

Chapter 2

Understanding the retail consumer

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Learning objectives

On completing this chapter you should be in a position to address the following objectives.

- Understand how consumers have changed in their opinions, attitudes and behaviour.
- Assess how these changes affect shopping motivations.



- ✔ Examine the factors which shape store image.
- ✔ Understand the importance of store patronage and the underlying influences.
- ✔ Evaluate the importance of store loyalty.
- ✔ Understand the concept of store positioning and the ways in which retailers develop positioning strategies in response to target market needs and expectations.
- ✔ Identify the elements of retail marketing strategy.

2.1

Introduction

In this section of the book we consider the shopper or the retail consumer. We begin by looking at the motivations for shopping and the behavioural characteristics exhibited by shoppers. In order to design effective retail strategies, retailers need to have a clear understanding and insight into the way in which shoppers interact with their value proposition. More importantly they need to have an insight into the evaluative criteria that shoppers use when engaging with the various elements of the buying process: from the problem recognition stage, the search and evaluation stage, the purchase and ultimately the post-purchase considerations. We also consider how this is relevant to online retail channels.

We assess how shoppers form an image of a particular store and how this influences their buying behaviour. In particular, we evaluate the key factors that shape store image and how this affects the way in which retailers position their value proposition in the market space within which they compete.

The second part of this chapter assesses the general response of retailers to store motivations, patronage and image. We examine the concept of retail positioning. In order to make an impact on the relevant retail sector, retailers have to come up with a value proposition that is relevant and resonates with the target market. Positioning is a concept that recognizes that a retailer has to register on the radar and capture a meaningful position in the mind of the targeted shopper. We examine the ways in which retailers work on specific attributes in order to develop points of differentiation that can help to distinguish their value propositions from the competition.

We also consider when it might be necessary for retailers to reposition their value proposition. Every brand has a life cycle. At certain junctures, it may become a strategic imperative to reassess its overall strategy. It may be because it is no longer relevant to the target market or has been superseded by new or existing competition.

Finally, we consider the components of retail strategy and briefly look at the ingredients that go into the design and implementation of the retail programmes in response to the consumer demands and expectations.

2.2

The purchasing process

Before we address the trends and developments about shoppers and the shopping process, we should consider the overall steps in the purchasing process. This allows us to place the subsequent analysis and discussion within the context of the shopper and buyer behaviour.

The purchasing process includes the following steps.

- 1 *Problem recognition*: this is the first stage of the buying process that shoppers go through in the context of the purchasing decision-making process. Most purchases are triggered by a recognition

that some issue has occurred which needs to be addressed. For instance, in the case of grocery shopping, items need to be replaced/replenished, leading to a weekly or daily shopping exercise. This is a relatively low-involvement activity as staple items in the food and drink category (butter, milk and so on) do not require much time to be spent on assessing product alternatives or shopping around. However when we move into the fashion category, individuals may invest more time and shopping effort. We describe such activity as relatively high involvement.

- 2 *Search*: depending on the nature of the product or service, individuals may allocate time and effort to search for information that will help them to make a more informed decision about which brand to purchase or which store to patronize. Generally the more complex and expensive the item, the more time and effort will be spent on such activity. Consumers may utilize a number of sources in this respect. They may seek advice from family, friends and work colleagues. They may read relevant articles or visit websites to gain insight into issues such as price comparisons between brands, information on the various attributes and benefits associated with brands and so on.
- 3 *Evaluation*: consumers generally factor in a number of criteria that are relevant to them (often referred to as the 'consideration set'). Usually this will revolve around a combination of variables; for example, price, quality, convenience, customer service and so on. This is central to understanding how consumers make decisions as to what brands or services they purchase. It also provides the rationale for the concept of segmenting markets because it recognizes that consumers have different attitudes, perceptions and preferences. In the context of grocery retailing for example, some shoppers are very price conscious and patronize discount retail operators. Others focus more on quality branded products and shop in retailers at the higher end of the market.
- 4 *Purchase*: this is critical in the process because it means that the consumer engages in the transaction and makes a purchase. Increasingly the transaction is likely to happen online as opposed to the more traditional location of the physical store, showroom or outlet. Factors such as store design and layout, décor, and online web design and navigation play an important role in shaping how the transaction occurs.
- 5 *Post-purchase*: in many cases the process does not end with the purchase. In some situations, the retailer has to provide a range of services in support of the purchase. For instance in the case of electrical goods, servicing the product (e.g. cars), providing warranties in the event of product failure, dealing with complaints, returns and spare parts, all come into the post-purchase activities.

Understanding the purchasing process is central to our following discussion on how shoppers form an image of a particular retailer and how they subsequently engage with that retailer and its competitors.

2.3

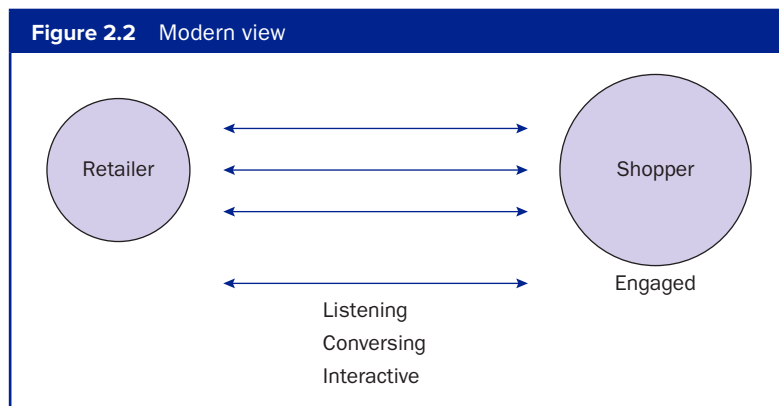
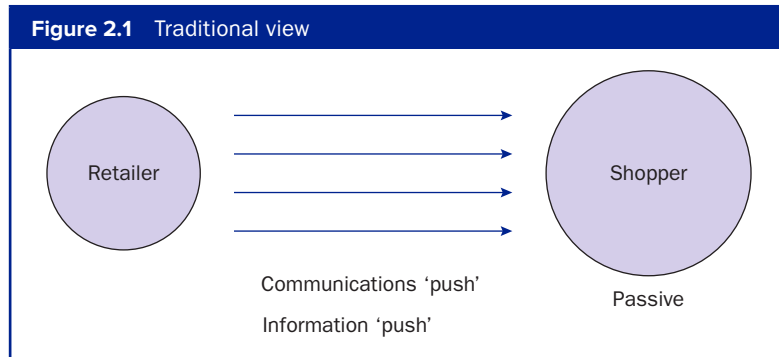
The changing shopper

It can be argued that many of the traditional assumptions about how shoppers operate in the relationship with retailers have changed in the last decade or so. Traditionally marketers in general have tended to treat the consumer as a relatively passive individual: someone who receives communications from companies and who hopefully responds in a positive manner by buying either the product or service. However this landscape has changed significantly.

The emergence of the Internet initially and more recently social network platforms has created an environment where the consumer increasingly engages in a proactive manner with companies and organizations. This change in the relationship between shoppers and retailers is captured in [Figs. 2.1](#) and [2.2](#).

The Internet has provided the opportunity to generate and assimilate information about brands, new products, and price and value comparisons without having to visit specific stores or outlets. Social networks allow consumers to engage with each other through blogging, sharing opinions and experiences on discussion forums and making recommendations to friends and other members in that specific community.





While some of the information and comments made on such platforms may not necessarily portray an accurate perception or view, the reality is that consumers are more informed and better equipped to negotiate with companies and retailers, demand better levels of service and hold higher levels of expectations.

Companies have had to rethink many previously held assumptions and principles. For instance, they increasingly have to become more transparent with their pricing policies and strategies. It is becoming more difficult to manipulate and confuse shoppers – although utility companies, train operators and mobile phone operators still appear to design a bewildering array of price tariffs that are almost impossible to fathom out.

Discussion forums, Twitter, Facebook, LinkedIn and other such platforms have led to situations where some segments of customers can voice their anger and distrust of certain brands and organizations, causing at best some bad publicity and at worst, the need for such organisations to address the issues raised in these platforms. It also highlights the potential danger of losing control over the way in which an organization wishes to be perceived in the marketplace. Retailers such as Wal-Mart and McDonald's have had to deal with threats from 'renegade' consumers who are highly critical of various aspects of their operations. Similarly, Primark and Nike have engendered negative comments about their sourcing strategies.

The ability to hold dialogues with consumers has forced retailers to rethink their approach to advertising and promotion. Traditional methods such as TV, press and radio advertising may no longer appear as attractive as social media campaigns.

While in most developed economies shoppers have relatively more disposable income than they had 20 or 30 years ago (even allowing for recessions), some segments are increasingly 'time-poor' and seek more convenient and time-saving options when shopping. Conversely, other segments see the act

of shopping as more than simply a functional activity. Instead they see shopping as a leisure, pleasure-seeking activity. The emergence of shopping malls, shopping centres and retail parks is a direct response to this development.

Shoppers lead ever-increasingly complex lives. This is most evident in the case of females. Over the last 50 years their roles have changed from the traditional 'stay-at-home' stereotype to one of professional career development. While this varies by geographic region, it has implications for the way in which this group approaches the challenge of shopping.

Increasing developments such as 4G mobile technologies, tablets and other information technology (IT) devices change the way in which retailers and shoppers engage with each other. Personalized messages can be directed to mobile devices as a shopper enters a shopping mall. While there may be issues of intrusion into a person's privacy, the reality is that a broader array of opportunities arise for retailers in particular to target individuals.

Apart from communications, technology is likely to play an even greater role in the coming decades. Shoppers are unlikely to carry money with them and instead will make payment using technology. They will also expect much more interactivity and engagement with merchandise than has been the case in the past. Technology will allow retailers to change the way in which they present merchandise. It will allow them to personalize the engagement with shoppers and capture a much greater depth of information. These developments have changed the way in which the retailers and shoppers interact and communicate with each other. We examine this in greater detail in Chapter 10.

Technology such as 3D printing and more sophisticated forms of computer-aided manufacturing also allow manufacturers and retailers to bring more unique products and designs more quickly to the marketplace. In the case of 3D printing, a unique item costs the same as a one-size-fits-all item. This can enhance the degree of choice for the shopper and widen the shopping experience.

In summary, the landscape has changed in terms of the engagement between retailers and shoppers. Irrespective of whether opportunities or threats emerge for retailers, the reality is that they have to be proactive in terms of anticipating the likely impact of such changes and develop responsive strategies to address the demands of the market.

2.4

Motivations for shopping

Shopping motivations have been defined as 'the drivers of behaviour that bring customers to the marketplace to satisfy their internal needs' (Jin and Kim, 2003: 399). People visit stores for a number of reasons that have been well documented in academic and business literature.

One of the earlier researchers put forward the view that people shop for a variety of motives, some of which are not directly related to the actual purchase of a product (Tauber, 1972). He identified the following areas:

Personal motives

- *Role playing*: where people play an accustomed role in society. In the context of shopping, many women view grocery shopping as an integral part of their role.
- *Diversion*: where shopping is viewed as an escape from the mundane aspects of everyday life.
- *Self-gratification*: this would be situation-specific. In some cases it may be to buy something nice when a person is depressed.
- *Learning about new trends*: keeping up to date with fashion trends and developments is a common motive for many young people.
- *Physical activity*: the sheer act of walking to a store and spending time there can count as exercise for some people.
- *Sensory stimulation*: many shoppers enjoy interacting with merchandise or trying on items.

Social motives

- *Social experience outside the home*: provides the opportunity for a social experience outside of the home; for example, county fairs, market days and meeting at the shopping mall.
- *Communication with others having a similar interest*: having common interests in products or merchandise. People may meet in retail outlets to meet with friends and sales personnel to get advice and share opinions.
- *Peer group attraction*: being seen in a particular store may meet the desire for someone of being able to meet with a group of people to which they aspire.
- *Status and authority*: the situation may allow a shopper to command attention and respect; for example, being waited on in a restaurant.
- *Pleasure of bargaining*: for some categories of shoppers, the pleasure derived from haggling or negotiating on price with a sales representative is an attractive proposition.

Tauber's views stand the test of time and are still widely quoted by subsequent researchers. Much of the subsequent research carried out in this area either endorses these views or builds on them in an incremental way.

Impulse shopping

There is also a tendency for shoppers to take an impulsive decision to shop. This clearly is not a planned activity and one which could be stimulated by the retailer; for example, a special promotional activity, or by the individual; for example, nothing better to do. The most common manifestation of this can be found at the checkouts at supermarkets where items such as chocolate and snack products are conveniently located where shoppers are queuing to pay for their shopping. In essence, we can identify two general types of motivation: utilitarian and hedonistic.

In the case of utilitarian motivations, we recognize that in some cases shoppers are driven by a functional view of shopping. Certain items have to be purchased. This is exemplified in the way in which people shop for food items. The weekly shopping visit to the supermarket or the hypermarket is typically viewed as 'something that has to be done'. Many people do not like the trials and tribulations of trying to get parking accessible to the store and the consequent crowded shopping environment that exists in supermarkets, particularly at peak times. It is essentially a task-oriented activity: products have to be bought and shopping lists (in some cases) have to be drawn up. Babin, Darden and Griffin (1994) refer to this type of motivation as taking a largely rational view of the process of shopping. The overall objective here is to purchase the product or merchandise in question in an efficient and objective manner. However not all shopping activities are driven by these motivations.

In order to understand their motivations, we need to think carefully about the level of involvement of the shopper in the shopping situation. Low involvement suggests that the shopping exercise is relatively routine and does not demand high levels of extended problem-solving; for example, searching out for shopping alternatives or comparison exercises. Such items are likely to be purchased on a frequent basis.

High-involvement shopping takes account of the need for such extended problem-solving. If shoppers are buying a relatively expensive item and it is a purchase they make infrequently and have a lack of knowledge and information about the options, it is likely that they will invest time and shopping effort in making the purchase. Buying a new car would fall into this category.

Laurent and Kapferer (1985) pinpoint key factors that influence the level of involvement in such purchasing decisions:

- *Self-image*: this occurs in situations where the shopping activity and the purchase affect the self-image of the individual. Products like clothing and jewellery fall into this category. The slogan 'I am what I wear' encapsulates the essence of this level of involvement.
- *Perceived risk*: in cases where there is a high monetary value on the purchase or the product is technologically complex and there is a fear that a mistake could be made, it is more than likely that the shopping effort will be high and influence the shopping motive.

- *Social factors*: this occurs where the individual is concerned about whether the purchase will be met with approval by peer groups. This is prevalent in the youth market where purchases of clothing items and entertainment-related merchandise are often influenced by peer pressure.
- *Hedonistic influences*: this introduces the concept of pleasure-seeking into the discussion and recognizes that in many shopping situations, it is not so much about the product that is purchased but the experiential elements that play an equal if not more important influence on the shopping motive. Shopping malls in particular take this factor on board when designing their value offerings.

This concept of involvement is important because it provides us with some direction as to the likely nature of the shopping motivation across the different buying situations that shoppers have to address.

2.5 Shopping behaviour

Perhaps the single biggest advance in knowledge in the field of shopping motivations is the hedonistic nature of shopping. Jin and Kim (2003: 399) define hedonism as ‘the drivers of behaviour that bring consumers to the marketplace to satisfy their internal needs’. Such a hedonistic approach takes shoppers away from the conventional utilitarian motivations and elevates retailing into the leisure arena where pleasure-seeking motivations take on greater precedence.

Arnold and Reynolds (2003) identify six dimensions of such shopping behaviour. They are as follows: adventure, social, gratification, idea, role and value.

- 1 *Adventure*: this refers to situations where shoppers seek active stimulation from the shopping trip with the emphasis placed on escaping from the real world and being part of another one. Tiso is a retail store that has a couple of outlets in the UK. It sells walking, mountaineering and adventure merchandise and accessories. As part of its store design it has designed a wall for shoppers to practise their climbing skills. This facility encourages shoppers to engage with the merchandise and the ‘outdoor’ life and builds on this concept of adventure as being an intrinsic part of the shopping experience and motivation for visiting the store.
- 2 *Social shopping*: this works on the principle that individuals do not like living in isolation. Socialization is an inherent part of everyday life. Shopping allows people to meet and congregate, discuss and have fun. Many of the large shopping malls in the Gulf States and large cities in South-east Asia have a number of entertainment features built into the design and layout of the outlet. People can watch a movie, have a meal, engage in sporting activities, shop and so on. The Mall of the Emirates is one of the most popular shopping malls in Dubai. Due to a combination of weather conditions, a lack of propensity to participate in sports activities, a high level of expatriates and a focus on the family as a central part of life, shopping is the number one leisure activity in this region and in other Gulf States. This mall has created a large entertainment emporium in which you will find restaurants, nightclubs, multiplex cinemas, entertainment features for children and an authentic-looking ski slope. In essence, it is a haven for socialization.
- 3 *Gratification*: the focus here is on relieving stress and tension from everyday life. Shopping is an activity that can address such problems. It combines the elements of escapism and socialization within the overall belief that the act of shopping can bring relief and gratification to the individual. Retailers can address this type of motivation by developing an appropriate selling environment that makes it easy and relaxing for shoppers. The last thing they want to experience is further hassle, delays and queues to augment their existing feelings of tension! Retailers such as DKNY and Burberry have created a range of diffusion brands and accessories to appeal to the needs of shoppers and widen their use of and engagement with such brands. Such brand strategies work on the emotional appeal and play to the ‘softer’ feelings of shoppers. Christmas markets in many cities in Europe also work on this principle.

- 4 *Idea shopping*: this motivation appeals to certain segments of shoppers. Some people like to discover the latest trends and developments, be at the forefront of innovative products that appear on the shelves and gain some insight into the benefits and features of such products. This is evident in retail sectors such as electronics, fashion and entertainment. Some retailers such as Apple provide such a service and use some of their flagship stores worldwide to promote new products and train their sales team to demonstrate their features ahead of the formal product launch. By visiting such a store, shoppers can gain an insight into upcoming products, new features and areas of innovation. The purpose of such a visit is not necessarily to engage in the physical act of purchase, but to gain knowledge and insight. Eastlick and Feinberg (1999) identified a certain category of individual who acts as a 'market maven': someone who acts as a conduit of information about trends and developments in terms of new products and innovations that are on the market or are about to hit the outlets in the near future.
- 5 *Role*: some people can derive great pleasure from shopping for someone else. Buying gifts for instance can in some cases be more pleasurable than buying for themselves. Gift-buying allows individuals to engage with merchandise that may have no relevance to their needs or requirements. However by interacting with and purchasing such items, they can experience a range of pleasurable feelings without having to worry about the risk of making a mistake.
- 6 *Value*: some shoppers enjoy the challenge of bargaining for merchandise, haggling with sellers and deriving great pleasure from feeling that they have got themselves a 'good deal'. This is partly a cultural phenomenon. In some countries, haggling and negotiation over price is an intrinsic part of the purchasing and sales process: both parties enter the equation in the expectation that this will occur. In other countries, some shoppers experience discomfort at the possibility of having to negotiate with a seller. The following questions arise: Did I get a good deal? Am I being ripped off? What if I held out for a better deal or discount?

All of the above motivations are grounded in the belief that shopping effort is directed at pleasure-seeking and that shoppers enjoy the experiential elements associated with the process of shopping.

Further research in the area of shopping motivations endorses the work already covered in the preceding sections (see Parsons, 2002; Eastlick and Feinberg, 1999; Haanpa, 2005; and Lennon, Sanik and Labarbarbera, 2003).

Kaur and Singh (2007) carried out a study with young people in the Indian market and their findings reinforce the importance of hedonistic motivations for shopping as well as a diversion from the mundane features of everyday life.

We should be careful to avoid falling into the belief that shopping activity and the motivations for shopping are categorized as *either* utilitarian *or* hedonistic in nature. This is an unduly simplistic perspective and ignores a body of research that draws upon a sociocultural perspective of shopping, as opposed to the more traditional economic and psychological approaches.

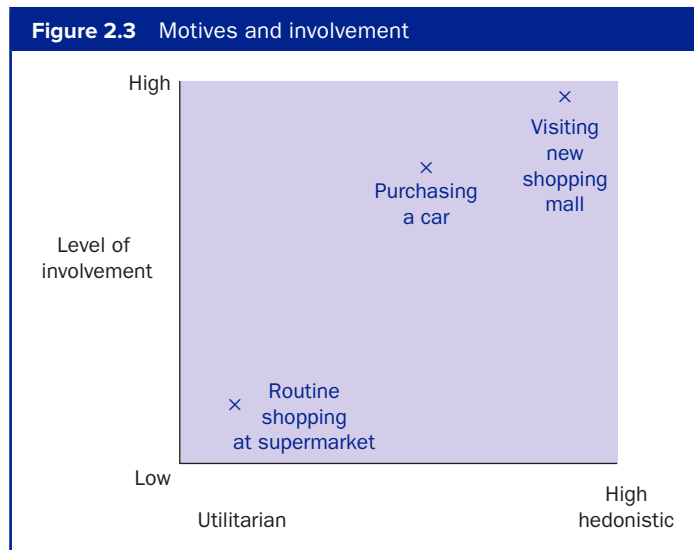
Backstrom (2011: 201) captures the essence of this perspective in the following statement.

“In sociocultural literature shopping is commonly regarded as an act of consumption which incorporates more facets than those present in the momentary visit and thus must be understood in relation to its wider social and cultural context.”

This approach suggests that we should take a more open and multifaceted view of the dimensions of shopping. For example, Backstrom's research considers the concept of shopping as a leisure activity and suggests 'that one and the same consumer may appreciate diverse aspects of shopping on different occasions, and thus engage in a wide repertoire of leisure shopping practices'.

In summary, we can say that shopping motives vary depending on the type of buying or shopping situation that faces shoppers. Some shopping motives are functional and relatively mundane; for example, the trips to the local convenience or corner shop for an emergency purchase such as milk or bread. Others involve a much higher level of involvement or engagement with the purchase/visit and involve more effort and planning; for example, a visit to a car showroom. Many shopping situations move the shopper into the area of pleasure-seeking and an escape from everyday life.

Since the early research by Tauber (1972), the findings from other work is remarkably consistent with his recommendations and these are summarized in Fig. 2.3.



2.6 Case in point: Airport shopping

In a global context airports, with rare exceptions, have undergone a transformation over the last 30 years or so. They changed their business role and definition from that of government-owned centres for conveying passengers from A to B, to business service providers, with a focus on creating a positive customer-oriented experience. While delays and security problems have had a negative impact on some passengers' experience, the ubiquitous nature of airport retailing is evidence that airport providers see it as an antidote to such issues and an opportunity to encourage passengers to spend money as they wait for their flights or their connections.

In 2006, revenue from airport retailing generated on average 22 per cent of an airport's total business. In 2007 it was estimated that retail sales at airports touched \$27.1 billion, making it the fastest-growing retail channel behind the Internet.

In general, such growth was driven by international tourist growth, economic liberalization, growth in passenger traffic and increasing flight delays. In many ways, it is perfect for the service providers: they have a captive audience that cannot leave the airport and are likely to be there for an average of over three hours.

The worldwide recession of 2008 onwards has reduced the number of passengers that fly. However in relative terms and in many countries, there is an increasing demand for airport expansion. This is particularly so in countries such as China, India and eastern Europe, as economies have developed and expanded more quickly than in other parts of the world.

Questions

- 1 Which shopping motivations do you think airport retailing addresses?
- 2 Assess how airport service providers develop their retail offerings to meet these shopping motivations.
- 3 In what ways do you think the shopping experience could be enhanced to address the hedonistic dimensions of the process of shopping?

2.7

Online shopping motivations

The research on shopping motivations has by and large focused on the traditional mode of shopping; that is, physical visits by shoppers to outlets. The upsurge in popularity of online shopping needs to be assessed in terms of motives. In recent years researchers have investigated this aspect of shopping motivation.

It would be easy to assume that online shopping appeals to that segment of the population that likes convenience and is time-poor. As we noted earlier, many people do not have the time to physically shop given their complicated and busy lives. The Internet presents an opportunity to carry out a range of shopping activities without having to physically move from the house, office or hotel. Rohm and Swaminathan (2004) developed a typology for online shoppers. They identified four categories: the convenience shopper, the variety-seeking shopper, the store-oriented shopper and the balanced buyer.

Noble et al. (2006) shed more light on the motives of the online shopper and identified a number of motives, some of which appear to be directly related to the online shopping experience. These included: information search, price comparison, uniqueness-seeking, product assortment, convenience-seeking, social interaction and browsing.

Some research has indicated that online shoppers differ in their motivations insofar as they are more concerned with convenience and are willing to pay extra in order to save time (Li, Cheng and Russell, 1999). Similar research in this area suggested that online shoppers are more driven by the need for information and more specialized or customized products. Mathwick, Malhotra and Rigdon (2001) advance the view that online shoppers are more driven by utilitarian motives and are not pleasure-seekers or motivated by escapism.

Kukar-Kinney, Ridgway and Monroe (2009) found that the issue of compulsive buying was an important consideration. Such shoppers get an emotional lift or boost from shopping. To this extent they may be seen as an extreme shopper, akin to people having an addiction like alcohol or gambling. The ease of access and immediacy of the Internet as a retail channel may further encourage such shoppers to make purchases. It also allows them to buy unobserved. Note that this research has limitations: it was based on a small sample and looked at shoppers of an upmarket ladies fashion online retailer.

Ganesh et al. (2010) undertook a more comprehensive survey of online shoppers. They identified seven online shopping motivations, which are as follows: web shopping convenience, online bidding/haggling, role enactment, avant-gardism (keeping up with trends), affiliation (interacting with other online shoppers), stimulation (interacting with interesting websites) and personalized services (being personally notified of new products or deals). Their study found that in overall terms online shoppers were more similar than dissimilar to traditional shoppers.

They also found areas of motivation that are more relevant to the online shopping experience which are difficult if not impossible to replicate by the traditional 'bricks-and-mortar' outlets. Statements from the qualitative phase of the research capture these differences:

- Shopping any time of day or night
- Avoiding crowds.

2.8

Store image

In this section we assess the importance of store image, both to the shopper in terms of influencing their store patronage decisions and to the retailer when it shapes its positioning strategy.

Du Preez, Visser and Van Noordwyk (2008) carried out a review of the various definitions of store image. They cite one of the earliest authors in the field (Martineau, 1958: 58) who defined store image as

‘...the way in which the store is defined in the shopper’s mind, partly by its functional qualities and partly by an aura of psychological attributes’.

Store image is formed by the cues or signals that the individual retailer sends out to its target market. This can take the form of visual cues such as store design, layout, location, merchandising and the various marketing communications tools employed. These cues can appeal to the functional and psychological aspects. The former refer to aspects such as the number of checkouts in a supermarket. Too few can cause delays and send a negative signal to a shopper – particularly if that individual is ‘time-poor’ and seeks speed of access and egress as the two main factors in the shopping experience. Other cues such as lighting, music and aroma can be used in a more subtle fashion to shape the store image.

Early research in this area by Lindquist (1974) reviewed the literature and identified nine different elements that form store image: merchandise, service, clientele, physical facilities, comfort, promotion, store atmosphere, institutional and post-transaction satisfaction. Further research by authors such as Bearden (1977) and Ghosh (1990) identified similar attributes and factors. The latter author pinpointed the merchandise carried by the store as the most critical element.

Baker et al. (2002) considered theories from cognitive and environmental psychology to develop a framework that proposes that the store environment dimensions (store employee perceptions, store design perceptions and ambient factors such as music and lighting) influence the consumer’s perceptions of store choice criteria (interpersonal service quality perceptions, merchandise quality perceptions, time/effort cost perceptions, psychic cost (level of stress involved) and price perceptions), and that these perceptions in turn affect patronage intentions.

The store environment factors essentially are the cues, symbols and artefacts that shape store image and subsequently influence store choice criteria and subsequent store intentions. Put simply, store image is the composite picture built up in a shopper’s mind as to how it is perceived, either positively, neutrally or negatively as the case may be. The visual cues outlined in Baker et al.’s model (2002) act as a powerful influence on how shoppers are likely (or not likely) to engage with that store. More critically, it influences the likelihood of shoppers coming back to that store on a regular basis and building up a level of brand loyalty and commitment to that store.

Du Preez et al. (2008) put forward a framework for understanding the dimensions of store image and these are captured in [Table 2.1](#).

This framework emphasizes the relationship between the various attributes and store image. It stresses that the latter is formed by the consumer’s perceptions of all the attributes associated with the store.

Pan and Zinkhan (2006) reinforce the importance of store image in shaping subsequent shopping patronage motives and behaviour. They stress the importance of visual cues as a significant influence as to how a shopper gathers information about the store and how they process this information. This helps them to form a judgement about the store and will affect their perceptions and opinions. This in turn acts as a predictor of whether they will engage in repeat visits to that particular store.

Much of the research in this area has focused on specific attributes in an attempt to describe store image. However, it does not necessarily capture the gestalt view of store image. The term ‘gestalt’ is defined as ‘...the idea that the individual’s perception of any object incorporates innumerable bits of separate information that are combined in such a manner that the end result of the integration of inputs amounts to more than the sum of its constituent parts’ (Chowdhary, Reardon and Srivastava, 1998: 73).

Attribute-based studies tend to capture a subset of store image (Zee-Sun and Good, 2007). Cognitive perceptions and emotional responses can emerge from attributes. They cite the example of a shopper hearing a piano playing in an immaculately clean store evoking images of friendliness, contentment or luxury.

In the context of e-tail channels, the engagement with the retailer tends to occur via PCs, laptops, tablets or mobile technology. Here, store image is formed by the way in which the website is developed in terms of layout, navigation, transaction areas and so on. Issues such as transparency and navigation in particular have a powerful influence on the formation of store image.

In the preceding sections we examined issues such as motives for shopping, store loyalty and store image. We conclude this part of the chapter by looking at how these issues interact. Bloemer and de Ruyter (1998) put forward the view that store loyalty is in essence all about store satisfaction management. The way in which shoppers form an image of a particular store will be shaped by their satisfaction levels. Thus, if they are to revisit the store on a regular basis, satisfaction levels have to be maintained

Table 2.1 Dimensions of store image

Dimension	Dimension names included from the literature
Atmosphere	Activity dimension; Clean and spacious atmosphere; Music/aesthetics dimension; Store atmosphere; Store atmosphere – aural; Store atmosphere – olfactory; Store atmosphere – tactile; Store atmosphere – visual
Convenience	Accessibility; Congestion; Convenience; Convenience (economic); Convenience – store location and mobility; Convenient facilities; Errand shopping; Facility convenience; In-store convenience and physical environment; Leisure activities; Location; Location and convenience; Price; Promotions/convenience; Proximity and familiarity; Service convenience; Variety under one roof
Facilities	Appearance; Congestion; Convenient facilities; Facilities; Facility convenience; Family shopping; Outside attractiveness; Physical facilities; Sensory/layout dimension; Servicescape; Service – store facilities; Store layout
Institutional	Clientele; Institutional; Institutional factors
Merchandise	Brand name; Fabric; Fashionability; Fashion goods; Focused shopping; Merchandise; Merchandise value; Merchandise variety; Merchandising; Popularity; Price; Price and quality aspects; Price competitiveness; Price/quality dimensions; Products; Quality/reputation; Rich mix of commodities and services; Status; Technical quality; Time/availability; Value; Value-added service
Promotion	Advertising; Interest shopping; Promotion; Promotions; Promotions/convenience; Sales and incentives
Sales personnel	Employee service; Functional quality; Personal interaction; Personnel; Preference for salespeople; Relational quality; Salesmanship; Salespeople service; Salesperson/service; Service – sales associates attributes
Service	After-sales service; Complaint handling; Core service; Credit; Credit facilities; Employee service; In-store service; Merchandise; Merchandise requests; Post-transaction service; Presence of related services; Rich mix of commodities and services; Salespeople service; Salesperson service; Service; Service convenience; Services; Service – sales associates attributes; Service – store amenities; Service – store facilities

Source: Du Preez et al. (2008: 52)

and from the perspective of the retailer, they have to be improved as customer attitudes and perceptions change over time. They conclude by noting that 'truly loyal customers are manifestly satisfied with the store and have a positive image towards the store' (Bloemer and Ruyter 1998: 512). In the next chapter we consider the ways in which retailers connect with their target market and develop store-loyal customers.

2.9

Retail positioning

Understanding how shoppers form an image of a store is central to the retailers in terms of designing appropriate strategies to encourage them to return to the store and, over time, build up a loyalty to shopping with that particular retailer. In order to put together a relevant value proposition, retailers have to position their points of differentiation clearly in their marketing communications with the target market.

So far in this chapter we have focused on building an understanding of the shopper with particular attention being paid to shopping behaviour and loyalty. We now consider the broad responses that retailers make in response to these factors and influences. We begin by examining the concept of positioning.

Ries and Trout (1986) wrote an influential text that examined the concept of positioning and highlighted its importance in shaping strategy for organizations. The key to understanding the concept of positioning is to recognize that it is not what companies and organizations 'do' to the product or service by means of marketing activities such as advertising or promotion. Rather the concept begins in the mind of the customer. It is about how the target market perceives the brand and how this perception is translated into specific attributes that are associated with this brand. This means that positioning is not about how the organization wishes its brand to be perceived in the mind of the shopper. Marketers have to be confident that they can influence the shopper's perceptions in a positive way.

Kalafatis, Tsogas and Blankson (2000) consider the various definitions that have been proposed by authors in this area and use the following definition to explain the concept. They suggest that an earlier attempt by Arnott (1992) to define positioning is an accurate view. He defines positioning as 'the deliberate, proactive, interactive process of defining, modifying and monitoring consumer perceptions of a marketable product...'.

The strength of this definition is that it explicitly recognizes the importance of engaging in longitudinal research to continuously monitor the changing landscape with regard to consumer perceptions. Competitive activities, new entrants, innovations and other factors all combine to ensure that the environment is not static. What may lead to a competitive advantage at one point in time can quickly disappear as consumers react to changes in the market.

Differentiation is at the heart of positioning. Organizations are charged with the task of somehow differentiating their value proposition from the competition – both direct and indirect. Markets are becoming ever-more fragmented due to increasing customization and higher levels of expectations. We are witnessing increasing fragmentation within the media as the traditional means of communications are being challenged and supplanted by new media platforms (social media). It is becoming more and more difficult to carve out a clear point of differentiation in the mind of consumers across industry sectors. Unless a company has a clear and unambiguous point of differentiation, it is unlikely that its brand values will even register in the mind of the target market.

It can be noted that because positioning is based on the perceptions of the customer and not the organization, it is not fully in the control of the retailer.

In the context of retailing we are witnessing the emergence of greater numbers of more assertive, knowledgeable and questioning shoppers. Many retail sectors are moving from a functional view of what the customer wants to an experiential package of activities.

Creating and delivering customer value does not rest solely with marketing however. Knox (2004) recognizes that competition is in many cases based on the relative strengths of the respective supply chains rather than clever and creative marketing initiatives. He argues that positioning strategy design now encompasses all aspects of the organization.

Knox (2004) suggests a number of components to develop brand positioning. They are as follows:

- its overall reputation
- products/service performance
- product and customer portfolio
- networks.

He uses the example of airline brands to illustrate how these components interact and this is outlined in [Table 2.2](#).

Table 2.2 The positioning of airline brands in the UK

BA	EasyJet
Reputation: Reliable, predictable	Cheap
Product and service performance: Extensive routes, range of service, excellent recovery from problems	Fit for purpose, few routes
Product and customer portfolio: strong business class sub-brand Focus on long-distance business traveller	Corporate brand based on budget Traveller paying for own trips
Networks: Global alliances, deliver worldwide capability, Airmiles scheme a major part of loyalty strategy	Not as part of the brand

Source: Adapted from Knox, Maklan and Thompson (2000: 223)

In the context of retailing, Floor (2006: 82) engages in an extensive manner with the concept of retail brand positioning. He reinforces the importance of carving out a distinctive and meaningful position and cites the example of the US DIY retailer, Home Depot as a good example.

“It got its original insight into how to revolutionise and expand its market by looking at the existing industries serving home improvement needs. It saw that people had two choices: they could hire contractors, or they could buy tools and materials from a hardware store and do the work themselves. Professional contractors only have one decisive advantage: they have specialised know-how that home-owners lack. Home Depot made it their mission to bolster the competence and confidence of customers whose experience in home repair was limited. The company now recruits sales assistants with significant trade experience, often former carpenters or painters. These assistants are trained to walk customers through any project: installing kitchen cabinets, for example, or building a deck. In addition, Home Depot sponsors in-store clinics that teach customers such skills as electrical wiring, carpentry and plumbing.

Home Depot has also eliminated costly features that add cost. They have created a self-service warehouse format that lowers overheads and maintenance costs, generates economies of scale in purchasing and minimises stock-outs.

Essentially Home Depot offers the expertise of professional home contractors at markedly lower prices than hardware stores. By delivering the decisive advantages of substitute industries and eliminating or reducing negative factors that held customers back, Home Depot has transformed enormous latent demand for home improvement into real demand.”

Source: Floor (2006)

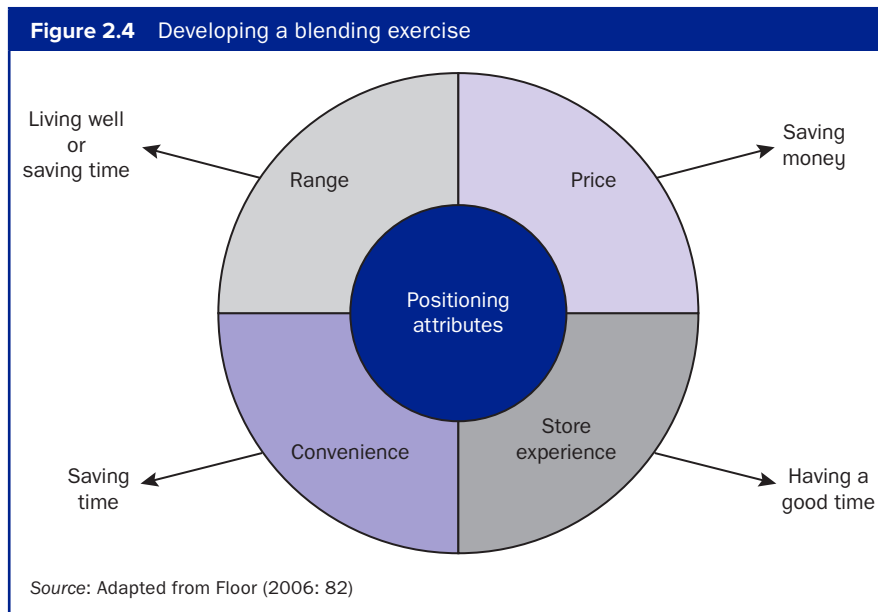
2.10

Blending positioning attributes with shopping benefits

Retailers need to develop a positioning strategy to capture a position within the mind of their target market. In this section we consider how such a ‘blending’ exercise can be developed. Floor (2006) highlights how retailers form their brand positioning with respect to shopper need. This is captured in Fig. 2.4.

Floor (2006) identifies four attributes that shape different retail brand positions. They are as follows:

- **Range brands:** the retailer focuses on developing a range of merchandise that is clearly stronger and better than the competition in that sector. This differentiation can be achieved either through the width and/or depth of the merchandise or through specialized merchandise. Examples would

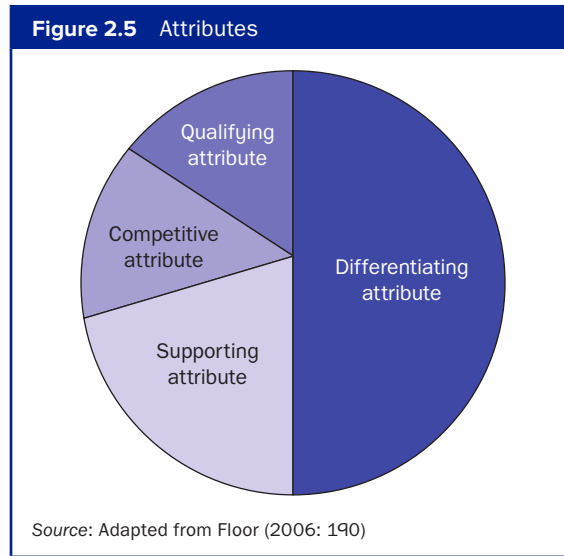


include Foot Locker and Swatch. They appeal to a shopper who holds functional and/or emotional motives. From the point of view of convenience, such retailers provide a ‘one-stop-shop’. They can also carry merchandise within their range that also addresses emotional needs.

- *Price brands*: the focus in this situation is on low price offerings that appeal to the price-conscious shopper. Such shoppers can be drawn from low and high-income circles. In many cases high-income shoppers, despite having a relatively large disposable income, still like to identify bargains and possibilities for savings. This is noticeable during the prolonged recession that occurred in the latter part of the first decade of this century. Aldi and Lidl present examples of such retail brands.
- *Convenience brands*: as noted earlier in this chapter, many shoppers are ‘time-poor’ due to busy professional careers combined with family commitments. This motive to save time can be viewed as functional in nature, although it does not ignore the fact that even in such circumstances some shoppers still have expectations of a high level of service and personal attention. In this respect, such a retail brand can appeal to both types of shopping motivation whether they be functional or hedonic.
- *Experience brands*: whereas the other three categories tend to focus mainly on the functional motives, this retail brand addresses the experiential dimension. An example would be Starbucks. At a functional level you can drink coffee in such an establishment. You can also use the WiFi facilities and browse the Internet. You can use the facilities to hold a business meeting or simply sit and watch the world go by. It is simply more than just a functional place where you drink coffee. Visiting an Apple store is also not about simply buying merchandise. You can try out new products, gain advice from sales staff and generally indulge in the atmosphere that is created in such stores. Increasingly retailers are developing flagship stores in key shopping malls to introduce customers to the latest designs and products.

Floor (2006) makes an important point when considering the attributes that retailers can use to position their value proposition in the minds of their target market. This is captured in Fig. 2.5.

Floor (2006) notes that it is impossible for a retailer to be excellent across a number of different attributes. Put simply, a retailer cannot satisfy everyone and be all things to all people. To this extent, it is important for a retailer to have a specific expertise or capability that is reflected in one particular area. This is referred to as a *differentiating attribute* by Floor. This particular attribute should form the central fulcrum of the retailer’s overall marketing strategy. Outside of the marketing strategy it should form the genesis for the corporate mission and culture of the organization.



However, focusing exclusively on one attribute alone is not sufficient. In an increasingly competitive and complex market, it is difficult to base one's strategy on a single feature. Floor identifies the importance of having a *supporting attribute*. This should complement the differentiating attribute and provide the shopper with an extra reason for shopping at that store. For instance it can be argued that Zara's differentiating attribute is that of providing up-to-date, latest fashions, and it is complemented by the low, affordable price tags associated with the merchandise.

A *competitive attribute* recognizes that in order to be successful, this attribute is a minimum requirement. On its own, it does not provide any strong differentiating reason why a shopper should visit that particular store. For example, a discount retailer who uses low price as a differentiating factor does not have to worry unduly about the store experience. In this respect, the shopper is likely to view the low price as a compensatory factor for average to poor levels of customer service. Once the competition is around the same level on customer service, it will make little difference. However it is unlikely that the retailer would get away with an 'appalling' level of service. In this situation, the retailer has to be at a minimum, competitive on this attribute.

A *qualitative attribute* is similar to the previous one except that a retailer can afford to achieve less than the competition on this attribute, particularly if it is less relevant to the target market or the low rating on this feature is more than compensated for by the score on other attributes.

Table 2.3 summarizes the way in which these attributes can be implemented.

In overall terms we should recognize that the most appropriate positioning strategy is based on the overall capabilities of the retailers and more specifically the core competences; that is, the DNA of the business operations. This could be in any one particular area such as low price, quality, customer

Table 2.3 Using attributes to position against competitors

Attribute	Positioning against competition
Differentiating	Much better than the competition
Supporting	Somewhat better than the competition
Competitive	About as good as the competition
Qualifying	Acceptable versus competition

Source: Adapted from Floor (2006: 90)

Table 2.4 The positioning mix

Retail Brand	Differentiating	Supporting	Competitive	Qualifying
Wal-Mart	Price	Range	Convenience	Experience
Zara	Range	Price	Experience	Convenience
Starbucks	Experience	Range	Convenience	Price
Dollar General	Price	Convenience	Range	Experience
Nordstrom	Convenience	Range	Experience	Price
McDonald's	Convenience	Price	Experience	Range
Disney Store	Experience	Range	Convenience	Price

Source: Adapted from Floor (2006: 91)

service and so on. It is also critical that the chosen approach to positioning resonates with the needs, attitudes, perceptions and requirements of the target market. This latter point makes the brand *relevant* to the shopper and provides the rationale for visiting and (hopefully) revisiting that particular store. Thus, we have a mix of attributes that the retailer uses to establish a position in the mind of the shopper.

Table 2.4 provides some examples of how the four main attributes interact. We should look on this as the positioning mix which reflects the four categories identified by Floor (2006).

Activity

Select a retailer of your choice. Using the approach suggested by Floor (2006), identify the positioning strategy adopted by this retailer relative to the competition.

2.11

Repositioning

A brand goes through a life cycle like any product. At some point in its evolution it may need to be rejuvenated in order to adjust to the changing market environment. What might have worked well more than a decade ago may now appear to be 'stale' or 'dated'. Customers' attitudes and preferences may alter; new competitors arrive and 'change the rules of the game' or (in the case of retailing) new formats emerge.

If a retailer is experiencing a prolonged period of decline in term of decreasing sales and market share, it has to face up to a fundamental question. Where do we go from here? It may mean in the worst case scenario that it closes its operations and withdraws from the market. Some music stores such as HMV have closed due to their format and value proposition ceasing to be relevant to the customer. Independent retailers in some sectors have also had to close in the teeth of strong competition from the mega retailers who have infringed on their territory. This is notably the case with the large supermarket groups as they redefine their business from originally food to a range of non-food activities such as running pharmacies, selling fuel and financial services.

A less drastic strategy is to rethink the business and reposition the value proposition to take account of market and customer changes. HMV, for example, was subsequently acquired by Hilco UK; it redefined its value proposition and still retains a presence in the UK market. In the case of the travel sector, many travel agencies are repositioning their offering as travel consultants that can design bespoke package for corporate and personal travellers.

In some cases, a retail value proposition becomes 'lost' in the 'fog' of information and data that is directed at shoppers and it ceases to become clear as to what the retailer's key differentiating attribute is. Commentators suggest that this happens to retailers who end up in a 'middle-of-the-road' position. In such a situation, it can be argued that a retailer does not make any great appeal to any specific segment of shopper. At the bottom end, discount retailers have a clear position: low prices, basic customer service and store environment. At the top end, high-fashion retailers have an exclusive range of merchandise, customized and tailored customer service and luxurious facilities. A retailer who is caught in the middle may struggle to 'register on the radar'.

A decision to reposition the value proposition is not one that is made on a regular basis. It is relevant where there is a prolonged period of decreasing sales akin to the decline stage of the product life cycle. It will require changes across the broad dimensions of the retail marketing mix. For instance, if a fashion retailer makes a decision to reposition its offering to an older customer, it is not sufficient to introduce a new range of clothing to reflect this shift in focus. Changes will also need to be made to other elements of the retail marketing mix to support and reinforce this change in direction. Cosmetic or minor adjustments are unlikely to be effective. Indeed such tinkering with the existing value proposition may further confuse and alienate the target market.

For effective positioning and repositioning to work effectively, the following conditions should be present.

- The value proposition and the differentiating attribute need to be clearly identified and explained in the communications strategy adopted by the retailer.
- The value proposition and differentiating attribute must be relevant and credible to the target market.
- The value proposition and differentiating attribute need to be sufficiently different from the competitive value propositions. Otherwise, it simply becomes a copy-cat brand and is unlikely to make enough of an impression to capture the required sales and market share.
- The value proposition and differentiating attribute have to be consistent over time. Constant adjustment and alterations across the marketing mix are a major source of confusion and irritation to the target market.

2.12

Retail marketing strategy

In the previous section we examined the key strategic attributes upon which a retailer can set out its overall positioning strategy. The specific operational decision areas and tactics employed by the retailer to articulate the overall strategic positioning need to be considered.

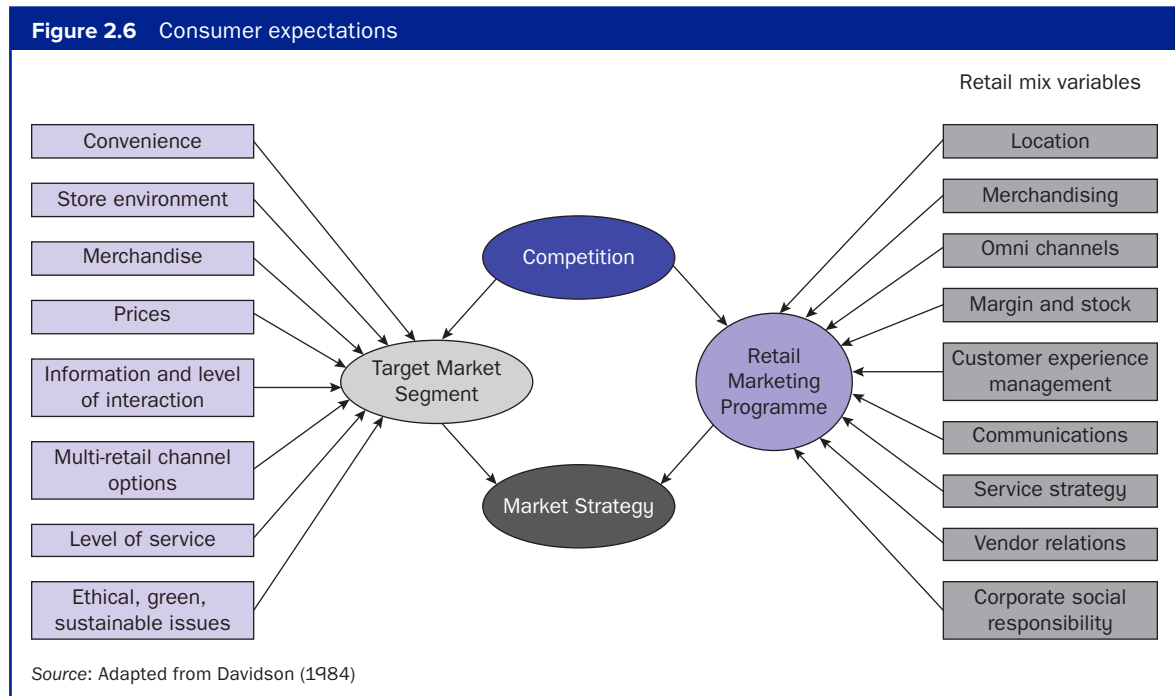
Walters and Laffy (1996) identified four broad areas that make up the retail marketing mix. They are represented as follows:

- merchandise decision (range, width and depth of merchandise, branding and assortment profiles)
- store format, layout space allocation, design and atmospherics
- customer service (pre-sales, sales and post-sales)
- customer communications: traditional (TV, press, radio, print and so on) and new (Internet, viral, social media and so on) forms of marketing communications.

Figure 2.6 identifies the elements of the retail programme in more detail and shows how this links up with the target market. We consider each element of retail strategy in Chapters 5–11.

The elements identified on the right-hand side of the diagram represent the retail marketing mix. We can see that it covers a broad range of areas and has been updated since it was originally developed by Davidson (1984) to include contemporary issues such as omni-channel coverage, social media platforms and issues such as sustainability and social responsibility.

Figure 2.6 provides us with a structure which we will use to examine each element of the retail marketing mix in the following chapters.



2.13

Conclusions

This chapter has focused on the consumer or shopper as the unit of analysis. We examined the motivations for shopping and concluded that shoppers are driven by functional needs such as the acquisition of food and clothing and also by more hedonistic needs such as the desire for a certain lifestyle, luxury and aspiration. The latter motives generally refer to shopping situations where there is a high level of involvement in the buying process. Shoppers are prepared to invest time and effort in the process in order to acquire the item (s) and get the expected pleasure or excitement from the exercise. By contrast, some shopping situations are more mundane and boring for some shoppers; for instance, in the case of the weekly trip to the supermarket.

We assessed the concept of store image and the ways in which shoppers form an image of a particular store. While much of the research in this area has been based on examining the range of attributes, we noted that a gestalt view of the store takes a broader view. This takes in cognitive perceptions and emotional responses and consists of a range of functional and psychological factors.

In the second part of the chapter we examined how retailers can respond to the motivations and patronage decisions of the shopper. In particular we evaluated the concept of retail positioning. This concept stresses the importance of retailers recognising the need to position their value proposition in the minds of the target market. Unless it captures a meaningful and relevant position in this space, it is unlikely the retailer will 'register on the radar' and gain a footprint in terms of market share and sales.

We established that the differentiating attribute is an important consideration in developing the positioning strategy. This attribute is in essence the rationale behind the value proposition and differentiates it from the competition. Without such a differentiating attribute it is unlikely that a retailer can gain a sufficient point of differentiation from the competition. It will inevitably become a 'me-too' or

'copy-cat' brand. It will not provide enough motivation or incentive for shoppers to visit that outlet on a regular basis.

We looked at the key areas where a retailer can shape the positioning of its offering. The main areas are merchandise, price, store environment and communications. We expanded on this to examine the various components of retail marketing strategy. This is a more varied and wider range of activities than the traditional '4 P's' framework that is so beloved of traditional marketing texts.

We made the important observation that retail marketing strategy on its own will not guarantee a successful outcome. Supply chain management is arguably more critical as weaknesses in this area will prevent many of the marketing initiatives from reaching fruition.

Case study: Why did Marks & Spencer lose its edge?

Introduction

Marks & Spencer is a UK food and clothing retailer and has enjoyed great success throughout the decades before losing market position in the late 1990s. Its St. Michael brand developed a strong reputation for good quality worldwide. In its successful period, it was perceived as being one of the most successful UK companies. It has introduced some initiatives since then to try and recapture its pre-eminent position; most notably with the launch of sub-brands in its clothing section such as Per Una and Autograph. In the following paragraphs we get the views of a few opinion formers and retail experts about the future for Marks & Spencer, particularly in the context of how they should position its value proposition.

Kirstie Allsopp, TV presenter, also designs a homeware range for M&S

I'm very proud to have a range in Marks & Spencer, although I think I can be honest about what I feel. I used to buy a lot of clothing from M&S – I've always been a fan, and I adored their Autograph range [famous fashion designers were brought in to collaborate on collections]. There are fashion designers whose stuff I wouldn't buy at the top end, but who did a diffusion line for Autograph when it first started, and I have some pieces from that range that I still wear. But M&S doesn't have that any more.

When I talk to the girls at work – many of them in their mid- to late-20s and on low incomes – they tell me they shop at Primark. I don't see them buying anything from Marks & Spencer. It has become about the food, which out-cools and out-sexes the clothes. Something, somewhere got a little bit lost.

I trust Marks & Spencer, but I don't have the sense any more that I will make a real discovery. My fashion advice mainly comes from weekend newspaper supplements, and I don't see a lot of M&S stuff in them. I know they do makeup, shoes, accessories – but I can't remember the last time I saw something in a magazine and thought, 'ooh', and then saw it was from M&S.

M&S can get its position back. The staff have a great attitude, and the company as a whole is a good one. I just think its womenswear has lost its edge.

Jess Cartner-Morley, *The Guardian* fashion editor

There is one straightforward factor contributing to M&S's woes. There is no one manning the tiller, fashionably speaking. The current collections fall between two reigns: they were conceived after Kate Bostock left last year, but have not been steered by her replacement, Belinda Earl – her influence will not be seen until the first autumn ranges land at the end of this summer. I have observed the dynamics at M&S for some time, and it strikes me that a healthy relationship between the CEO and the person fighting fashion's corner is key to good product. It will be fascinating to see what impact Earl has next season.

In part, the problem for M&S is that the competition has got so much better. The British high-street shopper is now thoroughly spoilt. Once, M&S filled a gap between fast fashion, which was cheap as chips but shoddily made, and the stodgy, elasticated-waistband fare of department store fashion. But the fast-fashion market has improved its production values, while a new category of grown-up high street stores, such as Reiss and Cos, has emerged. M&S, once front and centre of our clothing consciousness, has to fight for airspace. There has been a tendency to fight for attention by filling the rails with 'trend-led'

clothes, which are often successful in winning media attention, but don't deliver strong sales on the shopfloor.

As a nation, we still identify strongly with M&S. It is a part of Britishness in a way no other brand is. Each of us has an opinion on what M&S should be selling, just as every football fan has a view on the team their manager should field. Here's my own tuppenceworth on how M&S should alter their offer: by refining the colour palette. Walk on to the womenswear floor and you find yourself in a hectic, multi-colour world. Less pink, yellow and red, and more bottle-green, navy and off-white would instantly update the environment. Yes, you might annoy the odd customer who was hell-bent on fuschia, but you can't please all of the people all of the time.

The silver lining is that many women don't realise how much good stuff there still is in M&S. (I'm talking flagship stores. Sorry, provinces.) Recently I've bought a phenomenal leather pencil skirt with a gold zip, beautiful fabric and construction, for under £200, and a cream silk blouse with coral pocket borders that looks like it came from Paris for €200 rather than Oxford Street for £45.

Richard Perks, director of retail research, Mintel

There are two main drivers for M&S – womenswear and food. The food is doing well, but the problems are with the womenswear. They did the right thing in splitting it up into different sub-brands, but those brands are now insufficiently differentiated. They're also too 'old'. The great thing about Per Una when it launched was that it was young fashions engineered for older customers, but the 'young' look has gone. Historically, you were dragged in there by your parents and swore never to go in again, and then around the age of 30 you happened to go in and thought, 'Oh, that's quite good.' But it doesn't seem to be picking up those younger customers now. Debenhams is sitting where M&S should be, and does a good job, because its brands are differentiated.

There's a failure to understand what older people want. Sometimes you feel the merchandise is bought by a 25-year-old [M&S buyer] who has a caricatured granny in mind. Older people don't want to be sold down to. That is why Per Una did so well, because it looked young. That's what they've got to get back to.

M&S always did well in a recession – people went back to it because it was good quality and value. In boom times, it tended to over-engineer its products and they got too expensive. So it would have a bad start to the recession, but it would simplify its products, make them cheaper and clean up – that hasn't happened this time. I think Marc Bolland has to take responsibility for that.

Lead times are long – however much you like the idea of fast fashion, most things have to be planned in advance. Belinda Earl [former chief executive of Debenhams and Jaeger] joined in September, and she couldn't really have any significant impact until autumn/winter this year. Things have drifted; they need to take those sub-brands and give them their own personality.

Kim Winser, former chief executive of Pringle and Aquascutum, and director of womenswear at Marks & Spencer until 2000. Now runs Winser London

It's all about passion for product. That's what M&S has to turn its attention to – get back to really good, beautiful, quality products. I buy food from M&S, but not clothing – I haven't found that combination of fashionability, style and quality.

They do a number of different brand names – too many. By focusing on a few, they could use each brand to focus on a certain customer group, and gradually build up the value of that brand to that group – they will begin to love it and trust it and know it's for them.

When I was there we launched Autograph. It was about bringing in some of the best designers in Britain and capturing what they were good at. The designer collaborations can work, but only if it really does represent what that designer is famous for.

I don't think it's about the size of the company, I think it's about the people. There are too many excuses about business and bureaucracy, but the company is run by people, and I was definitely left to run womenswear, which at the time was a £2bn business. I was given that responsibility and accountability. I loved it, and as a team of people, that was one of the reasons we had market-share growth, ►

◀ because we really did love the customer and the product. So it can be done, whatever the size of the business, but I think it depends on the people.

Lifestyles change, and it's about a company constantly innovating, looking at what's happening and also predicting what's going to happen. To do that, you have to be absolutely in tune with your customer and what they want, and focus on what your brand is good at. I'm looking from the outside now, but that's where M&S was always a very successful business, because it put the customer first.

Source: Adapted from interviews by Emine Saner. *The Guardian*, 19 April 2013

Questions

- 1 Based on your understanding of issues discussed in this chapter, how effective in your view is the response of senior management in Marks & Spencer to the changing needs and requirements of the marketplace?
- 2 What in your view is the differentiating attribute of Marks & Spencer? How does this work in terms of its positioning strategy?
- 3 Do you think that Marks & Spencer needs a full repositioning strategy or some adjustments to its present approach?
- 4 Assess the ways in which UK shoppers have changed their shopping preferences and behaviours. What implications does it have for senior management at Marks & Spencer?

Chapter outcomes

- Shoppers have a wide range of motivations for shopping ranging from functional reasons through to hedonistic drivers.
- Much depends on the shopping situation. For high involvement shopping, shoppers are likely to view the activity as pleasurable and an antidote to the realities of life.
- In many countries, shopping is viewed as being the single biggest leisure activity, superseding sporting activities.
- Motivations for shopping on online retail channels are similar in many ways to those on traditional bricks-and-mortar outlets. However, website design, transparency and navigation play a significant role in creating a 'user-friendly' experience.
- Store image is made up of a composite picture of the retailer based on attributes. Cognitive perceptions and emotional responses emerge from the attributes.
- Retail positioning is critical for a retailer in capturing 'a slice of the target market's mind'.
- Positioning focuses on developing and shaping retail strategy around the differentiating attribute; that is, what benefit makes the retailer stand out from the competition? What benefit can give it a potential competitive advantage?
- Supporting, competitive and qualifying attributes have to be factored into the analysis and subsequent development of the positioning statement.
- Retailers at some point in the life cycle may have to consider a repositioning strategy in response to changes in market conditions and competitive activities.
- Effective positioning is based on the principles of clarity, focus and consistency.
- Retail marketing strategy focuses on key areas such as communications, merchandise and the store environment. We need to take a much broader view of these activities than the traditional 4 P's view of the marketing mix.

Discussion questions

- 1 If shopping patronage is in many cases all about leisure, how should retailers respond to this phenomenon?
- 2 Examine the extent to which you would agree with the view that store image represents the personality of the store. Use examples to support your point of view.
- 3 Identify the differences in shopping motivations between traditional bricks-and-mortar channels and online retail channels.
- 4 Select a retailer of your choice and critically appraise its approach to retail positioning.
- 5 Assess the reasons why a retailer might employ a repositioning strategy. What are the dangers associated with such a decision?
- 6 Evaluate the relevance of supporting, qualifying and competitive attributes when developing the positioning strategy for a retailer. Use a detailed example to support your line of argument.

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