Elements of Supermarket Image Influencing the Purchase Intentions of Youth in Pakistan

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Abstract

This study investigated the influence of various elements of store image on the purchase intention of youth in Pakistan. The store image elements include: atmospherics; convenience; product quality; employee service; and physical facilities. This study employed quantitative technique of survey questionnaire for collecting data. A statistical evaluation was made of various store image elements affecting the purchase intention of youth in making purchases from supermarkets in the cities of Rawalpindi and Islamabad in Pakistan. The study sample population comprised 400 customers. The data was analyzed through SPSS software. Descriptive statistics, Regression model, bivariate correlation analysis and OLS regression were undertaken to compute the data. The findings showed that all the observed elements of supermarket strongly influence the purchase intention of young customers and effective supermarket image building measures can help supermarkets in increasing their sales, profits and reputation in Pakistan.

Keywords: atmospherics, convenience, product quality, employee service, physical facilities, purchase intention, youth.

1. Introduction

Contemporarily with changing market needs, shopping has become a rising practice and uncountable number of supermarkets can be found now in the big cities of Pakistan. As lives have become busy and trends are changing, people now prefer to shop all their needs under one roof to minimize the search cost along with time and effort involved. When anybody talks about a supermarket, there comes into mind a different name, a different need, and a different place to visit and purchase at. This difference is present due to no same liking or preferences of customers for products or services offered at a store. It is seen that the trend to shop from one roof is penetrating rapidly and widely throughout the world despite the fact that although expensive, it is regarded a convenient activity. Along with convenience, supermarkets bring along a wide range of superior quality products under one name. Many international supermarkets are operating globally to serve their customers.

In Pakistan, the concept of supermarkets was introduced in the early 1980s and now Pakistan has both local and international supermarket chains in abundance. During the early days of the trend of supermarkets in Pakistan, only the customers in major cities in Pakistan boasted to have the privilege and experience of shopping at and benefitting from the supermarkets with a very low response. But the turn of the new century brought a dynamic change in Pakistani customers' patronage of supermarkets which made the culture penetrate down into other cities and resulted in the establishment of tens of supermarkets in the country with more and more people welcoming and adopting the trend due to the convenience attached to it. This fast adoption of the trend has presented the competitors in the supermarket sector with the challenges of attracting and retaining customers to meet the business goals and gain profits. The most suitable way to meet the challenges and achieve success in the business at the same time is through building and maintaining the store or supermarket image. The current research will investigate and try to understand the influence of the elements of supermarket on purchase intentions of youth in Pakistan and the reasons behind choosing a particular supermarket for shopping.

2. Literature Review

The concept of retail store image gained importance in 1958 when Pierre Martineau put forth the concept of 'personality of the retail store' and since that time marketing researchers have been acknowledging that customers develop thoughts and feelings about stores over time. These thoughts and feelings lead to the overall impressions about a store which have a strong influence on the customers' shopping behaviours and purchase intentions (Porter & Claycomb, 1997). Martineau (1958) described store image as a fusion of psychological attributes and functional qualities comprising the retail store and defined it 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" (p. 49). Taking Martineau's work on store image one step further, Lindquist developed the analysis of differences between functional qualities and psychological attributes of store image in 1974. Oxenfeldt (1974) also contributed his findings and referred to the store's image as a concept that is more than the sum of its components as it encompasses a number of secondary elements along with the primary ones. Oxenfeldt also

reflected on how various store image characteristics interact with each other and suggested that store image has another side which is based on a number of emotional contents that comprise a mix of emotional and factual elements.

Different store attributes that constitute the overall store image have been highlighted by researchers over the years. These attributes have been collectively called retail mix (Ghosh, 1990). In the seminal article by Martineau (1958), four key attributes were identified: (1) layout and architecture, (2) symbols and colour, (3) advertising, and (4) sales personnel. Later on, in 1968, Kunkel and Berry developed this to include 12 dimensions, each comprising between three and seven attributes. Lindquist conducted a study on store image in 1974, and combined models from 19 studies in his study and put forth 9 store image elements, which were: service, merchandise, clientele, comfort, physical facilities, promotion, institutional and post transaction satisfaction and store atmosphere. Likewise, Bearden in 1977, outlined 8 attributes, including quality of the merchandise, price, assortment, location, atmosphere, promotion, friendly personnel and parking facilities. However, Ghosh introduced the idea of marketing mix in 1990, according to which a store image is composed of 8 different elements of the retail marketing mix which include: merchandise, location, store atmosphere, price, customer service, advertising, sales incentive programs and personal selling. In this regard, according to the retail mix model, a retail store owner or manager has to make sure that those products are being offered to their customers that they expect them to offer in the store (Ghosh, 1990).

Ailawadi and Keller (2004) precise that store image is a multidimensional construct including five factors namely: access, in-store atmosphere, and price & promotion, cross-category product/service assortment, and within-category. Doyle and Fenwick (1974) have distinguished five factors that determine a store's image, these include: price, product, stock, place and physical environment. Vahie and Paswan (2006) put forth six main dimensions of a store's image, which are: services regarding operating personnel, possibilities of return, credit and delivery services; convenience, related to a store's location; product quality; product selection variety; product prices; and a store's atmosphere. All these store image elements have been observed to influence customers' purchase intention in various studies.

Wu, Yeh and Hsiao (2011) refer to purchase intention as the customer's willingness to purchase a particular product or service in future. Therefore, an increased purchase intention represents an increased possibility of purchase (Wu et al, 2011).Bitner (1992) posits that human behaviour is influenced by the physical settings and they make their decisions under the influence of the image they make in their mind of those physical settings. Psychologists say that a person acts in response to physical environment in two differing ways: Approach and Avoidance. A person adopts the way of approach because of attractiveness of environment where as the avoidance is shown by the intention of not staying and exploring (Hines &Mehrabian, 1979). In this regard, due to the influence of supermarket image on customers, the purchase intention of buyers is a growing subject for both the companies and market researchers because they know that strong purchase intention may fetch a lot of more potential customers to a supermarket along with retaining the older ones. Therefore, all small and big companies are now paying attention to every detail in this regard (Zeithaml, 1988).

This study will focus on five key factors of the store image and I this regard the current study perceives store image elements of atmospherics, convenience, product quality, employee services and physical facilities. These factors (variables) represent the supermarket image elements that may influence purchase intention of youth in Pakistan. Ndubisi and Chan (2005) contend that there is a significant relationship between customer relationship management and purchase intention, through trust and perceived relationship quality which indicates there does exist a relationship between purchase intension and (a) atmospherics (b) convenience, (c) product quality, (d) employee service, and (e) physical facilities which the current study attempted to determine.
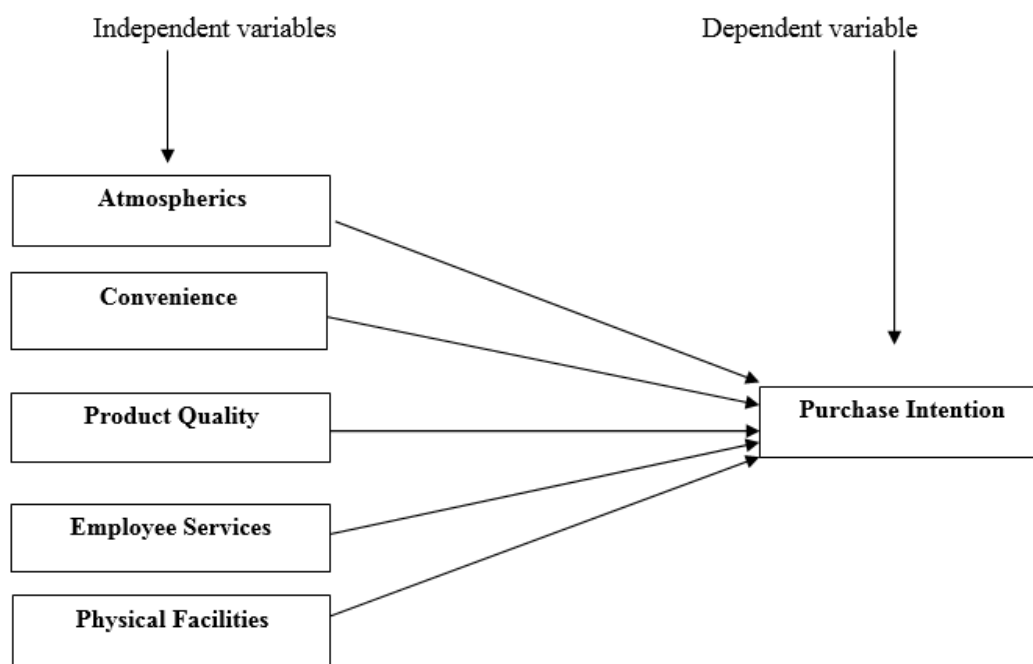
3. Conceptual Framework

Figure 1 presents the conceptual framework of the study.

3.1. Hypotheses

On the basis of conceptual framework, following hypotheses have been developed for this particular study:

H1: There is a positive relationship between atmospherics of supermarket and purchase intention in youth.

H2: There is a positive relationship between convenience of supermarket and purchase intention in youth.

H3: There is a positive relationship between product quality of supermarket and purchase intention in youth.

H4: There is a positive relationship between employee services of supermarket and purchase intention in youth.

H5: There is a positive relationship between physical facilities of supermarket and purchase intention in youth.

4. Methodology

4.1. Study population and sample

The population of this study comprised young customers aged between 18-29 years, who shopped from three supermarkets in two major big cities of Rawalpindi and Islamabad in Pakistan. The age bracket was selected considering the youth age bracket declared by the government of Pakistan. According to the Government of Pakistan Ministry of Youth Affairs (2008): "Various countries use different age groups for defining the population of youth. For Pakistan the population in the age group of 15-29 years is taken as the young population. This age group is consistent with the definition of youth taken by the Commonwealth". This study kept the minimum threshold of 18 years for population sample because in Pakistan under 18 individuals are under parents/guardians care and normally not sent for purchasing groceries.

Convenience sampling technique was used to select the study population. The questionnaire was delivered personally to a total of 400 young customers on the spot in the three selected supermarkets. The respondents were requested to fill in the questionnaire during their shopping trip and return in at the same time as it took only 15 minutes to fill it in. Data collection was stopped once the threshold of 400 responses was reached. Distribution and collection of questionnaire at the same time assured high response rate and the response rate was 100%.Sample characteristics collected through the demographic and background data showed that the age of most of the respondents of the present study ranged between 24-29 (24-26 years 38.2% and 27-29 years 43%) years. Most of the respondents of this study were males (58%), graduates (49.5%) and married (52%). It was also seen that most of the respondents purchase their grocery from Hyperstar(49.5%) and have monthly income ranging between Rs. 35000-45000 (37%) with an average spending ranging between Rs. 5001 to 7000 (54%) with 1-2 times frequency (81.5%) of monthly shopping. The elements of supermarket that influence the customers' reason from making purchases from a particular supermarket include convenience (22.3%), product quality (22.2%) and employee services (22.6%).

4.2. Data collection method and technique

Survey research method was used for collecting data in this study. Data was collected through a self-administered close ended questionnaire specially developed for the current study. The questionnaire for this

study was designed with the research objectives in mind and the theories that emerged during literature review, to collect data on the influence of store image elements on youth's purchase intentions in Pakistan. The questionnaire comprised three sections and a total of 50 items: Section I collected personal information of the respondents and comprised 5 items regarding respondents' gender, marital status, education, age and income. Section II aimed at collecting general information on the respondents' shopping behaviour and had 4 items regarding the supermarket they preferred to go to; the main reason for selecting that particular supermarket for making purchases at; frequency of visiting the particular supermarket for shopping; and amount of average money spent on each shopping trip. Section III aimed at collecting information on the variables being measured in the current study. Section III consisted of 6 sub-sections. Section A aimed at collecting information on atmosphere and had 11 items; Section B was on convenience and had 7 items; Section C measured product quality and had 10 items; Section D measured employee service and comprised 4 items; Section E aimed at measuring responses on physical facilities and had 4 items; and section F measured purchase intention and had 5 items. The respondents rated each of the items in sections III sub-sections A to F on a five-point Likert scale (ranging from 1=strongly agree to 5=strongly disagree) while completing the questionnaire. Chronbach's alpha was used to test the reliability of the questionnaire items which was α= .725 or 72.5%.

4.3. Descriptive and Statistical Analyses

Data was analyzed using SPSS software (v20.0, IBM Corporation; Armonk, NY, USA). Descriptive values for each variable were determined (mean, minimum, maximum and standard deviation) of the data and measures of dispersion of the data through determination of moment of skewness of the data and moments of kurtosis. Statistical analyses of the Pearson bivariate correlation analysis and regression analysis were also undertaken to show the positive or negative impact of the variables. Alpha levels of 0.01 and 0.05 were accepted as showing statistical significance.

5. Results and Discussion

Table 2 Statistical analyses of regression analysis was undertaken to show the positive or negative impact of the variables.

Table1: Descriptive statistics of independent, moderating, mediating and dependent variables

Variable	Min	Max	Mean	St.Dev.
Purchase Intention	3.00	5.00	3.9507 .	63745
Atmospherics	2.20	5.00	3.8975	.60234
Convenience	3.00	5.00	4.0435	.52944
Product Quality	2.33	5.00	3.8633	.63077
Employee Services	2.33	5.00	3.9642	.82403
Physical Facilities	2.00	5.00	3.8965	.65975

Note: The data are normalized such that the mean values are zero.

5.1. Statistical analyses and findings

Statistical analyses of the Pearson bivariate correlation analysis and regression analysis were also undertaken to show the positive or negative impact of the variables. Alpha levels of 0.01 and 0.05 were accepted as showing statistical significance. All the variables were transformed into natural logarithms. The following regression model was used to test the relations of supermarket image elements (atmospherics, time and convenience, product quality, employee services and physical facilities: independent variable) and purchase intentions (dependent variable) of the customers.

$PI_{i,t} = \beta_0 + \beta_1 A_{i,t} + \beta_2 C_{i,t} + \beta_3 PQ_{i,t} + \beta_4 ES_{i,t} + \beta PF_{i,t} + \mu_{i,t}$

where

β_0 = Constant of the regression equation

β_1 = co-efficient of A (atmospherics)

β_2 = co-efficient of C (convenience)

β_3 = co-efficient of PQ (product quality)

β_4 = co-efficient of ES (employee services)

β_5 = Coefficient of PF (physical facilities)

$PI_{i,t}$ = Logarithm of purchase intentionbehaviouri in time t

$A_{i,t}$ = Logarithm of atmosphericsi in time t

$C_{i,t}$ = Logarithm of conveniencei in time t

$PQ_{i,t}$ = Logarithm of product qualityi in time t

$ES_{i,t}$ = Logarithm of employee servicesi in time t and

$PF_{i,t}$ = Logarithm of physical facilitiesi in time t

$\mu_{i,t}$ = the error term.

Table 2 provides the Pearson correlation for all the variables that were used in the regression model. The Bivariate correlation analysis shows that there is a positive relationship between supermarket elements and youths' purchase intentions in Pakistan.

Table 2. Pearson Bivariate Correlation Analysis

	Purchase Intention	Atmospherics	Convenience	Product Quality	Employee Service	Physical Facilities
Purchase Intention	1	**0.047	**0.043	**0.013	**0.024	**0.016
Atmospherics		1	**0.036	**0.049	**0.036	**0.038
Convenience			1	**0.017	**0.046	**0.016
Product Quality				1	**0.018	**0.017
Customer Service					1	*0.010
Physical Facilities						1

*Correlation is significant at the 0.01 level (2-tailed)
**Correlation is significant at the 0.05 level (2-tailed)

Findings were further confirmed through OLS regression. The findings have been presented in Table 3.

Table 3: OLS Regression Estimates on Factors Affecting Purchase Intention [a,b,c,d,e]

[R^2 = 0.822; SEE = 0.28043; F = 362.883; ANOVA's Test Sig. = 0.000]
Regression Equation: PI= 0.146 + 0.732 A + 0.721C + 0.016 PQ + 0.168ES+0.345PF

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Coefficients	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	0.146	0.131		1.115	0.265		
A	0.732	0.039	0.707	18.937	0.000	0.579	1.726
C	0.721	0.078	0.659	9.235	0.000	0.693	1.464
PQ	0.016	0.042	0.013	0.390	0.697	0.636	1.573
ES	0.168	0.030	0.161	-5.551	0.000	0.980	1.020
PF	0.345	0.054	0.430	-6.417	0.000	0.763	1.310

[a,b,c,d,e]Independent variables: A (Atmospherics), C (Convenience), PQ (Product quality), ES (Employee services), PF (Physical facilities), Linear Regression through the Origin, SEE = Standard Error of the Estimate
*$p< 0.01$
**$p< 0.05$

The findings show that the significance between the store image elements of atmospherics and purchase intention is 0.047 (*p<0.05*); convenience and purchase intentions is 0.043 (*p<0.05*); product quality and purchase intention sis 0.013 (*p<0.05*); employee services and purchase intention is 0.024(*p<0.05*); and physical facilities and purchase intention is 0.016 (*p<*0.05) which indicates that all the elements of store image tested in this study have a significant impact on youths' purchase intentions in Pakistan. The findings suggest that there exists a positive relationship between the elements of store image and youths' purchase intentions in Pakistan. A test for multi-collinearity was also performed. R2 = 0.822 of the variance in the degree of PI can be explained by the degree of A, C, PQ, ES and PF. The analysis of variance (ANOVA) test was also significant at 0.000. (VIF) coefficients were found to be less than 2 which shows no collinearity issues and tolerance coefficients were greater than 0.50. The results show that all the five elements of supermarket image i.e. atmospherics, time and convenience, product quality, employee services and physical facilities influence youths' purchase intentions in Pakistan. There exists a positive relationship between the dependent variable i.e. youths' purchase intentions and the independent variables of the elements of supermarket image.

6. Conclusion

This study aimed to investigate the influence of the elements of store image on purchase intention of youth in Pakistan. The study findings revealed that the store image elements of atmospherics, convenience, product quality, employee services and physical facilities have a positive relationship with young customers' purchase intention. The findings also suggest that the supermarket owners and managers need to have a strong eye on the observed store image elements in order to outdo their competitors, attract more customers, retain old customers and increase sales, profits and reputation. They should also track the strong purchase intension for their products from the perspective of these elements. Because of the changing lifestyles, education and awareness among Pakistani public nowadays, there is an increase in the trend to shop at supermarkets. This asks supermarkets to respond efficiently to highly sensitive changing trends and improve the shopping experience of the customers in

order to be successful in the retail market.

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