceived image and image related strategies, what the major dimensions and types of self-perceive image are, and how retailer images change over time. To answer these questions, we develop a new but simple approach to measuring retailer image and competitive advantage. This approach is explained in the second section; the third section describes the design of our study and the fourth presents the analyses and results. The final section is a conclusion and discussion section.

Research approach

The study of retailer behaviour is hampered by the typical reluctance of retailers to participate in research and, in particular, to provide data on sales and competitive position. To avoid non-response and other potential biases, measurement procedures should be minimally threatening to retailers, involve a minimal task load and preferably by their nature motivate retailers to complete the task. To meet these demands, we developed a task that bears some resemblance to the approach that was used by Fiorito and Laforge (1986) to measure integrated marketing strategies. They asked 64 small apparel retailers in the US ten questions to measure marketing strategy in terms of achieved competitive position. The ten questions are displayed in Table 1. In five of these questions, the retailer had to compare their own store to competing stores on a five-point scale, for example, with respect to convenience of location or merchandise quality. The other five questions involved absolute measures of strategy elements such as size of floorspace, mark-up percentage and number of services offered. Based on their responses to these questions, three strategic clusters were obtained.

Despite its advantage of measuring the total strategic profile, the method used by Fiorito and Laforge to measure integrated marketing strategies has some limitations. First, the elements are measured in incomparable ways. Some are subject-based, direct measures of perceived competitive advantage, others are researcher-based and only indirectly derived. Considering the previously mentioned observation that retailers tend to overrate their own store, this may lead to biased results. A further limitation of the method used by Fiorito and Laforge is that retailers are not forced to make a trade-off between the various strategic elements.

In the present study, we therefore use a modified approach. Retailers have to rank order characteristics that are generally regarded as favourable to a store. In this way, they are forced to trade off the various elements.

Table 1 Strategic elements used in the study by Fiorito and Laforge (1986)

Convenience of store location	5-point scale*
Merchandise quality	5-point scale
Merchandise fashionability	5-point scale
Merchandise assortment	5-point scale
Merchandise variety	5-point scale
Size of store	sq. feet of selling space
Advertising	pct. sales spent on advertising
Personal selling	number of salespeople on floor
Price level	initial mark-up pct.
Services offered	number from list of 8 services

Note

* 1 = much lower, 5 = much higher than competition

Table 2 The 17 store attributes

1	Competitive prices
2	Many promotional activities
3	High service level
4	Advice based on high skills
5	Guaranteed high product quality
6	Pleasant service
7	Attractive and comfortable shop furnishment
8	Attractive window displays
9	Many mailings and advertisements
10	Modern assortment (latest fashions and trends)
11	Broad assortment
12	Specialized assortment (many brands per product category)
13	Exclusive dealer for particular brands
14	Many top-level brands
15	Attractive location relative to other shops and services
16	Good accessibility (w.r.t. parking and public transportation)
17	Attractive atmosphere in immediate store environment

Moreover, elements are expressed in one common metric. The set of characteristics includes the store attributes that are commonly found to be the most important constituents of consumer store image. Also, it reflects the retail mix in terms of the position of its elements and of the total profile of elements. Retailers are asked to express their achieved competitive position by first selecting the characteristics that most positively distinguish their store from their major competitors, and next ordering all characteristics from most to least distinguishing.

More specifically, based on an extensive literature search and a pilot study among members of retail associations, 17 potentially advantageous store characteristics were defined as shown in Table 2. Each of these characteristics was assumed to represent one of the underlying dimensions that often have been identified in consumer-oriented image research: merchandise quality, merchandise pricing, merchandise assortment, general service quality, sales-clerk service, locational convenience and atmosphere or pleasantness of shopping at the store (Mazursky and Jacoby 1986). Store display and promotional activities were added to these dimensions to have a better representation of the total retail mix.

Study design

Sample and study area

The data for the present study were collected in a medium-sized European city as part of a much wider study on the dynamics of retailer-consumer relationships. The present paper is based on only those data that are relevant for the analyses of retailers' self-perceived store images. To

maximize the response rates, initial contact was established with the municipality and retailers' associations in the study area to seek their participation in this study. Most of the associations decided to participate.

A sample of retail outlets was selected from a database of all 1085 stores located in the study area. Because self-perceived store image was assumed to depend on location and type of store as indicated by merchandise being sold, a spatially stratified random sample was drawn. Within each stratum, retailers were sampled until about 20 had participated in the study. As a result of this procedure, a total of 344 retail outlets were approached. Retailers from 203 outlets were willing to participate, 183 provided complete responses to all parts of the survey (usable response rate 53 per cent). The usable response rates within the strata ranged from 38 per cent to 65 per cent.

The stratification was based on a 3×3 design, the factors of which were location relative to the city centre and type of store (merchandise). Location was represented by three categories: city centre core, city centre fringe and neighbourhoods. Likewise, three store types were distinguished: food retailers, clothing and shoe retailers, and other durables. Hence, one third of the sample consisted of retailers located in the most expensive parts of the city centre, one third was located in the less expensive areas of the city centre (centre fringe area) and one third came from areas other than the city centre. The latter group was classified according to the level of the shopping centre in which the store is located in the functional hierarchy of shopping centres. That is to say, a distinction was made between larger or community centres and smaller or neighbourhood centres. Table 3a presents the actual frequency distribution of the sample retailers according to locational type.

Similarly, by design, one third of the sample concerned food retailers, one third clothing and shoes retailers and one third consisted of retailers selling other less frequently purchased goods (durables). Table 3b describes in more detail the breakdown of the sample by type and sub-type of merchandise.

Location and merchandise were the two factors used to stratify the sample. However, the sample can be described also in terms of a series of additional variables, such as store size, type of organization and age of respondent. The majority of the retailers in the sample are small independent retailers: 68.7 per cent are independent and 19.8 per cent are branch stores; the remaining 11.5 per cent participate in a cooperative. The sales floorspace of 74.4 per cent of the retailers is less than 100 m², for 47.2 per cent it is even smaller than 50 m², and only 4.9 per cent have a floorspace larger than 500 m². These differences in size are also reflected in the number of employees: 32.6 per cent have one full-time employee or none; 38.7 per cent have two full-time employees and only 3.3 per cent have nine or more full-time employees. A minority of the retailers (36.3 per

Table 3a Sample size and sampled proportions by locational type and sub-type

	<i>Frequency</i>	<i>Percent</i>	<i>Population totals</i>	<i>Sampled proportion</i>
A: City centre	63	34.4	392	.16
B: City fringe	59	32.2	232	.25
C1: Community centres	27	14.8	106	.25
C2: Neighbourhood centres	34	18.6	355	.10
C: Neighbourhood centres	61	33.3	461	.17
Total	183	100.0	1085	(.17)

Table 3b Sample size and sampled proportions by merchandise type and sub-type

	<i>Frequency</i>	<i>Percent</i>	<i>Population totals</i>	<i>Sampled proportion</i>
D1: Food specialties	39	21.3	254	.15
D2: Grocers	14	7.7	70	.20
D3: Drug stores	9	4.9	38	.24
D: Foods & packaged goods	62	33.9	362	.17
E1: Clothing	38	20.8	187	.20
E2: Textiles	8	4.4	29	.28
E3: Shoes	15	8.2	55	.27
E: Clothing, textiles, shoes	61	33.3	271	.23
F1: Furniture	6	3.3	52	.12
F2: Flowers and plants	10	5.5	47	.21
F3: Other/varieties	44	24.0	353	.12
F: Other	60	32.8	452	.13
Total	183	100.0	1085	(.17)

cent) own their store, the others rent or lease. Only 3.8 per cent of the respondents are neither the owner nor manager of the outlet. Seventeen per cent of the respondents are less than 30 years old, 61 per cent between 30 and 50, and 40 retailers (22 per cent) over 50 years old. Of these latter 40, 21 had not (yet) arranged succession.

Measurement procedures

Retailers were asked to select the most typical features of their stores, when comparing their store with the typical store in their product class. This task was primarily used to familiarize the respondents with the options as described on the 17 cards. After performing this selection task, the

respondents were asked to order the cards from most to least typical of their store, and then to check the resulting ordering. This procedure thus resulted in a strict rank order of the 17 cards from most to least typical of their store for each respondent. These measurements were taken to reflect their self-perceived competitive advantages and store images. To investigate how retailer store images change over time, retailers were next asked whether the ranking of store characteristics had changed during the past three years and, if so, to indicate how the rankings had changed. In a similar vein, they were asked whether a change in positioning was expected over the three years to come and, if so, to indicate what this change would look like in terms of changes to the card rank orderings.

Data on a series of background variables were also collected. In particular, data were collected about location, type of store, store size, number of full-time employees, type of organization and age of the respondent. The categorization of these variables was as described earlier.

Analyses and results

The following research questions guided the analysis.

- 1 What is the contribution of each of the retail mix elements and store image components to retailers' perceptions of their own stores' competitive advantage?
- 2 Do retailers from different locations and different store types have different perceptions with respect to their competitive advantage?
- 3 What are the major dimensions of retailer self-perceived competitive advantage?
- 4 Can types of retailer self-images be identified?
- 5 Can differences in retailer image be related to retailer background variables?
- 6 How do retailer self-images change over time?

To answer the first research question, the average ranks of the store attributes were calculated as shown in Table 4, assuming for convenience that the rankings have interval properties. The lower a score, the more typical the attribute is of the respondent's own store. Thus, Table 4 suggests that retailers, on average, consider pleasant service and a high level of service to be the major competitive advantages of their stores, followed by advice based on high skills and guaranteed high product quality. Competitive prices, many promotional activities and many mailings and advertisements are on average perceived as least typical and, hence, as offering the least competitive advantage. Note that cards which were assumed to represent one image dimension are in similar positions. For example, both service attributes come first, both promotional cards come last; this can be taken to support the validity of our approach.

Table 4 Average rank order of store attributes

<i>Attribute</i>	<i>Mean</i>	<i>sd</i>
Pleasant service	4.54	2.85
High service level	4.77	3.55
Advice based on high skills	6.27	4.41
Guaranteed product quality	6.54	4.29
Specialized assortment	8.50	4.71
Attractive shop refurbishment	8.67	4.03
Modern assortment	8.97	4.53
Broad assortment	8.99	4.89
Attractive window displays	9.05	4.51
Attractive atmosphere in store environment	9.69	4.26
Many top-level brands	9.85	4.77
Good accessibility	10.01	4.22
Attractive location relative to other shops and services	10.22	4.17
Exclusive dealer	10.93	4.85
Competitive prices	11.06	4.94
Many promotional activities	12.04	4.46
Many mailings/advertisements	13.08	3.72

The next step in the analysis involved testing whether the store attribute rankings varied significantly among the nine location-by-store types. Analysis of variance was used to test the hypothesis of no variation. The results of a series of ANOVAs indicate that the variation is significant for six of the 17 types: pleasant service, attractive window displays, many mailings and advertisements, broad assortment, exclusive dealer for particular brands and good accessibility. The results are shown in Tables 5a–5f.

Table 5a Cell means and Anova results for pleasant service

<i>Store type/location</i>	<i>Food</i>	<i>Clothes and shoes</i>	<i>Other</i>	<i>Total</i>
City centre	4.81	5.23	3.73	4.58
Centre fringe	4.11	4.40	5.75	4.76
Community & neighbourhood centres	2.60	5.11	5.16	4.25
Total	3.85	4.92	4.84	4.54

<i>Source of variation</i>	<i>Sum of squares</i>	<i>DF</i>	<i>Mean square</i>	<i>F</i>	<i>Signif. of F</i>
Location	7.036	2	3.518	.460	.632
Store type	41.466	2	20.733	2.712	.069
Location x store type	98.649	4	24.662	3.226	.014
Explained	148.108	8	18.513	2.422	.017
Residual	1314.909	172	7.645		
Total	1463.017	180	8.128		

Table 5b Cell means and Anova results for attractive window displays

<i>Store type/location</i>	<i>Food</i>	<i>Clothes and shoes</i>	<i>Other</i>	<i>Total</i>
City centre	8.81	6.64	8.41	7.94
Centre fringe	9.58	7.45	10.15	9.05
Community & neighbourhood centres	12.05	7.67	11.00	10.32
Total	10.13	7.22	9.79	9.05

<i>Source of variation</i>	<i>Sum of squares</i>	<i>DF</i>	<i>Mean square</i>	<i>F</i>	<i>Signif. of F</i>
Location	162.125	2	81.063	4.420	.013
Store type	295.696	2	147.848	8.061	.000
Location by store type	38.492	4	9.623	.525	.718
Explained	505.824	8	63.228	3.477	.007
Residual	3154.729	172	18.341		
Total	3660.552	180	20.336		

Table 5c Cell means and Anova results for many mailings and advertisements

<i>Store type/location</i>	<i>Food</i>	<i>Clothes and shoes</i>	<i>Other</i>	<i>Total</i>
City centre	13.05	12.73	14.73	13.51
Centre fringe	12.47	14.45	11.60	12.85
Community & neighbourhood centres	12.10	12.39	14.00	12.82
Total	12.55	13.20	13.48	13.08

<i>Source of variation</i>	<i>Sum of squares</i>	<i>DF</i>	<i>Mean square</i>	<i>F</i>	<i>Signif. of F</i>
Location	18.278	2	9.139	.686	.505
Store type	26.734	2	13.367	1.004	.369
Location by store type	149.141	4	37.285	2.800	.028
Explained	194.673	8	24.334	1.828	.075
Residual	2290.244	172	13.315		
Total	2484.917	180	13.805		

Table 5a indicates that food retailers in community and neighbourhood shopping centres in particular perceive 'pleasant service' as their competitive advantage. Similarly, Table 5b suggests that clothing and shoes retailers perceive 'attractive window displays' significantly more than other retailers as a positive feature of their own store. 'Many mailings and advertisements' (Table 5c) is perceived as the particular advantage of retailers selling durables in the centre fringe. 'A broad assortment' (Table 5d) is the particular advantage of neighbourhood centre stores over city centre stores and of durables goods stores over food and clothing and shoe

Table 5d Cell means and Anova results for broad assortment

<i>Store type/location</i>	<i>Food</i>	<i>Clothes and shoes</i>	<i>Other</i>	<i>Total</i>
City centre	7.70	11.64	9.45	9.66
Centre fringe	7.05	11.05	10.55	9.59
Community & neighbourhood centres	8.40	7.89	6.53	7.61
Total	7.73	10.32	8.90	8.99

<i>Source of variation</i>	<i>Sum of squares</i>	<i>DF</i>	<i>Mean square</i>	<i>F</i>	<i>Signif. of F</i>
Location	146.232	2	73.116	3.330	.038
Store type	188.362	2	94.181	4.289	.015
Location by store type	194.914	4	48.729	2.219	.069
Explained	541.070	8	67.634	3.080	.003
Residual	3754.907	171	21.959		
Total	4295.978	179	24.000		

Table 5e Cell means and Anova results for exclusive dealer of particular brands

<i>Store type/location</i>	<i>Food</i>	<i>Clothes and shoes</i>	<i>Other</i>	<i>Total</i>
City centre	11.10	7.91	11.36	10.09
Centre fringe	11.21	8.90	11.40	10.49
Community & neighbourhood centres	13.00	12.50	11.42	12.32
Total	11.78	9.62	11.39	10.93

<i>Source of variation</i>	<i>Sum of squares</i>	<i>DF</i>	<i>Mean square</i>	<i>F</i>	<i>Signif. of F</i>
Location	156.321	2	78.160	3.529	.031
Store type	149.944	2	74.972	3.385	.036
Location by store type	112.957	4	28.239	1.275	.282
Explained	428.463	8	53.558	2.418	.017
Residual	3787.599	171	22.150		
Total	4216.061	179	23.553		

stores. 'Exclusive dealership' (Table 5e) is an advantage for city centre stores over neighbourhood stores, and for clothing and shoe stores over other types of stores. Finally, 'good accessibility' is an advantage of centre fringe and neighbourhood centres over city centre stores.

To answer the third research question, a principal components analysis with varimax rotation was conducted on the rankings (for convenience assuming again that the rankings had interval properties). Six components were extracted with eigenvalues larger than one. The results, which are shown in Table 6, demonstrate that the six components together account

Table 5f Cell means and Anova results for good accessibility

<i>Store type/location</i>	<i>Food</i>	<i>Clothes and shoes</i>	<i>Other</i>	<i>Total</i>
City centre	11.33	12.27	11.27	11.63
Centre fringe	9.58	10.00	7.90	9.15
Community & neighbourhood centres	8.70	9.50	8.95	9.04
Total	9.90	10.68	9.44	10.01

<i>Source of variation</i>	<i>Sum of squares</i>	<i>DF</i>	<i>Mean square</i>	<i>F</i>	<i>Signif. of F</i>
Location	266.682	2	133.341	8.015	.000
Store type	45.945	2	22.972	1.381	.254
Location by store type	23.278	4	5.819	.350	.844
Explained	337.522	8	42.190	2.536	.012
Residual	2861.473	172	16.636		
Total	3198.994	180	17.772		

Table 6 Results of principal components analysis

<i>Component</i>	<i>Eigenvalue</i>	<i>Pct of var.</i>	<i>Cum. pct</i>
1	2.77	16.3	16.3
2	2.24	13.2	29.5
3	1.67	9.8	39.3
4	1.36	8.0	47.3
5	1.31	7.7	55.0
6	1.05	6.2	61.2

<i>Varimax rotated factor matrix</i>	<i>Communality</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Competitive prices	.61	.71	-.19	-.08	.12	-.04	-.23
Many promotional activities	.72	.82	.02	-.13	.08	-.10	-.15
High service level	.72	-.08	-.06	-.17	-.02	.81	.17
Advice based on high skills	.57	-.22	.06	-.24	-.09	.06	.67
Guaranteed high quality	.63	-.16	-.27	.21	-.01	.02	.70
Pleasant service	.69	-.06	-.08	.25	.04	.78	-.09
Attractive refurbishment	.64	-.14	.06	.78	.08	.00	.00
Attractive window display	.35	-.33	.01	.40	-.24	.04	-.15
Many mailings and advertisements	.51	.71	-.01	-.01	.08	-.00	-.05
Modern assortment	.52	-.07	-.52	.24	-.00	-.32	-.28
Broad assortment	.67	.10	-.14	-.18	.78	-.08	-.05
Specialized assortment	.73	-.46	-.22	-.48	.36	-.02	-.33
Exclusive dealer	.63	-.25	-.20	-.30	-.65	-.14	.05
Many top-level brands	.61	-.35	-.35	-.36	-.39	-.26	.16
Attractive relative location	.64	-.15	.72	.06	-.08	-.19	-.22
Good accessibility	.59	-.08	.71	.06	.25	-.12	.10
Attractive atmosphere	.55	.07	.61	.19	-.28	.02	-.25

for 61.1 per cent of the total variance. The *first* extracted component is a *pricing and promotion* component, as indicated by high loadings of 'competitive prices', 'many promotional activities' and 'many mailings and advertisements'. This is an interesting result as it suggests that the pricing and promotion dimensions that we identified are closely related in terms of retailers' perceptions. It reflects the common strategy that, in order to maintain low prices, retailers have to push their merchandise through the system as quickly as possible, and heavy promotion and advertising is an important marketing tool in accomplishing this goal. This interpretation is further supported by the negative component loadings of 'specialized assortment' and 'many top level brands'.

'Attractive location', 'good accessibility' and 'attractive atmosphere in the immediate environment' load high on the *second* component, suggesting it represents the *location* dimension. Interestingly enough, 'modern assortment' and 'many top level brands' have high negative loadings on this dimension, indicating that the attractiveness of an upscale assortment is perceived not to depend on the accessibility or immediate environment; these assortments have sufficient drawing power by themselves. A similar observation concerns the *third* component, which we label a *merchandise display* dimension. 'Attractive and comfortable furnishings' and 'attractive window displays' score high on this component whereas 'specialized assortment' has a high negative loading. Apparently, specialized assortments are not seen as needing much display.

The *fourth* dimension is *choice range* as suggested by the high loading of 'broad assortment' and, to a lesser extent, 'specialized assortment'. Note that 'exclusive dealership' and 'many top level brands' are negatively correlated with this selection dimension. It suggests that store image, and hence strategy, is viewed by the retailers as choosing either a broad, 'middle-of-the-road' selection or a more exclusive image. The two service variables load very high on the *fifth* dimension, which can therefore be interpreted as a *service pleasantness* dimension. Almost all other variables have relative low component loadings on this component, indicating that service is regarded as a separate dimension of the retail mix. The *sixth* and final component is related to 'advice based on high skills' and 'guaranteed high quality products', and thus represents a *product quality* dimension.

The analysis described above identified the dimensions underlying retailers' self-perceived store image and competitive advantage. Can particular types be found? In order to provide an answer to this research question, Ward's hierarchical clustering analysis was applied to the rankings. This involves calculating distances in the derived multi-dimensional image space and allocating retailers to clusters on the basis of these distances. Because this clustering technique is not based on a formal statistical test of the significance of differences between clusters, it requires a subjective decision regarding the number of clusters that one wishes to

Table 7 Average factor scores and mean rank order positions for three clusters

	Clusters		
	1 (<i>n</i> = 55)	2 (<i>n</i> = 65)	3 (<i>n</i> = 60)
<i>Dimensions</i>			
Price	.68	-.78	.22
Location	.56	.31	-.85
Interior	.50	-.35	-.07
Selection	-.07	-.38	.47
Service	.20	-.14	-.03
Quality	-.24	.14	.07
<i>Store characteristics</i>			
Competitive prices	13.65	7.31	12.87
Many promotional activities	14.35	9.06	13.27
High service level	4.89	4.83	4.53
Advice based on high skills	4.51	7.62	6.43
Guaranteed high quality	5.16	6.95	7.28
Pleasant service	4.89	4.20	4.60
Attractive refurbishment	9.84	7.68	8.60
Attractive window displays	9.62	9.26	8.33
Many mailings and advertisements	14.49	11.17	13.85
Modern assortment	8.16	8.62	10.22
Broad assortment	7.84	7.80	11.33
Specialized assortment	5.55	9.31	10.33
Exclusive dealer	8.96	13.60	9.83
Many top-level brands	6.33	12.52	10.30
Attractive relative location	11.69	11.91	6.95
Good accessibility	11.71	10.82	7.47
Attractive environment	11.62	10.42	7.08

identify. In the present case, we decided to identify three clusters, as this number clearly distinguished various types. The results are given in Table 7.

Table 7 clearly shows that the *first* cluster is characterized by high positive scores on the price, location and interior/display dimensions; hence, these retailers perceive these dimensions as not contributing much to their competitive advantage (because lower ranks indicated more advantageous characteristics, lower factor scores indicate a dimension to be more important). Their negative score on the quality dimension suggests that retailers view the quality of their products and advice as their most distinguishing feature. The *second* cluster has high negative scores on the price dimension; hence, these retailers perceive price and promotional activities as their major competitive advantage. The *third* cluster has a high negative score on the location dimension; these retailers see the accessibility and environment of their store as their most important competitive advantage.

The fifth research question was whether retailer differences can be systematically related to retailers' background variables. It is an interesting question because the answer may shed some light on the question whether self-perceived competitive advantage is related to the type of business and other structural attributes, or whether they are idiosyncratic to the individual retailer. To examine the relationship between cluster membership and retailer background variables, the average factor scores are displayed for each background variable category (Table 8).

The table shows that drug and variety stores are most focused on price and promotional competition and shoe stores the least (factor 1). Price/promotion is seen as most advantageous by stores located in the city centre fringe area. These stores typically are the larger stores; often they are branch stores.

Concerning the location factor, drug stores consider this to be more important as a competitive advantage than other store types; location is seen as of lesser importance by textile, furniture and flower stores. Factor 3, merchandise display, is most important for textiles, furniture, clothing and flowers and plants stores. These are typically the larger and branch stores, located in either the city centre core or in the larger neighbourhood centres. The merchandise display factor is least important for drug stores. Factor 4, choice range, is perceived as relatively more typical of themselves by food and textile stores, and in particular by flower and plant stores. Again, these are typically the larger and branch stores or the stores in smaller neighbourhoods. Service pleasantness (factor 5) is perceived as relatively more important by food, drugs and flower and plant stores, in particular those which operate in a co-operative. Finally, the product quality factor is least important to clothing stores and most important to furniture, flower and plant and drug stores, in particular those located in the larger neighbourhood centres.

We also tested whether there is a relation between cluster membership and the above background variables using Chi-square analysis of the respective cross tables. Only the four-category location type variable and the age and successor variables appear significant. So, there is no clear-cut relation between retailer background characteristics and self-perceived competitive position. Apparently, other factors or retailer idiosyncracies determine how a retailer perceives his competitive advantage. This also suggests that within each category of a background variable multiple image types occur.

Finally, we wished to know how retailer store images change over time. Recall that retailers were asked whether the ranking of store characteristics had changed during the past three years and, if so, to indicate how the rankings had changed. In a similar vein, they were asked whether a change in positioning was expected over the three years to come and, if so, what this change would look like. A change in image in the past was reported by 27.9 per cent of the retailers and 42.1 per cent reported expecting a change

Table 8 Mean factor scores for various retailer background variable categories

	<i>Price & Promotion Factor 1</i>	<i>Location Factor 2</i>	<i>Interior Factor 3</i>	<i>Choice range Factor 4</i>	<i>Service Factor 5</i>	<i>Advice Factor 6</i>
<i>Locational (sub-)type</i>						
A: City centre	.129	.005	-.118	.315	.047	.128
B: City fringe	-.147	-.014	.146	.105	.100	-.018
C1: Community centres	.131	-.005	-.250	-.175	.079	-.174
C2: Neighbourhood centres	-.067	.060	.150	-.652	-.297	-.078
<i>Merchandise sub-type</i>						
D1: Food specialities	-.101	-.189	-.028	-.369	-.211	-.205
D2: Grocers	.056	.181	.179	-.260	-.120	-.102
D3: Drug stores	-.236	-.314	.558	.023	-.353	-.273
E1: Clothing	-.090	.005	-.266	.476	.147	.339
E2: Textiles	.338	.843	-.427	-.376	.867	.014
E3: Shoes	.482	.119	.084	.224	.055	-.059
F1: Furniture	.229	.459	-.317	.290	-.199	-.392
F2: Flowers and plants	.204	.230	-.299	-.735	-.280	-.263
F3: Varieties	-.126	-.139	.258	.111	.118	.117
<i>Sales floorspace (m²)</i>						
< 50	-.009	.063	-.096	-.013	-.215	-.054
50-100	.333	-.054	.260	.180	.171	.088
100-500	-.179	-.050	.094	-.053	.192	.131
> = 500	-.778	-.084	-.887	-.731	.606	-.463
<i>Number of full-time employees</i>						
0	-.181	-.466	.701	-.361	.461	-.290
1	.075	-.035	.058	.127	-.059	.263
2	.103	.138	.012	.078	-.009	-.053
3-9	-.232	-.236	-.136	-.084	.062	-.153
> 9	.095	.749	-.389	-.730	.120	.054
<i>Firm types</i>						
Independent	.182	.079	.034	.092	.042	-.016
Co-ops	-.194	-.117	.192	-.163	-.460	-.068
Branch store	-.525	-.229	-.196	-.211	.158	.104
<i>Age and succession</i>						
< 30	.125	.023	-.125	.068	-.178	.104
30-50	-.014	.088	.048	.057	.024	-.048
> 50, with successor	-.660	-.510	-.118	-.238	.396	.155
> 50, no successor yet	.400	-.125	.074	-.183	-.105	-.012

in image in the near future. The conjunction of these two questions produces 27 retailers (which is 14.8 per cent) reporting image changes both in the near past and in the near future.

Table 9 Retailers who observed a change versus those who did not

<i>Variable</i>	<i>no change</i> <i>(n = 128)</i>		<i>change reported</i> <i>(n = 51)</i>			
	<i>Mean</i>	<i>SD</i>	<i>Mean</i>	<i>SD</i>	<i>Mean diff.</i>	<i>SD</i>
Competitive prices	11.46	4.67	10.02	5.54	.41	3.56
Many promotional activities	12.52	4.15	10.80	4.99	.24	4.38
High service level	4.79	3.63	4.78	3.41	.60	2.54
Advice based on high skills	6.05	4.36	6.84	4.50	.10	3.78
Guaranteed high quality	6.25	4.07	7.41	4.75	.40	3.87
Pleasant service	4.56	2.74	4.59	3.14	.05	2.63
Attractive furnishment	8.23	3.87	9.82	4.31	-.55	3.25
Attractive window displays	8.32	4.25	10.80	4.60	.79	3.88
Many mailings and advertisements	13.13	3.84	12.84	3.44	1.52	4.54
Modern assortment	9.20	4.61	8.31	4.33	-.70	4.49
Broad assortment	9.29	4.87	8.25	4.89	.50	4.30
Specialized assortment	8.82	4.88	7.69	4.19	-.22	3.37
Exclusive dealer	10.91	4.92	10.90	4.79	.27	3.03
Many top-level brands	9.87	4.73	9.67	4.97	-.12	3.58
Attractive relative location	10.05	4.19	10.67	4.18	.64	3.55
Good accessibility	9.97	4.32	10.08	4.06	1.21	3.60
Attractive environment	9.78	4.09	9.57	4.73	1.00	3.51
<i>Dimensions</i>						
Price	.07	.96	-.19	1.10		
Location	-.02	1.01	.05	.99		
Interior/display	-.12	1.01	.33	.92		
Selection	.04	1.03	-.11	.92		
Service	.01	.98	.02	1.07		
Quality	-.07	.97	.20	1.08		

Note: Means and standard deviations of attribute rankings and factor scores for retailers who reported to have observed no change ($n = 128$) and retailers who did report a change ($n = 51$); for this latter group the means and standard deviations of the change over the past three-year period are displayed in the right-hand columns.

Table 9 displays the average magnitude of the changes reported for the past. It appears that 'many mailings and advertisements', 'good accessibility', 'attractive atmosphere in immediate store environment' have become less of a competitive advantage, whereas 'attractive and comfortable shop furnishment' and 'modern assortment' have become more advantageous. Overall, however, the average change in rank order positions is only modest, which suggests that there have not been large systematic changes in this urban area. The fairly large standard deviations suggest, however, that there have been quite substantial changes to the images of individual stores.

Table 10 displays the average magnitude of the changes expected for the three years to come. It appears that the average changes are small; moreover, the small standard deviations of the expected changes suggest

Table 10 Retailers who expect a change versus those who do not

Variable	<i>no change</i> (<i>n</i> = 100)		<i>change</i> <i>expected</i> (<i>n</i> = 75)		Mean diff.	SD
	Mean	SD	Mean	SD		
Competitive prices	10.85	5.03	11.33	4.87	.10	1.65
Many promotional activities	12.33	4.34	11.63	4.61	-.25	2.08
High service level	4.79	3.74	4.79	3.32	.06	1.67
Advice based on high skills	6.27	4.42	6.28	4.41	.00	2.52
Guaranteed high quality	6.34	4.35	6.92	4.21	.07	2.50
Pleasant service	4.40	2.88	4.80	2.81	.12	1.44
Attractive refurbishment	8.49	4.03	8.95	4.09	-.22	1.72
Attractive window displays	8.85	4.38	9.28	4.65	.03	1.73
Many mailings and advertisements	13.26	3.62	12.75	3.87	.10	2.54
Modern assortment	9.25	4.48	8.53	4.62	-.13	2.91
Broad assortment	9.26	4.93	8.63	4.83	.16	2.95
Specialized assortment	9.02	4.45	7.77	5.00	-.06	1.98
Exclusive dealer	10.88	4.68	10.93	5.15	.31	1.88
Many top-level brands	10.01	4.53	9.55	5.14	.07	2.10
Attractive relative location	10.19	4.25	10.28	4.13	-.06	1.80
Good accessibility	9.84	4.42	10.23	3.98	.41	1.61
Attractive environment	9.18	4.33	10.47	4.10	.40	2.04
<i>Dimensions</i>						
Price	.00	.96	.00	1.07		
Location	-.07	1.01	.11	.99		
Interior/display	-.09	.94	.13	1.08		
Selection	.06	1.06	-.08	.91		
Service	-.04	1.01	.08	.99		
Quality	-.04	1.00	.07	1.01		

Note: Means and standard deviations of attribute rankings and factor scores for retailers who reported to expect no change (*n* = 100) and retailers who consider a change in store image likely within the next three years (*n* = 75); for this latter group the means and standard deviations of the expected change over this future period are displayed in the right-hand columns.

that the expected changes in image are relatively small. A possible explanation for these small changes is that retailers do not know very well how their image will change over time, even though they may expect some change to happen. Retailers are known to focus on the short-term future only. An alternative explanation could be that retailers were not motivated to put effort into repeating the ranking task.

Conclusions and discussions

The study of retailer image and strategic positioning has received scarce attention in the literature. The principal aim of the present study therefore has been to examine various research questions related to this issue. Moreover, given some methodological problems related to previous

research, we have developed a new method to measure self-perceived store image in terms of competitive advantage. Unlike previous methods, the method provides direct measurements of retailer self-perceived store image that are less likely to be biased. The relative high response rates that we obtained corroborate our experience in the field that the task that we developed has high appeal to retailers. Small independent retailers in particular regarded participation as useful as they usually do not take time to take a bird's-eye view of their store's operation and competitive position.

The research findings indicate that, on average, service is perceived to be the most distinguishing feature of competitive positioning. Pricing and promotion are perceived to be the least important differentiators from competition. Because these are aggregate results, they of course reflect the properties of the sample. In fact, significant differences were found between retailers, based on their location and the type of merchandise they sell. Empirical evidence suggests that six dimensions underlie self-perceived store image (price, location, store interior, selection, service and product quality). It also suggests three image types, one based on product quality advantages, one on price and one on accessibility. Note that, although price is not an important dimension for the sample as a whole, it is apparently used by some retailers to differentiate themselves from competitors.

This study also looked at systematic changes over time in terms of store image. The results of this study showed evidence of decreased importance for accessibility, attractiveness of the immediate store environment and mailings and advertisements, and increased importance for store furnishing and having a modern assortment. The overall results however are indicative of only gradual changes in store image and competitive positioning.

Although the present study has examined various aspects of retailer store image and competitive position, the relevance of this kind of analysis can be extended by collecting some additional information. For example, retailer images can be compared to consumer images and competitor-perceived images, allowing one to make statements about any discrepancies between the three. Such information is useful in developing strategic action plans. Likewise, positioning strategies would benefit if the present information were to be linked to information about who is considered to be a competitor and how the trade area is perceived and delineated. This information could, for example, be compared to data on consumer consideration sets (cf. Finn and Louviere 1990).

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