

Customers' Attitude Determinants and Positioning of Different Boutique Houses: A Study on Some Selected Boutique Houses in Dhaka City of Bangladesh

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Abstract

The people of Bangladesh are now becoming fashion conscious. The demands for product of boutique houses are increasing. Customers are leaning towards local and traditional cloths and accessories and they prefer local boutique houses. This paper examines the customers' attitude determinants for boutique houses and positioning of different boutique houses. Customers of Rang, Shadakalo, Bibiana, Anjans, Nipun and K-kraft have been surveyed for the study. A sample of 50 respondents has been selected based on judgmental sampling for the study. Multiple Regression analysis and multidimensional scaling technique have been conducted for the purpose of the analysis. The finding of the research suggest that price, location, brand name, staff behavior, and exclusive collection of cloths are the variables that affect the customer's attitude towards boutique houses.

Keywords: Boutique House, Customers' attitude, Positioning

1. Introduction

Fashion in Bangladesh is much like the streets of Dhaka city. They reflect changing patterns, unexpected color mix, and is the meeting point of sudden chaos and quiet. It's moody, it's traditional, and it is also in a transition between the old and new. With the demand to look unique, an abundance of new boutiques with distinctive names have started to crowd Dhaka city. Designers and fashion houses have begun to fuse influences from abroad and within, creating new lines of work that are meant to be contemporary. Boutique house business is now a very lucrative and profitable business in Bangladesh mainly in Dhaka city. This creates huge employment opportunity for the unemployed people, especially for the women.

The people of Bangladesh are now becoming fashion conscious. The demands for product of boutique houses are increasing. Customers are leaning towards local and traditional cloths and accessories and they prefer local boutique houses. Designers and fashion houses have begun to fuse influences from abroad and within, creating new lines of work that are meant to be contemporary. No major research is yet done on customers' attitude toward boutique house. So in this report we wanted to determine the attitude of customers towards different boutique houses in Dhaka city and positioning of different boutique houses in the mind of customers.

The rest of the paper is structured into different sections. At first the various theories and concepts are explored and summarized to provide an understanding of existing knowledge. Then based on these understanding a survey has been conducted on the shoppers of various boutique houses. Here the variables that customer considered important are examined. At last the findings of the study are given that will help Owner of boutique houses as well as to those who are planning to establish new boutique houses to identify important issues and variables that affect customer's attitude towards shopping mall and also identify the relative importance of each variables. The selected boutique houses will also able to know how they are positioned in the mind of customers.

2. Literature Review

2.1 Customers' Attitude

According to Kotler (2010) Customer's attitude can be defined as a person's consistently favorable or unfavorable evaluations, feelings, and tendencies toward an object or idea. Customers are individuals with likes and dislikes. When the people in a particular group feel one way or another about a product, service, person, place, entity, or thing, it is said to be a generalized consumer attitude that could affect the marketing of that person, product or entity in positive or negative ways¹.

2.2 Positioning

Positioning is the process of distinguishing yourself from competitors in specific ways in order to be the preferred provider for certain market segments. It's the act of designing your company's offer and image so it

¹ <http://www.ehow.com>

occupies a distinct and valued place in the targeted customer's mind. Christine Comaford (2008)¹. Positioning a company on the market by the usage of brands is defined as the act of designing the supply and its image on the market, so as to occupy a distinct place in the minds of their target audience. In order to gain a strong position on the market the companies must perform a market analysis, an internal analysis and a competition analysis (Radoviciu and Stremțan, 2009).

The role of positioning in developing marketing strategy in order to differentiate products and services involves the selection of attributes that are considered important for the consumers.

These attributes can be those related to:

- product performance
- level of utility
- price and
- Accessibility.

To enhance the attractiveness of a product for a particular market segment, the brand must meet the following qualities:

- high perceptibility ensured by a legible and harmonious nature
- uniformity in relation to all media and marketing mix
- to be distinctive in relation to other brands
- to be personalized by the usage of symbols
- distinctive elements chosen according to the target segment.

Advertising plays an important role in positioning a company's brand, but it will probably play only a secondary role in consumer's decision process. (Radoviciu and Stremțan, 2009)

2.3 Definition Of Boutique House

A boutique house can be defined as a small shop, or a small department in a store, where fashionable, usually expensive, clothes and other articles are sold²

2.4 Boutique Houses In Dhaka City

There are many large and famous boutique houses in Dhaka city among them some are internationally recognized. Arong is one of them, which is a sister concern of Brac Organization. Rang, Shadakalo, Bibiana, Anjans, Nipun, K-kraft, nagordola, Deshal, M-kraft, etc are various boutique houses of Dhaka city with many braches in different areas of Dhaka city.

The Bangladesh government is set to declare the flourishing boutique business as a new 'thrust sector', the commerce minister said on March, 2012, "We will declare it as a 'thrust sector' to help expansion of the industry which employs a huge number of our women labour force". The boutique industry has an estimated annual turnover of Tk 6000 crore, or 1 percent of Bangladesh's total GDP, Prof AKM Abduj Jaher of the National University said in a paper presented at a seminar in the capital. There are at least 5000 boutiques, or small fashion houses, in Bangladesh, with an estimated investment of Tk 250 crore. "The government is ready to provide funds for training in the sector and better bank loan facilities will be provided to the entrepreneurs of this sector. Sabina (2010)³.

2.5 Factors Influencing Customer's Buying Decisions

Consumers' preference differs on which attributes they emphasize more as compared to the others, and the issue of how significantly others influence their buying decisions. A research finding revealed that purchasing high involvement products was regarded as a very important decision in comparison to purchasing low involvement products. Second, quality, brand name, informational influence and product information had significant direct relationship on repurchase intention for high involvement products. While for low involvement products, price and brand name significantly predict consumers' repurchase intention.

Finally, the influence of significant others/interpersonal influence (spouses, siblings, family members, friends, and the like) did not significantly affect repurchase intention regardless of whether the products are low involvement products or high involvement products.(Akir Oriah and Othman.Md.Nor,2010). Conceptually, all consumer buying decisions generally fall into three broad categories:

- routine response behavior or habitual decision making;
- limited-decision making; and
- Extensive decision-making (Lamb, Hair, and McDaniel, 2001, Kotler, 2003).

¹ <http://www.businessweek.com>

² <http://www.yourdictionary.com>

³ <http://gurumia.com>

The common notion is, consumer tends to be highly involved when they purchase expensive items, and less involved when they purchase low involvement products that they purchase frequently and the price is less expensive (Blackwell, Miniard, and Engel, 2001). Prior to choice decision or repurchase intention, consumers place a number of attributes in his or her choice sets, in order of importance and relevance. Among these attributes

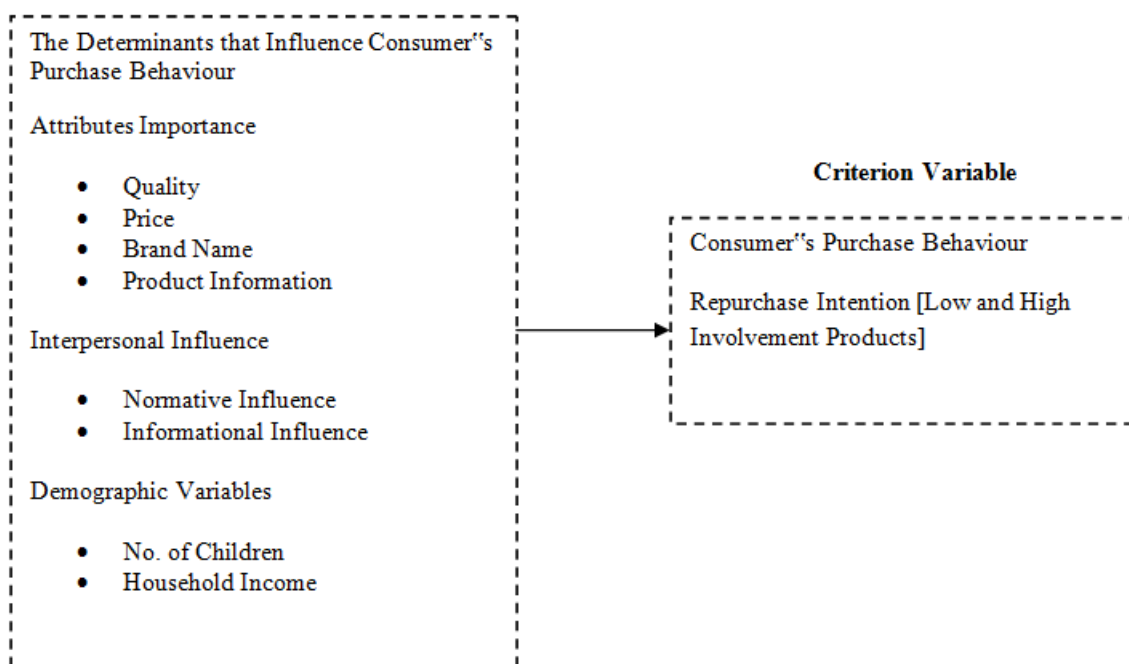
- price and
- Quality is most important (Dodds, Monroe, and Grewal, 1991; Ofir, 2004).

However, studies also reveal that, besides price and quality, other cues that are also considered as more important to assess the product's worth, are attributes such as:

- brand
- store name
- past experience
- Attitude and product information (Cury and Riesz, 1988; Zeithaml, 1985; Tellis and Geath, 1990, Dodds, Monroe, and Grewal, 1991).

Akir and Othman. In the year of 2010 developed the following model for their research study:

Explanatory Variables



Various factors influence customer's choice such as economic Factors, social Considerations environmental Influences etc .David Karanja¹.

3. Objectives Of The Study

The objectives of the study are given in below:

- To find out variables that affect customers' attitude towards different boutique houses.
- To find out what variables are more important for customers.
- To find out the Position of Different Boutique Houses in the mind of customers.
- To provide some managerial implications.

4. Methodology

This is a descriptive study where a survey was conducted on shoppers of different boutique houses from four areas namely Dhanmondi, Uttara, Mirpur, Gulshan of Dhaka city. After reviewing the different literatures nine variables are identified on which customers' responses have collected. The nine variables are price, quality, brand name, location, exclusive collections, store environment, designers' reputation, salespersons' behavior and exchange policy. In order to make the report more meaningful and presentable, two sources of data and information have been used. Those are primary and secondary data sources.

The "primary sources" are as follows:-

¹. <http://www.ehow.com>

- One primary method, namely survey, was carried out to collect primary data for conducting the descriptive research.

The “secondary Sources” are as follows:-

- Web sites
- Internet
- Books
- Journals

4.1 The Sample Description

Target Population-To conduct the study shoppers of different boutique houses were surveyed. We have selected shoppers of six boutique houses namely Rang, Shadakalo, Bibiana, Anjans, Nipun, K-kraft .

4.2 Sample Unit

Shoppers aged between 18 to 45 years old were interviewed.

4.3 Sample Size

There are 50 respondents who have been selected for the study.

4.4 Sampling Procedure

The respondents in the sample were chosen by using non probability sampling technique. However, under non probability sampling technique judgmental sampling was used to conduct final survey.

4.5 Scaling Technique

In this study, 9 point Likert Scale has been used.

To pursue the study, necessary survey instruments was developed. Personal interview was conduct to collect data from the target population. The field work was personally done.

5. Research Questions And Hypotheses

RQ₁: Do the boutique houses attributes influence the customers’ attitude towards boutique houses?

The nine associated hypotheses for this study are:

Hypothesis 1: Price significantly affects attitude toward boutique houses.

Hypothesis 2 Location affects attitude toward boutique houses.

Hypothesis 3 Quality affects the attitude toward boutique houses.

Hypothesis 4: Exchange policy affects attitude toward boutique houses.

Hypothesis 5: Brand name affects attitude toward boutique houses.

Hypothesis 6: store environment affects attitude toward boutique houses.

Hypothesis 7: Staff behavior affects attitude toward boutique houses

Hypothesis 8: Designer’s reputation is associated with attitude toward boutique houses

Hypothesis 9: Exclusive collection of cloths affects the adoption of Internet banking

RQ₂: How different boutique houses positioned in the mind of customers?

6. Data Analysis And Findings

- Multivariate analysis has been conducted for the study. Among the multivariate technique multiple regressions has been used because we want to know the attitude of customer toward boutique houses.
- Multidimensional scaling technique has been done to know how various boutique houses are positioned in the mind of customers.

6.1 Multicollinearity Diagnosis

Multicollinearity indicates a strong correlation between independent variables. The correlations among independent variables are given in below:

Table 1: Correlation Matrix

	price	location	quality	exchange policy	brand name	store environment	staffs' behavior	designer reputation	Exclusive collection of cloths
price	1.000	-.189	-.169	.294	.279	.160	.043	.138	.255
location	-.189	1.000	.285	-.036	.091	.220	.413	-.116	.422
quality	-.169	.285	1.000	.321	.574	.481	.420	-.602	-.053
exchange policy	.294	-.036	.321	1.000	.019	-.111	.267	.160	-.329
brand name	.279	.091	.574	.019	1.000	.483	.498	-.267	.258
store environment	.160	.220	.481	-.111	.483	1.000	.470	-.428	.484
staffs' behavior	.043	.413	.420	.267	.498	.470	1.000	-.312	.243
designer reputation	.138	-.116	-.602	.160	-.267	-.428	-.312	1.000	-.145
Exclusive collection of cloths	.255	.422	-.053	-.329	.258	.484	.243	-.145	1.000

The value above .5 are generally indicates strong correlation between variables. (Malhotra and Dash 2010). From the above correlation matrix it is evident that only quality is moderately correlated with brand name and designer's reputation. So, here multicollinearity is not a problem. Moreover the result of KMO test is given in below:

Table 2: KMO Test

KMO Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.444

The value of KMO is .444 which is lower than .5. So factor analysis is not appropriate for this study. So, factor analysis is not conducted. (Malhotra and Dash 2010)

6.2 Regression Model

The regression model for our study is given in below

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + e_i \text{ (Error term)}$$

Or we can write the equation in following way using the name of the variables:

$$\text{Attitude toward boutique houses} = \beta_0 + \beta_1 \text{price} + \beta_2 \text{location} + \beta_3 \text{quality} + \beta_4 \text{exchange policy} + \beta_5 \text{brand name} + \beta_6 \text{store environment} + \beta_7 \text{staff behavior} + \beta_8 \text{designer's reputation} + \beta_9 \text{cloth collection} + e_i$$

Table 3: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.870	.758	.703	.74592

R² suggest the strength of association between dependent variable and independent variables. When the value of R² exceeds .5 then it suggest a moderate association between dependent variable and independent variables. The value of R² above .8 suggests strong association between dependent variables and independent variables. From the above table we can see that value of R² is .758 which means that dependent variable is moderately associated with independent variables. 75.8% of variance in dependent variable is explained by independent variables. (Malhotra and Dash 2010).

6.3 Standardized Coefficients And Hypotheses Testing

Table 4: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.288	1.374		.937	.354
	Price	-.404	.128	-.405	-3.158	*.003
	Location	.352	.102	.494	3.452	*.001
	Quality	.079	.233	.078	.339	.736
	Exchange policy	.219	.114	.303	1.918	.062
	Brand name	.670	.135	.850	4.980	*.000
	Store environment	-.160	.236	-.147	-.678	.502
	Staffs' behavior	.920	.171	1.085	5.366	*.000
	Designer reputation	.105	.186	.075	.565	.576
	Exclusive collection of cloths	.829	.182	.712	4.554	*.000

a. Dependent Variable- attitude toward boutique house

Using the values from the above coefficients table our regression model becomes following:

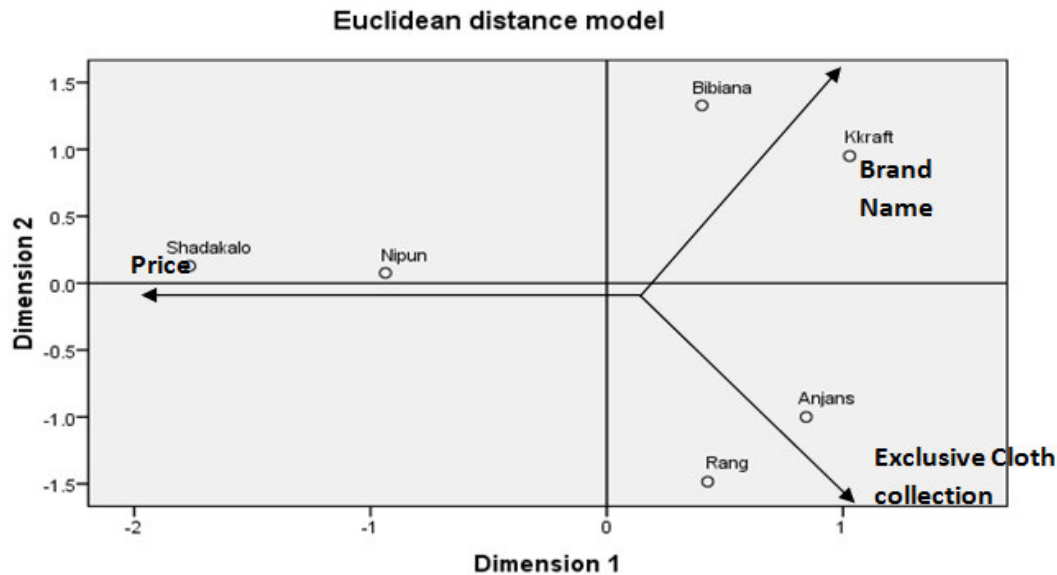
$$\text{Attitude toward boutique houses} = \beta_0 + -.405\text{price} + .494\text{location} + .078\text{quality} + .303\text{exchange policy} + .850\text{brand name} + -.147\text{store environment} + 1.085\text{staff behavior} + .075\text{designer's reputation} + .712\text{exclusive collection of cloths} + e_i$$

Standardized coefficients calculated for each predictor variables, shows the percentage of variation in the dependent variable caused by the individual independent variable. From the above table we can see that price, location, brand name, staff behavior, and exclusive collection of cloths are significant at 5% level. So the null hypotheses that price, location, brand name, staff behavior, and collection of cloths do not affect the attitude toward boutique houses are rejected. The Standardized beta coefficient for staff behavior is 1.085 which means staff behavior is an important variable that affects attitude toward boutique houses. The second important variable is brand name. The Standardized beta coefficient of brand name is .850, which is significant at .000. The third important variable is collection of cloths, which affects 71.2% of attitude toward boutique houses. Then the variables that affect attitude toward boutique houses are location and price respectively. However price is negatively related with attitude toward boutique houses. The null hypotheses that quality, exchange policy, store environment and designer's reputation do not affect the attitude toward boutique houses are not accepted because they are not significant at 5% level. The variables that affect the customers' attitude toward boutique houses and their significant level at a glance are given in below:

6.4 Multi-Dimensional Scaling Analysis

Based on interpretability of spatial map and ease of use we decided to develop two dimensional spatial maps.

Derived Stimulus Configuration



The vertical axis is labeled as Brand name versus exclusive cloth collections. Brands that offer exclusive cloth collection are Rang and Anjans. Brands with negative values in this dimension are, Kkraft and Bibiana but with positive value on brand name. The horizontal axis is labeled as high price versus low price. Shadakalo and Nipun load negatively on this dimension that is they charge low price. On the other hand Rang, Anjans, K-kraft and bibiana load positively on the horizontal axis, which mean they charge high price. Here Rang which is quite familiar to customers loads negatively on brand name. We can see from the above graph that rang and Anjans compete fiercely with each other, Bibiana and K-kraft compete more with each other and Shadakalo compete fiercely with Nipun. For labeling purpose we asked the respondent to mention some criteria based on which they are providing similarity judgments. On the basis of those criteria we labeled the dimensions. We apply our subjectivity.

6.5 Assessing Reliability And Validity

RSQ = .8641

The R-square value is very high. We know that R-square value .60 or higher are considered better.

Stress = .38589

Stress value is not so high. Poor stress value are desirable. So based on R-square value and stress value we, can say that our MDS solution is reliable. (Malhotra and Dash 2010).

7. Limitations Of The Study

There are some limitations in this study. First of all the number of respondents selected is very small. Only 50 respondents have been surveyed. Then the independent variables selected for the study is nine. The numbers of independent variables are not very high. Moreover here only customers of six boutique houses have been surveyed. There are so many boutique houses Dhaka city. So the attitude can differ from one boutique house to another. Six boutique houses have been chosen for conducting MDS analysis. This is also a limitation. Moreover for labeling purpose in case of MDS we apply some subjectivity, so there may be some lacking in labeling. However we asked some respondents to provide the basis of their judgment. But the number of respondents who give their basis of judgment is not sufficient. Finally, the result may not be directly applied to the other retail sector.

8. Managerial Implications

Based on the findings of the study some managerial implications can be given. Those are:

- The customers of the boutique houses have been found to be price sensitive. Therefore, charging optimum price for the cloths is highly important. Wrong pricing may lead the customers to choose other brands.
- The findings show that the customers are not highly concerned about the quality, exchange policy and

store environment. But it can be explained in other way. Because the extreme competition in the industry, customers may expect that the brands will maintain a given standard of quality. The competition is now on offering quality product at competitive prices. So the boutique houses should maintain standard quality.

- Moreover boutique houses should give importance on brand name, location, staff behavior because customers consider these variables as important determinants for their attitude.

- Exclusive cloth collection is another important determinant for customers' attitude. So the boutique houses should include new and trendy exclusive cloth in their collections.

9. Conclusions

Consumers of Bangladesh are becoming more and more fashion conscious. Many boutique houses are entering in the market. Through our study we have found the determinants of customer attitude toward boutique houses. We found price, location, brand name, staff behavior and exclusive cloth collection are important determinants for customer attitude toward boutique houses. We also found positioning of different boutique houses. We covered only six boutique houses. From this study we can see which boutique houses compete more fiercely with each other. There is lots of scope to conduct further research on it. More independent variables can be chosen to find out the important determinants of customer's attitude. More boutique houses can be used in study to determine customers' attitude and positioning of boutique houses. The comparison of attitude and positioning of different boutique houses can be done across the different cities of Bangladesh. The boutique houses should conduct this type of research to know how they are positioned in the mind of the customer and should try to occupy the favorable image by reducing problem if there is any.

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