

Tangible and Intangible Factors of Store Image

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Abstract: - Store image is made up of both tangible and intangible attributes. The knowledge of the composition is of great value for marketing managers and researchers. A store image scale was constructed for fast food restaurants. The scale contains three tangible and three intangible factors. Then a regression analysis and a structural equation analysis were performed to indicate the relative importance of each factor. Results showed that intangible factors are more important than the tangibles for store image formation and for consumer satisfaction. Researchers and marketing managers can use the instrument to have a better understanding of consumer behavior and improve marketing mix.

Key-Words, Marketing, Consumer Behavior, Store Image, Tangible, Intangible, Fast food restaurants, Satisfaction.

1. Introduction

Image has had a long history in the study of marketing, and, as a concept, it is one of the cornerstones of consumer behaviour history (West, 1993).

1.1 Image Definition

The image a retail store possessed in the minds of consumers was assumed to consist of all the knowledge and beliefs about the store resulting from the consumers' experiences or impressions (Peterson and Kerin, 1983). So, the image of a store consists of the way it is perceived by the consumers (Zimmer and Golden, 1988). Store image has been defined, as a set of attitudes based upon evaluation of those store attributes deemed important by consumers (James *et al.* 1976). Other definitions attempting to represent store image conceptually have treated it as consisting of distinct dimensions,

elements, components, or attributes (Zimmer and Golden, 1988; Hawkins *et al.* 1980). Consumers perceive stores on a number of dimensions, which collectively make up store image (Hirschman *et al.* 1978). Store image is made up of many different things, some measurable, some not measurable, some significant, some insignificant, some changeable and some unchangeable (May, 1974-75). Martineau's (1958) defined store image as "The way in which a store is defined in a shopper's mind partly by its functional qualities and partly by an aura of psychological attributes". Oxenfeldt (1974-75) proposed a classification of store image into, tangible reality factors, and intangible factors. Pessemier, (1980) and Kennedy (1977) argued that Image has two principal components Functional and emotional. Based on these definitions, Sirgy *et al.* (1989) suggested that store image concept could be analysed in terms of two separate criteria: functional

and symbolic. "Functional qualities refer to tangible characteristics that can be easily measured and the consumer can somewhat objectively compare to competitors whereas" and "Symbolic store image refers to the stereotypic personality images people may have of specific retail stores and include psychological attributes" (Mazursky *et al.* 1986).

1.2 Use of Image as a Marketing tool

Store image has been a major strategic tool in the highly competitive retailing environment (Rearden *et al.* 1995; Burns, 1992; Donovan and Rossiter, 1982; Hutcheson, 1998). Effective store image management requires detailed knowledge about the theoretical background and the saliency of the dimensions underlying store image concept. Understanding of the store image permits management to correct or change the negative aspects of their operations and to improve on their performance in the direction preferred by their consumers. Store image serves as an analytical tool for store choice, but at the same time is widely used as an analytical device to diagnose the weaknesses and strengths possessed by each store relative to others (Wu and Petrosius, 1987). Researchers use the store image concept as an analytical tool to identify and assess perceived dimensions differences between two identical types of retail stores, or between two different types of retail store.

1.3 Composition of Image

No consensus has been reached on a set of universal store image dimensions (Amirani and Gates, 1993). May (1974-75), suggested that the number of dimensions is uncertain and according to Marks (1976) that depends upon the creativity of the author, ranging from as few as six to as many as forty-two. Previous research (Lips *et al.* 1998) shows that customers consistently use a limited set of perceptual dimensions, to predict and evaluate the outcomes of service interactions and relationships. Although, virtually all store image studies employed lists of ten or more attributes, research indicates that the number of beliefs salient for an individual normally ranges from five to nine. Thus, it is crucial to include only those attributes deemed salient by the potential market segment (James *et al.* 1976). Hirschman *et al.* (1978) suggested that "the major dimensions underlying store Image are not consistent from market to market". Empirical support exists for the contention that the importance of store image attributes varies across store type (Amirani and Gates, 1993).

1.4 Fast Food and Image

Every restaurant represents a concept and projects some kind of image (Lundberg, 1985). Consumers are believed to consider restaurant image in terms of a set of attributes. The overall evaluation produces an attitude towards the restaurant (Jhons and Pine, 2001). Restaurant image, one specific type of retail store image, results from factual and emotional perceptions of product/service (Ward *et al.* 1992; Hilderbrandt, 1988; Lessig, 1973). Restaurant image attributes are quite different than other retail establishment's image attributes. Tangible attributes are physical properties such as restaurant location, restaurant layout, price ranges and other qualities such as food and beverage that the consumer can somewhat objectively compare to competitors. Intangible attributes refer to such qualities as friendliness of restaurant personnel, signature items, services systems, atmosphere or attractiveness of décor (Lunberg and Walker, 1993; Goldman, 1993; West, 1993). A restaurant meal is the total package of experiences so its store image scale should carry tangibles and intangibles attributes.

2. Research setting

In recent years the fast food restaurant sector has shown a remarkable increase in Greece. So, understanding the factors that influence consumer behaviour is of critical importance for marketing managers of the restaurants under investigation. The research was performed in the city of Thessaloniki, Greece.

2.1 Scale development

An eight-step process based on Churchill's (1979), model, guided the development, validation and refinement of the scale. After an extensive literature review, followed by a qualitative research the primary instrument was developed. The questionnaire contained 51 items, derived from literature review and focus group analysis results. A quantitative survey with a sample of three hundred participants, followed. The data were analysed using principal components analysis with a varimax rotation. Test items were retained or deleted according to the following rules i). Items with factor loadings greater than 0.40 will be retained ii). Items with high factor loadings on more than one factor will be discarded The reliability and validity were established through the calculation of item to total correlations, Cronbach alpha reliability estimates and the application of factor analysis to the data collected through the first stage of the study. Application of the rules for item retention or

deletion resulted in a a seven factor, 24-item model which was found to capture the multi-dimensional nature of the fast-food store image. The psychometric properties of the scale were re-evaluated through a second stage analysis with new data collected for this study. The modified instrument was factor analysed based on the new data collected from a second sample (400 questionnaires). Using exploratory factor analysis some further refinements occurred. Items with small loadings (less than 0.4) and low item-to-total correlation (0.4) were deleted . The results of varimax rotated factor analysis confirmed the theoretical groupings of items for measuring store image. The derived scales were further evaluated on reliability and validity. Cronbach alpha coefficients were used to establish the reliability of each factor and the total scale reliability. The analyses provide strong empirical support regarding the psychometric properties of the store image scale. Panels of experts and non-experts participating in the study evaluated the scale's content and face validity. The scale's dimensionality was evaluated by the application of factor analysis and structural equation modelling to data collected from the study of fast food chains. Convergent and discriminant validity were examined by employing regression and confirmatory factor analysis. The final scale structure included six factors consisting of 14 items. The six factors together explained 70.700 of total variance.

Table 1 Store Image Scale

	Initial Eigenvalues		
Factor	Total	% of Variance	Cumulative %
1	4.644	29.023	29.023
2	2.075	12.969	41.992
3	1.382	8.640	50.632
4	1.135	7.094	57.726
5	1.071	6.696	64.422
6	1.005	6.279	70.700

Table 2 Scale Reliability

		Cronbach a	
Scale Reliability		0.827	
<i>Factor 1</i>	0.797	<i>Factor 2</i>	0.683
<i>Factor 3</i>	0.732	<i>Factor 4</i>	0.824
<i>Factor 5</i>	0.797	<i>Factor 6</i>	0.632

The new instrument was found to capture the multi-dimensional nature of the fast-food store image. An

examination of the content of the final items making up each dimension suggested the following labels for each of the six dimensions: a) Adaptation to Locality b) Service c) Facilities d) Food quality e) Place for fun and g) Sales incentive program. The tangible factors are a) Food and beverage quality b) Facilities c) Promotion and intangible factors are a) Adaptation to Locality b) Place for fun and c) Service.

2.2 Factor importance

For deciding the relative weights of the six factor dimensions in influencing customers' overall image the regression method was suggested by a number of researchers. By regressing the individual dimensions, using a standardized slope coefficient the relative importance of each dimension can be ascertained, (Pitt *et al.* 1997). The six factors were then used in a regression analysis. The dependent variable, was the customer overall evaluation of the store image and the independent variables were the standardized factor The relative importance of the attributes can be assessed by one of several methods. One is to compare the magnitude of the regression coefficients or the standardized coefficients betas. However, it is important to note that the interpretation of regression as importance weights is a subject of considerable debate in the social science. It has been shown that the beta coefficients may not give a very reliable measure of the relative importance of regression independent variables, especially in the presence of multicollinearity (Rust *et al.* 1994; Rust and Zahoric 1993). Brings (1994) suggests using the magnitude of each independent variable's t-statistic as an indicator of relative importance. The largest t-statistic refers to large importance (Lips, 1998; Pitt *et al.* 1997; Danaher and Haddrell, 1996).

Table 3 Regression, (Store Image) for Fast Food Chain, R².602

Factors	Beta	T-values
F1 Adaptation to locality	.386	10.5
F2 Service	.267	7.29
F3 Facilities	.139	3.79
F4 Food Quality	.374	10.280
F5 Place for fun	.241	6.635
F6 Sales incentive program	.251	6.902

The data were subjected to structural equation modeling using AMOS with the items used as indicators of the latent constructs corresponding to the pattern detected in the factor analysis. The measurement model that result from the analysis can be used to assess the relative importance of the various items in determining the constructs, (Bredhal *et al*, 1998). The standardized values from the employment of structural equation modeling can be used as a sign of the relative importance of each dimension (Arbuckle, 1994). The dependent variable, in this case was the customer overall satisfaction from the store and the independent variables were the standardized factor scores. The fit of the model was excellent. The model has a chi-squared of 15.5 with 14 degrees of freedom (Chi square/ DF =1.110). The probability value for this chi-squared is well below any conventional level of significance indicating that the evaluated model fit the data very well. Thus the model cannot be rejected, that is, it is accepted as an adequate description of the data.

Table 4 Standardized Regression Weights Satisfaction

Factors	Weights	Importance	C.R
F1	0.337	1	0.216
F2	0.238	4	5.724
F3	0.049	Ns	1.17
F4	0.315	2	7.693
F5	0.288	3	6.967
F6	0.216	5	5.227

Results indicated that, food quality and the Greek aura of the store are the main variables in the store image formation. In all cases they have been found to have the highest importance and the highest participation in consumers' evaluation. Moreover, the Service factor for the first case and the place to be factor for the second were the third important dimensions in store image formation and store satisfaction. Both there are intangible factors.

3. Discussion

Burich and Kotler, (1991) argue that a company needs to identify its image strengths and weaknesses on key attributes for each target group, and to take corrective action to better its image. In the present research the derived store image scale contain both tangible and intangible factors. The proportion of tangibles versus intangibles is in line with the past researches (almost half factors tangible). There is a different balance of tangible and intangible factors

across store image scales in various store types. One possible difference may be the proportion of tangibles to intangibles in the service bundle. This is likely in foodservice, where 'food' and 'service' are frequently articulated, by both the restaurateurs and the customers, as separate components of the service bundle (Johns and Howard, 1998).

Empirical support exists for the contention that store image attribute importance's vary across store type (Amirani and Gates, 1993). Clarke and Wood (1992), support the hypothesis that tangible rather than intangible factors are more significant in gaining customer loyalty in a restaurant environment. Pettijohn *et al.* (1997) found that quality, cleanliness and value to be the three most important attributes in fast food restaurants, while atmosphere and menu variety were relatively unimportant. Becker and Murmann (1999) argued that tangible components are less of a priority for customer assessment of quality than are less tangible components. Research results showed that the importance of tangibles in general is lesser than the importance of intangible factors. Most important factors are Adaptation to Locality, Food and Service offered by the fast food restaurant. Even in a place like fast food restaurant where the food is the core product, consumers tend to consider values such as friendliness of the staff, adaptation of food, service and atmosphere to the Local culture and the psychological fulfilment of fun as the most important reasons for satisfaction and patronage. Consumers consider the fast food restaurant as a place to dine out and not just to eat out. That is why they pay considerable attention to the intangible factors of the fast food meal experience. In Greece fast food restaurant chains' understanding the importance of intangible factors have modified their marketing mix promoting food and atmosphere as 'Greek' and including advertising elements which promote restaurants as a safe and secure meeting point. Mc Donald's promotes food, folk and fun.

4. Epilogue

These findings will be of interest to those involved in marketing restaurant services, where word of mouth, is recognized as an important factor. Similar principles apply to a wide range of services and the present work will extend its appeal to other sectors (Jhons and Howard, 1998). Muller, (1999) argued that the future for the restaurants is about charging the dining experience. Restaurants are highly interactive businesses, with consumers less concerned about where the meal is prepared than with how it is delivered and how they feel when the

meal is completed. So, restaurants should be designed to help those consumers that feel better about themselves and the lives they lead.

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