

An Exploratory Research on the Store Image Attributes Affecting Its Store Loyalty

Sung Jin Yoo*

*Inje University
Gyungnam, Korea*

Young Jae Chang**

*Inje University
Gyungnam, Korea*

Abstract

One purpose of this study is to explore theoretical background to find out store image attributes suggested by many previous researchers as important determinants of store loyalty and another is to identify which store image attributes affect store loyalty significantly according to retail type respectively.

The results of empirical analyses show that store image attributes of store loyalty depend on the retail types. In department stores, store atmosphere, location, shopping facility and sales-personnel service affect store loyalty significantly. In discount stores, advertising, quality of merchandise, credit service and store atmosphere have a significant influence upon store loyalty statistically.

Keywords: store loyalty, store image attribute

INTRODUCTION

In recent years global retailers such as Wal-Mart, Costco Wholesale and Carrefour entered Korean retail market.

* Main Author, Assistant Professor, School of Business Administration, Inje University (sjyou0502@hanmail.net).

** Coauthor, Associate Professor, School of Business Administration, Inje University (econyc@inje.ac.kr).

Competing with Korean local retailers, they experienced poorer performance than U.S.A. and Europe. This phenomenon led us to start this study. This means there exist different factors in Korean market that determine consumers' shopping behavior in retailing.

One of the objectives of marketing is to raise profit of a firm by promoting repeated purchase with higher product loyalty. In the case of high product loyalty, it is expected to obtain such benefits as frequent purchase, big amount of purchase, cost reduction, and favorable word of mouth(Zeithaml and Bitner 1996).

According to a survey of 12 industries including retailing, finance, insurance, and publishing, firms in these fields can make more profits by 25~85% if they can reduce customer breakaway by 5%. In this sense, it is very important to keep their customers by raising product loyalty(Frederick and Sasser 1990).

Most of place studies in the past focus on marketing channels such as relationships between manufacturers and sales agencies, and between sellers and business buyers. However, studies on the relationship between retailers and consumers are relatively rare in spite of its importance.

Store loyalty has been argued as one of important constructs (Samli 1989; Levy and Weitz 1996). Swan and Futrell(1980) contend that all the retail store managers try to create and keep customer group who has store loyalty. Customers loyal to the store bring them more profits for several years as well as cost them much less than making new customers(Berry 1995). If retail store managers can identify major variables influencing store loyalty of their stores, they can design and practice more effective retailing strategy for more sales and profits(Samli 1989).

We can say that marketing strategy has its base on store loyalty behavior of consumers in rapidly changing environment of distribution industry. A change in market environment can lead to a change in store loyalty. Thus, it is necessary to figure out factors affecting store loyalty to understand such a change. Many scholars have recognized store image as one of the most important factors of store loyalty(Hirschman 1981) and there is a study that store attributes consisting store image determine store loyalty. A systematic study on store image attributes is rare though its importance.

There are two types of major retailers in recent Korean retailing markets in Busan. One is department store that is established since mid 1980s. Another is discount store that is expected to be a leader in the future after its surge since mid 1990s. For the present, these two types of retailers coexist in the market and new department store or discount store in a given market gives notable influence to sales and profits of existing stores (Maekyung Daily March 26th 1998). If there are store image attributes that affect store loyalty, then knowledge of it can be a base of designing and practicing marketing strategies for retail managers to obtain long term competitive advantages. If there exists a difference between department stores and discount stores in store image attributes, then different retail marketing strategies are necessary.

The detail objectives of this study follow.

First, we systematically review store image attributes based on literatures since store image has been argued as one of determining factors of store loyalty.

Secondly, we will use survey to find out if store image attributes affect store loyalty differently for department store and discount store.

Thirdly, we give implication for retail marketing strategy of department and discount stores from the result of our study.

Store image attributes are systematically classified by reviewing literatures and a model is presented to identify the influence of store image attributes on store loyalty. Based on this model of store image attributes and store loyalty, questions are surveyed to see whether store image attributes influence store loyalty in a statistical sense. We distributed 220 sheets of questions for married women living in Changwon and Busan and got back 136 of them. We used SPSSWIN for linear regression analysis for statistical analysis of the data.

LITERATURE REVIEW

Customer Loyalty

Customer loyalty can be classified into brand loyalty, vendor loyalty, service loyalty, and store loyalty(Dick and Basu 1994).

With lack of consistency, marketing researchers have defined customer loyalty. We can classify these definitions into a behavioral approach, an attitudinal approach, and a combined approach.

Behavioral Definition. Early studies on loyalty have been done on individual brand which can be measured from panel data and brand loyalty largely was understood as behavioral concept. They focused on observing and measuring the continuation of purchases in the past (Brown 1952-1953). Kuehn (1962) used stochastic approach to find behavior of brand loyalty of customers. He saw brand loyalty a function of purchasing history of customers. Lipstein (1959) thought brand loyalty as a function of probability of purchase of the same product or a function of time for a specific brand. Jacoby and Chestnut (1978) summarized 53 early definitions of loyalty and made a conceptual definition. According to their definition, loyalty is a biased behavioral reaction of consumers in the choice of one among many alternatives in a period of time and it can be represented as a function of decision-making process. Jeuland (1979) also used stochastic model to define brand loyalty. In his study, it was defined as long-term probability of choice or purchase ratio of a specific brand among total product categories and such a behavior was named as inertia.

In summary, behavioral definition of store loyalty is a tendency of consumers to purchase repetitively in a period of time and it can be operationally defined and measured as purchase ratio as repetitive purchase behavior (Raj 1982), purchase frequency. By using these definitions, it can be objectively measured and has an advantage of distinguishing store loyalty for various stores. But it has limitations that researchers can easily use subjective judgements and that it is hard to explain how the store loyalty is formed and why it changes.

Attitudinal Definition. Attitude is a learned tendency of preference to consistently show favor or disfavor and affirmative or negative reactions. Consumers have a favorable attitude to a specified brand but they don't always purchase that brand since there are various situations. But attitude influences behavior a lot. Thus the concept of loyalty is viewed not separated from the

attitude that represents individual psychological tendency in repetitive purchases. Moreover, the attitude of consumers relatively evaluating a specified brand is important since repetitive purchases mean that consumers choose it among various alternatives.

In summary, store loyalty in an attitudinal sense can be understood as store preference or psychological commitment and thus it can be defined as favorable attitude to the specified store and operationally it can be measured future probability of purchase (Oh 1995). By this definition, we can figure out the process of psychological formation of it but it is uncertain that favorable attitude to the specified store is converted to real action to buy. The marketers can see the store loyalty in attitudinal approach have little practical value.

Combined Definition of both Behavioral and Attitudinal Approach. Dick and Basu (1994) combined both behavioral and attitudinal approaches and then defined store loyalty as favorable attitude and repetitive purchase of consumers so that the concept can be comprehensively understood and they argue that their concept was desirable since both components could be measured. Either favorable attitude or repetitive purchase alone cannot be necessary and sufficient conditions of index of store loyalty and the both must be considered together in the light of consumers. Following this view of store loyalty, we define store loyalty as favorable attitude of consumers and tendency to purchase repetitively in a period of time.

Store Image

Definition of Store Image. The concept of store image was used by Martineau (1958) for the first time. He defined it as “a store defined in customers’ mind partly based on functional attributes and partly based on psychological attributes.” He claimed that store image includes its characteristic attributes and it makes customers feel the store different from others. Functional attributes are assortment of commodities, layout, location, price-value relation, and service that consumers can objectively compare with other stores. Psychological attributes are attractiveness and luxuriousness that represent special

Table 1. Definition of Store Image

Scholars	Definition of store image
Kunkel and Berry (1968)	Store image is built up through experience and totally conceptualized or expected strengthening that urge consumers to purchase at the specified store.
Oxenfeldt (1974)	Store image is a complex of attributes that consumers feel about the store and it is more than a simple sum of objective individual attributes since parts of attributes interact in consumers' minds.
Zimmer and Golden (1988)	Store image means a complex in total dimensions of store attributes that consumer feel and a complex means that store image consists of various attributes.
Berman and Evans (1995)	Store image consists of functional and emotional attributes, these are organized in the perceptual structures of purchasers, and the structures are expectation on overall policies and executions of retailers.

attributes of that store.

Many studies on store image followed Martineau(1958). Arons (1961) defined store image as complex of meanings and relation that make consumers distinguish the store from others. Here meanings are attributes or factors of retail stores and relations are structures that combine them to act. A few of major definition of store image are presented in table 1.

We found that there are differences of definitions of store image according to scholars. But we can say that store image is an overall attitude of a consumer to the store, its attributes mean various things, and each store has a relative location in the consumer's mind.

Importance of Store Image. We can use the results of studies on store image to make marketing strategies of retailers. That is, information based on studies on store image can be used to change consumers' reaction to the store favorably since attributes of merchandising and service can be formed in the viewpoint of consumers.

Bearden(1977) mentioned the influence of store image as “consumers choose stores that they feel close to their self image,” and he tried to find out store image attributes that affect store choice and loyalty for downtown and suburban shopping centers. Hansen and Deutscher(1978) showed that store image and its attributes make an important role in the choice of retail stores in his study on image attributes. In their model of the process of store choice, Engel, Blackwell, and Miniard(1990) claimed that purchasers distinguished acceptable stores from unacceptable stores in the process of comparing their evaluation standards with perceived image attributes, and that “store image is a variable that consumers depend on in their choice of stores.” James, Durand and Dreves(1976) found that image attributes influence consumers’ perception and attitudes and they are directly related to sales profits. Schiffman, Dash and Dillon (1977) focused on the description of image existing in the competing types of retailers and explained that store image attributes made an important role in the choice of store type.

Hildebrandt(1988) said, “major success factor in retail industry is store image and measurement model of store image that conceptualize the perception of store image attributes such as price level is used to forecast marketing performance as a business success measure.” And he analyzed the relation between store image and store image attributes using causal relation model and found again that store image was a cause variable of store performance. Explaining the store image emphasizing design part, Levy and Weitz(1996) claimed, “Store tell customers with all visible outside factors and real set-up structure of facilities make most of purchase possible.” His claim means that purchases are resulted from the stimulus of store image to customers. From above, we can say that store image attributes can be an important explanatory variable in the choice of store.

In their study on supermarket customers, Stanley and Sewall (1976) used MCI model that added image distance calculated from multidimensional analytical tool to Huff model and got the result that stores with favorable images could attract remote customers and that such images lessened location uneasiness. Nevin and Houston(1980) used Huff’s stochastic model in their study on the importance of store image as a factor of attracting

customers in competitive shopping areas. They showed the development and management of favorable store image was one of the most important abilities of retailers in the market position. In addition, they emphasized the role of store image since store image was considered important in the development of marketing strategies to determine shopping areas.

In their study on the segmentation of retail markets based on store image, Steenkamp and Wedel(1991) mentioned that the consideration of store image made a important role in the development of marketing strategies of both individual and chain stores and shopping centers. Mason, Mayor, and Ezell(1991) argued that store image was important to determine to buy whether in downtown shops or in a shopping center after consumers decided to purchase. And they added that it was important for marketers to know how the consumers felt retail stores to develop marketing strategies of retailing to attract them.

We can say that store image is an important factor in the choice of store and it can be a cause in the formation of store loyalty. And it can be a major cause variable for future performance and success that raises purchases of consumers and profits and thus a valuable asset for retail marketing management.

Components of Store Image. Consumers make store images based on advertisement, commodities, transmission of words, and shopping experience(Assael 1992). The dimensions and properties of store image are depending on the purpose and objects of studies. But all the researchers agree that store image is intrinsically multi-dimensional. Kunkel and Berry(1968) asked open-ended questions on the store images to customers of Phoenix department store in Arizona and got 3,737 statements. They derived 43 individual image dimensions and then categorized them as 12 categories. Lindquist(1974~1975) reviewed 26 previous studies on store images and surveyed the opinions of famous scholars. He summarized major constituents of store images from 19 researchers outputs and concluded that product, convenience, and service are the most important factors.

Hansen and Deutscher(1977~1978) systematically classified components of store images. They collected data of 485

respondents who were customers of department and general stores in order to investigate relative importance of store images for various segmented consumers. They determined 41 image attributes and then ranked them using means of 10 points scales. They used three-level classification scheme; attributes are the narrowly and really defined constructs, components are sets of similar constructs, and dimensions are sets of components. In that way, they grouped 41 attributes into 20 components, and then grouped them again into 9 dimensions. Other studies on the store image components include Jain and Etgar(1977), James, Durand and Dreves(1976), Bearden(1977), Nevin and Houston(1980), and Berman and Evans(1995).

Depending on Kunkel and Berry(1968), Lindquist(1974), and Hansen and Deutscher(1977~1978), we derived 12 components of store images and 51 questions to measure the components (see table 2).

The Relationship between Store Image Attributes and Store Loyalty. There have been two kinds of views on the relationship between store image and store loyalty. The first view is that store image attributes directly influences store loyalty. The other is that store image itself affects store loyalty. Matineau(1958) relates store image and store loyalty by arguing that store image has an influence on store loyalty. Singson(1975) focuses on the store image attributes and finds that price and quality are the most important store image attributes affecting store loyalty and assortment follows them. Lessig(1973) finds that the store image measured by store atmosphere, product, price, and promotion is correlated with store loyalty.

Korean Department and Discount Stores

Industry Environment of Retailing. The retailing stores are experiencing totally new competition as world class retailing company Wal-Mart entered the market. Diverse forms of industry lead to structural change and global competition. And both the emerge of new retailing channels and the change of consumer environment make retailing industry face a period of rapid changes in Korea.

Lots of refugees of Korean War came to Busan and most of

Table 2. Store Image Components

Dimension	Component	Content of component
Merchandise	Quality	Excellence of quality relative to the other stores Excellence of quality relative to price Overall excellence of quality
	Price	Low price relative to the other stores Reasonable price relative to product Overall lowness of product prices
	Assortment	Availability of new (fashionable) products Variety of brands Variety of product designs and colors Variety of kinds of product Overall availability of various brands and kinds of product to choose
Promotion	Promotion	Frequency of sales Scope of sale product Providence of new product information Invitation of cultural events and special sales Sending cards for birthday or anniversary Frequency of gift events Placement of right catalogues Variety of gifts Benefits of store credit card (long credit and mileage)
	Advertisement	Information providence of advertisement Usefulness of shopping plan of advertisement Appeal of advertisement Confidence of advertisement
Convenience	Convenience of shopping	Easy movement within the store Easy search of wanted goods Possibility of blanket purchase Overall convenience of shopping
	Convenience of location	Easy entrance and exit to parking lot Connection to public transportation (bus and subway) Proximity to home or working place Shopping bus schedule Availability of free parking

Table 2. Continued

Dimension	Component	Content of component
Store facilities		Easy use of physical facilities of the store (escalator, elevator, baby cart) Well-assorted rest area (snack corner, toilet, coffee shop, chairs) Clean in and out facilities Overall modern facilities
Store service	Salesperson service	Kindness of salesperson Assistance of salesperson on product and related information Providence of new information by salesperson Affirmative action and solution to complaints by salesperson Excellent customer service
	Credit service	Variety of credit cards accepted Easy return and exchange of goods Possibility of money return in the case of impossibility of return or exchange
Store atmosphere		Happiness of shopping atmosphere Relaxation of shopping atmosphere Excellent presentation and decoration of products Luxurious atmosphere of lighting, color, and facilities
Store brand		High class image High brand name

them earned their living in the market. As a result, Korean traditional markets naturally grew in Busan. Most of traditional markets in Busan was established in focal points during late 1960s and 1970s and represented Korean retailing industry. In 1968, supermarket appeared as a new form of retailing. The growth of supermarket was accelerated in 1974 when the government allowed banks to lend large retailing companies in Metropolitan areas such as Seoul and Busan.

We could observe an apparent transition to a large-scale department store in 1980s in national level. In contrast, Busan

was under the influence of traditional markets and just one department store 'Yuna' was opened in Chinchangdong by timber company 'Daemyung Timber'. The role of the first department store was weak due to weak financial status of the holding company and naive marketing strategy.

In 1982, Sammi Corporation acquired and reopened it Sammi-Yuna department store and it became an important event for the Busan citizens recognizing department stores as an attractive shopping store. Taewha shopping and Busan department store opened in 1983 and others followed it: Miwhadang department store(1984), Spa Shopping(1987), Sewon department store (1991), Rivera department store(1994), Lotte department store and Hyundai department store(1995). During this period of growth, department stores grew more than 30 per cent annually and they were the major retailers in Busan. Convenient stores appeared due to the increase of dual income families, pop up of new generation, and the increase of population of night workers. Until the emergence of discount stores, convenient stores were new a kind of retailing stores. In 1989, franchised convenient stores appeared in Korea, but 'Busangundaewha Chain' opened the first franchised convenient store in Busan in 1991 and the others followed: LG25 and Family-Mart(1992), circle-K and Ministop(1993).

WTO and opening of retailing market to foreign companies foretold us a huge change. The largest retailer in Korea lost its meaning and retailers had to listen to global leaders in changing environment. The first discount store E-mart opened in Seoul in November 1993 and 'Mega market Dongnae' opened in August 1995 in Busan. In summary, Korean retailing industry experienced four periods of growth: traditional markets in 1960s, super markets in late 1970s and 1980s, department stores in mid 1980 and early 1990s, and coexistence of department and discount stores(expected to be major retailer in the future) after 1995(Busanilbo 2000).

People working in the industry are forecasting, "retailing markets would have two leaders of department and discount stores after mid 1990s due to new openings of huge discount stores even though department stores was the only leader until mid 1990s"(Maekyung Daily 2000 November 16th).

Characteristics of Department Stores. A department store is a large-scale retailing store under direct management that constitutes its commodities with clothes, home appliances, food, and personal goods to provide consumers a one-stop shopping. According to Korean law, “department stores constitute goods in sections in an area larger than 36,000 square feet and they run more than 50% of the total sectional stores.” Their key characteristics are following. First, they are located in a business area in a city and attract consumers by providing high quality service with huge building and splendid interior. Secondly, they consist of many different kinds of commodities but the major kind is advance sales goods. They have to attract a lot of shoppers in a wide area to compensate construction and operating costs. They also can compensate the transportation and time costs of customers. It is known that customers desire to compare qualities and prices of diverse goods at purchasing point of time, and thus major commodities must be advance sales goods. Thirdly, they are rationally run by commodity-based partitions. The commodity-based partition means that diverse goods are classified into commodity groups and then commodity group managers independently run.

The first department store in the world is Bon Marche department store that opened in Paris, France in 1852. Sinsegye department store chose the direct management in 1969 for the first time in Korea and department stores showed a steady growth since then.

The department stores became large and have multiple locations as Lotte department store opened in Myungdong in 1979 and many department stores opened in Gangnam area of Seoul. Foreign department stores sell clothes and fashion-related goods. But it is notable that Korean department stores sell clothes, home appliances, food, furniture, living necessities and they run even supermarkets and restaurants.

The major benefits that department stores can give buyers are diverse assortment of commodities, easily accessible location, and amusing shopping area. And it is also a source of competitive advantages that the customers get a satisfaction related to social status when they buy goods in departments. The reasons that consumers buy clothes in department stores rather than in traditional markets include belief on the product quality,

guarantee of after service, and psychological satisfaction for social status.

Characteristics of Discount Stores. Discount stores are retailers that pursue profits by selling great amount of well-known standard goods at a discounted price. The major characteristics of discount stores are following.

First, discount stores sell goods at every day low price. In this respect, discount stores are different from other types of retailers that run a specified period of sales such as bargain sale, carried over goods. Secondly, discount stores sell consumer well-known standard goods rather than low quality goods at lower price than other retailers. Thirdly, discount stores run the stores self-service way so that they can reduce sales person cost and return consumers cost reduction at a lower price. Fourthly, discount stores provide commodities in a volume that they purchase massive amount for multiple shops. That is, they pursue profit by selling massive amount of goods at a discounted price.

Discount stores are one of the favored retailers in U.S.A. The first discount store Corvete opened in 1948 and Wal-Mart, K-Mart, Target became the major discount stores of U.S.A. through severe competition of 1950s and 1960s. Wal-Mart became the world leader of retailers by introducing innovative operating system that enables it to campaign EDLP(everyday low price) strategy.

E-Mart that opened in Changdong, Seoul in November 1993 triggered price discount by reducing retail price by 20~30 percent with lowering store facilities and customer service. Large Korean companies entered retail markets as discount stores since 1993, recently Wal-Mart of U.S.A., Carrefour and Promodes of France entered Korean retailing market that induced a severe competition among them.

The two key reasons that enable discount stores can adopt EDLP are following.

First, discount stores are trying to lower purchase price as much as possible. They try to purchase massive amount by sell it in multiple shops, to be at a better position in purchasing negotiation with manufacturers, develop private brand, and/or find global sources of low prices. Secondly, they reduce facility investment such as interior decoration and operating cost by

choosing self-service. In addition, they can reduce inventory and distributing costs with early introduction of distribution information system such as POS(point-of-sales) and EDI (electronic data interchange).

METHOD AND RESULTS

Design and Method

We interviewed married women who lived in Busan, Changwon, and Masan City Area. For convenience, we restricted the area. We focused department stores and discount stores since department stores sell 47.2% and discount stores sell 26% of retail sales and store image characteristics could be measured in these two types of retail stores.

The question sheet includes 12 store image and store loyalty items in Likert 5 point scale and other demographic items such as sex and age. It was used for both types of stores. The interview was made during October 12th through October 20th. Two hundred and twenty married women were asked to answer the questions but only one hundred and forty two answered with six incomplete answers. Thus we used 136 observations for our analysis. The detailed questions and demographic characteristics are shown in table 3 through table 4.

Items and Scale

The questionnaire includes 117 items that are related to characteristics of store image and store loyalty in Likert scale and demographic characteristics in nominal, ratio, and ordinal scale.

The calculated values of Cronbach's α are given in table 5. The values are all greater than 0.7 which satisfies the requirement of greater than 0.6 for internal consistency by Nunnally(1978). Thus we can say that the question items have strong internal consistencies.

Table 3. Questions for Department and Discount Store Customers

Component	Previous studies	Item of questions
Quality	Kunkel & Berry, Lindquist	Excellence of quality relative to the other stores Excellence of quality relative to price
Price	Kunkel and Berry, Nevin & Houston	Low price relative to the other stores Reasonable price relative to product Overall lowness of product prices
Assortment	Kunkel & Berry, Berman & Evans	Availability of new (fashionable) products Variety of brands Variety of product designs and colors Variety of kinds of product
Promotion	Kunkel & Berry, Lindquist, Berman & Evans	Frequency of sales Scope of sale product Providence of new product information Invitation of cultural events and special sales Sending cards for birthday or anniversary Frequency of gift events
Advertisement	Kunkel & Berry, Lindquist, Hansen & Deutscher	Information providence of advertisement Usefulness of shopping plan of advertisement Appeal of advertisement
Convenience of shopping	Hansen & Deutscher	Easy movement within the store Easy search of wanted goods Possibility of blanket purchase
Convenience of location	Lindquist	Easy entrance and exit to parking lot Connection to public transportation (bus and subway) Proximity to home or working place Shopping bus schedule
Store facilities		Easy use of physical facilities of the store (escalator, elevator, baby cart) Well-assorted rest area (snack corner, toilet, coffee shop, chairs)
Salesperson service	Kunkel & Berry, Lindquist, Hansen & Deutscher, Brown & Churchill	Kindness of salesperson Assistance of salesperson on product and related information Affirmative action and solution to complaints by salesperson
Credit service	Kunkel & Berry, Lindquist, Hansen & Deutscher	Variety of credit cards accepted Easy return and exchange of goods
Store brand	Hansen & Deutscher	High class image High brand name
Store atmosphere	Kunkel & Berry, Lindquist, Hansen & Deutscher	Happiness of shopping atmosphere Luxurious atmosphere of lighting, color, and facilities
Store loyalty	Samli, Zeithaml, Berry, Parasuraman	Favorable wording Repetitive purchase Intention of repurchase

Table 4. Frequency Analysis of demographic characteristics

Characteristics		Frequency	Percentage(%)
Age	20~25	23	13.2
	26~30	42	20.6
	31~35	50	23.2
	35~40	10	13.2
	40~	21	18.2
	Total	136	100.0
Family size	1	1	0.7
	2	18	13.2
	3	29	21.3
	4	67	49.3
	5	17	12.5
	6	3	2.2
	7	1	0.7
Total	136	100.0	
Education	Junior high school	3	2.2
	High school	70	51.5
	College	54	39.7
	Graduate school	9	6.6
	Total	136	100.0
Vocation	White collar	22	16.2
	Self-employed	9	6.6
	Sales/skilled	8	5.9
	Housewife	90	66.2
	Other	7	5.1
	Total	136	100.0
Monthly income (annually averaged)	Less than \$830	10	7.4
	\$830~1659	43	31.6
	\$1660~2489	44	32.4
	\$2490~3319	25	18.4
	\$3320~4149	11	8.1
	\$4150~	3	2.2
	Total	136	100.0

Table 5. Items and Reliability

Variables	Number of items	Reliability(Cronbach's α)
Quality	3	.8210
Price	3	.8112
Assortment	5	.9102
Promotion	9	.7435
Advertisement	4	.7259
Convenience of shopping	4	.7159
Convenience of location	5	.6402
Store facilities	4	.7243
Salesperson service	5	.8985
Credit service	4	.7291
Store brand	2	.9019
Store atmosphere	4	.8129
Store loyalty	7	.8691
Demographics	6	

Table 6. Regression Results

Independent Variable	Department Store		Discount Store	
	Standardized Coefficient	t-value	Standardized Coefficient	t-value
(Constant)		-.410		1.091
Price	.112	1.468	.008	.088
Advertisement	.090	1.075	.267	3.345 ^a
Assortment	-.146	-1.495	.072	.875
Store Brand	.155	1.401	.026	.258
Store Atmosphere	.270	2.267 ^a	.188	1.802 ^b
Store Facilities	-.098	-1.169	-.053	-.513
Credit Service	.073	.939	.146	1.950 ^b
Convenience of Shopping	.141	1.755 ^b	.066	.787
Convenience of Location	.160	2.085 ^a	.100	1.309
Promotion	.027	.337	-.096	-1.001
Sales personnel Service	.157	1.672 ^b	.090	.966
Product Quality	.070	.837	.251	2.800 ^a
	Adjusted R ² =.447 F=10.078(d.f.=12, p=.000)		Adjusted R ² =.497 F=12.136(d.f.=12, p=.000)	

^ap < .05^bp < .10

Regression Results

Department Store. Degree of department store loyalty is regressed for 12 explanatory variables. The explanatory variables are price, advertisement, assortment, brand, store atmosphere, facilities, credit service, convenience of shopping, location, promotion, sales personnel service, and product quality. The results are given in table 6. The regression model is meaningful since it has significant F statistic. Among the explanatory variables, store atmosphere($p < .05$), location($p < .05$), convenience of shopping($p < .10$), sales personnel service($p < .10$) are statistically significant.

Discount Store. Degree of discount store loyalty is regressed for the same 12 explanatory variables. The results are given in table 6. The regression model is meaningful for both Department Store and Discount Store since it has significant F statistics($p=0.000$). Only Store Atmosphere is positive and statistically significant in both regressions. This finding is valuable since Store Atmosphere has not been considered an important factor for Discount Store. This implies that Discount Store also has to pay attention to Store Atmosphere. Retailers of both types can make their customers more loyal to their stores by improving Store Atmosphere even though Department Store can expect more response from their customers than Discount Stores.

The six variables have different results in Department Store and Discount Store regressions. The coefficients of Advertisement and Product Quality(Credit Card Service) have statistically meaningful values at 5%(10%) significance level only in Discount Store regression. The coefficients of Advertisement, Credit Card Service, and Product Quality are 0.267, 0.146, and 0.251, respectively. That is, Discount Store can enhance store loyalty with more Advertisement, more convenient Credit Service or higher Product Quality. The coefficients of Convenience of Shopping and Store Location(Sales personnel Service) are statistically meaningful at 5%(10%) significance level only in Department Store regression. The coefficients of Convenience of Shopping, Store Location, and Sales person Service are 0.141, 0.160, and 0.157, respectively. Customers of Department Stores

consider factors such as Convenience of Shopping, Store Location, Sales personnel Service important to determine store loyalty. The customers of Discount Stores think that Advertisement, Credit Service, and Product Quality are important factors in determining their store loyalty.

IMPLICATIONS

In this study, we have reviewed previous studies on store image attributes. On the basis of this review, we analyzed which of them influence store loyalty of stores in the competition among department stores and among discount stores.

We start with the case of department stores. First, store atmosphere was found to have the largest influence on the store loyalty. By displaying and decorating commodities with lighting and color, they try to make luxurious images of their servicescape such as facilities since merry and convenient atmosphere of shopping leads to store loyalty. Secondly, easy access of location also has meaningful influence on the store loyalty. This means that transportation and parking convenience is important in the competition of department stores. The transportation convenience depends on distances from home or working place and connection to buses and subways, and parking convenience depends on size of parking lot and easiness of entrance and exit. Thirdly, convenience of shopping meaningfully affects store loyalty. It includes easy move between sale places, easy search of goods that consumers want due to the excellent layout and display of goods, and one-stop shopping possibility. Fourthly, salesperson service is another factor of store loyalty. This means that retail marketer should pay more attention to reducing customers' complaints by educating salespersons to provide good service such as product information since they are contacting the consumers directly. The cost of education couldn't be considered monetary and timely loss.

Now we turn to the case of discount stores. First, the quality of goods has the largest influence on the store loyalty. Quality of goods relative to the other discount stores or quality relative to price is important. Since discount stores sell both well-known brands of large corporations and commodities produced by

medium- and small-size firms, the overall quality level of commodities is relatively low and the variation of quality is big, and consumers may choose low-quality goods. It means that discount stores pay more attention to quality with price. Secondly, advertisement is also an important factor. They usually use newspaper inserts as means of advertising. According to a source of Homeplus, 'sales papers' has significant influence on the sales revenue, and Korean Consumer Research (07/31/00) also found that 'sales paper' was ranked the first to gather shopping information. In this view, seasonal and theme sales paper advertisement can be an important means of appealing to consumers. Thirdly, store atmosphere has a meaningful influence on the store loyalty. Discount stores such as Wal-Mart, Costco Wholesale(Price Club) opened their stores decorated in an American style, and they experienced hard times in Korea until now. One of the reasons may be that even in discount stores Korean consumers want atmosphere of stores similar to department stores in addition to value for money. It costs a lot to decorate servicescape of discount stores in a modern and luxurious style, but it is a necessity for securing competitive advantages. Fourthly, credit policy affects the store loyalty. Other factors include kinds of credit cards used for pay, easiness for return or exchange or refund, and the availability of delivery service.

REFERENCES

- Arons, Leon (1961), "Does Television Viewing Influence Store Image and Hopping Frequency?," *Journal of Retailing*, 37(3), 1-13.
- Assael, Henry (1992), *Consumer Behavior and Marketing Action*, 4th ed., Boston: PWS-KENT Publishing Company
- Bearden, William O. (1977), "Determinant Attributes of Store Patronage: Downtown Versus Outlying Shopping Centers," *Journal of Retailing*, 53(2), 17-21.
- Berman, Berry and Joel R. Evans (1995), *Retail Management*, 6th ed., New Jersey: Prentice Hall.
- Berry, Leonard L. (1995), "Relationship Marketing of Services: Growing Interest, Merging Perspective," *Journal of the Academy of Marketing Science*, 23(4), 230-238.
- Brown, G. H. (1952-1953), "Brand Loyalty: Fact or Fiction," *Advertising*

- Age, 23(June 9, June 30, October 6, December 1), 24(January 25).
- Dick, Alan S. and Kunal Basu (1994), "Customer Loyalty: Toward an Integrated Conceptual Framework," *Journal of the Academy of Marketing Science*, 22(2), 99-113.
- Engel, James F., Roger D. Blackwell and Paul W. Miniard (1990), *Consumer Behavior*, 6th ed., The Dryden Press.
- Frederick, F. R. and Sasser, W. E. (1990), "Zero Defection: Quality Comes to Services," *Harvard Business Review*, 68(Sep.-Oct.), 105-111.
- Hansen, R. A. and Deutscher, T. (1977-1978), "An Empirical Investigation of Attributes Importance in Retail Store Selection," *Journal of Retailing*, 53(Winter), 59-72.
- Hildebrandt, Lutz (1988), "Store Image and the Prediction of Performance on Retailing," *Journal of Business Research*, 17, 91-100.
- Hirschman, Elizabeth (1981), "Retail Research and Theory," In Ben M. Enis and Kenneth J. Roering, eds., *Review of Marketing*, Chicago: American Marketing Association.
- Jacoby, Jacob and Robert W. Chestnut (1978), *Brand Loyalty: Measurement and Management*, New York: Wiley.
- Jain, A. D. and M. Etgar (1983), "Measuring Store Image Through Multidimensional Scaling of Free Response Data," *Journal of Retailing*, 52 (Winter), 61-65.
- James, Don L., Richard M. Durand, and Robert A. Dreves (1976), "The Use of a Multi-Attribute Model in a Store Image Study," *Journal of Retailing*, 52 (Summer), 23-32.
- Jeuland, A. P. (1979), "Brand Choice Inertia as One Aspect of the Notion of Brand Loyalty," *Management Science*, 25(July), 671-682.
- Kuehn, A. A. (1962), "Consumer Brand Choice: A Learning Process?," *Journal of Advertising Research*, 2(December), 10-17.
- Kunkel, J. H. and Berry, L. L. (1968), "A Behavioral Conception of Retail Image," *Journal of Marketing*, 32(October), 21-27.
- Lessig, V. Parker (1973) "Consumer Store Images and Store Loyalties," *Journal of Marketing*, 37(October), 72-74
- Levy, Michael and Barton A. Weitz (1996), *Essentials of Retailing*, New York: Irwin.
- Lindquist, Jay D. (1974), "Meaning of Image," *Journal of Retailing*, 50 (Winter), 29-38.
- Lipstein, B. (1959), "The Dynamics of Brand Loyalty and Brand Switching," *Proceedings*, 5th Annual Conference, New York, Advertising Research Foundation.
- Martineau, Pierre (1958), "The Personality of the Retail Store," *Harvard Business Review*, 36, 47-55.

- Mason, J. Barry, Morris L. Mayer, and Hazel F. Ezell (1994), *Retailing*, 5th ed. Sydney: Irwin Press.
- Nevin, John R. and Michael J. Houston (1980), "Image as a Component of Attraction to Interurban Shopping Areas," *Journal of Retailing*, 56 (Spring), 77-93.
- Nunnally, Jum C. (1978), *Psychometric Theory*, New York: McGraw-Hill.
- Oh, Heungchul (1995), "An Empirical Study of the Relationship Between Restaurant Image and Customer Loyalty," *Ph. D. Dissertation*, Virginia Polytechnic Institute and State University.
- Oxenfeldt, Alfred R. (1974), "Developing a Favorable Price-Quality Image," *Journal of Retailing*, 50(Winter), 8-14.
- Raj, S. P. (1982), "The Effects of Advertising on High and Low Loyalty Consumer Segments," *Journal of Consumer Research*, 9(June), 77-89.
- Samli, A. Coskun (1989), *Retail Marketing Strategy*, New York: Quorum.
- Schiffman, L. G., J. F. Dash, and W. R. Dillon (1977), "The Contribution of Store-Image Characteristics to Store-Type Choice," *Journal of Retailing*, 53(Summer), 3-16.
- Singson, Richard L. (1975), "Multidimensional Scaling Analysis of Store Image and Shopping Behavior", *Journal of Retailing*, 51(Summer), 51-57
- Stanley, Thomas J. and Murphy A. Sewall (1976), "Image Inputs to a Probabilistic Model: Predicting Retail Potential," *Journal of Marketing*, 40(July), 48-53.
- Steenkemp, E. M. Jan-Benedict and Michael Wedel (1991), "Segmenting Retail Markets on Store Image Using a Consumer-Based Methodology," *Journal of Retailing*, 67(Fall), 300-320.
- Swan, John E. and Charles M. Futrell (1980), "Increasing the Efficiency of the Retailer's Image Study," *Journal of the Academy of Marketing Science*, 8(1), 51-59.
- Zeithaml, Valerie A. and Mary Jo Bitner (1996), *Services Marketing*, New York: McGraw-Hill.
- Zimmer, Mary R. and Linda L. Golden (1988), "Impressions of Retail Store: A Content Analysis of Consumer Images," *Journal of Retailing*, 64(Fall), 265-293.