Outi Uusitalo

Consumer Perceptions of Grocery Stores

JYVÄSKYLÄ STUDIES IN COMPUTER SCIENCE, ECONOMICS AND STATISTICS 44

Outi Uusitalo

Consumer Perceptions of Grocery Stores

Esitetään Jyväskylän yliopiston taloustieteellisen osaston suostumuksella
julkisesti tarkastettavaksi yliopiston vanhassa juhlasalissa (S212)
kesäkuun 6. päivänä 1998 kello 12.

Academic dissertation to be publicly discussed, by permission of
the School of Business and Economics of the University of Jyväskylä,
in Auditorium S212, on June 6, 1998 at 12 o'clock noon.

UNIVERSITY OF JYVÄSKYLÄ

JYVÄSKYLÄ 1998

Consumer Perceptions of Grocery Stores

JYVÄSKYLÄ STUDIES IN COMPUTER SCIENCE, ECONOMICS AND STATISTICS 44

Outi Uusitalo

Consumer Perceptions of Grocery Stores

UNIVERSITY OF JYVÄSKYLÄ

JYVÄSKYLÄ 1998

Editors
Tuomo Takala
School of Business and Economics, University of Jyväskylä
Kaarina Nieminen
Publishing Unit, University Library of Jyväskylä

URN:ISBN:978-951-39-9099-2
ISBN 978-951-39-9099-2 (PDF)
ISSN 0357-9921

Jyväskylän yliopisto, 2022

Cover
picture: A nice shopping day
design: Ville Korkiakangas

ISBN 951-39-0246-3
ISSN 0357-9921

Jyväskylä University Printing House, Jyväskylä and
ER-Paino Ky, Lievestuore 1998

ABSTRACT

Uusitalo, Outi
Consumer Perceptions of Grocery Stores
Jyväskylä: University of Jyväskylä, 1998. 216 p.
(Jyväskylä Studies in Computer Science, Economics and Statistics,
ISSN 0357-9921; 44)
ISBN 951-39-0246-3
Finnish summary
Diss.

This study examines grocery stores from the consumer perspective with particular reference to Finnish consumers. The structure and strategies of grocery stores are currently undergoing an accelerated process of evolution. In response to the economic, technical, and socio-cultural transformation in the environment, retail store managers are compelled to constantly revise their strategies. The proliferation of new store types and brands of stores is a recent phenomenon in grocery retailing. The purpose of this study is to examine the consequences of this evolution from the perspective of the consumer.

The cultural retailing context in which Finnish consumers conduct their daily shopping for food and groceries is described and analysed in the first part of the study. The most important trends in the structural evolution of Finnish grocery retailing as well as the current strategies are reviewed and analysed. The differentiation and positioning strategies of Finnish grocery retail stores are described. Positioning connects the stores with the consumers' minds.

In the second part of this study, theories of consumer perception, categorization, and preference formation are reviewed. At close of the second part a summary framework is presented which displays the interplay between grocery stores and consumers.

An inquiry into consumer perceptions of and preferences for grocery stores is reported in the third part. A convenience sample of 30 informants was used; and the inquiry concerned a local catchment area in Finland. The data were analysed sequentially by various methods: qualitative analysis, MDS analysis and regression analysis. The major finding was that there were no significant perceived differences between the stores examined. The informants mainly referred to store size, store type and the range of goods in distinguishing between grocery stores. Three major perceptual dimensions were revealed: use of car and store size, price/quality, and personal customer service. Consumer preferences for grocery stores were examined by regression analysis. Different store attributes explained preferences for different stores.

This study contributes to the understanding of the consumer-retail store relationship from the consumer perspective. Moreover, it shows that the particular theories of consumer perception and preference applied in this study can provide a rich insight into this relationship.

Keywords: consumer behavior, grocery stores, consumer perception, categorization, cognitive structures, consumer preferences

ACKNOWLEDGEMENTS

Conducting research is like a journey. At the start you do not know who you will meet en route, and as you stop at several junctions, the final destination becomes known only after you have travelled for some time. This study has taken many years and many hours of work. While I have been rather independent in this effort, I am indebted to several people who have helped and encouraged me, and spurred me on during the journey.

First, I would like to express my gratitude to Professor Liisa Uusitalo who has advised me and prompted me during this study. Her insightful comments have been of great inspiration for me. I also wish to thank Professor Saara Hyvönen, the official examiner of this thesis, whose comments and advice were useful in the final revision of the manuscript.

I would like to express my gratitude to the School of Business and Economics at the University of Jyväskylä for facilitating the study. I am grateful for the support I have received from my superiors and colleagues there. I want to thank Professor Juha Näsi for pushing me on to finish the study. Professor Matti Koiranen deserves my thanks for giving his support to my work. I owe a special debt of gratitude to Dr Kari Heimonen who patiently spurred me on and helped me to solve many difficult concerns.

The Finnish doctoral program in business studies (KATAJA) has provided a number of courses, seminars and tutorials which have been both useful and stimulating. They have provided me with the opportunity to share thoughts and concerns with many colleagues in Finland and abroad. In this context, I would like to thank especially Professor Niilo Home, Assistant Professor Pirjo Laaksonen and Professor Martti Laaksonen for useful insights, suggestions, and comments during the research process. Fellow doctoral students working in the area of retailing and consumer behavior have also stimulated my research. In particular, Maija Rökman has expressed encouragement and enthusiasm over the years. It has been a pleasure to be part of such a circle of researcher-colleagues.

I am grateful for the financial support I have received from the University of Jyväskylä, Suomen Kulttuurirahaston Keski-Suomen rahasto, the Jenny ja Antti Wihurin rahasto, Liikesivistysrahasto and Pienyrityskeskuksen tukisäätiö. I also thank Mr. Michael Freeman for proof-reading the manuscript.

Finally, I would like to express my gratitude to all those who have supported me during this study. I extend my thanks to my informants as well as all those consumers and professionals who have discussed food shopping and retail stores with me.

Jyväskylä, April 1998

Outi Uusitalo

CONTENTS

INTRODUCTION

Retailing is a dynamic industry, which has gone through several revolutionary changes. One major change, for example, was the invention of the department store in the nineteenth century. Since then, a number of significant events transforming the shopping context have taken place all over the world, including Finland. All these occurrences have contributed to enormous changes in society and consumers. The department store brought about a remarkable social change: it played a major role in "changing the aesthetics and stimuli of the shopping environment, in creating a new pattern of interaction between buyer and seller, and in developing innovations such as credit" (quoted in McCracken 1988a, 27-28). Similarly, the subsequent innovations in retailing have contributed to the transformations in the social context. *What happens in retailing and how consumers live their everyday lives are closely related to each other.*

The main purpose of this research is to study the interchange between consumers and grocery stores, and more specifically to study how consumers perceive the various grocery stores and their service packages. Consequently, the major focus of this study is on the consumer perspective. As consumers and retailers are in a reciprocal relationship in the marketplace, the context of grocery retailing is also examined in this study.

Even though the areas of retailing and consumer behavior are closely linked to each other, in previous studies they tended to be rather separate. Their integration is important, albeit it is difficult in a single research setting. While this study examines interchange between grocery stores and consumers, so as to limit the scope of the study the retailing perspective is taken as given. This means that the grocery retail structure and strategies are described in the context of the study of consumers, and theories of retailing are not examined in depth or problematised.

The study is divided into three parts. The parts are ordered so that, first, the context, i.e. the grocery retail structure and strategies, is considered, the theoretical review of consumer behavior is presented next, and finally, the empirical inquiry into consumer perceptions of grocery stores is reported. This sequence first illuminates the context and subsequently analyses the individual consumer. *It is maintained that the understanding of the consumer will be enhanced if the context of his or her behavior is described first. This order may also imply the view that retailing is the change agent, i.e. that the transformations in retailing contribute to changes in consumers' shopping patterns. This order does not intend to suggest a one-way influence from retailers to consumers.* Instead, it is assumed that the retailers and consumers are acting in a reciprocal relation.

Part I provides a background description of grocery store service packages and external context in which consumers conduct their daily shopping for food and other necessary goods. The grocery retail market structure and strategies are examined. Specifically, the focus is on the grocery store context in Finland. Consumers' perceptions and understandings of and preferences for grocery stores are formed in this context.

The first Part begins with an analysis of previous studies on retail structure and the consumer in Finland. The present study is positioned in relation to the previous studies. The perspective of the consumer as the focus of the study is justified by stressing the importance of including the consumer point of view in the performance evaluation of a firm. While internal performance measures capture the efficiency of the firm, the external perspective refers to the effectiveness of the outcomes of the retail firm's activities. Effectiveness connects the consumer perspective to the retail market structure and strategies.

Recent developments are outlined and the major contemporary features of the Finnish grocery retail market structure are surveyed. A prominent feature in the contemporary retail structure is the rapid process of change which is taking place in many countries. Traditional trading forms and practices are undergoing a transformation which has been in process for a number of decades, and will continue further. Some of the forces behind the retail transformation are briefly sketched, with the major concern on the consequences of these transformations in the retail market structure. The important aspects of contemporary retail structure include the reshaping of store types and trading practices, concentration of ownership, the shifts in the spatial structure of grocery stores, and the new information and communications technology and the ensuing innovations in the retail trade.

After reviewing the prominent trends in the retail structure, attention is directed towards contemporary retail marketing strategies and practices. First, the emergence of new types and brands of store is addressed. Retail store positioning is the focal competitive strategy with regard to this study. This is because positioning is concerned with consumer perceptions of competing stores rather than one particular store.

Thereafter, contemporary grocery store types, grocery chains, and brands of store in Finland are described. The empirical evidence and data concern Finnish grocery retailing. Nowadays retailers strive for chain operations which are facilitated by the available communications technology. Grocery stores are affiliated to uniform national chains which aim at efficiency through co-operation and a uniform image. The existing literature and research, A.C. Nielsen's statistics, publications of the retail organizations, and interviews with experts working in the grocery retail trade are used as data sources. In addition, undocumented discussions and observations are used. The 'retail service packages' provided by the Finnish grocery retailers are analysed and described. Finally, some implications concerning the positioning of the Finnish grocery store chains are presented and discussed.

The second Part provides a review of a versatile body of literature concerning theories of consumer perception. *While there are several alternative theories and methods available for studying consumers, this study takes consumer perception as the major frame through which the consumer perspective is approached.* Consumer perception is one of the basic issues in the field of consumer theory. Perception entails a number of processes. First, the sensing stage includes initial sensation and attention; and second, the interpretative stage includes organization, categorization and inference. *The focal concern of this study is on the interpretative processes*.

As the task of this study concerns the retail store context, environmental perception is a useful source of new ideas. The review of the consumer perception literature also includes theories of knowledge structure and the categorization theory. In addition, a versatile sample of the previous studies applying the categorization theory are reviewed. This is because the purpose of the theoretical review is to gain an insight into the various aspects of consumer perception, and avoid too narrow a view of consumer behavior. This is followed by an analysis of how consumers' store preferences are formed.

Additional aspects of importance in the shopping context are also discussed, including the consumer's goals and the meanings conveyed by the stores. These aspects influence consumer perceptions of grocery stores. At the close of the second Part, a number of principles that are regarded as important in store categorization are discussed. The summary framework illustrates the important concepts and phenomena of grocery retail structure and strategies on the one hand and consumers as perceivers of the retail stores on the other. It also provides the background for the empirical inquiry reported in the third Part.

The third Part consists of an empirical inquiry which investigates consumers' perceptions of grocery stores in an example market area. *The purpose of the empirical study is to add to the present understanding of consumer-store relationship by examining how consumers categorize the grocery stores they know and use regularly.* Specifying and analysing the underlying attributes and dimensions of store perception can help us to understand how consumers make sense of the volatile grocery store structure. *Further, it is investigated which cues and principles consumers use when making distinctions among grocery stores. Another major issue concerns how consumers evaluate and form preferences for stores.*

Two types of data were collected in the personal interviews. First, free response data, which contains the views provided by the respondents and is inductive. The results drawn from this data are reported by presenting quotations from the interviews and by specifying specific themes which emerged from the interviews on the one hand and from the whole research process on the other. Second, data was also collected on the questionnaire. This data was analysed by more formal methods and the results are reported with figures and tables.

In Part III we also take up and contrast the perceptions of consumers and the grocery store service packages constructed by the retailers. We analyse and discuss how and why consumer perceptions and grocery store concepts differ from each other.

A concluding discussion ends this thesis. It summarizes the main results of the study and discusses the contribution of the study to the previous theory and body of research, and to our understanding of consumer behavior in the contemporary grocery shopping environment. Besides presenting and summarizing the results and findings, the final chapter shifts the focus towards general themes concerning consumers and grocery retail stores.

PART I

STRUCTURE AND STRATEGIES OF FINNISH GROCERY RETAILING

CONTENTS OF PART I

1 STUDYING RETAILING AND THE CONSUMER

1.1 Introduction

Part I describes the background and context of the subsequent parts in which the issue of consumer grocery store perception is considered. This part goes into the factors and conditions which provide the cultural retailing context within which consumers conduct their repeated grocery shopping. It is important to examine the context of grocery retail structure because consumer perceptions, evaluations and understandings develop in interaction between the subject (consumer) and the object or stimulus (grocery retail stores). What is more, perceptions are always formed in a particular context, they are not formed in isolation inside the consumer's mind (Steenkamp 1990; Thompson, Locander & Pollio 1990). In order to obtain a versatile picture of consumers' perceptions of grocery retailing, we have to consider the construction of reality through the interaction between consumers and grocery retail service packages.

In fact, it is important to consider the views of both retailers and consumers, and likewise their interaction. The social constructionist ontology (Berger & Luckmann 1966) suggests that the grocery retail market structure is constructed in social interaction between society, representatives of grocery stores at different levels of the organizational structure[1], and shoppers / consumers. This social interaction is presumably very complex.

In retailer-consumer interactions, the parties are in asymmetric positions. Consumers perceive grocery retail service packages as the stores they visit, they experience retail stores, products, and services face-to-face. Retailers' representatives rarely encounter consumers directly but perceive them through reports, survey data etc. What is more, retailers will encounter masses of consumers every day. Thus, an individual customer constitutes a small contributor to the

[1] The levels may include trading group, store type, chain, specific store.

output of a store.

In the first part of this study the focus is on grocery retail structure, the most important restructuring trends, and grocery retail strategies. The structure of grocery retailing in Finland is described in terms of the model of industrial organization analysis put forward by Scherer (1980). As regards grocery retail strategies, the analysis of Finnish grocery retailing draws on the corporate strategy models suggested by Porter (1982, 1985). The consideration of retail structure and strategies concentrates on describing the current trends in Finnish grocery retailing rather than analysing the theories of industrial market structure and corporate strategy. It is not possible here to tackle the problem area of retail market structure and strategy from the theoretical perspective because this study aims at stressing the consumer perspective. The description of the grocery retail structure in Finland includes the situation before the empirical inquiry (Part III) was conducted, as well as the more recent restructuring phenomena.

The main task pursued in this part is divided into three subtasks. First, the present study is positioned within the existing research area concerning retailing and the consumer. The importance of studying grocery retailing from the consumers' point of view is also justified. Second, the Finnish grocery retail trade is investigated and described with the emphasis on the current structure and the most prominent restructuring trends. The third subtask is to review the viable competitive strategies in Finnish grocery retailing; specifically, grocery store strategies, store types, store chains, and store brands are addressed.

1.2 Previous empirical studies on retailing in Finland

This section considers previous studies on retail structure and the consumer. As the grocery retail structure in Finland is exceptional, only Finnish studies are reviewed. An exception is a Swedish study included because it focuses on the consumer-retail store relation from the consumer perspective and applies the ethnographic interview method, an approach which is also relevant as regards my study.

The development of the retail structure in Finland has been examined and described in a few academic studies. Mäkinen (1982) considered change processes in marketing systems from the wholesalers' perspective. Her period of investigation was 1948-1976. Home (1989) focused on small village stores and their development during the years from the 1950s to the late 1970s. These two studies indicate that the development and transformation of the retail structure was considerable in Finland during the periods examined.

The essential trends in Finland during the period of intense change examined in the above studies seem to be the following: shifts in the location of retail stores (urbanisation of stores and closing down of the stores in the countryside), changes in the number and size of stores (fall the number of stores accompanied by a rise in the average floor space), and modifications in the types of stores and ways of doing business. The causes of these transformations can not be specified exactly since the diverse causes are linked both together and with the environment by multiple and complex bonds (Mäkinen 1982; Home 1989).

Additionally, several surveys and accounts have been published concerning the Finnish retail structure. Most of these surveys have been aimed at serving public policy makers in their decisions[2]. Retail managers have also made use of customer surveys in their decision-making. Academic studies have also considered the relationships of the members of distribution chains and other topics concerning the efficiency of retailing (e.g. Hyvönen 1990).

Most of the research on the Finnish retail structure have assumed the retailer's point of view, but Laaksonen (1987) and Rökman (1985) examined retailing from the perspective of the consumers. Laaksonen (1987) looked at the changes in the patronage patterns in a situation of drastic change in retail store structure in a given market area. He considered the dynamic and static features of patronage behavior; and suggested a model describing dynamic shopping behavior. In the empirical part of the study, consumer adaptation to a drastic change of retail structure is described. The number and floor-space of retail stores increased significantly in the market area in question during a short period. Laaksonen proposes that in the short term, consumers may use various different adaptation strategies in order to cope in the new situation. Over a longer time period, the position of the new stores in the consumer adaptation process was thought to strengthen. Consumer patronage behaviour may, however, vary so that consumers return to their old-established behaviour patterns after a short period of curiosity.

Research concerning the retail structure and the consumer is necessary as the extensive distribution system, or vertical marketing system, of which retailing is a part, has recently undergone extensive transformation. In Finland, this area has received attention quite recently. For example, Marjanen (1997) studied consumer shopping behavior and the dynamics of in-town versus out-of-town retailing, focusing in particular on the role of distance in store choice. According to Marjanen, consumers aim at minimizing the time and effort spent in grocery shopping. When conducting their daily shopping consumers tend to be rational and prefer the nearest store which offers a satisfactory retail service package. Moreover, Marjanen proposed that consumers choose different types of stores in different situations, i.e., according to their situational needs and requirements.

While the majority of previous studies have focused on store choice at the level of the single store, it is also important to investigate shopping behavior at the level of store types. Raijas (1997) examined the different factors which affect consumer store choice behavior at store type level. In addition to examining store choice in different store types, Raijas studied grocery store choice comparatively in Helsinki and in Oslo. She found that consumer household characteristics in the two cities had different effects on grocery store choice. Also the attributes of the grocery stores had different effects on store choice in Helsinki and in Oslo. As regards choice behavior at store type level, the study indicates that consumers may give different weight to different choice criteria according to store types. Raijas argues that the consumers in Helsinki and in Oslo were rather well able to

---

[2] For example, studies on the question of opening hours (Kajalo 1991); and surveys on the impacts of large-scale retailing in the municipal economy (Koski, Lahti & Luukkanen 1995).

distinguish the features of the different store types. The consumers had clear expectations concerning each store type; they knew what to expect in each type of store. Raijas classified grocery stores into four types based on price level and product assortment: discount store, neighborhood store, supermarket, and hypermarket.

In a Swedish study, Holmberg (1996) focused on the relation between grocery stores and consumers; she conducted two empirical studies examining this relation from two perspectives. First, by using scanner data she studied how consumers react to store promotions. The results indicated that all kinds of promotions influence the amount purchased by shoppers, while in-store promotions (price reductions and special display) appear to result in higher sales volumes than out-of-store promotions (feature advertising and leaflets). Accordingly, Holmberg proposes that the store is important in consumer decision-making concerning what to buy in the store. In the second study Holmberg sought to describe and understand the role of the store in household food-related planning and decision-making. In participant interviews she found that contrary to the first study, the stores themselves were not considered important although the consumers nonetheless used the stores in their decision-making. This would indicate that the stores assume an institutionalised position in consumers' minds. That is, consumers will take the stores for granted; they will not reconsider alternative stores on each shopping occasion but follow the same shopping pattern constantly over time. Rather than loyalty, institutionalised shopping patterns are a strategy whereby consumers try to cope with the shopping task without wasting the resources of the household.

The majority of previous studies have been deductive in their research orientation. While consumer behavior has been the focal area, the deductive or explanatory research design in these studies has prevented the inclusion of a consumer-initiated treatment of the research area. My study brings the consumer into the spotlight.

1.3 Consumer satisfaction as a measure of store performance

The performance of retail stores can be analysed from several alternative points of view. Stern & El-Ansary (1988) apply a multidimensional performance measure in assessing the performance of marketing channels and institutions. Their measure consists of effectiveness, equity, and efficiency. Effectiveness measures how well the channel institutions meet the demand for service outputs placed on it by consumers. Equity means the extent to which the marketing institution serves problem-ridden market segments, e.g. disadvantaged or geographically isolated consumers. Effectiveness and equity measure the external performance of a firm. This external analysis concerns the consumers' perspective as the concern is on the activities and outputs of the retailers. Efficiency refers to productivity and profitability. Productivity measures physical efficiency, i.e. how well output is generated from the resources and inputs used. Profitability measures the financial efficiency of channel members, for example the return on investment, liquidity, growth patterns, or growth potential in terms of profits. Efficiency reflects the internal perspective of a firm.

Equity of distribution implies the external performance of retailing in terms of fairness. In a way it is related with the social performance of retail stores: the acceptability of the activities of retail organizations from the perspective of the different subgroups of the population. The views of the consumers who are neglected by the retail marketers should be taken into consideration. Equity implies that all groups in society should have access to retail facilities, irrespective of their wealth, mobility, age etc. The retail industry as a whole would have the responsibility to provide retail facilities to all groups in society, even though individual firms will target specific groups. Moreover as retailers are concerned with delivering products and services which affect the standard of living, improving the living standards could be regarded as one of the duties of retailers. This duty could be accomplished by providing information about products, enhancing the quality of products and services, introducing new products and designs to the consumers (Dawson 1987).

The different performance measures provide information about different issues. Each single measure describes only one element of performance which is at the same time a multidimensional position. Performance in retailing has been considered in research efforts mainly from the perspective of internal performance (Hildebrandt 1988, 93). Retail trade has also stressed efficiency in its development programs. Customer satisfaction and social effectiveness call for more attention and research (e.g. Kilpiö & Pantzar 1993, 5).

Effectiveness indicates how an organization succeeds in meeting the demands of the various individuals and groups that are affected by its activities and outcomes. As retail services are produced for the customers of a firm, customers are experts in evaluating whether their needs are fulfilled and their desires are met. *Therefore, evaluating effectiveness should be based on the perceptions of customers.* Moreover, it is about the personal experiences, understandings and feelings which arise when the consumer judges what he or she expects and what kind of service, or what benefits and value, he or she in fact obtains. Consumer satisfaction is regarded as an important indicator of retail store effectiveness (e.g. Greyser 1981, 69).

Consumer satisfaction is arguably affected by the consumer's perception of how well a given retail service package meets his or her expectations concerning the service. The disconfirmation model of satisfaction is perhaps the most widely used. However, some satisfaction models posit that satisfaction is a function of perceived service performance only and that consumer expectations do not affect satisfaction. In effect, several ways of defining and measuring consumer satisfaction have been suggested in the literature: e.g. observing customer behaviour, or inquiring into the attitudes, perceptions, experiences or feelings of consumers. Specifically, *as regards ongoing shopping behavior it has been proposed that the disconfirmation model is not appropriate because it captures satisfaction only with respect to a single transaction.* Retail store satisfaction can be assumed to be influenced by several subtle factors (see Uusitalo, O. 1993). It is important to notice that customer satisfaction or dissatisfaction may not manifest itself instantly. Thus, satisfaction and dissatisfaction with retail service should be evaluated over the longer term rather than a single transaction. What is more, satisfaction and dissatisfaction are not permanent effects but are continuously re-evaluated interpretations (see Johnson, Anderson & Fornell 1995).

Consumer satisfaction or dissatisfaction with retail service is evidently related to consumer perceptions of a number of important dimensions of the retail service: e.g. personal customer service, product quality and availability, prices, atmosphere, and convenience (Mazursky & Jacoby 1988). In my earlier study I explored the events leading to satisfaction or dissatisfaction in the context of retailing (Uusitalo, O 1993). The study indicated that personal customer service is of the most importance as regards consumer satisfaction. The results of the study showed that personal service is connected with satisfying events. Dissatisfying events, on the contrary, seem to be connected with various dimensions, such as flaws in the quality of the products, and incorrect or unclear price markings.

The consumer's input is essential in the retail service production process. Correspondingly, the success of a retail service process is contingent on the success of the quality of co-operation between the service provider and the customer (Gummesson 1994, 88; Lovelock & Young 1979). In addition to examining the performance of an organization more attention should be paid to the performance of customers and customer-service provider relationships.[3] For example, how retailers can promote customer participation. A critical exploration of the relationship or dialogue between the retail service and the consumer may reveal possible problems which weaken the effectiveness of the retail service.

Understanding of the consumer perspective is necessary if the retailer aims at promoting consumer satisfaction and caring for consumers. Consumer perspective entails exploring consumers' expectations, their perceptions and experiences concerning the retail service package as well as identifying consumer satisfaction and potential problems in using the retail service (Murray & Ozanne 1991).

---

[3] Note that customers can be educated in service production, a chance taken up by IKEA, for instance (Gummesson 1994, 83).

2 STRUCTURAL EVOLUTION IN GROCERY RETAILING

2.1 Dimensions of market structure

The model of market structure suggested in the industrial organization literature (Scherer 1980) is used here as a framework in describing market structure and conduct in the grocery retailing.

According to the industrial organization model (see Figure 1) market structure is influenced by various basic market conditions associated with supply and demand, e.g. the nature of the technology available, different trends in demand and consumer behavior, and competition. In addition, public policy regulations will affect the market structure in retailing. The following features constitute the market structure in any given industry: the number and size of sellers and buyers, the degree of product differentiation, the presence and absence of barriers to entry, the ratio of fixed to total costs in the short run in a typical firm, the vertical integration of firms, and the degree of diversity or conglomerateness in the firm's product lines. The conduct of a firm is influenced by its market structure. In the industrial organization model conduct refers to marketing strategies, advertising, pricing behavior, product policy, distribution, etc. Finally, the performance of the firms within a given industry is affected by all the above-mentioned forces: conduct of the firms, market structure, and basic market conditions. Good performance is a multidimensional concept, and can be defined in several ways. Scherer argues that in order to arrive at good performance a firm should achieve at least four goals: efficient production responding qualitatively and quantitatively to consumer demand; progress and taking advantage of new opportunities; facilitating full employment; equity in the distribution of income (Scherer 1980, 3-4).

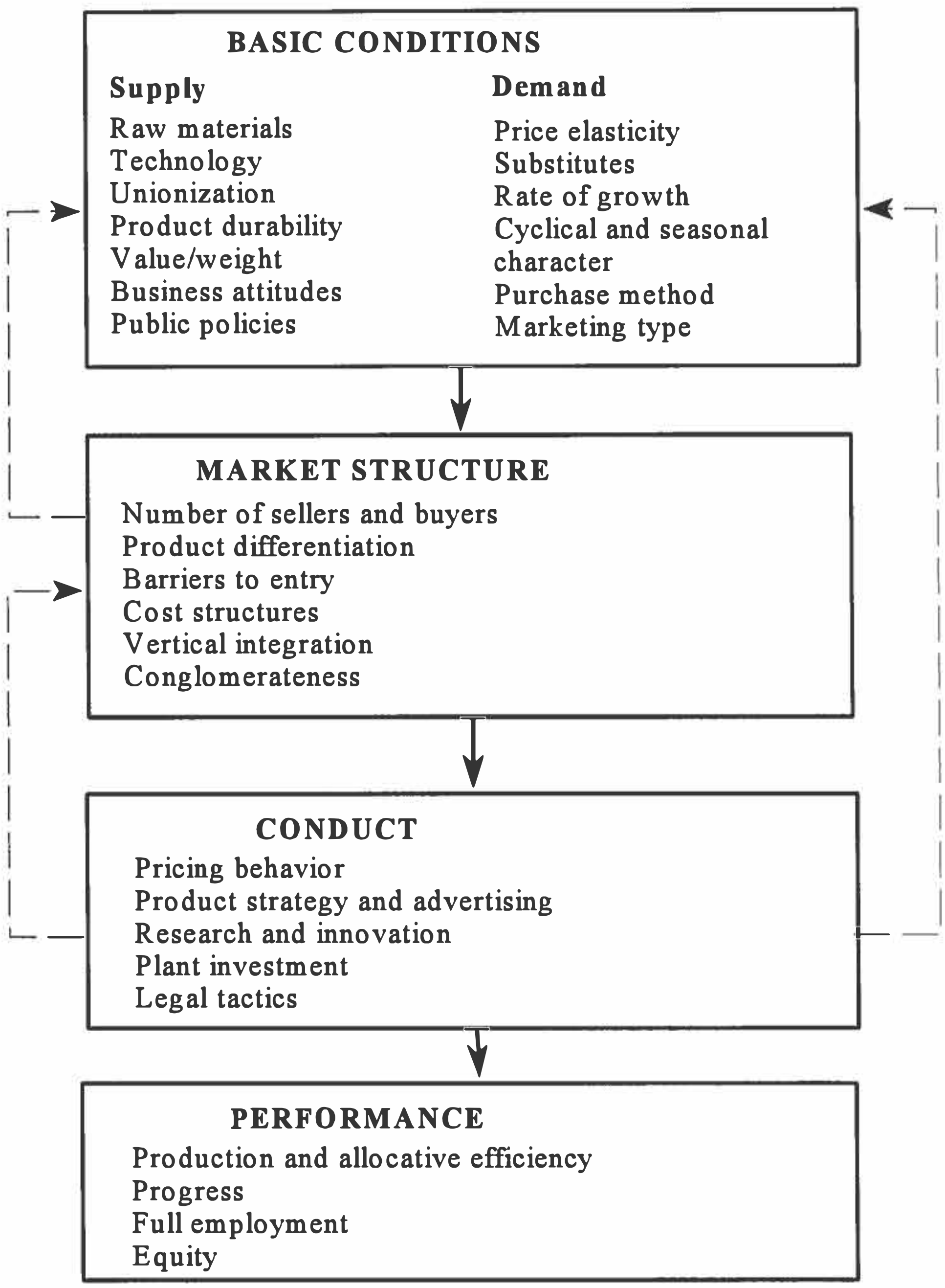


FIGURE 1 Framework for analysing market structure and organizational conduct (Source: Scherer 1980, p.4)

The bold arrows in Figure 1 indicate that there is a causal flow from basic conditions through market structure and conduct to performance. Meanwhile, Figure 1 displays broken lines which indicate the causal flow from conduct to market structure and basic conditions. Accordingly, retail firms can influence the market structure in the retail sector by their policies and practices and cause facilitating or constraining factors in the contextual conditions within which they operate. Hence the model implies that basic market conditions or market structure are not necessarily constraining factors but can also be facilitating factors.

While the industrial organization model provides a versatile framework for analysing organizational conduct in retail firms, I do not propose to survey all the dimensions of retail market structure. I concentrate, instead, on the dimensions which are crucial with respect to the retailer-consumer interface. Thus, the following dimensions in retail market structure are illuminated: the number and size of outlets, concentration in terms of market share, and the locational concentration of outlets. In addition, the influences of new technology and ensuing retail innovations are addressed because technology is associated with many of the dramatic changes which have occurred in the retail structure during the last decade. The conduct of retail firms is surveyed in terms of marketing strategy.

2.2 Aspects of contemporary grocery retail structure in Finland

The food and grocery market is rather stable in terms of volume. There is no natural growth in the market due to the falling population growth rates. Moreover, the proportion of consumer spending on food products has gradually been falling for some time now in Finland. While the volume of demand has remained stable, the market supply structure has changed considerably. This chapter describes these changes.

2.2.1 Number and size of grocery stores

The number of grocery retail stores in Finland has steadily declined since the year 1964, when the number of grocery stores was at its greatest (Home 1989). During the 1980s and 1990s the mean annual net loss has been around 300 outlets. By the end of 1996 the number of grocery stores in Finland was approximately 4351[4]. According to one appraisal the number of grocery stores will settle at approximately 3500 stores (PTY 1994, 13).

Meanwhile the grocery store network has been thinning; outlets have changed their form. The average store size has increased as the closed down stores have mainly been small while new have been big. The result has been a gradual increase in the floor area of grocery stores. The trend towards concentration in fewer outlets seems to be a crucial feature which will hold until the next decade. This restructuring of the grocery store network is also of necessity notable from the point of view of the consumer.

The grocery store network in Finland has tended towards a structure in

---

4 Speciality stores and indoor markets are not included in this figure.

which the share of supermarkets and hypermarkets is on the increase while the share of smaller store types undergoes a continuous decline, as Figure 2 shows. The greatest increase has been in the number of hypermarkets which have also increased their sales most. The shift in the proportions of the different store types in Figure 2 is partly due to the new classsification criteria. In particular, small stores and large self-service stores were classified as general grocery and self-service grocery in the statistics of 1978 and 1984. Thus these two types were distinguished on the basis of the selling technique used: personal service versus self service. Since the number of the stores in the general grocery class has markedly decreased, the distinction between small stores and large self service stores has been applied since 1987. Another change in the classification of store types was made in 1993: small and large supermarkets were separated, and small and large self-service stores were separated.

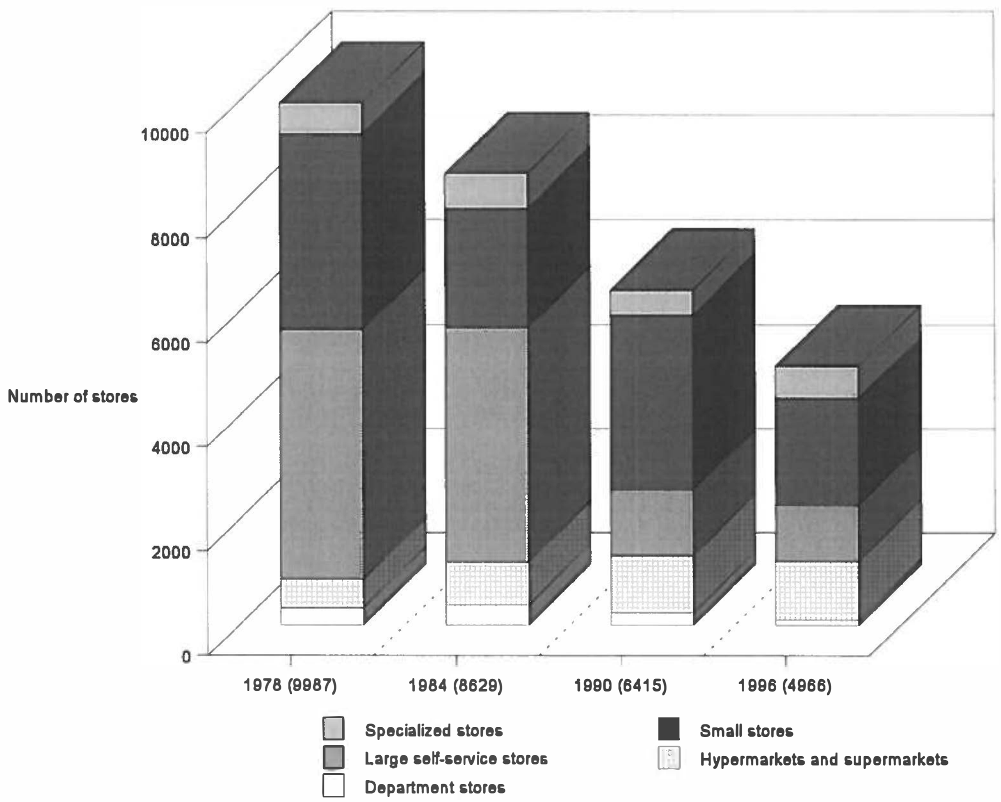
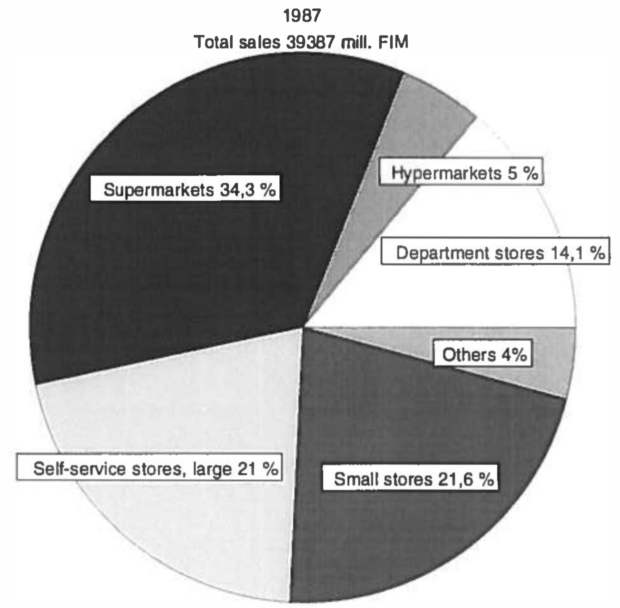


FIGURE 2 The number of different store types in 1978, 1984, 1990 and 1996 (Sources: Marker 1979, 1985, 1991; Nielsen 1997)

Figure 3 shows that major changes have taken place in the sales of the different store types. The large store types, hypermarkets and supermarkets, have increased their share at the expense of the self-service stores and other small stores.

An interesting trend is the penetration of kiosks and service stations in the grocery market. Their share, 9 % of total sales in 1996, is considerable. The number of department stores is falling as they are being transformed into supermarkets. At the same time, the number of supermarkets is on the increase.



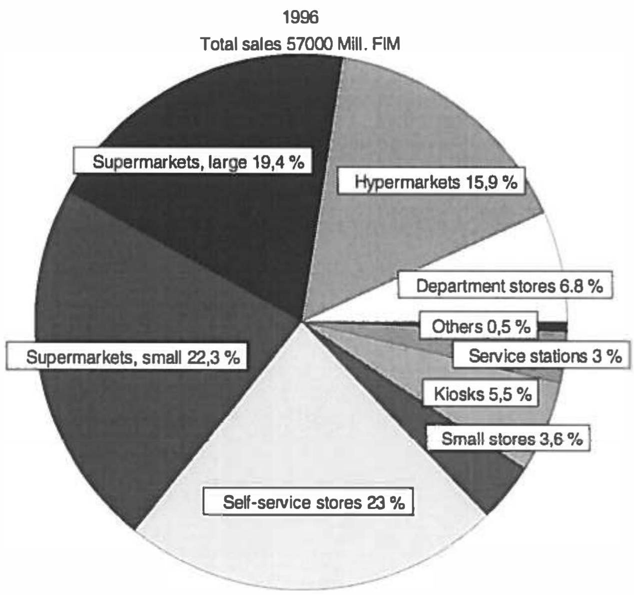


FIGURE 3 Grocery sales by store type in 1987 and 1996 (Source: Nielsen 1997)[5]

---

5 The store classification scheme used by Nielsen was changed in 1993. Consequently, supermarkets are divided into large and small supermarkets in the pie displaying grocery sales in 1996.

Figures 2 and 3 do not show the share of the discount grocery store, which has become a favoured type in the 1990s[6]. The number of discount stores has increased steadily during the last decade (see Figure 4). They have gained more and more in popularity in many European (Burt & Sparks 1995) and Scandinavian countries. In Finland likewise, each trading group has a chain of discount stores (Talouselämä 27/1994). The market share (share of sales) of this store type in Finland was 11 per cent in 1994, while their share of outlets was 17 per cent (Nielsen 1994; Home 1995).

Discount stores have been frequently set up in outlets abandoned by closed down corner shops. They have often taken over the earlier position of these shops; thus catering for the need for local retail store services.

The success of the discount stores is partly explained by their rational way of doing business. Sales personnel is cut to a minimum and an optimal product mix is pursued. Thus, "rational management" is implemented, as was stated by one of the retail managers interviewed for this study. Besides rationality, the performance of discount stores can in part be explained by the fact that alternative store types - which consumers would prefer more - are currently in short supply. Also the proliferation of grocery product sales in kiosks and service stations may have occurred because they fill the gap which results from the closing of corner shops in many suburbs.

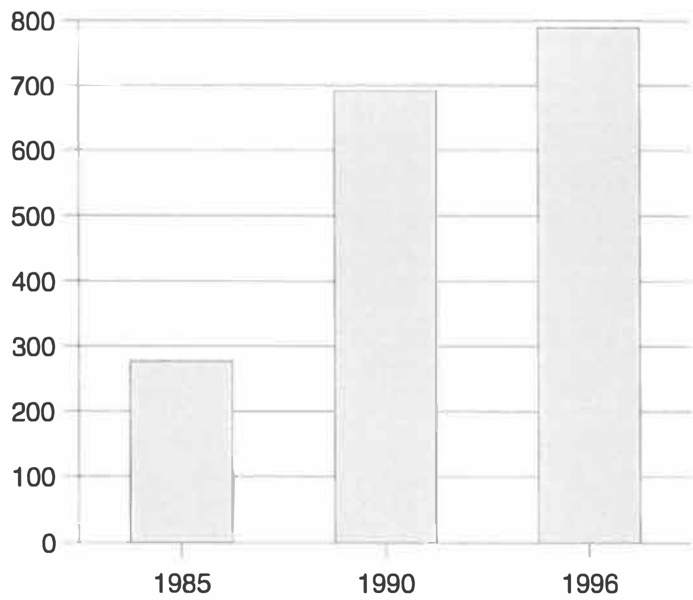


FIGURE 4 Number of discount stores in 1985, 1990, and 1996 (Nielsen, PTY 1994, Kehittyvä Kauppa 5/1997)

---

[6] Discount stores as well as other store types operating in Finland are described in section 4.2. It is important to point out here that Finnish discount stores differ from their predecessors for example in UK and Germany in that the former do not in practice offer decided price advantage. Instead, discount stores' policies in Finland are usually based on pure self-service, limited range of products, low service level.

Experts in the grocery retail trade expect that the current trend towards decreasing the share of small stores and increasing the share of hypermarkets, large supermarkets and discount stores will continue in the near future. As retailers aim at investing in those store types and trading formats which are favoured by consumers, the prospective gravity of a new store outlet or concept will be carefully assessed before it is established. In principle, retail managers insist that a new outlet must be more appealing than what was there before. At the moment retailers appear to have a strong faith in large hypermarkets.

Why are hypermarkets so appealing to retail managers? For one thing, this may be because surveys show the average consumer valuing the attributes of a hypermarket. According to Raijas (1997) consumers value low prices, a pleasant physical retail environment, a wide range of goods, and special offers in hypermarkets. Marjanen (1997) classified consumers into shopper types and found that for hypermarket shoppers the most important reasons for selecting a particular store were nearness of the store to home, that the store is on the way to/from work, low prices, a wide selection of goods, and high class products. According to LTT (1995), the most important criteria in grocery store choice include a fair price-level, high quality of merchandise, clear price markings, special offers, and a versatile range of goods. Further, quick shopping, convenience, one-stop shopping and avoiding the carrying of heavy bags may attract consumers to hypermarkets (Uusitalo, O. 1993). Briefly, the determining factors which make hypermarkets attractive to hypermarket shoppers seem to be above all their wide range of goods, low prices, and the possibility of one-stop shopping. Hypermarket shoppers do not, however, form the only consumer group.

Where the survey method is applied in studies, it is possible that the results obtained are biased or one-sided (see Valkonen 1981, 138-139). For example, the opinions of minor consumer groups, e.g. the elderly, who are unwilling to travel to hypermarkets, might be underestimated. Elderly consumers as well as people who do not possess a car or much spare time would prefer grocery stores within walking distance from home.

For another thing, hypermarkets may be favoured because of the internal supply conditions in retailing. That is, the available technology, relations with manufacturers, and the availability and costs of store sites have perhaps facilitated the development of large stores. Accordingly, the hypermarket may be a prominent store type because it is in line with other strategic decisions made at the top level of management in retail trading groups. The transformations of grocery retail stores in terms of size and amount are related to alterations in the organization (e.g. multiples, chain operations), technique (e.g. introduction of information technology), and environment (e.g. layout and design, internationalization) of retail stores.

The most prominent large-scale grocery store types aim at exploiting economies of scale, low-cost sites, centralized management and information technology. They also rely on productive selling techniques such as self-service. In addition, they have been able to cut down labour costs by reducing the number of full-time employees and increasing the number of part-time employees.

2.2.2 Concentration: an example of volatility in retailing

The transformations in retailing are being accelerated, since the extensive marketing system is undergoing reorganization. The merger of Kesko and Tuko, two major trading groups in the Finnish grocery sector, is an example of the volatility in contemporary grocery retailing. The following example concerns the concentration and market share of firms in the retail industry.

The Finnish grocery retail business is highly concentrated. There were formerly four trading groups which covered about 90% of total grocery sales: Kesko, SOK, Tuko, and Tradeka. The ownership structure of the trade changed radically in May 1996 with the merger of Kesko and Tuko. Kesko purchased a majority of share (controlling interest) in Tuko. In consequence, Kesko obtained a dominant position in the Finnish grocery retail trade, market share of about 60%. The merger was prepared in secrecy between Kesko and the owners of Tuko (two banks: Merita and OKO, and an insurance company: Pohjola). Even the president of Tuko learned about the merger only a few days before the purchase.

Since there is no antitrust legislation in Finland, the Finnish authorities asked the European Commission to conduct an inquiry concerning the merger. The European Commission assessed the acceptability of the merger. As a result, the merger was not allowed to proceed. Kesko was required to submit further information and proposals regarding how its dominant position could be resolved. Kesko submitted an improved proposal to the European Union claiming that it was willing to sell off parts of Tuko comprising altogether about 40 % of the group's turnover. The EU Commission was of the opinion, however, that the proposition put forward by Kesko consisted only of cosmetic changes which would not resolve its dominant position in Finnish grocery trade. Thus, Kesko was compelled to sell off all its shares in Tuko. Moreover, European Union made it known that it would keep a close watch on the outcome. Potential purchasers of Tuko must be independent, not governable by Kesko.

At the end of December 1996 Kesko formulated an in-company deal whereby the Anttila department store chain, which formerly belonged to Tuko, was transferred to Kesko. The Anttila chain possesses high goodwill value. Kesko took the risk for this reason, and because only one third of the turnover of Anttila is obtained from groceries[7].

Since this deal was rejected by the EU authorities another deal was struck in February 1997 which once again meant new arrangements in the ownership of the stores. Kesko sold the majority of its shares in Tuko to a group of Finnish purchasers. The Spar store chain was transferred to Sentra which already owned 30 stores (EuroSpar, Prima, Rabatti). As a result, Sentra now owned 380 outlets. Of these, 50 outlets were under the centralized control of Sentra, while the other 330 outlets were operated by the independent retailers affiliated to the Spar label. The group consisting of Sentra (35%), Wihuri (44%), Stockmann (14%) and Heinon Tukku (7%) purchased the warehouse business TukoSpar. A group of insurance companies purchased the real estate owned by Tuko.

---

[7] The EU Commission expressed concern about the grocery trade.

In the short term, these transformations in the ownership of the major grocery store chains was reflected in changes in the market shares of the firms. The other possible consequences of this event will be realised gradually; individual stores may also be faced with change. The Kesko-Tuko affair is an indication of the volatile nature of the market share structure; further rearrangements and even mergers are possible.

2.2.3 Spatial structure of retail stores

"Three important factors determine a retailer's success: location and location and location."
- Anonymous

The transformations in the retail structure and the establishment of new institutional retailing formats[8] have brought about changes in store sites and locations. For one thing, decision-making concerning store location is bound to the type of store. This is because location is usually specified in the business idea behind the store type. Meanwhile, several other factors such as site-costs, availability of sites etc. will influence store location decisions.

Store location is often considered to be one of the most important factors in the success of a retail store. From the perspective of the retail management, store location decisions are important and critical but are constrained. Retail managers cannot determine the location of outlets freely as there are two additional groups which influence decision-making: consumers and town planners. The relative importance of these groups will vary across time and geographical sites. Until the 1960s, retail stores had to be located near consumers. But as the mobility of consumers improved, the managers in the retail trade were allowed more latitude in decision-making concerning site selection. In brief, increasing mobility, motorized lifestyles, improved private storage at home, increasing leisure, and higher income levels have all contributed to consumers becoming more flexible in adapting to the transformations in the supply of retail services (Kulke 1992, 968-969). Grocery retail firms have responded to the challenge provided by consumers' increasing ability and willingness to travel. Meanwhile, site selection has become a strategic decision which can be used as a competitive strategy among store chains (Bennison, Clarke & Pal 1995; Marjanen 1997, 77).

In Finland, grocery stores tended to be located on the outskirts of cities and in other peripheral areas while a huge number of stores originally located in residential districts have been closed down. As a result, traffic and environmental damage have become a problem in some areas. The public sector has recognized these adverse effects in several countries; almost all countries within the European Union[9] have undertaken the control of spatial development in retailing. The aim of the public sector is to minimize the negative consequences of

---

[8] Retailing format refers here to the concept of store type.

[9] Exceptions are Finland, Sweden, and Greece.

retailing trends. In Finland the public sector has left the retail trade to form its spatial structure rather freely and has allowed the retail managers to select their store locations in the community. Recently, however, managers have been opposed to attempts by public sector representatives and town planners to interfere in store location plans (e.g. Ympäristöministeriö (1997): Report of the working group on supermarkets). Nonetheless, we can argue that the retail trends and internal factors have played a more important role than the public sector as regards the locational structure of grocery stores in Finland. For instance, such factors as labour and capital costs, pursuing economies of scale, new technology, organizational changes, shifts in the balance of power of the distribution chain, and changes in relative competitive advantage have been considered important agents affecting the spatial network of grocery stores. The priority of economy has led to the adoption of those solutions which are - or appear to be - most profitable (Home 1989, 40).

The most distinctive trends in the spatial development of grocery retailing in Finland as well as in many other European countries have been urbanisation, thinning of the network of stores, and dispersion of store sites. Retail trade experts maintain that retail stores should be located at sites "where people are". At the geographical level, all the Finnish trading groups are particularly interested in large catchment areas with large populations and high demand and purchasing power. There are not many such catchment areas in Finland. Within the geographic market areas, the current trend is for the individual stores to be increasingly located far from populated districts. Sites outside city centres have lower land costs and larger car parks can be provided. Furthermore, as retailers believe that consumers prefer shopping by car, and that car use will not decrease in the future, this trend in the spatial structure of grocery stores is likely to continue. (Jones & Simmons 1990, 262-264).

2.2.4 New technology and ensuing retail innovations

Information technology has been a major area of development in the grocery retail sector. It has brought about the automation of a number of retailing practices, and changed the business activities and structure of retailing, payment systems and store locations. Many of the recent retail innovations[10] are consequences of the adoption of new technology.

Information systems currently used in grocery retail stores include EDI (Electronic Data Interchange), ECR (Efficient Consumer Response), EPoS (Electronic Point of Sale), EFTPoS (Electronic Funds Transfer in Point of Sale) and Teleshopping systems.

EDI is "the electronic exchange of machine-readable data in standardized formats between one organization's computer and another's. It replaces a host of paper forms which constituted the primary communications link between a

---

[10] An innovation can be defined as a product, service, attribute, or idea that is perceived as new by consumers within a market segment and that has an effect on existing consumption patterns (Gatignon & Robertson 1991).

retailer and producer for ordering, invoicing, shipping and inventory control. EDI encompasses hand-held laser-scanners, satellite link-ups and wireless systems using in-store radio frequencies. It is a virtual 'warehouse' open to participating manufacturers, suppliers, wholesalers, distributors and retailers." (Retail Futures 1996).

ECR is an application of the value chain concept (Porter 1985). It aims at continued improvement in the grocery supply chain; it provides consumer value, removes costs that do not add value, and maximizes value and minimizes inefficiency through the supply chain. ECR addresses the ordering cycle as well as a wide variety of business processes involving the introduction new products, ranges of items and promotions. Technology is used in order to improve every step of the business process. Moreover, collaborative relationships are pursued in which any combination of retailer, wholesaler, broker and manufacturer works together to seek out inefficiencies and reduce costs by looking at the net benefits for all the players in the relationship. The idea is that true efficiency comes only when overall costs are reduced for all the parties. The ultimate goal is to drive the ordering cycle and all the other business processes with point-of-sale data and other consumer-oriented data, thus giving an accurate understanding of consumer demand. This data is passed on by way of EDI to the manufacturer so that products can be made in quantities based on actual consumer demand, and then distributed to the end consumer in the most efficient manner. (FMI Media Backgrounder 1997).

EPoS is a checkout register system which records the data on each item sold at the point of sale. It facilitates the efficiency of trading through faster checkouts, shorter queues, and improved stock and space management. In particular, it is possible to achieve a reduction in stock-levels, and obtain data on what is sold and to whom it is sold. EFTPoS systems enable payments by card. They facilitate transactions as they speed up the act of sale, and reduce the amount of paperwork caused by traditional transactions. Moreover, the amount of cash handled is cut down which increases security.

Teleshopping[11] allows the consumer to order goods direct from home, and have their bank account debited automatically. It is believed that teleshopping will arrive eventually, even though it has been adopted more slowly than expected.

New information technology systems offer a huge amount of information on prices, costs and aggregate sales volumes for specific time periods. Meanwhile, Finnish grocery retailers (especially those within the big trading groups) have introduced regular-customer cards which allow retail managers to integrate data on customers with data on purchasing behavior. The most advanced systems provide data on the purchase histories of individual customers. Due to these databases, customers can be rewarded for making regular purchases and for loyalty. The satisfaction following regular purchases and the rewards given to frequent customers are believed to lead to customer loyalty and involvement, i.e. lasting customer relationships.

Whereas the big trading groups and multiples benefit from the computer-

---

[11] Teleshopping is also known as home shopping or electronic shopping.

ization, small and independent retailers suffer as they may not have the resources required to establish such systems. For some retailers, information systems may bring in their train the problem of utilising the information because it requires certain capabilities of firms (Gardner & Sheppard 1989, 227; Samiee 1990). First, retailers should be able to dig out all the most useful information. The second question is how to organize operations so that the greatest possible advantage is gained from information technology.

One reason for the adoption of technology is that multiples, in particular, require efficient communications technology. This form of organization is the most prominent in Finland, and even the voluntary groups have established store chains for independent retailers.

The trading groups have invested vast amounts of money in communications technology; it is thus obvious that it should be exploited most efficiently, i.e. in chain operations where a standard concept is duplicated across several sites.

The new technology can even be used in pursuing differentiation from competitors (Samiee 1990, 59). In Finland, competitive differentiation by means of technology may be hard to achieve as all the Finnish grocery retail trading groups have adopted the new information technology and introduced scanner systems rather widely and rapidly.

However, information technology is a prospective source of differentiation since it also offers an opportunity to gain more and more detailed information about the customers of a particular store, and their actual shopping behavior. EPoS scanners provide data about what goods are sold, and to whom they are sold. Computer databases from EPoS and regular-customer card systems facilitate the personal treatment and care of customers. Customers can be treated as individuals, and service packages can be customized to meet the needs of a particular customer segment.

Due to information systems and technology, retailers have profited through reduced labour costs, easier price adjustment, greater security, etc. While retailers have gained substantial benefits, the benefits to customers have been questioned (Cutler & Rowe 1990). According to previous studies, consumers in many countries have not unconditionally welcomed electronic cash registers with scanners: the scanners may, for example, be connected with overcharging. Meanwhile, retailers assert that consumers gain indirect benefits from the use of EPoS scanners: "better service with lower costs, which means lower prices". There is also empirical evidence that customers may perceive the following benefits: faster service at checkouts, more checkouts, and shorter queues. According to another empirical study customers regard it as to their advantage that they do not have to carry cash with them.[12] A cash register may also operate as a bank; allowing customers to draw cash (Gardner & Sheppard 1989, 230-231). In

---

12 Another issue is whether the diffusion of electronic checkouts restricts consumers' freedom to choose the mode of payment. There are some examples of retailers who do not accept credict cards other than their own, e.g. Marks & Spencer. Furthermore, information gathered on customers and their purchases is growing all the time. As information collected about customers increases and becomes ever more detailed, the security and privacy of customers will soon become a topical issue.

Finland, Kesko was the first to introduce a combination of cash register and bank operation. The other trading groups are also planning to establish this service.

2.3. Consequences of recent trends in retail market structure

A number of important trends in the grocery retail market structure in Finland were discussed above. They also imply new challenges for future research into retail store marketing and management.

As regards the number and size of stores, the trend towards concentration into fewer grocery retail outlets will continue. At the national level, the network of outlets has thinned out. Within the geographic market areas, the locational focus has concentrated on sites which are easily reached by car and which are at the junctions of highways.

As a consequence of the trend towards a new spatial structure of grocery stores, a new type of competitive structure can be expected to arise in several geographical market areas in Finland. In many areas there has been a confrontation of the old down-town stores with the new out-of-town stores. The new stores established in remote out-of-town areas have in some areas made the operation of the old down-town stores impossible. Nonetheless, the existence of commercial services in city centres are viewed as important to residents and thus worth protecting and conserving.

A case in point is the Jyväskylä region, consisting of a medium-sized Finnish town with its surrounding municipalities. It is a typical market region where the network of grocery stores has been thinning out and new stores have been established outside the city centre. In autumn 1994 a new shopping centre with two hypermarkets was opened on a site which is at a distance from the city centre and residential areas, while easily reached by car, and near a major highway. The city of Jyväskylä together with local retailers actively responded to the threat of city centre desolation by investing in the attractiveness of the city centre. For example, an attractive pedestrian area was built. As a result, the city centre in Jyväskylä has been able to maintain some commercial services, including grocery store services, although the stores located in the city centre have lost sales revenue to the new shopping centres. In spite of its appeal the city centre suffers from the problem of traffic. As for the suburban shops around Jyväskylä, several of them have suffered from the new competitive situation and closed down. It would be interesting to learn what the consequences of this are for consumer satisfaction.

The location of a store forms, at least in principle, an inseparable part of that store's business idea. For example, the proper location of a hypermarket will be a site allowing large parking facilities, and having a low cost of land, and accessibility by car. As the number of hypermarkets is currently on the rise, the result is that the locational focus of grocery stores is shifting more and more from residential areas - i.e. city centres and suburbs - to the more peripheral areas of the city.

While several residential areas have been left without any grocery store services, in those areas with a sufficient population base the earlier small local shops have been transformed into discount stores. A recent additional phenomenon is that kiosks and service stations are increasing their food and grocery sales. Their competitive advantage stems from their flexible opening hours, and their accessibility. While the business hours of retail stores are restricted, these restrictions do not concern kiosks and service stations. The existing legislation on the opening hours of retail stores in Finland has been debated for a long time, and there is pressure for change (Kajalo 1991).

Finnish grocery retail trading groups have moved swiftly to utilize the new technology. Decision-making and operations have been centralised in order to obtain the best possible benefits from it. Multiple operations in the form of chain stores is one example of centralisation. Chain operations require efficient communications technology and, conversely, technology is best utilized in chain operations. Besides speeding up operations and achieving cost savings, technology can be used in producing information. More and more detailed information about customers is being collected in data bases which allow retailers to adopt more precisely targeted marketing.

Information technology and retail chain operations have brought about the so called regular-customer cards. While these cards have several purposes, one view is that they can be considered as barriers to switching stores or exit behavior. Dissatisfied customers will not exit or switch while they are provided with benefits which they lose when they break the relationship (Maute & Forrester 1993). Consumers may attempt to overcome the threat of losing the bonuses and other benefits by obtaining the cards of the different groups and using them opportunistically, while, the retail firms aim at establishing customer loyalty and involvement. Thus regular-customer cards are based on the principle of cumulativeness, which means that the more a customer purchases from the group the more bonuses and other rewards he or she gets.

Retail firms have grown and become expertly managed institutions that constitute a dominant force in the society and economy. Information technology (EDI, ECR, EpoS, EFTPoS) and large scale store formats have become prevalent, and at the same time retail organizations have been compelled to change their operations and strategies. For example, the introduction of ECR (Efficient Consumer Response) will prompt retailers and manufacturers to reconsider their mutual operations. All the institutions within the marketing channel are becoming increasingly concerned with the achievement of optimal stock levels and the fast circulation of goods. As the retailers optimize shelf space by means of e.g. space management programs, manufacturers should also be able to optimize their output and delivery. This trend, among others, will cause environmental changes in retailing. For one thing, the layout and design of grocery stores have been altered. For another, customer service will gain new meaning and significance as store personnel is released from material handling tasks.

3 CURRENT TRENDS IN RETAIL MARKETING STRATEGIES

3.1 Classification of grocery stores: emerging store types

The taxonomies of retail store types may be formed according to various criteria, such as physical size, product range, ownership, or sales philosophy (Beisel 1993,65-85; Brown 1992, 20; Ghosh 1990, 23). Examples of the retail store classification schemes proposed in the literature include store versus nonstore retailing; service versus product retailing; classification by type of merchandise: food, apparel, automotive, drug; classification by margin and turnover; classification by location: downtown, mall, free-standing; classification by type of ownership: independent, chain, franchise; or by strategic group (Ghosh 1990, 24). In the previous literature retail stores have been classified according to several different schemes, either based on a single dimension or a combination of several dimensions (Brown 1992). Table 1 displays a classification scheme where two dimensions have been combined. This scheme categorizes grocery stores into four types according to product range and price level. The average of the four types is a conventional supermarket which is positioned in the middle with respect to price level as well as the extensiveness of the product range. The scheme was designed to categorize grocery store formats generally in the European countries (Burt & Sparks 1995). Grocery retail structure in terms of different store formats differs, however, across countries because of national and regional differences in product preferences. Accordingly, all the store types included in Table 1 do not exist in Finland[13].

[13] The Finnish grocery store types and chain stores are discussed in chapter 4.1.

Product Range	Price Level	Store Type
Broad	High	Superstore
Broad	Low	Hypermarket Discount Supermarket Extended Range Discount Store
Narrow	Low	Limited Line Discount Store
Narrow	High	Traditional Grocery Neighborhood Store Convenience Store Quality Specialist

TABLE 1 Grocery retail store taxonomy based on two dimensions. Source: adapted from Burt & Sparks (1995).

In order to separate the retail store types from each other we must make generalizations, and ground the classification along only a few dimensions. Drawing the line between any two institutional types is difficult, e.g. at what point a small store becomes large. In spite of this, many retail firms have organized their strategies and operations on a store-type basis. That is to say, retail firms have established distinctive, retail store formats (see e.g. Brown 1992, 19-21). Each retail store format specializes in producing a particular service package. Thus, a retailer produces and sells an extended product (Achabal, Heineke, & McIntyre 1984) typical of a specific store type.

Retail stores form a network which consists of different outlets with different ranges, selling space, trading practices, and marketing strategies. Different types of stores provide different retail service packages, consisting of the core service (the goods to be sold, time and place) and a set of ancillary and supporting services as well as store image. In the process of store evolution, the different types of stores are continuously struggling for survival. Consequently, the competitive positions of the different store types tend to change over time. New types might develop as retail firms foresee or respond to changes in the economic, political and social context. Retailers also keenly observe prospective changes in consumer shopping behavior or advances in technology and respond by composing new service packages or revising the existing packages. From the retail marketing perspective it is important that the dimensions separating the types from each other are perceived as significant and desirable by consumers (Burt & Sparks 1995).

The retail business is part of an extensive marketing system which is subject to constant flux. Whereas retailers have to prepare for change in the broader marketing system, they also must be ready to anticipate and respond to the changing wishes of customers and to their competitors. To succeed, revising and transforming service packages is necessary (Knee & Walters 1985, 39).

While the research and literature have attempted to explain the institutional changes that have taken place in retailing (Ghosh 1990, 111-118)[14], the results of most studies have been vague. This may be because the success of a particular store is contingent on specific situational and environmental influences. Generalizing the process of development from one store type to another may not predict the success or failure of that store type. One approach to the transformation of retail stores is the retail life-cycle concept. According to this concept one grocery retail store type will transform into another type when its life-cycle begins to decline. Another approach to explaining retail store type transformation is the concept wheel of retailing. The wheel is thought to proceed from service store to self-service store - from self-service store to supermarket - from supermarket to discount store - from discount store to hypermarket. Yet another theory, the retail accordion model, states that retailing is first dominated by stores offering wide variety and low depth assortment, after which retailers begin to offer a narrower variety and deeper assortment. While these models provide insight into and illuminate some aspects of retail change, no single one of them has succeeded in constituting a general theory of retail store type evolution. (Brown 1990).

3.2 Retail chains as brands

According to their basic mission retailers strive to reduce the distribution costs accruing to consumers from transactions with producers (Stern & ElAnsary 1988). A retailer's mission is to produce and sell a bundle of services where the explicit good is one, yet not the only, dimension. This bundle of services can be conceived as a retail service package consisting of various parts. The service package as a produced, marketed and consumed entity would be linked to retail marketing strategies: differentiation, targeting, and positioning.

The service package contains various components. First, the core service is the most important as it implements the mission of the organization. In a retail service package the core is the goods to be sold together with utility from appropriate time and place. Second, the production and consumption of the core service can be facilitated by a variety of ancillary services. These include, e.g. the possibility of finding goods without difficulty, the appropriate package sizes, a convenient location and transport facilities, and customer service in the store. While ancillary services are essential, they can be designed so that they become competitive tools in differentiating the service package. Third, support services may be added to the service package so as to increase its value or differentiate it from those of competitors. Large grocery retail stores, especially, may offer e.g. banking facilities, State retail shops selling wines and spirits, flower shops, and fast-food restaurants. The retail service package can be further broadened to the concept of the extended service package. The extended service package refers to

---

[14] The models and concepts describing institutional change in retailing (e.g. Hollander 1960) have been viewed as useful because they provide a means for forming an understanding of how the change process manifests itself (Ghosh 1990, 111).

a service process which includes at least three basic issues of managerial importance: accessibility of service, various interactions in the service organization, and customer participation in the service process (Grönroos 1990b).

For retailers, transformations in the grocery store supply structure usually imply changes in the organization, technique, and environment of retailing (Brown 1990, 3). As to the organization of retailing, a prominent trend in a number of western countries is retail chain operations. A retail chain can be defined as follows: "A retail chain consists of multiple centrally owned and, to some degree, centrally managed outlets with the same name that sell similar merchandise, have similar appearance, and follow similar business procedure" (quoted in Ghosh 1990, 37). The first retail chains were started in the USA in the 19th century, while the first period of expansion of chains occurred there in the 1920's and 1930's (Ghosh 1990, 37). Chain stores pursue a unique business idea[15] that specifies at least the bundle of services provided, the markets served, and the guiding business principles of action of each store in the chain.

Fostering the rationalization of business has been a major activity in retailing during the last few years. Many retail organizations have been pursuing economies of scale and of replication, and cost saving through chain operations. For example, common advertising and promotion campaigns are believed to reduce the costs of advertising, and allow access to more varied media. What is more, a large size chain means that distribution and information systems can be rationalized. Additionally, pooled resources allow retail chains to invest in information systems and technology. Finally, large retail firms also gain advantage in the form of increased bargaining power with suppliers. (Ghosh 1990).

As a consequence of the concern with chain stores and business ideas, brands of store with managed images have become prevalent (Davies & Brooks 1989, 22; Walters & Knee 1989, 74). Brand management is important in grocery retailing because it allows organizations to shift their strategic focus from prices to other bases of difference. Thus retail managers can aim at differentiating the store types and chains from each other by managing the store image.

The basic idea in brand management is the creation of value. According to Aaker (1996) value is created by managing brand equity. Brand equity means "a set of assets linked to a brand's name and symbol that add to the value provided by a product or service to a firm and/or that firm's customers" (pp. 7-8).

According to Walters & Knee (1989) a brand of retail store consists of goods to be sold, the shopping environment, customer service and communications. Davies & Brooks (1989) emphasise that stores may be brands if they offer the product plus the more intangible elements. The latter are thought to be the non-functional benefits which add value to the brand but are not indispensable to the actualisation of the functional benefits of the product. "Non-functional benefits offer the opportunity to build value in a product. They can also be used to more easily differentiate a product from any competition" (p. 21). However, as will be

---

15 According to Normann (1983) the three basic elements of a business idea are customers (customer segments), the product offered together with its complementary systems, and the internal organisation of the firm (organisation structure, resources, skills). Normann emphasises that typically a mature business idea is characterized by consistency between and within the elements of the business idea.

discussed in the second part of this study, the distinction between functional and non-functional benefits may be questionable.

The development of the retailer as a brand offers a means by which a store identity or image can be established through a positioning strategy. Retailers can see themselves as the marketing decision makers, instead of resellers of branded items. For example, the UK retailers J. Sainsbury and Marks & Spencer were among the first companies to establish a new direction in store branding (Knee & Walters 1985, 115). There are obviously problems in establishing a brand of retail store. This is because retailers, especially multiple retailers, are complex entities. However, it has been maintained that achieving differentiation and favoured brand position is important for a retailer because it enhances profitability. (Davies 1992).

3.3 Competitive strategies of retail chains

> "*Strategy* is the company's response to, or anticipation of, changes in its external environment - its customers, competitors, technology, etc. It is the company's plan to achieve competitive advantage in the marketplace by maximising its ability to give customer satisfaction through new ranges, better or unique added value, and improved customer handling, packaging and distribution." (Knee & Walters 1985, 122)

The competitive strategies of firms can be classified into three basic types: cost leadership, segmentation/differentiation, and focusing (Porter 1982). In grocery retailing the narrow focus strategy is rare, whereas segmentation/differentiation is more relevant. Accordingly, the competitive advantage of a retailing firm may be based on either the cost-based or segmentation/differentiation strategy (Davies & Brooks 1989, 43). Alternative ways of achieving competitive advantage are listed in Table 2.

The cost-based strategy consists of seeking advantage from the functions which cause costs, i.e. customer operations, logistics, services and self-service equipment, product range, and the quantity and timing of buying. The cost-based strategy has contributed to the success of large hypermarkets and supermarkets. They have succeeded in offering broader ranges at lower prices. Tight cost focus has enabled them to gain a competitive advantage over small stores with higher costs. However, in the competition between large hypermarkets the cost-based strategy is less effective. It is difficult to win a cost advantage over an equally cost-efficient store.

According to many surveys, price has been one of the most important criteria for consumers in grocery store choice in Finland (LTT 1995, Marjanen 1997, Raijas 1997). Correspondingly, price has widely been used as the major tool in competition between grocery stores (Burt & Sparks 1995). As customers are thought to select an outlet on the basis of the price level of goods, aggressive price advertising in local newspapers is pursued. In many areas, price-wars have resulted from using price as the primary competitive tool. Consumers may use price as their preferred tactic because it makes decision-making easier[16]. Intensive advertising based on price appeal might strengthen the inclination of consumers towards using the price tactic. In so far as grocery stores do not constantly offer or promote any other appealing advantages, price is likely to remain a major store choice criteria to consumers.

Cost-based strategy	**Segmentation / differentiation**
* Efficient cost management, maximising contribution by using information technology to manage operations and tightly controlled budgets	* Using information technology to refine customer data base and purchasing behavior
* Designing distribution systems which offer customers high levels of service (product availability, quality etc.) by operating at optimal levels of performance	* Product range characteristics which match customer profile requirements
* Well developed supplier / retailer relationships and supply chain management	* Pricing policy
* Design of optimal stores	* Customer services
* Use economies of scale	* Unique market positioning
	* Strong customer franchise
	* Location advantage
	* Cost efficient customer service packages which add value to the overall offer
	* Market share volume that discourages competitive challenges

TABLE 2 Alternative ways to achieve competitive advantage in retailing (Source: Walters & Knee 1989, 79)

Grocery retailers have, however, an alternative to the cost-based and productivity-led strategy. Segmentation/differentiation is often suggested as a key element in retail marketing strategy because it helps avoid excessive price competition (see Johnson, G. 1987).

The segmentation/differentiation strategy implies that competitive advantage is pursued by specifying customer groups and differentiating the retail service package from that offered elsewhere. The non-price differentiation strategy requires that the organization has the skills of creative product and market development (Knee & Walters 1985, 26-27). Successful relative

---

16 Making purchases and deciding what to buy can be hard work that requires considerable cognitive effort. Moreover, some consumers find the purchase process rather stressful and dislike it. Therefore, consumers often try to reduce or eliminate cognitive work by using simple rules or heuristics, such as purchasing the particular brand on sale, choosing the store that has a low price level, choosing the store that has special offers etc. (Peter & Olson 1990, 500-501)

differentiation of one or more aspects of the retail service package would make the chain store or store type unique, or noticeably different from its competitors. Effective differentiation also implies that perceivable distinctions are established among retail service packages in the mind of the consumer.

A differentiated retail service package may be produced either through product design or by focusing on store image. Product design in retailing refers to varying the tangible and intangible characteristics of the retail service package. This is functional product differentiation, which can be implemented by offering e.g. spatial convenience and easy access, improved customer service, a pleasant atmosphere and clean interiors, or knowledgeable salespeople (Ghosh 1990, 53-57). Moreover, retailers can pay attention to the product mix which should be deliberately designed and customer-oriented.

Product design could also mean altering the augmented package which customers obtain from the retail store. Specific ancillary and support services can be "added" to the core service which can thus be tailored to match the needs and requirements of specific customer segments. Ancillary services are essential but they can be designed so that they convey relative difference. Support services increase the perceived value of the service package and differentiate it from the competitors. Even the service process within the retail firm as well as in the retailer-customer interaction can be differentiated. Insightful design of the extended service package can provide subtle differentiation opportunities which are not easily copied by competitors.

Image differentiation involves modifying the characteristics of a retail store or manipulating such marketing mix elements as advertising, and distributional and selling practices. Specifically, marketers may aim at influencing consumer perceptions of reality by fabricating product images by means of promotion and advertising (Ries & Trout 1981). Communication is arguably one of the most important tools in image differentiation. While product design creates manifest differences, image differentiation is latent and concerns the symbolic properties of the product. It implies the attempt by retailers to convey a designed impression of the retail service package to the target consumer.

Scherer (1980) suggests that the conditions under which image differentiation through advertising is successful are as follows. First, image advertising works best when products are indistinguishable and/or difficult to evaluate. Then the claims in the advertisements provide the rationale for making a choice among identical products. Second, image advertising works where products have strong intangible attributes such as prestige, social status, or fashion. Advertising will reinforce the social meaning or subjective value of the product. Third, image advertising is more effective when the risk associated with the product is high. Consumers may be willing to pay a premium for the perceived higher quality control presumably practised by a firm with a well-known reputation. (Scherer 1980, p. 382-388).

In the industrial organization model (Figure 1) product differentiation is a constituent of market structure. Product differentiation is likely to influence a number of other dimensions of market structure. The most distinctive implications involve the creation of barriers to entry. However, successful product differentiation can attract new competitors to the market. Hence, the relation between product differentiation and the number of buyers and sellers will work in two directions. Product differentiation also influences the conduct of firms as it is implemented through advertising, pricing, etc. (Scherer 1980, 2-3).

It has been argued that product differentiation could be dysfunctional for the consumer, the firm, and market performance because it may create monopolies, high prices, barriers to entry, and other social disadvantages (Bagozzi 1991, 165). However, consumers after all have diverse resources, needs and desires. Moreover, various shopping tasks can be accomplished in different types of stores. Consequently, from the consumer perspective, diversity in the retail offerings may be desirable. In order to satisfy a heterogenous customer base properly heterogenous services should be provided (Johnson & Fornell 1991). Small and medium-sized stores, in particular, can aim at differentiating their service packages, identifying and fulfilling the needs of specific customer segments. The diverse preferences of consumers can be taken into account and products and services designed accordingly. As a result, customer satisfaction could be enhanced (Fornell & Johnson 1993).

Retail store differentiation can also be regarded from the perspective of the so called 'value chain', a concept suggested by Porter (1985). According to the value chain model, competitive advantage should be examined by analysing the total value chain rather than the value added to the service package. This is because firms simultaneously perform a number of discrete activities which aim at increasing the value of the offering. These activities constitute the value chain. Each activity causes costs but may contribute to the total customer value of the package produced. Value chain analysis can help a firm to evaluate its relative performance of the various activities as sources of differentiation and as sources of costs. Moreover, value chain analysis could reveal opportunities for competitive advantage which are subtle and sustainable. For example, the ECR (Efficient Consumer Response) is an applied concept derived from the value chain model.

Cost-based strategy and segmentation/differentiation are two parallel but divergent ways in which a retailer firm can generate value for its customers. Leading retailers, it is argued, are able to gain simultaneously both cost leadership and unique functional or imaginary value better than their competitors (Christopher 1992, 10). Retailers may pursue economies of scale while they simultaneously aim to replace a cost-focus, or specifically a price focus, by a product-market differentiation strategy. Concentration, centralization, and integration are major trends in contemporary grocery retailing which aim at minimizing costs. Large retailing organizations (trading groups) are forming uniform chains through integration of outlets so as to systematize the operations and utilize new information technology. Meanwhile, retailers are investing in activities which aim at promoting a distinctive brand image for their chains. Retail organizations are consequently involved in more than their basic function as an intermediary between the manufacturer and the consumer. They also create *added value*, a term that has received considerable attention in retailing. In brief, retailers may organize and perform activities within the value chain by manipulating the tangible and intangible elements of the retail service package so that the value desired by consumers is created efficiently. Thus retailers will try to provide differentiated value or better value than their competitors.

There is still another basis for retail store differentiation. That is relationship marketing, an emerging discourse in the business literature (e.g. Christopher, Payne & Ballantyne 1991). It refers to attracting, maintaining, and enhancing existing customer relationships. Berry & Gresham (1986) set out guidelines for the practice of relationship retailing. The relationship marketing approach maintains that while marketing efforts may aim at attracting new customers, more emphasis should be put on retaining existing customers by building customer relationships, i.e. transforming indifferent customers into loyal clients[17].

The relationship marketing theme is taken up here because it is the augmented service package, especially ancillary and support services that retailers often use as a means of managing customer relationships (Christopher 1992). Customer service is a potential source of differentiation and competitive advantage. Two particular strategies which are applicable in pursuing differentiation of a retail service package are relationship customization and service augmentation (Berry & Gresham 1986). Relationship customization implies that the firm will find out the preferences of individual customers, and design the service offering to meet these requirements. The customer will then receive personal attention and a tailored package. The aim is to guarantee that customers can be retained, and that they become loyal clients. Service augmentation is closely related to customization. It involves adding extra value to the retail service package to differentiate it from that offered by competitors. These extras are effective only if they are unique, incapable of imitation by competitors. Further, the augmented elements should be valued by customers.

3.4 Positioning a retail chain

The differentiated image can also be achieved through positioning. The idea of store positioning is to convey an impression of a unique retail service package in the minds of consumers. Retailers pursuing store positioning need first of all to acquire an understanding of their customers' needs and gain an insight into what is already in customers' minds. Positioning is about locating products in market gaps, e.g. matching the retail package to the perceived needs of consumers. Since positioning requires that retailers know their customers, positioning brings the company close to its customers.

> "In positioning, you start with the mind of the prospect instead of yourself. You work with what's already there. Get an answer to the question: 'What position do we own?' from the marketing place, not from the marketing manager. Most products today have weak or nonexistent positions in the minds of most prospects. You must find a way into the mind by hooking your product or service or concept to what is already there" (Ries & Trout 1981, 193).

---

17 In the relationship marketing context, the term customer usually refers to a person who has done business with the firm occasionally. The term client refers to a person who will do business with the firm repeatedly (Payne, Christopher, Clark & Peck 1995).

As customers are individuals with diverse needs, firms will often find it necessary to identify differences in their prospective customers. While it would be impossible to serve each customer separately, customer segments with similar needs can be established (Knee & Walters 1985, 21). Positioning and segmentation are linked with each other, as expressed in another definition of positioning:

> "A product's positioning is the place a product occupies in a given market, as perceived by the relevant group of customers; that group of customers is known as the target segment of the market" (Wind 1980, in Knee & Walters 1985, 24).

Retail store positioning will work if the retailer succeeds in identifying customer segments that can be addressed with a specific, differentiated retail service package. The physical features of the retail service package should be accompanied by a store image which coincides with "the way the store is defined in the shopper's mind" (Martineau 1958; Knee & Walters 1985, 24-25). The design of the retail service package and store image aims at establishing a coherent and favourable perception of the brand of store in the minds of the target customers. Ries & Trout (1981) suggest that positioning implies that the customer's perceptual map is manipulated by product design and communication.

> "Positioning starts with a product. A piece of merchandise, a service, a company, an institution or even a person. ... But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect". (Ries & Trout 1981)

Actually, this quotation would indicate that positioning is a matter of manipulating symbols. According to the idea presented by McCracken (1988a) institutions such as advertising and the fashion industry engage in the manipulation and transfer of cultural meaning[18]. As positioning applies product design and communication, it can be regarded as instrument of meaning transfer from the cultural world to a product.

Ries & Trout (1981) emphasise the role of advertising and promotion in establishing a desired position for a product. However, other authors have expressed the need to broaden the concept of positioning to include the functional elements that are important as regards creating value for the customers. For example, the advertising messages of retail stores should be reinforced by customers' perceptions of and experiences within the store. Lovelock (1984) proposes that services compete on more than imagery. Hence, their positioning strategy should include not only advertising decisions but also decisions on service attributes that are relevant with respect to consumers' needs; e.g. product performance, price, and service availability. Correspondingly, Schostack (1987) claimed that effective positioning involves more than the marketing communication, i.e. the design of the service and the way it is delivered. Heskett, Sasser & Christopher (1990) extend the concept of positioning still further by suggesting

---

18 The account of the meanings of goods presented by McCracken (1988a) is discussed below in Part II.

a model consisting of "The 'Ps' of Service Positioning". The model includes the Product (service concept), Policies and Practices (the operating strategy), the Place and Plant (the service delivery system), the Provider (the server who delivers the service), and the Procurer (the customer). According to Heskett et al. successful development and implementation of positioning in a service firm would involve the convergence of marketing, operations, and human resource management.[19]

The goal of brand a positioning strategy is that consumers recognize the positioned brand as part of a given product class, and that they perceive the brand as different from other brands within this class. Product positioning thus attempts to establish both product generalization and product uniqueness (Assael 1995, pp. 208-209). Positioning is "successful" if the consumers can perceive differences and similarities between products and brands. From the perspective of e.g. a retail chain positioning is successful if the consumers perceive and comprehend the unique advantage offered by the stores in the chain, the superiority of the chain to other chains. Positioning is, however, successful only if the package is regarded as valuable and interesting by the consumers or the target group. Consumer perception and ability to differentiate products and brands are the critical domains which are examined in the review of the theories of consumer perception in Part II.

Sujan & Bettman (1989) suggest two alternative positioning approaches based on the relative degree of the difference of the brand to be positioned. First, the brand may be positioned within a product category as a "differentiated" product. While the brand shares several attributes and characteristics with other brands, it is superior to them in its differentiating or distinguishing attributes. A second strategy aims at establishing a new product subtype. The attempt is made to set the brand apart from the general category. The uniqueness of the brand is reinforced by creating a "boundary" that differentiates it from other brands and categories. Differentiating attributes and distinctive features are stressed in product design and promotion. The advantage of the subtyping strategy is that as a result of the strong perceived difference, the brand is not likely to be substituted for another brand, thus reducing the risk of brand switching (Sujan & Bettman 1989).

Positioning is often pursued by communicating messages which aim at influencing the so called perceptual maps of consumers. Here, the competing grocery stores as perceived by the consumer are conceived as forming a mental structure. The perceived differences and similarities among brands of grocery store forms a multidimensional image space, that is, a perceptual map. The map depicts consumer perceptions of actual or ideal retail store package. Each store brand is assumed to occupy a separate "position" on the perceptual map, and correspondingly in the mind of the consumer (Bagozzi 1991, 244).

Hence, the design of a positioning strategy frequently includes the use of a positioning map (McGoldrick 1990, 114). This map typically comprises two axes that represent the dimensions which offer favourable positioning

---

19 The examples from service marketing literature are quoted here because a retail firm can be considered similar to a service firm in the sense that both sell the extended service package.

opportunities. Positioning dimensions are e.g. store attributes which can be altered according to the perceived needs of consumers. Since the positioning map is used as the basis of marketing strategy, the dimensions should be relevant to consumers in making their store choice. It is also important from the retailers' perspective that the consumers perceive competing stores as different with respect to the selected dimensions. This is because the purpose is to identify market gaps.

Understanding of potential positioning dimensions requires careful research into consumer perceptions and preferences (McGoldrick 1990). The previous literature has suggested a number of viable positioning dimensions in grocery retailing.

Lucas & Gresham (1988) proposed a positioning map consisting of the dimensions high service-low service and high price-low price. A retail store could then select one of the following four options:

1. Low price-high service: a strategy leading to poor profit performance
2. High price-high service: a service-oriented retail strategy
3. Low price-low service: a price oriented strategy
4. High price-low service: a poor value strategy

While there are examples of retailers who have positioned themselves in each of these categories, it can be argued that only categories 2 and 3 offer sustainable positions in the long term.

A different positioning map was presented by Wortzel (1987). His positioning map draws a distinction between high and low gross margins and between functional and symbolic types of merchandise. Wortzel (1987) argues that consumers will use and shop for functional and symbolic goods in different ways. The weakness of this approach is that it is extremely difficult to draw a distinction between functional and symbolic goods. Most goods today contain both functional and symbolic elements (Richins 1994). Food, for example, is not "only" functional but it also conveys important cultural meanings which will be different on different occasions.

The distinctive aspects of retailing which have been used as the primary dimensions in store positioning are price, quality, and range (product lines, brands, styles, services, etc.). These aspects are thought to be important as regards consumer perceptions of stores and shopping behavior. Price[20] is presumed to be the most obvious source of differentiation and positioning (Davies & Brooks 1989, 216). Another commonly used way of forming the positioning dimensions is through the overall level of price/quality and range. Accordingly, retailers try to match the price/quality ratio and product range with consumers' needs and wants (Mulhern 1997). Regarding the non-price factors, such areas of functional strategy as merchandise, customer service, and communication have the potential of adding to the value perceived by the customer (McGoldrick 1990).

Product range may have received more weight in Finnish grocery retailing

[20] As for pricing, grocery retailers usually implement either of two alternative approaches. One is the policy of every day low prices (EDLP), the other is the policy of higher regular prices and lower discount prices.

since admission to the European Union in the beginning of 1995, which opened the borders in Finland for foreign products. Grocery retailers now have more degrees of freedom in managing product variety and assortment. Retail outlets have acquired new possibilities for specialization, pursuing target marketing, and positioning themselves. For example, it has become possible to use exotic brands, or own-label brands (such as Pirkka) in differentiation and image campaigns. Some retailers have sought differentiation through the image created by highly designed and large retail outlets (Eurospar).

In addition to the above mentioned, commonly used, distinctive sources of differentiation and positioning, various subtle positioning bases can be applied. To protect uniqueness, many sources of differentiation may be layered together: "effective differentiation lies in the nature of the organization rather than in one or two distinctive attributes, which can provide focal point for competitors' attentions" (McGee 1987, 97). For instance, difference may arise from the various operations or from the infrastructure of a retail firm. Investigating these strategies is, however, difficult as firms are obviously not willing to disclose them.

Davies (1992) examined the positioning of multiple food retailers in the UK. He concluded that only few attributes are actually used by the leading retailers to segment the food market. Instead of appealing to specific segments in the market retailers seem to pursue a position close to the ideal store. According to Davies, the ideal food store offers value for money, is hygienic store, offers fresh products, makes shopping easier, and has trained staff. Ideal attributes form the attribute set which is expected by consumers. These characteristics constitute a position that would appeal to the majority of consumers. The problem is that in so far as most retailers focus on offering a bundle of ideal attributes preferred by the majority, competing retailers are likely to adopt a similar policy. Thus the overall level of differentiation will be reduced. In order to differentiate a store, the retailer should position himself along dimensions other than those regarded as ideal by most consumers. According to Davies (1992) food retailers in the UK have not made extensive use of the opportunity to identify attributes which are not expected by the majority but appeal to some group or groups of customers. Augmenting attributes segment the market and they can be used to differentiate retail service package. Examples of segmenting attributes in UK food retailing identified by Davies (1992) include the following: sells specialty products, has well presented staff, has cheerful staff, is good for own label, sells interesting products, carries a wide range, has competitive prices.

To conclude, a positioning strategy implies that the company should know its customers. The importance of knowing one's customers and their needs or desires is often included in the rhetoric of firm's statements about their mission or goals. In fact many firms can be argued to neglect their customers in order to concentrate on the internal concerns, such as finances, turnover, market share etc. As far as a customer orientation is implemented in retail store marketing, positioning will be an important tool. Positioning is the bridge that connects the retail store's package with the mind of the customer. Theories of consumer perception will help us understand positioning; these theories are reviewed in Part II.

4 FINNISH GROCERY RETAIL CHAINS

4.1 Classification of Finnish grocery stores

This chapter elaborates further those aspects of the structure and strategies of Finnish retailing which incorporate the problem area of this study. In particular, the major actors in grocery retailing, i.e. the giant trading groups and their strategies concerning store differentiation at the levels of store type and brand of store are described. The first section presents a classification of the Finnish grocery stores into store types and brands of stores. The second section analyses the grocery store types and chains operating in Finland: how they operate and what they offer. The third section draws conclusions from the positioning of grocery retail stores in Finland. The next sections are based on several data sources, including interviews with retail trading group managers, statistics, professional journals and literature, the chains' home-pages, and undocumented sources, i.e. my own observations.

Any classification of stores into types usually combines two or more dimensions that differentiate stores, e.g. product range and price level (see Table 1). Taxonomies of stores consisting of more than one dimension suffer from the difficulty of determining exactly where to draw the line between two types. Consequently, it is difficult to determine at which point a supermarket becomes a hypermarket, or what the actual difference is between discount store and supermarket (See Brown 1992, 20). Alternatively, a one-dimensional classification scheme can be used. A typical scheme based on store size is widely applied for example when describing the market shares of the different grocery store types in official statistics. Such a one-dimensional grocery store taxonomy typically consists of hypermarket, supermarket, self-service store, and small store (e.g. Nielsen 1995; 1997).

It has been argued that size alone is not a good descriptor of a complex bundle of attributes such as a store type (Burt & Sparks 1994). From the perspective of marketing, in particular, it is important to analyse consumer needs and perceptions of the retail service package. The tangible and intangible values obtained by consumers from the different store types should be recognized when evaluating and classifying stores. However, size is clearly an important influencer in designing other aspects of a given store type, e.g. product range, location, service (Burt & Sparks 1995).

Consumer store perceptions are examined in the later parts of this study. To provide a background, we classify Finnish grocery stores into types according to store size. Table 3 displays the grocery trading groups and chains in Finland, corresponding to the situation up until the merger of Kesko and Tuko in spring 1996.

	Kesko	S-group	Tuko	Tradeka
Small store under 200 m^2	K-neighborhood shop 172		Autonomous neighborhood shop 111	
Self-service store 200-399 m^2	K-market (400-1000 m^2) 104	Local shop	Spar-neighborhood-shop 198	
Supermarket over 400 m^2	K-supermarket (over 1000 m^2) 25	S-market Citysokos 247	Spar-market Superspar 31	Valintatalo 121
Hypermarket over 2.500 m^2	Citymarket 39	Prisma 30	Eurospar 5	Euromarket Eka-market 20
Discount store under 1.000 m^2	Rimi 10	Alepa Sale 192	Rabatti Priima Ruokavarasto 114	Siwa Siwa 2000 436
Department store		Citysokos 22	Anttila 29	
Total number 31.12.94 (Nielsen 1995)	1623	587	1063	577
Chain stores (Home 1995)	350	491	488	577

TABLE 3 The Finnish grocery store types and chains in the year 1995

The standard institutional types of grocery stores are shown in column on the left. The classification is a one-dimensional scheme based on store size, and includes two additional prominent types: the discount store and the department store. These two store types differ from the other stores in terms of price level and service. The discount store offers low price/low service while the department store offers high price/high service. This scheme is useful because it explicitly shows all the grocery chains operated by each trading group. The chains are classified into the types to which they most closely correspond. In some cases it was difficult to include a chain within the boundaries of the standard types, and thus I used my own discretion in making the classification. The difficulty is that the stores within a specific chain may vary in size.

It appears that even though each trading group has specified and named its own store types and brands, all the trading groups have a broadly similar set of types. All the trading groups have at least supermarkets, hypermarkets, and discount stores. These store types are often mentioned as the most successful and profitable. Though favouring these store types, the trading groups may have been able to control costs (e.g. capital, labour, logistics), and increase efficiency.

Another striking observation is that in spite of striving for the development of uniform chains, almost half of the individual stores are outside the direct chain control. While the co-operative S-group and Tradeka have an organization of multiples which allows them control over the individual outlets, the more voluntary Kesko and Tuko are 'affiliation' groups based on contracts through which the group organization can exert control over the member retailers.[21]

The transformations in the ownership arrangements of the grocery chains during 1996 have changed the situation displayed in Table 3. The Tuko group was split up, and a new group of store owners was established. This group consists of four firms: Sentra, Wihuri, TukoSpar, and Suomen Spar. In addition, Tradeka has undertaken co-operation with Elanto in chain management. The Elanto group was not included in Table 3, because its operation is restricted to a limited market area, i.e. in and around Helsinki. Tradeka and Elanto have reorganized their operations in terms of trading districts and ownership of stores. They have common chain labels, while Elanto continues to operate in its old trading district. Table 4 shows the grocery store types and chains in Finland in 1997.

Of the Finnish groups, Tradeka appears to have gone farthest in terms of organizational, technical, and environmental changes towards the standard production model. The chains operated by Tradeka are strictly integrated, and information technology is a central management tool. As the ranges and space management have been strictly conceptualised in Tradeka's chains, the location of each item in each store is planned and determined in detail. All the stores within a chain[22] should have exactly the same appearance.

In principle, customers have the opportunity to choose which type they patronize and which trading practices they support. This means that consumers, through their daily choices, also influence the process of transformation in retail store types. Retailers are likely to infer from consumers' behavior, as well as from customer surveys, what kind of retail services consumers expect and prefer.

---

21 See Hyvönen (1990) for an analysis of the power and contractual relationships within the voluntary groups.

22 Chains run by Tradeka include Euromarket/Maxi, Valintatalo/Valintatalo Plus, and Siwa/Siwa 2000.

	Kesko	S-group	Spar-related group	Tradeka + *Elanto*
Small store/ Self-service store	K-neighborhood store 389 K-market 223	Local shop 57	Spar-neighborhood-shop Tarmo 565	*Marketta 24*
Supermarket	K-supermarket 81	S-market 254	Spar-market Superspar 382	Valintatalo /Plus 106 *Valintatalo/ Plus* 29
Hypermarket	Citymarket 38	Prisma 30	Eurospar 5	Euromarket Eka-market 21 *Maxi 3*
Discount store	Rimi 18	Alepa 48 Sale 162	Rabatti 18 Priima 9 Ruokavarasto 113	Siwa/ Siwa 2000 421 *Siwa/ Siwa 2000 45*
Department store	Anttila 31	Sokos 22		
Other stores	Other stores with K-sign 463	Others 21	Other stores 329	*Pullapuoti 10*
Total number	1243	594	1421	548 + *111*

TABLE 4 The Finnish grocery store types and chains in 1997[23]

Considering the Finnish trading groups, S-group and Tradeka are co-operatives, their organization can be described as integrated chains with centralized decision-making. Kesko and Tuko are voluntary groups which are organized on a contractual basis. In spite of their different organizational forms, all these grocery trading groups aim at operating standardized store concepts and uniform chains. The different trading groups in Finland have accordingly formed diverse business ideas to store types, designed the service packages of each type, and named the store concepts. Business ideas for grocery chains are based on retail managers' understandings of consumer behavior and purchasing power, competitive aspects, and profitability.

As regards profitability, it is important that all the stores within the chain are committed to the implementation of a business idea behind the chain. It may be that many store managers will agree on a common business idea because of the potential cost savings which result from the uniform management of the flows of information and materials. On the other hand, the store owners within

23 Figures are from Kehittyvä Kauppa 5/1997.

the voluntary groups - Kesko and the Spar-related group (previously Tuko) - have not been unanimously willing to join the centrally managed chains. In particular, small retail stores in the countryside may find it impossible to comply with the common terms and conditions of the chain. For example, joint marketing operations such as price reductions or special offers should be uniform throughout the stores within a chain irrespective of the operating ability and resources of the individual stores.

Grocery retail trading groups in Finland have apparently sought benefits from the new technology by centralising their decision-making and operations. Business can to be made more efficient by increasing the significance of centralized chain management while reducing the autonomy of local stores. At the same time far-going centralisation tends to homogenise supply and endanger attention to local tastes. Consideration of local differences when designing the product ranges and setting prices requires that information systems are adapted to the needs and desires of local consumers (The Economist 1995, 7-8).

The Finnish trading groups have designated different types of retail stores which offer different retail service packages. The diverse types of store constitute the store network, thus a variety of retail services are offered to consumers. Retail store types, and thus retail service packages, are subject to transformation and reshaping due to ongoing changes in the social, political, economic context as well as in consumer tastes and shopping behavior (see e.g. Hollander & Omura 1989). A transformation in the retail trade has been under way in Finland for several decades. Recently, the development of new institutional types of stores and the formation of uniform store chains have been among the major areas of retail transformation.

While the typology of institutional formats of grocery stores is designed by retailers, we may ask how customers view these stores, which types of stores they perceive, prefer, and patronize. Another question concerns whether consumers have adopted the business ideas; have consumers learnt to conduct their daily shopping with sufficient skill to be able to obtain the best advantage or best customer value from the service packages offered by the different types of stores. Due to the fast and ongoing transformations in the grocery store network and grocery store services, consumers require new shopping skills and strategies in order to obtain value.

4.2 Description of grocery store types and chains

The taxonomy applied in Tables 3 and 4 distinguished between the small store, self-service store, supermarket, hypermarket, discount store, and department store. Next we describe in detail the grocery store types and chains operating in Finland.

Small store

A small store is defined as having a selling space less than 200 m^2 or less than 400 m^2 depending on the trading group. Grocery products represent two thirds of its sales and it provides a personal customer service. A typical small store is a traditional neighborhood store that serves a rather homogeneous clientele sharing place of residence and several other characteristics, e.g. socio-economic status. Neighborhood stores are outlets for purchases of basic groceries as well as for complementary purchases. The business idea of the small store entails location in a small residential area, in the countryside, or in a suburb. The greatest assets of this store type include proximity, familiarity, and the personality of the retailer.

Within Kesko there were about 1100 small stores in 1995. The K neighborhood store with under 400 m^2 selling space represents the small store type. However, only round ten per cent of the K neighborhood stores are fully affiliated to the chain. The majority of the stores are run independently. Tuko (Spar-related group) has specified a neighborhood retailer concept, which is an autonomous small neighborhood store carrying the Tarmo symbol. These stores are very small, with only about 100 m^2 selling space and they are often family-run. There were 300-400 of these stores in 1995.

The K neighborhood store (single-K store) is characterized as follows:

> "K neighborhood shop is the best place for every Finn to buy his or her daily groceries; he or she can find every day all the fresh foodstuffs and high-quality products for everyday living conveniently and easily near home. The green K neighborhood chain consists of over 400 shops which operate in the suburbs of towns and in inhabited areas of the countryside. The retailer acts as an autonomous entrepreneur; the retailer and his or her family has a significant and distinctive role in the store. K neighborhood store retailers are in intensive co-operation both nationally and locally, especially in purchasing and marketing operations. The customer base of K neighborhood shops consists of all those who live nearby and who wish to be able to count on a shop near their home for freshness, quality and variety, and where they can consistently expect moderate and reliable prices. K neighborhood shop is the cosiest, friendliest, and nearest shop to all of us."(K-lähikauppa 1997) .

According to the representatives of the trading groups, small stores are retained within the store network provided that they meet the criteria of profitability. The voluntary groups (Kesko and Spar-related group) have managed to maintained their small store networks, although the networks have gradually been thinning out. S-group and Tradeka, on the contrary, have eliminated the smallest stores from their store networks completely. The smaller stores within these groups are discount stores, which are discussed below.

In the Finnish market small stores represent the traditional neighborhood store. Other common types that have evolved in the European markets, i.e. convenience stores and quality specialists, do not exist in Finland.

Self-service store

The selling space in a self-service store is, according to the definition, between 200-399 m^2. In practice, however, much larger stores are also included in this type. The product range of a self-service store consists of basic foodstuffs and a range of non-food products. Shopping trips are generally conducted on foot and shopping bags are carried. Self-service stores are usually located in the suburbs and in provincial settlements. Apart from self-service, which is the main form of operation, personal service counters are occasionally available.

All the trading groups except Tradeka have stores of this type. Kesko has formulated the double-K concept, the K-market. K-markets have selling space under 1000 m^2. There were about 250 K-markets in Finland in 1995. These are large neighborhood stores replacing the traditional network of stores called K-halls. K-markets compete not only within the self-service type but also within the neighborhood service type of store. Tuko (Spar-related group) has two business ideas which can be included into the self-service store category: the Spar neighborhood store and the Spar-market. The former concept is based on the idea of familiarity and nearness; the stores within easy reach for purchasing fresh foodstuffs. The Spar neighborhood store, however, is a dwindling concept. Smaller stores representing this concept are being transformed into Tarmo shops while larger stores take on the concept of the Spar-market. The Spar-market is a store which attempts to serve as a weekly shopping store where customers visit rather infrequently but buy larger quantities. The S-group also runs neighborhood stores. The number of these stores within the group has been declining significantly during recent years.

The concept of the K-market is communicated to the audience as follows:

> "Without boasting - the best. Yes! K-market is a near and easy place to buy fresh foodstuffs. You get guaranteed fresh fruit and vegetables, bread straight from the oven, and fresh meat from the service counter. Each K-market has a skilled shopkeeper and staff who can give three solid promises concerning their operation: Always fresh. Always quality. Always fair prices. Come and see for yourself the summer-like, fresh, and appetizing K-market, which is, by the way, without boasting - the best". (Market 1997).

Since store sizes have polarized so that the small end and the large end offer distinctive store types, medium-sized stores have tended to evolve into hybrid forms of either neighborhood stores or supermarkets. Some of these stores have been transformed into supermarkets with a service-based orientation, others into price-based discount stores.

Supermarket

According to the definition, a small supermarket has 400-999 m^2 and a large supermarket has more than 1000 m^2 of selling space. A supermarket is usually a self-service store with a comprehensive range of groceries. As a grocery store, a supermarket pursues versatility and efficiency. Concern is especially focused on fresh foodstuffs and competitiveness in prices. The stock carried also includes non-food products (particularly in the countryside). Supermarkets are located in residential areas or their outskirts. Car parking facilities are large.

In Kesko, the supermarket is a large triple-K market with more than 1000 m^2 selling space. K-Supermarket is normally situated in a large catchment area. The wide-ranging stock aims at satisfying the needs of even the most sophisticated customer. Tuko (Spar-related group) has a Superspar concept where trading is most frequent either at the beginning or at the end of the week. Single purchases are big, weekly purchases. Superspar is flexible, it allows one-stop shopping and quick shopping. Behind the concept is the idea of the product world, which implies that all products associated with a certain theme are set close to each other. S-group's S-market is a basic grocery store with a comprehensive product range, a store suited for daily shopping. The selling space in S-markets varies between 1000-2000 m^2. Most of the Sokos (previously Citysokos) department store food departments have been transformed into S-markets (excluding Wiklund in Turku, Mestarin Herkku in Jyväskylä and Sokos food department in Tampere). Tradeka has a supermarket brand Valintatalo with 400-2000 m^2 selling space. As the store size is rather large, two concepts have been created: Valintatalo and ValintataloPlus. These concepts are basically identical, but the range carried in Valintatalo is smaller than that in ValintataloPlus. Valintatalo aims at offering convenient and easy shopping. This is accomplished by straight shelves, broad aisles, and arranging and grouping all the goods in all stores in a similar manner. In addition, the quality of fresh foodstuffs is emphasised.

As an example of the supermarket concept, the K-Supermarket is described as follows:

> "The K-Supermarket is located in a town or a large centre of population, where it is the most versatile place to buy foodstuffs. Our goal is to be "better than ordinary food stores". We have a wide and broad variety of products. Fruit and vegetables are always fresh and of high quality. A good meat counter continues to be a point of honour to us. In our K-supermarket you will find everything you need for a good meal and for everyday life easily and conveniently under one roof. In most K-supermarkets in the outlying centres you will even find a variety of household products, including clothes. There are 80 K-Supermarkets. K-Supermarkets represent a store type which is becoming increasingly popular. Fierce competition guarantees that our customers will be able to purchase goods at reasonable prices in our stores." (K-supermarket 1997).

While the self-service store concept seems to be vanishing, the supermarket has clearly replaced it. With respect to the classifying dimensions product range and price level (see Table 1) the traditional supermarket represents the average. Thus the chains within this type are rather homogeneous. In a number of European countries there have been signs of differentiation: traditional supermarkets have been transformed into discount supermarkets or extended range discount stores.

Hypermarket

The hypermarket has over 2.500 m^2 selling space. The product range is large and comprehensive. The share of groceries of total sales is largest, about 70 per cent. In addition, products attached to living, clothing and leisure-time are sold. Hypermarkets are usually located on the outskirts of cities, at sites convenient for traffic. A hypermarket may be located in a city centre on the condition that problems are not caused. The main target clientele of a hypermarket are people who do their shopping by car. Plenty of parking space is provided, either above or below ground. Trading in hypermarkets is busiest in the evenings and weekends.

All trading groups have their own hypermarket concepts. Kesko has Citymarket with a selling space of 3000 m^2 or more. It tries to attract by providing a reasonable overall price level. Citymarkets carry a wide range of goods from groceries to non-food products so that one-stop shopping is facilitated. The

Citymarket is characterized as follows:

> "The Citymarket chain department store is the market leader in the hypermarket store-segment in Finland. In 1995 sales accounted for 5,7 million FIM. The success of Citymarket is based on customer-oriented functioning and the continuous development of operations. Citymarket is the most advantageous and versatile place to buy groceries and other products in its catchment area. Wide variety and fair prices have contributed to the popularity of the store especially among families with children. The first Citymarket was opened in Lahti in 1971, and the newest store will be opened in Hämeenlinna in the autumn [1997]. The chain currently includes 38 department stores in all. The Citymarket chain employs a total of 3405 retail professionals. During the last year an additional 210 persons have been recruited to the chain." (Citymarket 1997).

S-group runs the hypermarket concept Prisma with a floor space of 5000 to 10000 m². Prisma offers groceries (70%) as well as products related to living, clothing, and leisure-time.

> "Prisma is the best store in Finland! Prisma hypermarkets have fixed reasonable prices, and they are versatile shopping centres. Under one roof are food clothes, footwear, household appliances and leisure products, and other services which facilitate house-keeping. Clear displays, good guidance, quick shopping, and an overall low price level make Prisma the best store in Finland." (Prisma 1997).

Tuko's (Spar-related group) hypermarket brand Eurospar is a large store which is located in the outskirts of a city or in a vacated industrial site. It has a reasonable overall price level, but no daily special offers. Eurospar operates on a self-service basis: it is warehouse-like but offers fresh food-products. Tradeka has two hypermarket brands, Eka-market and Euromarket. Euromarket is a pure hypermarket while some Eka-markets are located in city centres and covers several floors, thus resembling traditional department stores. The Eka-market is gradually being abandoned. There are only few stores left, and with time each of them will be transformed into a Euromarket, ValintataloPlus or Valintatalo. Tradeka store concepts are distinguished from each other mainly by the range of the stock carried. Thus Euromarket and Eka-market are basically similar to Valintatalo, ValintataloPlus, Siwa, and Siwa 200.

Another large store type besides the hypermarket is the superstore that concentrates on selling mainly food. While all Finnish trading groups have hypermarket concepts, none has designed a superstore.

Discount store

The discount store operates on a self-service basis. The product range is limited but often carefully selected. The selling space of the majority of the Finnish discount stores is less than 1000 m². The range of goods consists of groceries and speciality products. Technology and modern information systems are crucial in managing and operating discount stores. Discount stores typically pursue a low-price image through layout and price markings. Moreover, level of service is minimized. The discount store is typically located in a populous area, e.g. a town centre or a suburb with sufficient buying power.

The S-group has two discount stores, Alepa and Sale. Tradeka has the discount store Siwa. Siwa chain consists of almost 500 outlets in Finland; smaller sites are labelled Siwa while bigger sites are labelled Siwa 2000. In Jyväskylä, for example, there are about 15 Siwa outlets. The business idea behind Siwa is to provide fixed reasonable prices, reliability, proximity, easy shopping. (Siwa 1997). The new Spar-related group has three discount store chains: Rabatti, Priima, and Ruokavarasto.

Kesko has recently introduced its Rimi store, which counts on proximity and lower than average prices. Rimi has a limited range which includes food and groceries for basic consumption. Rimi is the latest arrival on the discount store type market. It was launched prudently, starting in the biggest catchment areas in southern Finland. The sales philosophy of Rimi is as follows:

> "Rimi is the biggest discount chain in the Nordic countries. The business idea underlying Rimi is to provide a sufficient variety of groceries, mainly branded goods, at a low price in well-run stores, which have low initial and operating costs. Rimi food stores are located in Norway, Sweden and Finland, 516 in all. Rimi is for the customer a secure and easy alternative since it is a brand and, therefore, the service package is similar regardless of which store they patronize. Due to the uniformity in the product-mix, display, pricing, and ways of operating Rimi will achieve the greatest possible efficiency and competitiveness in the market. In each country Rimi is run by a trading group organization; in Finland by Kesko, in Sweden by ICA and in Norway by Hakon". (Rimi 1997).

Department store

The department store has over 1.000 m^2 of selling space. The sales of groceries account for less than 2/3 of sales, and no product class has a share more than 50%. The product ranges in the different "departments" are equivalent to those of speciality stores.

Sokos is a department store which is located in city centres. As mentioned earlier, the food departments in most Sokos stores have adopted the S-market concept. There are only three original Sokos food departments left: in Turku, Tampere, and Jyväskylä. Each of these aims at an image of high quality. For example, in Jyväskylä the Sokos food department carries the name Mestarin Herkku, and claims to be "the best food store in the city".

Anttila is a department store which differs from the hypermarkets in its sales structure: consumer durables amount to 65% of sales, while the share of groceries is 35%. Anttila also provides its customers with the possibility of catalog sales. Anttila was previously operated by Tuko, but since 1997 Anttila has been owned by Kesko. As a consequence the Anttila concept has been modified so that it does not compete with the rest of the Kesko chains but is complementary to them. In the future Kesko will attempt to convey a distinctive difference between Anttila and the hypermarket chain Citymarket. This will be accomplished so that the focus of Anttila will be home-related goods while the strength of Citymarket will be on food and groceries. Thus, product ranges will be the major basis of differentiation between the two chains within Kesko.

To conclude, the Finnish grocery retail trading groups have recently seized on the possibility of store differentiation. Accordingly, grocery stores are regarded as brands; their marketing strategies are designed to pursue diversity and uniqueness in the retail service package. Differentiation is pursued mainly through chain operations, business concepts, and varying product ranges. It is clear that retail managers are interested in finding out the diverse needs and resources of different customer groups.

4.3 Some conclusions about store positioning in Finland

The Finnish grocery retail trading groups, to which the majority of grocery stores are affiliated, have mostly relied on cost-based productivity and efficiency strategies. On the other hand, the competitive pressures in the market perhaps facilitate realising the importance of specialist, targeted positioning strategies. Positioning as a constituent of marketing strategy is a recent phenomenon in Finnish grocery retailing. Grocery stores used to be unique personalities until the chains and multiples entered the retail market. Even though retail stores did not pursue positioning strategies, "organic" positioning was the result of their daily activities. But with the penetration of large organizations and chain operations, grocery stores have lost their original character. The grocery retail stores of today are likely to be controlled by the policies of large trading groups. The uniqueness of the village store has gradually declined. Chain operations may have increased the homogeneity of grocery stores because of the replication of the same business ideas.

Grocery retailers can choose whether to appeal to the large majority or whether to appeal to specific customer segments. If we consider the positioning opportunities discussed by Davies (1992), we find that Finnish grocery retailers have chosen to pursue a position close to the ideal store. Thus strategies appealing to the majority of consumers are pursued. As a consequence, all of the giant retail trading groups offer rather similar store types and store chains. Since all retailers promote almost the same positions, similar stores are competing against each other. Thus retailers have been compelled to focus on cost reduction and price appeal. In principle it would be possible for a retailer to promote a differentiated position by appealing to specific segments through augmenting attributes, i.e. benefits valued only by that specific segment.

The two positioning strategies differentiation and subtyping (Sujan & Bettman 1989) are applicable in analysing the Finnish grocery store. According to differentiation strategy, a grocery chain store may be positioned as different from other chains within its category. For example, Prisma, Citymarket, Eurospar, Euromarket could each be differentiated from the other chains by their distinguishing attributes, but remain similar to the general store-type hypermarket. In consequence the chains will have several common attributes. Alternatively, a grocery store chain could be positioned so that it forms a new store type. Then the store chain should share only few attributes with the other chains. In addition the chain would represent a store type of its own. At the moment such unique chains do not exist in Finland. All Finnish grocery store chains are positioned as differentiated stores within a particular store type.

5 CONCLUSIONS OF PART I

This section explored and illuminated the contemporary grocery retailing context. Accordingly, the focus was on the structure and strategies of the retail market. The most prominent trends and phenomena in the grocery retail market structure were outlined. Interviews, statistics and the previous literature, as well as undocumented sources were utilized in surveying the context of Finnish grocery retailing.

The survey of the Finnish grocery retail market structure revealed several important trends. First, the grocery store network in Finland has gradually but steadily been thinning out. Further, there has been a notable rise in the number of large grocery stores. Hypermarkets seem to be the winners while many small stores are struggling for their existence and raison d'etre.

These transformations in retail market structure have resulted from market conduct whereby retail firms pursue optimal service output. Most important, the focus has been on improving operational efficiency. Competitiveness has also played an influential role, the fear of foreign entry in particular. Therefore, rather high barriers to entry have been established in the grocery store market. For example, the existing concentration of ownership may discourage foreign retailers from entering the Finnish grocery retail market. In addition, the invasion of new technology information and communication systems appear to have influenced the trend towards larger grocery stores and chain operations.

The competition between store types (intertype competition) and within store types (intratype competition) was typically based on low costs and low price images during the 1980s. The value of grocery sales increased in Finland during the 1980s, though at a lower rate that hitherto. Chain operations were rare, group-level differentiation strategies were not in fashion, and consequently no trading group succeeded in formulating a truly unique business idea. However, there was obviously some organic diversity among grocery stores at the local level, due to the autonomous operation of retailers and their hereditary tendency to adjust to local needs and tastes. The changes in the economic and social environment as well as the new trends in technology, internationalization, and the threat of foreign competition forced the trading groups to change. In the 1990s, many new features have become visible in retail market structure and conduct. For example, more efficient logistics systems have required increasing co-operation within the distribution chain. Retail corporations have grown bigger and their power within the marketing channel has increased considerably.

Information technology has made new lines of action possible. Cost reductions have been achieved through rationalization of operations in logistics, stock handling, and buying. At the same time as all the big trading groups in Finland have turned to chain operations, they have sought cost reductions from utilizing information technology.

As regards the marketing strategies of the retailers, both a cost-based strategy and a store differentiation strategy have been pursued simultaneously. Replication of the standard store concept across several sites is an important means of increasing the scale of operations. Several outlets adopting a differentiated but standard concept constitute a centrally managed store chain. Store differentiation is also implemented through chain operations. Here the chain managers pursue store differentiation and positioning strategies by treating chain concepts as brands offering unique value to customers.

The store types and chains operated by the Finnish grocery retailers were described above. Each store type embodies a retail service package which is an important instrument in differentiating the retail stores from competitors. The retail service package can be augmented by various ancillary and support services. Grocery retailers can, for example, extend their service package by offering banking services, gasoline sales, and specialist retail services, or by enabling customer ownership (co-operatives), etc. These extensions go beyond traditional retailing: they imply not only selling and buying goods, but financial services, i.e., deposits and investments.

The majority of grocery retailers in Finland are equipped with cash registers which record the purchases of customers. Thus invaluable data can be obtained about shopping behavior. New forms of differentiation will probably be established in the future as retailers possess facilities better than ever for market research. For example, shopping baskets could be analysed: what combination of products the customer purchased. Alternatively, customers' reactions to promotional efforts can be examined instantly. What is more, purchasing data and customer data can be combined for those customers who are card owners or regular customers. It is possible to group, regroup, segment and target customers in many ways. Innovative marketing ideas and plans are called for. While the opportunities are enormous, retailers are likely to pursue the needs of the most profitable customers. Different segments would be weighted differently.

Advanced methods of segmentation enable the tailoring of a retail package closely to the life-style of a specific target market segment. This is called "life-styling" by DuGay (1993). Thus, retailers actively create differences and construct distinctions. Distinctions within the customer base can be done in several ways. On the one hand, as retailers design their service packages to match the life-styles of different customer groups, it is possible that the needs of the customers will be captured better than previously. Specifically, customer needs could be served more individually as far as it is possible to personalize the retail service package.

On the other hand, the extreme negative consequence of this active targeting may be the polarization of customers into better-off target groups, and poor non-target segments. It has been claimed that the one group would consist of active, enterprising, skilled consumers while the other group would consist of repressed, non-consumers (DuGay 1993).

Although by definition retailers are in daily contact with customers, in reality this is often not true. As a consequence of the organizational form of multiples, retail firms are large-scale enterprises where decisions and plans are made by professional management away from the market place. Retail marketing strategies may not be based on a highly accurate understanding of the diverse needs of consumers. Although retailers collect data about their customers and try to be customer-oriented, today consumers are mysterious and unpredictable. Many studies have shown that there is a discrepancy between the perceptions of retailers and the perceptions of customers about the image of a particular store. For example, managers tend to overestimate the image of their stores, especially if the store is a higher-status store. Moreover, the images held by different members of the management may be dissimilar (McGoldrick 1990).

It is often stated that customers can vote with their feet if dissatisfied. However, consumers may not have enough power to be able to influence retailers' decisions directly.

> "The lack of importance of any one customer to a given retailer lies behind the indifference to customer service of many retail employees. Customers are in a reactive rather than proactive role. ... Although customers are vitally important to any retailer they do not enjoy any collective or cohesive power that can be used to exert pressure on the typical retail business." (Davies & Brooks 1989, 38).

Also Hirschman (1981) suggests that consumers' desires are not necessarily catered for by retailers.

> "The consumer must choose from that set of products made available. He/she may attempt to optimize satisfaction within the set of available products by switching patronage from one retailer to another. Yet, consumers individually or in aggregate have little real power to influence the set of symbols with which they are presented." (Hirschman 1981, 74).

In spite of the pursuit of unique value, retail packages are being increasingly standardized and homogenized. This is because, after all, only a small group of retail organizations are responsible for the production of retailing services in many countries. Moreover, grocery retailers' differentiation, segmentation and positioning strategies aim at appealing to the majority rather than to the smaller subsegments of the population. Standardization and homogenization also concerns the cultural symbols produced by retailers. As Hirschman (1981) notes, however, homogenization occurs at macro level; diversity can still be found at micro level. Thus an individual consumer may confront a rich and heterogeneous set of offerings. "A vertically integrated retail system may carry the same products from coast to coast (macro homogeneity); yet on a local level the consumer is exposed to more retail outlets than in the past, resulting in greater micro heterogeneity" (Hirschman 1981, 75).

Traditionally, retailers have been product-oriented with the main emphasis on managing the product range profitably. It has been argued that this orientation is changing as retailers have access to enormous data bases on customer purchases. Retailers will become more and more concerned with their customers' buying behavior as the new information technology provides the tools and opportunity to observe purchasing behavior and collect data about it. It has been proposed that the profitability of customers is taking over from the profitability of the merchandise. (Mulhern 1997). The focus of management and marketing will turn more and more to customers and customer relationships. As a consequence of the shift in management focus towards customer orientation, the role, status, and functions of retailing seem to have changed while the extended retail service package has become increasingly important.

As regards retail marketing theory, teaching and practice, it appears that the customer is gaining more and more attention and importance, alongside product profitability. It can be claimed that in the 1990s the customer was found anew in retail store marketing. Correspondingly, the marketing departments of grocery trading groups in Finland have presumably become increasingly concerned with customer relationships. This concept emphasises the importance of marketing to existing customers. Meanwhile, the service marketing literature has discussed and extended conceptually the ideas of relationship marketing (Berry 1983) and relationship retailing (Berry & Gresham 1986).

PART II

TOWARDS THE CONSUMER PERSPECTIVE:

CONSUMER GROCERY STORE PERCEPTIONS AND PREFERENCES

CONTENTS OF PART II

1 INTRODUCTION

1.1 Contemporary grocery retailing and the consumer

In the first Part of this study it was demonstrated that many Finnish grocery retailers also actively aim at differentiating their retail service packages by creating physical differences and distinctive images to their chains. In addition, a differentiation strategy implies that retailing organizations construct distinctions among consumers by grouping them into different customer segments. Each customer segment is targeted with a package, or value, that corresponds to the needs and desires of the consumers in that segment.

As a consequence of pursuing differences in retail service packages and of grouping customers, grocery stores rely on a great variety of signs and symbolic meanings in their customer marketing and communication. To gain a substantial market share without price discounting increasingly means that retailers are able to position their service packages successfully in consumers' minds. Positioning implies reaching the imagination of the consumer. Thus the success of the retail enterprise requires a successful appeal to the consumer's images, feelings, and ideas. It would be fair to claim that economic success is connected with success in conveying cultural meanings. The symbolic expertise of retailers is thus an important property in retail transformation and in contemporary retail competition alike.[1] Retailers need skills in marketing, design and advertising in order to offer a unique image, identity and atmosphere (DuGay 1993).

It can be argued that the expertise of retailers, and consumers likewise, in using symbols has been important in the transformation of the retail store. Communication, particularly advertising, is an important means of image building. Differentiation based on symbolic meanings requires innovative

---

1 It has been observed that retailers have been acted as symbol specialists, and thus influenced the development, content and meaning of the cultural symbols in our society (Hirschman 1981, 72).

marketing, especially product design and advertising. In addition to product design and advertising, symbols are produced and communicated in the physical buildings and through the ways business is done. As a consequence of the various retailing strategies, new meanings are consistently being created in the market. Shopping environments are transformed and altered both physically and symbolically.

The retail transformation process has several consequences for the consumers. Consumers need new skills in order to survive in the marketplace, for example, the skill of getting shopping work done becomes important (Bauman 1988, 222). Shopping skills are important for the consumer in conducting shopping work, which includes both symbolic work and physical work. Presumably the most skilled shoppers will benefit from a turbulent retail context as they are most capable of utilizing innovations and learning to obtain value at low cost.

A current trend in grocery retailing is automaticity and self-service, which help to minimize retailers' costs. At the same time many distributive functions have been transferred to the consumer. The retailer-consumer relationship can be regarded as one of co-production. As service providers, retail stores are in direct contact with customers, and retail services are produced in collaboration with customers. Customers carry out physical work as they participate in the production process, and thus their input affects service output (Davies & Brooks 1989, 4,28).

Shopping or consumption work in a symbolic sense refers to interpreting the symbolic meanings of the discourse of goods, retail stores and shopping environments. For example, symbolic work is done as mass produced objects are recontextualized (Miller 1987). In case of retail stores recontextualization may refer to such activities as, e.g. making the stores mentally and culturally accessible. In addition, while the retail industry is a symbol producer, shoppers have to make sense of the symbols; they have to fit their world with the world of retailing. As Sack (1992) points out "consumers have the freedom and burden of creating meanings".

Shopping for groceries is often a serious task: the consumer has an important goal to pursue. In this sense, shopping is work, a compulsory task to be accomplished. Even though grocery shopping is a mundane, everyday activity, it entails important cultural components. Food is a culturally important commodity; it is closely related to interpersonal relations and family structure. Purchasing foodstuffs and preparing meals contain several invisible cultural principles which have to do with the consumer's sense of self and identity. Consumers are inclined to express themselves as e.g. housewives, family members, or members of a social group, and this self expression is also associated with shopping for foodstuffs.

Accordingly, consumption has been regarded as important phenomenon in contemporary society, and its significance has been stressed by several prominent experts on society and culture. For example, Bauman (1987) emphasises the importance of consumption in defining the identity of the individual[2]. He remarks that the 'certainty that counts most and promises to compensate for all other (absent) certainties is one related to buying choices'. Individuals are said have the possibility to choose their identity by varying their pattern of consumption. Meanwhile the significance of the work ethic has declined, and the consumer ethic is perhaps becoming a more and more important guide to identity.

Another reason for the increasing cultural importance of consumption is its connection with pleasure seeking. It is claimed that consumer goods fulfil the consumers' hedonic and experiential needs. According to Campbell (1987), the "essential activity" of consumer behavior is not "the selection, purchase or use of products, but the imaginative pleasure-seeking to which product-image lends itself" (p. 89). By product-image Campbell refers to the image created in marketing, especially advertising. Similarly, Featherstone (1991) emphasises the role of pleasure: "Shopping is an inherent constituency of everyday life, but it is also a source of pleasure and significance". Even mundane, daily grocery shopping may in some instances become a source of pleasurable experience. Consumers seek pleasant sensations, feelings, and fun; shopping environments can offer the abstract sensual stimuli desired by consumers.

Because of the cultural aspects of shopping, variety and differentiation is required from the retail packages. Hence the quality and range of goods as well as the shopping environment, personal service, and store image are likely to become important. Since consumers are seeking self presentation and self expression, they presumably expect broader product ranges, better quality, pleasant surroundings and agreeable experiences. Retailers can respond by examining consumer needs, building customer programs, improving stores, and offering wider ranges of goods.

As a result of the trend towards chain operations and store differentiation in retailing, consumers have been faced with several new, differentiated yet standardized grocery store types and chains during the last few years. Thus many important concerns emerge. One of the basic questions is how consumers make sense of the symbolic meanings created by the differentiation process, and how consumers perceive and cope with the constant process of transformation and flux in the grocery retail structure and strategies. Accordingly, it is necessary to study the retail service packages of the retail stores from the consumer perspective in addition to examining the internal concerns, such as the efficiency of logistics or other retail functions.

---

2 The literatures of sociology and cultural studies have recently emphasised the view that the identity of an individual is fluid and dynamic rather than fixed or singular. Accordingly, an individual's identity is constructed and affirmed in the self-reflexive process of consumption. The consumer defines him- or herself by the meaning he or she gives to the product or service that she buys or consumes. But the relationship between the product and identity is not fixed. Instead, the same product may have a different meaning for different consumers and for the same consumer in different situations. Thus identity is never complete: identity and identity-seeking are the same thing (Gabriel & Lang 1995).

1.2 Consumer perspective

Grocery stores may be regarded as the providers of a retail service package consisting of goods to be sold and different ancillary and support services. Part I established an understanding of the grocery retail context by examining and describing the grocery retail market structure and prevailing strategies. This part forms a background understanding of the consumer perspective on retail store packages. Thus this part focuses on examining and describing how consumer perceptions of and preferences for grocery stores is formed. By means of a theoretical review a background understanding of how consumers perceive the different grocery store types and store brands is compiled. In addition, this part considers consumers' evaluative appraisals of grocery stores, that is, how consumers form preferences towards stores.

Perception may be defined as "the process of sensing, selecting, and interpreting stimuli in the external world" (Wilkie 1994, 205). Sensing refers to the process where consumers become aware of the stimuli in the environment. Selecting refers to the assumption that only certain stimuli in the environment are attended by consumers. Interpreting occurs when consumers attach meaning to the stimuli. In this study, the major focus is on the latter, i.e. the interpretive stage of the perceptual process.

So as to construct the theoretical background of consumer store perception we need to understand the important contextual factors. Consumer perceptions are always connected with various intentional elements. For example, the goals of shopping or consumption, or some other goals, may guide the perceptual process.

It was argued in Part I as well as in the beginning of this part that retail stores are producers of cultural symbols. Moreover, the symbolic aspect of consumption may have become more and more important since products and services seem designed to appeal to the consumers' imagination rather than to their needs. The issue of symbolic meanings is addressed in this part because it is presumably important with regard to consumer perceptions of stores.

Next, the theoretical background of consumer perception and preference of grocery stores is laid out. Besides considering theoretical approaches to consumer perceptions, the additional relevant aspects of shopping behavior and the shopping environment are taken up. These include consumers' goals and the meanings associated with grocery stores. In addition, a framework consisting of the major principles in store perception and categorization is presented.

2 CONSUMER PERCEPTIONS OF AND PREFERENCES FOR GROCERY STORES

2.1 Theoretical background to consumer perception

The study of perception plays an important role in consumer research. For one thing, the interaction of consumers with the external world is facilitated by their perceptual interpretation and sensing processes. For another, the perceptual interpretation and sensing system interacts with information processing systems. Sensing, perceiving and comprehending objects and environments play a central role as consumers relate to their external world. Perception is, moreover, fundamental to other mental processes: comprehending, understanding, evaluating, feeling, anticipating, acting. "Any explanation of how we know the environment must address the problem of how we perceive it in the first place" (Kaplan & Kaplan 1982, 16). Thus perception provides basis for many aspects of consumer behavior.

As we consider consumer perceptions in the theoretical background of this study, we should take into account at least two issues which are separated in research while linked together in real life. First, there is an important question concerning how perception takes place. Research concentrating on this issue would study the *perceptual processes* at stake. The second issue concerns the principles or criteria that consumers use when attending to and interpreting stimuli. These studies typically focus on the *contents and organization of knowledge*, or knowledge structure. This study is mainly concerned with the latter issue, i.e. the criteria and principles which consumers use as they interprete stimuli related to grocery stores.

Consumer perception entails several perceptual processes such as initial sensation and attention, and subsequent organization, categorization and inference (Wilkie 1994). The latter three processes are thought to reflect perceptual interpretation, i.e. how consumers understand the world around them and how they attach meanings to the environmental stimuli. By these processes the consumer infers and interprets what a product is, and what it means. The consumer integrates what he or she perceives in the environment into his or her prior knowledge. *The main concern of this study is especially on the categorization of knowledge*. This is because the categorization theory addresses the issue of perceiving differences among stimuli. Nonetheless, the other perceptual processes are also important and vital, and they are also discussed in this chapter before taking up theories of categorization.

Consumers use the cues from the stimulus as a basis for categorization. However, categorizations are influenced by the existing beliefs and expectations of consumers (Wilkie 1994). That is, consumers' schemas play an important role in categorization. Hence this study is also concerned with schema theories. Figure 5 displays consumers' perceptual activities which are focused on in this study.

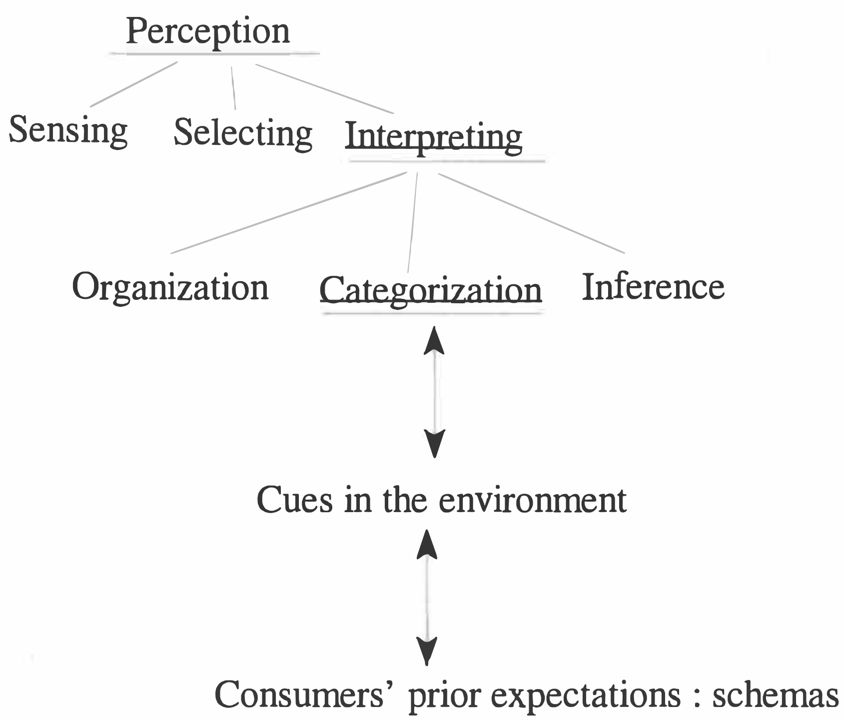


FIGURE 5 Consumers' perceptual activities

The schema-based theories concern the content and structure of knowledge. The previous literature has discussed the issue extensively. The most relevant of these for the purpose of the present study include the following well-known approaches: schema models which focus on the individual's knowledge structure (Mandler 1984; Mandler & Parker 1976; Bettman 1979), cultural models which stress the emic perspective on shared cultural knowledge (Holland & Quinn 1989), and models of categorical knowledge structure which concentrate on product proximity judgments (Mandler 1984; Rosch 1978). In addition, product and service cognitions and evaluations have been examined by means-end chain models which emphasise the association between product attributes, benefits and values (Gutman 1982).

The approaches which have been used in studying consumer product or service perceptions and evaluations can be grouped into two broad types. First, the so called piecemeal approaches include the comprehensive brand choice models and multiattribute attitude models. The second group of models consists of the holistic category-based approaches, which assume that consumers tend to get familiar with the variety and diversity of products and brands by grouping them into categories according to their perceived similar features. While categorization may also concern types and brands of grocery stores, the category-based approach is appropriate when examining consumer perceptions of grocery stores.

2.1.1 Perceiving a stimulus

Sensing a stimulus is one of the initial processes in perception. Several theories deal with the various aspects of sensory processing (vision, hearing, taste, smell), perceptual thresholds (absolute threshold, differential threshold, subliminal perception), perceptual organization (figure/ground, closing, grouping). This chapter does not review these theories, but discusses the interpretive stage which is assumed to follow the initial processes. Interpretation implies that the consumer will determine what the perceived object is. Thus it concerns making sense of and giving meaning to the environment. (Wilkie 1994).

Retail stores are complex stimuli. Therefore, the literature concerning environmental perception is an illuminating starting point here. Store perception and environmental, i.e. landscape perception are argued to have several characteristics in common.

Perception of environments entails at least two major aspects: dealing with objects and dealing with spaces or settings. "The *whatness* (object) and *whereness* (space) are essential to perception" (Kaplan & Kaplan 1982, 18). Individuals rely, perhaps most often, on visual information and visual imagery. But we should not forget that the other senses - smell, touch, taste and sound - are also often critical in identifying objects (Wilkie 1994).

Initial perceptual processes are important as regards attention to and sensation of objects and the external world. The processes and systems of perceptual interpretation deal with the meanings that a consumer attaches to a particular object. These meanings are the cognitive or internal representations which constitute the individual's cognitive system. A representation is the mental concept which stands for an external object or an event (Peter & Olson 1990). The perceptual process can be regarded as comprising two aspects, perception and cognition, which are inseparable.

A major assumption in cognitive perception theory is that the incoming information is transferred into an internal representation through a perceptual process[3]. This process, as well as its outcome (the representation or the meaning), entails several properties which are essential in understanding the relationship between the individual perceiver and the environment to be perceived.

For one thing, it has been proposed that human experience of the environment is influenced by the principles of simplicity, essence, discreteness, and unity. *Simplicity* implies that information is discarded so that there is much less information in the representation than in the object. *Essence* means that people tend to retain information that is considered reliable and characteristic. Individuals tend to perceive in a stereotypical fashion; the prototype member of a category has a great influence on perception. *Discreteness* refers to the case that in representation experience is separated into distinct categories. The elimination of continuity eliminates information concerning what is between one thing and another. *Unity* means that the representation is an entity rather than a collection of features. Unity enables an individual to recongnize an object even when information is lacking. These properties shape what people perceive and how they construct the internal representation of the external environment. (Kaplan & Kaplan 1982, 34).

Another theory of the relationship between the external world and internal representation was provided by Fritz Heider. He contributed to the understanding of human perception by applying the theory of attribution in his work. He utilized the lens model of perception (originally developed by E. Brunswik) which proposes that objects are never directly perceived but perception is 'disrupted' by several inferential tasks and problems. It follows that in addition to the attributes of the object, the final perception is based on the context of perception, mediating factors, and the characteristics of the perceiver. (Fiske & Taylor 1984, 22). What is more, individuals will act on grounds of their 'disrupted' perceptions of the world. "Social behaviour is more usefully understood as a function of people's perceptions of their world, rather than as a function of objective descriptions of their stimulus environment"(Fiske & Taylor 1984, 8).

One function of the perceptual and cognitive system is the ability to perceive and infer differences in objects and events. The way we divide our environment into different "parts" will determine what we notice and what we ignore, whom we trust and whom we ignore. Examining how we draw lines will reveal how we give meaning, and how we create meaningful social entities. (Zerubavel 1991). Zerubavel describes "islands of meaning" as kinds of spatial metaphors. According to him, reality is basically experienced as a space made up of discrete mental fields. "Islands of meaning" are delineated by mental "fences" that define and separate the mental fields from each other. Creating mental fields entails two different mental processes: grouping similar items together and separating different items from each other. These processes have also been referred to as categorization and differentiation. Thus, perceptual gaps separating objects from each other are formed. Zerubavel also points out that mental reality is embedded in social reality. In the social and cultural context, the mental gaps that are perceived among the supposedly discrete entities are institutionalized. Consequently, they become inevitable facts which are not wished away because

---

[3] Wilkie (1994) refers to this process as the consumer information processing system.

they are essential to the way people organize their everyday life.

Perception, through its two salient aspects, i.e. dividing and recombining, is a human way of making sense of the world. The inclination towards making sense is a pervasive human need (Kaplan & Kaplan 1982, 77; Zerubavel 1991). As we study consumers' perception and interpretation of the various grocery store packages, and especially consumers' ability to infer differences between grocery stores, we are dealing with the basic question of how consumers make sense of the world. Consumers are probably motivated to learn to discriminate among brand differences since discrimination allows them to judge brands selectively and to set one brand over another. But learning to discriminate between brands is a process which requires a considerable amount of effort[4]. This is due to the vast array of products and brands available in today's marketplace. Categorization, on the other hand, increases cognitive economy and makes evaluations and choices easier. So as to perceive and discern objects and events individuals continuously need to make distinctions and categorizations, often automatically and unconsciously (Lakoff 1987).

2.1.2 Models of knowledge structure

The topic of human knowledge structure has been a focal issue within several fields of study. For instance, both the schema model and cultural model approaches to human knowledge seek to reveal how an individuals' knowledge of the world is organized. But as these models have been developed in different fields of study, different aspects of the knowledge structure have been emphasised. Cultural models concern the knowledge which is shared within a culture, whereas cognitive psychology's schema theory refers to the organization of the knowledge of an individual. I regard it as important to discuss the subject of consumer grocery store perception on the basis of a versatile background so that the various aspects of the phenomenon can be discussed. Therefore, two different schema-based models of knowledge are taken up in this chapter.

Cultural knowledge

The theoretical background of the cultural model approach comes from phenomenology, social constructionism (Berger & Luckman 1966), and approaches developed by cognitive psychologists, such as schema theory (Mandler 1984) and cultural models proposed by Holland & Quinn (1989).

The cultural model is defined as a cognitive schema that is intersubjectively shared by the individuals belonging to a social group (D'Andrade 1989, 112). This approach thus states that these individuals share culturally constituted understandings of the world and events around them. These understandings are organized as collective schemata, or cultural models. Usually, cultural models are taken for granted, and consequently the interpretations of the world based on a cultural schema or cultural model are regarded as given facts. Furthermore, a

---

4 For a discussion of consumer expertise, see Alba & Hutchinson (1987).

great part of the information related to the cultural model is not made explicit but is nonetheless understood (D'Andrade 1989, 113). In brief, cultural models are important as regards people's understanding of the cultural world they live in and their behaviour in it (Quinn & Holland 1989, 3-4).

The cultural model approach emphasizes the emic perspective, i.e. the understandings and classifications produced by ordinary people rather than etic understandings and classifications, i.e. those formed by the researcher or some other institution.

My study explores consumers' culturally constituted understandings of types and brands of grocery store, and the service packages which they offer. We can expect individuals' cultural models regarding retail stores to concern, for example, the availability of goods and services, or appropriate shopping patterns. This knowledge will be shared by the consumers living in a given culture or geographical area. As for shopping behavior, the intersubjectivity of cultural knowledge means that every consumer in a given cultural area will share, at least approximately, a common schema of, e.g. weekend shopping. In addition, consumers within a given area or culture will have common features in their perception and interpretation of grocery stores.

Although cultural knowledge is rather steady, it is not static. This is evident, for example in the efforts of consumers to interprete and understand their own daily perceptions of stores and experiences in grocery stores. Consumers often have to adapt their knowledge and cultural meaning systems. This is because unexpected situations are faced. Moreover, cultural schemas of everyday life do not necessarily form a coherent system, but several conflicting schemas may coexist. Consequently, we may assume that consumers possess several different cultural schemas simultaneously concerning the performance of particular cognitive tasks. Yet, in spite of the various situational adaptations, an obvious systematicity and thematic effect remains in the organization of cultural knowledge (Quinn & Holland 1989, 4,10).

Cultural models may have considerable social force. This is because they tacitly embed a view of "what is" and "what it means" that seems natural and is taken for granted. Consumers generally carry out daily grocery shopping tasks in a manner that is considered natural and necessary. These habits and patterns are formed as people observe and judge the lives of their fellows and find confirmation for their own lives in the beliefs and actions of other people. The cultural meaning systems in operation may have directive force since "socially required behavior is inherently motivating for individuals because it directly satisfies some culturally defined need or because it realizes some strong cultural norm or value" (D'Andrade 1984; Quinn & Holland 1989, 11).

Organization of an individual's knowledge

Several theories of the schema have been developed within the field of cognitive psychology. A general definition of a schema is as follows: "A schema is an internal structure developed through experience which organizes incoming information relative to previous experience" (Mandler & Parker 1976, 39). Some authors stress the expectations included in schemas; a schema can then be defined as an organized pattern of expectations (Bettman 1979; Olson 1978). In brief, a schema could be defined as a cognitive structure which represents a person's knowledge, including expectations about an object.

A consumer's retail store schema would represent his or her knowledge and expectations about retail stores. This information will be structured according to the consumer's previous experiences with retail stores. In addition, the consumer may have acquired some of his or her information from other sources: advertising messages, newspapers, friends, etc. A consumer's existing retail store schema is the pattern of knowledge and expectations which would influence the perception and organization of incoming information.

Schemas are assumed to exist at different levels, higher-order schemas representing more general knowledge than lower-order schemas. Consumers may, for example, have retail store schemas which concern retail stores in general, and represent quite general information about retail stores. Meanwhile, the same consumers would have grocery store schemas, hypermarket schemas, schemas concerning S-markets etc. In any event, a similar performance would be expected from all stores which are included in the same schema, i.e. in a group of similarly perceived stores at a particular level.

As an example, the consumer might have a set of expectations concerning the supermarket where he or she shops regularly. Information about the supermarket has been acquired through the previous shopping experiences and learned from several sources. *Moreover, information concerning the supermarket is perceived as structured, and it forms organized sets of expectations about the store. These expectations may be generalized to other stores that are perceived to represent the same store type, i.e. supermarket.*

Information and cues in the shopping environment modify consumers' store schemas. We might expect that consumers in parallel retail environments will show similarities in their grocery store schemas. Although it is not reasonable to predict that there is a common and shared grocery store schema, or common schemas concerning the different store types or store chains, among Finnish consumers, it is proposed here that there are a number of aspects which are shared by the majority of consumers. For example, the following functional factors will be found to be relevant as regards consumers' grocery store knowledge[5]: customer service, quality of the store and merchandise, price-level, product-mix and accessibility of the store. These are the factors, among others, which have earlier been found important in determining consumer grocery store choice. Presumably, the same factors are important as regards consumer perception and categorization of grocery stores. Moreover, these factors are stressed in the marketing communications of grocery stores.

The role of affect in store schemas

Consumer behavior may sometimes be driven by affect rather than cognition. The affective aspects will range in intensity from the lower activation and arousal

---

5 See the store choice models, e.g. Möller & van den Heuvel (1981); Sheth (1983); Laaksonen (1987); and the empirical surveys, e.g. LTT (1995).

level evaluations to the higher level feelings and emotions[6].

The role of affect in store schemas is in fact a controversial issue. Scholars within social and cognitive psychology have contradictory views regarding whether schemas are purely cognitive representations or whether they also contain attitudes and evaluations (Grunig 1993). It would be fair to assume that store schemas contain affective aspects, e.g. feelings and evaluations. For one thing, several previous studies have emphasised the role of affect in shopping. For another thing, imaginary features and feelings have been found to be important in store images held by consumers.

Darden & Babin (1994) posited that affect associated with retail environments is an important factor as regards the meaning of an environment in consumers' semantic networks. In addition, they found a fairly strong relationship between consumer perceptions of a store's tangible and functional characteristics and the perceived affective quality[7] of the store. In other words, consumers' perceived affective quality can be associated with their representation of a store's functional aspects. This points to an interrelationship between functional and affective meanings. Moreover, by considering the affective quality of a store alongside functional and tangible characteristics, a more complete account of consumer's mental representations of a retail store can be obtained.

The results of the study by Darden & Babin (1994) indicate first, that consumers can describe retail stores in affective terms. Affective quality[8] can thus be considered a useful means of explaining consumers' mental representations of retail stores. Interestingly, the study indicates that consumers will not only perceive affective qualities in retail stores, but they will perceive marked differences in affective qualities in different stores. Different types of stores[9] obtained different affective quality profiles. But, further, affective quality profiles varied even among department stores, i.e. among stores of a similar type. *Stores may thus have unique affective meanings, and consumers may associate specific affective meanings with specific stores rather than associating the affect with the whole store category.* Second, the results show that store image is best explained by including perceptions of functional characteristics as well as perceptions of affective quality. Affective quality is argued to be integral in defining fully a store's image or other kind of mental representation in the consumer's mind.

Further, Darden & Babin (1994) propose that there could be substantial relations between the affective and functional qualities of retail stores. For

---

6 See Zajonc & Marcus (1982) for a discussion of the representation of affect; Isen (1993) for positive affect and cognitive organization.

7 Darden & Babin (1994) define affective quality of a store as the emotion-inducing property of the store. They propose consumer perception of affective quality to be associated with a broad range of different meanings in simple terms, such as pretty, nice, unpleasant, active etc.

8 Darden & Babin (1994) measured affective qualities by four constructs: pleasant, unpleasant, activity, sleepy. Each construct consisted of four items; thus there were 16 items in all. Functional qualities were also measured by four constructs: discount prices, store personnel, quality, crowding. These included 13 functional quality items.

9 Speciality and department stores were included in the study.

example, consumer perceptions of discount prices were found to relate negatively to the perceived affective quality pleasant and positively to the affective quality unpleasant. Accordingly, stores associated with discount prices may be regarded as unpleasant in terms of affective quality. Further, it was found that consumer perceptions of store personnel (functional characteristic) were positively related to the affective quality pleasantness but negatively related to the affective qualities unpleasant and sleepiness. Overall store quality (functional characteristic) was positively related to pleasantness and activity, and negatively related to unpleasantness and sleepiness.

The role of the affective aspects of store schemas is also important because affect may be related to perceived value. The hedonic value of shopping will materialise in the form of affective reactions, e.g. fun or enjoyment provided by shopping activity rather than the products purchased. Shopping in itself can be enjoyable, fulfilling some non-utilitarian or expressive needs and bringing pleasure. (Babin, Darden & Griffin 1994).

The role of affect may also be significant in the distinction between similarity and preference judgments. Similarity judgments are assumed to be generated mostly by cognitive representations, while preference judgments are formed through affective processes which are independent of the cognitive representations. (Sjöberg, Derbaix & Jansson 1987).

To conclude, since affect has an important role in shopping behavior, it is also integral in mental representations of retail stores.

2.1.3 Categorization in consumer perception

Schemas are related to perceptual categories. Individuals' prior knowledge and expectations are represented in schemas, which in turn guide the perceptual categorization process. Categorization is a process where the individual decides what an object is and places the object into a category of similar objects, which implies similar expectations and similar schemas.

What is categorization?

In Part I we discussed one of the marketers' tools in promoting differences in products or services, i.e. positioning strategy. By designing positioning strategies marketers can attempt to get the brand categorized in a favourable way. How the brand is actually categorized by consumers will depend on their existing knowledge, that is, on their long term memory and existing schemas. Wilkie (1994) argues that marketers can influence consumer behavior by influencing how they categorize brands and stores. "We can strongly affect which competitive arena we will be in by how we lead consumers to initially categorize. Thus marketers need to choose their cues with care" (Wilkie 1994, 242). Moreover, "Consumer categorization provides the basis for competition in the marketplace. It will determine in which kinds of 'evoked sets' our product will appear as a candidate for purchase" (Wilkie 1994, 244).

Categorization is critical since it will influence the further thoughts which consumers have about the store. Probably, few objects receive further processing after they have been categorized. Only objects which are either interesting or important will receive further attention. The further processing may occur in the form of perceptual inferences which are made on the basis of the stimulus cues. *An inference can be defined as a belief or interpretation concerning the object.* Consumers are assumed to make inferences and form beliefs about the brands and stores which they find interesting for some reason. Inferences are based on the processing of the cues from the stimulus object, e.g. a store type, store brand, or a specific store. Consumers make both conscious and unconscious, subtle inferences. Product inferences determine what the product is and what it means to the consumer and are thus aspects of product knowledge and understanding.

In conclusion, the categorization model of consumer perception and cognitive structure states that consumers' knowledge about products and brands forms a category structure in the memory[10]. Such categories will contain similarly perceived or preferred products or services, and knowledge about these products and services. Categorization may concern any perceptual domain in our environment: e.g. people, animals, buildings, institutions, diseases, products, services, or retail stores. While previous studies have applied the categorization approach to studies of product perception, categorization may concern also types and brands of grocery stores.

The theoretical background to categorization

A categorical knowledge structure can be defined as follows:

> "A categorical structure consists of a class-inclusion hierarchy which implies that the domain of interest [e.g. grocery stores][11] can be classified into a number of exclusive branches. The basis of membership in a given category is similarity. The similarity may be of form or function or of other types, but there must be some common (similar) principle that forms a relation among the members sufficient to group them together" (Mandler 1984, 5-6).

This definition indicates that there may be many kinds of similarity relations and therefore many ways to form a classificatory hierarchy. Accordingly, most things can be categorized in many ways. Categorization of a product may be based on one of the various features of the product depending on e.g. task demands, motivation, ability etc. A product will be categorized because of some feature it is perceived to have, not because of all the possible features inherent in it. It is in fact possible that the members of a given category have only a vague mutual relationship after all (Mandler 1984, 5-6).

There are no natural systems of classification or categorization. These systems are human-made, they are formed in a culture and thus coded by the language of that culture at a particular point in time. We notice a lot of order in

---

[10] Other types of knowledge structure have also been discussed in the psychological literature (Alba & Hutchinson 1987).

[11] Added by the author.

the natural world, but much of that order is there because we impose it through culturally formed and shared classification systems. As to the categorization of products and brands, we noted earlier in this study that firms can actively try to create categories by positioning strategies and by communicating the unique differentiating features of their products and brands.

Rosch (1978) crystallized the general and basic principles for the formation of categories[12]. First, the principle of cognitive economy states that the function of category systems is to provide maximum information with the least cognitive effort. *To categorize an object means to consider it equivalent to the other objects in the same category, and at the same time different from the objects not in that category.* One purpose of categorization is to reduce the differences among stimuli to behaviorally and cognitively usable proportions. Categorization should, however, be relevant to the purposes and goals of the individual. (Rosch 1978).

The second principle concerns the perceived world structure. *The world is perceived as structured information rather than as arbitrary or unpredictable attributes.* That is, the perceived world is not an unstructured aggregate of attributes. Rather, the material objects of the world are perceived to form a correlational structure. (Rosch 1978, 28-29).

Both principles reflect the human inclination towards making sense. A further important proposition stated by Rosch (1978) is that maximum information with least cognitive effort is achieved if categories map the perceived world structure as closely as possible.

Consumers will categorize products on the basis of perceived similarities because they try to respond to the overwhelming amount and variety of products and information in their environment. The use of categories allows consumers to structure and simplify this environment. As consumers categorize products they can reduce the number of different perceptions into fewer association constructs (Peter & Olson 1990).

Perceptual categories are assumed to form a hierarchical structure by which they are related to each other. This structure consists of levels of abstraction which are based on the degree of inclusiveness. At the highest, superordinate level, objects in a category share the key attributes; typically only few attributes are shared at this level. At the next lower level, the basic level, the number of attributes shared within the category is relatively greater than the number of attributes shared between categories. The basic categories are thought to be most frequently used to categorize both natural and cultural objects. At the lowest level, the subordinate level, the objects in a category share a large number of attributes. Further, a single or small number of attributes will differentiate the objects in a category at this level. (Rosch 1978, 30).

The levels of the perceptual categories can be distinguished from each other on the basis of the number and types of attributes associated with the

---

12 Rosch concentrates on natural objects in her work while marketing researchers usually deal with cultural or social objects. Miller (1987) argued that these two should not be equalized. Unlike Miller, Meyers-Levy & Tybout (1989) suggest that products and their categories tend to be organized in a way similar to natural objects. Also Sujan & Dekleva (1987) maintain that product classes, product types and brands can be considered equal to the superordinate, basic and subordinate categories proposed by Rosch.

category on each level. At the superordinate level categories would be associated with functional and general attributes while at the lower levels adjectives should be used (Rosch et al. 1976). Furthermore, Meyers-Levy & Tybout (1989) found that a larger number of attributes are added in the shift from the superordinate to the basic level than in the shift from the basic to the subordinate level.

In the hierarchical structure of grocery store categories, the superordinate level would include store vs. non-store grocery retailers. The basic level would consist of store types such as hypermarket, supermarket, small store, self-service store, discount store, department store. The subordinate level would include store chains or brands: Citymarket, Prisma, Valintatalo, Eurospar etc.

In addition to the vertical dimension discussed above, category systems also have a horizontal dimension. The horizontal dimension refers to the segmentation of the categories at the same level of inclusiveness. Because of the striving for cognitive economy, the categories would usually be perceived as separate from each other. At the basic level of the grocery store taxonomy grocery store types will be separated from each other. For example, hypermarkets, supermarkets, discount stores, self-service stores, and department stores could be perceived as separate categories representing different store types. Although the separations may be perceived by consumers, retail managers and researchers as clear-cut, most categories do not have clear-cut boundaries, but they are continuous. The perception of the categories and their boundaries will be idiosyncratic and influenced by the individual's existing knowledge structure, her needs and goals, and the situation. As the boundaries of categories may vary, differences will be perceived by conceiving of each category in terms of distinctive cases. Here, a prototypical object or a typical exemplar will be identified in each category. When categorizing new objects, the prototype or typical exemplar will constitute the basis while less attention would be paid to the boundaries of the categories. (Rosch 1978, 35-36).

Categorizing retail stores

Alternative categorization procedures may underlie consumers' perceptual categorization of retail stores. Firstly, store categories may be mentally represented in the form of the important attributes of the stores in the category. Secondly, the store categories may be represented by typical category exemplars or prototypes. In the case of grocery stores, the typical category exemplar could be the best-known or most popular grocery store in that category. For instance, in the department store category Sokos could be the typical exemplar. The prototype is an abstract image embodying the attributes typically associated with the stores in the category. The typical category exemplar and the abstract prototype representing a category are actually types of schemas. Accordingly, a retail store category can be conceived of as a schema. This schema is represented by the existing typical example store in the category or by an abstract image of a prototypical store.

The typical exemplars and abstract prototypical images of stores represent the prior knowledge and expectations which consumers have learned over time from their experience and interaction with various sources of information. Their expectations will influence consumers' perceptions of stores. On the grounds of either the prototype or the typical exemplar, consumers may infer or guess what the store category offers. The store categories can be conceived as a kind of store knowledge. This knowledge would include expectations concerning what attributes the stores in the category possess, what constitutes the typical configuration of the attributes, and what performance levels can be expected from the stores in a particular category (Sujan 1985, 32). The expectations concerning the category can guide consumer perception of a specific store, as well as evaluation of that store. Moreover the store choice process may be influenced by the expectations concerning the category. Consequently, expectations are particularly critical as they will be generalized to all the stores perceived to belong to the same category.

Different "forms" of categorization have been discussed in the earlier literature. Zerubavel (1991) separates perceptual distinctions from conceptual distinctions. The perceptual distinctions are rather simple and refer to the differences drawn on the basis of perceptual, for example, visible cues. On the contrary, conceptual distinctions will result from inferring less obvious differences based on the use of the product, inferences and interpretations, or context and situation. Cherian & Jones (1991) suggest that different forms of categorization may be used according to the underlying motivation. Consumers who are motivated by utilitarian needs would form conceptual categories that are fuzzy. On the other hand, consumers with expressive needs would form simple perceptual categories with rigid boundaries.

In addition to the individual's psychological level, categorization of objects and events will occur at the cultural level. According to McCracken (1988a) the world is divided into invisible cultural categories which are internalized collectively. Thus there are certain underlying and invisible distinctions and principles which are not questioned but are taken for granted. McCracken (1988a) maintains that the invisible distinctions are made visible by the physical objects, such as products, brands, and designed store environments. These concrete objects help consumers constantly, while often unconsciously draw lines across what they see, hear, or otherwise perceive. Consumers use the collectively defined classifications of objects and events in order to make the world meaningful and intelligible.

2.1.4 Categorization theory in previous empirical studies

The following review of previous studies in the field surveys the potential use of categorization theory in consumer research. In particular, this review especially explores which cues and principles might guide the formation of categories. In addition, the implications for the study of grocery store perceptions are examined.

Categorization theory can be applied to a wide variety of different situations. Initially, empirical research concentrated on object perception and concept identification, while recently categorization theory has received considerable attention in social information-processing research (Forgas 1981; Rosch 1978). Studies examining categorization in the context of consumer product and brand perception or evaluation, and information processing have borrowed concepts and ideas from these domains.

The articles reviewed in this chapter cover several major categorization research issues in consumer behaviour studies. These include consumer information processing (Sujan 1985), information search (Ozanne, Brucks & Grewal 1992), and product evaluation (Meyers-Levy & Tybout 1989; Stayman, Alden & Smith 1992). These studies are connected by a common theme, that is the fit between information communicated and consumers' existing knowledge. Other studies have concentrated on inference-making (Sujan & Dekleva 1987), product typicality (Loken & Ward 1990), product similarity judgments (Block & Johnson 1995; Johnson, Lehmann, Fornell & Horne 1992; Lefkoff-Hagius & Mason 1993), perceived brand positions (Sujan & Bettman 1989), and examining the process of categorization in terms of antecedents, processes, and outcomes (Cherian & Jones 1991). Finally, Cohen & Basu (1987) analysed the alternative models of categorization and their usefulness in consumer behavior studies.

Consumer information processing: the influence of category-discrepant information

The consumer behavior literature has introduced two basic models of consumer information processing. First, consumer information processing can be conceived of as a problem solving task whereby consumers evaluate product attributes and combine them to arrive at an overall evaluation. Alternatively, consumer judgment and choices may be mediated by some less effortful category-based processes. Sujan (1985) focused on examining under what conditions consumers engage in attribute-by-attribute product information processing versus simple category-based processing in product evaluation. In particular, the match between the information communicated and consumer knowledge was hypothesized to affect the mode of processing. The results showed that a match situation, i.e. information consistent with consumers' knowledge structure, evokes category-based information processing and evaluation, whereas a mismatch situation evokes attribute-by-attribute processing. Sujan also investigated the effects of expertise (i.e. consumers' prior knowledge) and found that expertise increases the observed effects. Expert consumers seemed to use attribute-by-attribute processing when the information they receive is discrepant from product knowledge, and category-based processing when information and product knowledge match. Novice consumers can recognize whether information is consistent with their expectations about the product category, but they use category-based processing more than experts. Sujan's study would indicate that the categorization approach is a potentially useful way of studying consumer perceptions and reactions to marketing stimuli.

Meyers-Levy & Tybout (1989) examined the evaluative outcomes of an incongruity between consumers' schema-level mental representations of products and new product attributes. The study started with Mandler's (1982) position that the level of congruity between a product and a more general product category schema may influence the nature of information processing.

Meyers-Levy & Tybout developed a framework in which different levels of incongruity were taken into account. Additionally, the authors referred to Rosch (1978) for an insight regarding the hierarchical organization of cognitive structure. Their results indicate that a more positive product evaluation may result when the schema representation and the product description are moderately mismatched[13] than when there is a match or extreme mismatch. Thus it seems that the additional cognitive effort that is required to resolve moderate incongruity between expectations and perceived product characteristics may enhance positive affect. This is because consumers may regard moderate incongruencies as challenging and interesting. Meanwhile, extreme incongruity[14] decreases favourable evaluations since it may cause cognitive elaboration resulting in frustration rather than resolution. In short, the suggestion that the successful resolution of an incongruity would lead to a favourable evaluation and response gives an interesting insight into the understanding of consumer product evaluation.

Ozanne, Brucks & Grewal (1992) examined the processes by which new products are integrated into existing knowledge structures. They focused in particular on the information search that occurs when consumers are categorizing products that differ from existing category prototypes. Like Sujan (1985), the purpose of Ozanne et al. was to better understand how discrepancy in expectations affects consumer information processing and product evaluation. The results indicate that the relationship between information search and the degree of mismatch between the product and the product-category schema may be conceived as an inverted U. Thus, information search and processing effort is a viable strategy when the level of discrepancy is moderate. For high-discrepancy stimuli, search seems to decrease.

Discrepancy was also the topic of Stayman, Alden & Smith (1992). They extended the work of the above-reviewed authors by examining how discrepant information affects product evaluation at the product-category schema level (product type level). The study presumed that consumer information processing based on product-category schemas may influence the manner in which consumers evaluate products. The authors conducted three studies. One study examined the effects of incongruent product information on product expectations (schemas). The results indicated that even though attributes describing a new product are discrepant from a prior category schema, consumers may be able to assimilate if the new information is moderately discrepant. But if the information is extremely discrepant, consumers may switch schemas, and form product expectations based on an alternative schema. The second study showed that product use was followed by negative evaluations if a consumer's experience of a product has very different from schema expectations (disconfirmation), compared with a situation in which the product matched schema expectations

---

13 Moderate mismatches or incongruities are those that can be successfully resolved and that do not cause a remarkable change in the consumer's existing knowldge structure (Mandler 1982).

14 According to definition, extreme incongruency cannot be resolved or can be resolved only if the existing knowledge structure is markedly changed (Mandler 1982).

(confirmation). If the product matches schema expectations, a simple assimilation to the schema and a positive evaluation will occur. But if the product is perceived as discrepant with expectations, one of the three responses should occur: schema switching, successful accommodation with the existing schema, or unsuccessful accommodation with the existing schema. A negative effect is likely to occur when consumers attempt to accommodate a strong mismatch to expectations within the schema. Unsuccessful accommodation in particular will result in anxiety or frustration, leading to negative evaluation. The third study found that disconfirmation judgments which cause subsequent changes in product evaluations may result from different modes of consumer information processing. Consumers will make a number of attribute-based judgments as to whether a product is better or worse than expected, while they can also engage in more holistic schematic processes that are based on whether a product is the same as or different from schema-based expectations (category-based processing). Stayman et al. emphasize the importance of the accuracy of the schematic representation of the product as the prerequisite of favourable product evaluation.

Stayman, Alden & Smith (1992) also has implications for the consumer satisfaction research. The results of studies applying the categorization approach indicate that the disconfirmation model of consumer satisfaction (see e.g. Uusitalo, O. 1993) can be improved if the possibility of category or schema-level processing effects on product evaluation and satisfaction are considered.

Inferences about products may be based on categorization

Sujan & Dekleva (1987) applied a categorization approach to examining consumer inference-making about comparative and noncomparative advertising. The starting point of their study was the categorization theory premise that knowledge of objects leads to mental structures at varying levels of specificity (Rosch 1978). Furthermore, they assumed that there is a basic level of representation at which most people naturally categorize and spontaneously name objects. The basic level is the most parsimonious: at that level a few "rich" and "distinct" categories are formed. Richness refers to the number of attributes describing the category, and distinctiveness refers to how differentiated the category is from other categories at the same level. While few inferences can be made about a product at the product class level, the product type level usually allows several inferences to be made. Brand level would provide only a small increase in the attributes describing the category. The study finds evidence for the hypothesis that the product type level constitutes the basic level of categorization. At this level the inferences were found to be rich, evaluative[15] and quite distinctive. Product inferences vary systematically depending on the specificity of available cues. The critical role of expertise was also emphasised in this study. Experts, i.e. the individuals with knowledge about the domain will be

---

15 An inference was regarded as evaluative if it was judged as including some negative or positive evaluation.

able to construct and use categories at high levels of specificity. Thus experts can draw inferences at the brand level and they may perceive the brand cues differently in comparative advertising. For novices there will be no differences between noncomparative and comparative advertising unless the product is presented within a general product class. One important implication of the study is that consumers will make inferences and ascribe attributes to products and services, even when such attributes are not explicitly mentioned in advertising or other product information.

What determines product typicality

The understanding of the factors which determine whether a product or brand is perceived to be a typical member of a particular category is an important issue in categorization. It has been suggested that typicality is determined by the number of common attributes shared by the products, familiarity with the product (and its meaning), frequency of exposure to the product, and evaluation of the product. Loken & Ward (1990) explored the determinants of typicality in product and brand categories. The results of the study indicate that several variables can be determinants of typicality. Loken & Ward concentrated on three issues: 1) the effects of multiple constructs[16] as determinants of typicality in product and brand categories, 2) the relationship between typicality and attitude, and 3) the effects of category level (superordinate versus subordinate) on the predictive ability of constructs relating to typicality. Data were collected in a laboratory setting; typicality, attitude, familiarity, frequency of instantiation, family resemblance, multiattribute structure, and/or ideals for 16 product categories (8 superordinate and 8 subordinate) were measured. This study showed that all six variables tested may be determinants of typicality. Further, findings from prior research that typicality is related to product preference were supported. The typical products may be preferred because they have more valued attributes. Loken & Ward also dealt with the issue of whether product categories are more like taxonomic or goal-derived categories. They suggest that product categories are on the one hand taxonomic since they may become firmly established in memory. On the other hand, product categories also retain a goal-related nature.

Perceived brand positions

Consumers' perceptions of similarities and differences between brands in a product category are related to the subjective brand positions in their minds (Ries & Trout 1981). Sujan & Bettman (1989) examined the effects of brand positioning strategies, especially marketing communications on perceived brand positions as well as brand and category perceptions. The authors suggest two alternative strategies available to marketers for positioning a new brand. First, the product differentiation strategy aims at such a position where the brand is seen as sharing

---

16 The authors tested six variables: three evaluative constructs (attitude, ideals, and attribute structure), family resemblance, and frequency of exposure.

important attributes with other brands and yet is better than the other brands on the differentiating attributes. Second, the subtyping strategy is implemented so as to create a new submarket or niche for the brand. The brand ought to be set apart from the general category. The differentiating attributes are used to create a strong impression of difference, as the brand should be perceived as a separate category.

Sujan & Bettman investigated the effect of conveying strongly versus moderately discrepant information about the brand on consumers subjective perceptions of the brand and product category, and on brand positioning (a differentiated vs. subtyped position). A schema theory approach was applied and found useful for understanding the effects of brand differentiation versus brand subtyping strategies on consumer perceptions. The results of the study demonstrate that perceptions that the brand is strongly discrepant lead to brand subtyping whereas perceptions of moderate discrepancy lead to brand differentiation. The differentiation and subtyping strategies also seem to be linked to differences in consumer perceptions of brand attributes, brand evaluations, and market or category perceptions. A subtyped position, in comparison to a differentiated position, is thought to be associated with a better memory for the distinguishing features of the brand, fewer inferences about other attributes, perceptions of greater variability among brands on the distinguishing attribute, increasing importance of the distinguishing attribute, and a significant relationship between distinguishing attribute importance and brand evaluation. These effects were found to strengthen over time. The distinction made between the differentiating and subtyping strategies gives insights about the potential effects of positioning strategies on consumer perceptions and inference-making about products and brands.

Product similarity

Consumer inference as to product similarity and difference is conceived of as guided by various types of cues. These cues have been the topic of several studies. For example, Johnson, Lehmann, Fornell & Horne (1992) examined attributes that consumers would use when making product similarity judgments. When inferring product similarity, consumers will rely on either features or dimensions, or on attributes which vary from concrete to abstract. Features are determined as dichotomous attributes which objects either have or not have while dimensions are defined as attributes on which objects vary as a matter of degree. The results of the study indicate that the types of attributes which consumers would use to judge product similarity in brand level judgment are different from those used in product category level judgment. Consumers seem to process more abstract attributes at the category level than the brand level. Thus product categories are judged on the basis of more abstract attributes than are brands. However, consumers with extensive experience of product categories seem to be able to process product category attributes as features. The results of the study indicated that experience results in more efficient similarity judgments, i.e. consumers with experience of the product categories should be capable of the feature-based processing of abstract dimensions. Additionally, Johnson et al.

considered the effect of attribute type (feature or dimension) on similarity scaling (which scaling technique would be the most relevant), but the results failed to support a direct relationship between the two. Instead, spatial scaling is thought to be appropriate at a more abstract or latent level, whereas tree scaling and clustering technique may be useful when studying brand level perceptions.

Consumers typically use a small number of important attributes when they infer similarities and differences between items within a product category. Correspondingly, in product choice situations, consumers do not normally use more than four or five attributes when evaluating the alternatives. Only a small number of attributes carry any considerable weight in evaluation and choice. In addition to the small number of important attributes, consumers are aware of a group of secondary attributes which may be used occasionally. As consumers' familiarity with the product or brand increases, the influence of secondary attributes should grow (Block & Johnson 1995). As far as grocery stores are concerned, the majority of consumers have accumulated considerable experience of the stores which they use regularly. Due to this experience, efficient similarity judgments can be expected. As expertise and familiarity increase, differences among the members of a category become more visible and salient. With the increasing weight put on these differences, subcategories can be formed. Do consumers rely on the few most salient attributes or are they able to use the secondary attributes stored in the memory?

Similarity perceptions may indicate product inferences but they do not necessarily indicate consumer preferences. Therefore, consumer preferences merit particular attention. One approach to examining the differences between similarity perceptions and preferences is to concentrate on the role of different product attributes. It has been suggested that different attribute types may have different roles in similarity and preference judgments. Lefkoff-Hagius & Mason (1993) examined whether "kind of attribute" explains some of the difference between similarity and preference judgments. They used the attribute typology developed by Myers & Shocker (1981). This typology is suitable for marketing research as it makes the distinction between three basic types of attributes: characteristic attributes, beneficial properties or image attributes of the product[17]. These three types of attributes can easily be conceived of as active in consumers' product perceptions. Characteristic attributes refer to the physical properties, beneficial attributes refer to what the product will do for user, and image attributes refer to the symbolic properties of the product. To review some implications of the different attribute types, the literature suggests for one thing that characteristic attributes which are visually salient and distinctive play an important role in the perception of similarity (Rathneswar & Shocker 1991). For another thing, beneficial attributes are believed to be the most important in product evaluation, preference, and choice. Beneficial attributes usually refer to the utilitarian benefits of the products, i.e. what the physical products will do to the consumer. But products can also be associated with more abstract benefits, or symbolic

---

[17] Many studies, for example Johnson, Lehmann, Fornell & Horne (1992) support the idea that when making comparisons between products and product classes consumers associate products with "attributes ranging from the concrete to the abstract".

benefits. The significance of symbolic benefits is revealed as consumers rather often purchase particular products for the imaginary properties which they associate with those products. Consumers gain satisfaction from product use or ownership; they feel that they become associated with a desired group, role, or self-image (e.g. Levy 1959; Sirgy 1982).

The relative importance of the three attribute types may depend on the particular product, but the literature (economic, marketing, sociology) suggests that consumer preferences for products seem to be primarily driven by beneficial and image attributes. On the other hand, characteristic attributes would play a relatively more important role in similarity than in preference judgments. The results of the study confirmed the expectation that benefits are relatively more important in preference than in similarity judgments and that characteristic attributes are relatively less important in preference than in similarity judgments. Nevertheless, contrary to expectations, the results indicate that image attributes are relatively less important in preference than in similarity judgments. The authors suspect that the results concerning image attributes are very likely affected by the experimental procedure and the unsuccessful operationalisation of image attributes[18] (Lefkoff-Hagius & Mason 1993, 102). Thus the study did not succeed in capturing the relative role of symbolic or image attributes in preference and similarity judgments. However, Creusen & Schoormans (1997) conducted a replication study whereby they found support for the hypothesis that image attributes are relatively more important in preference than in similarity judgments.

Three stages of categorical processing: antecedents, processes, and consequences

Cherian & Jones (1991) pursue a deeper understanding of brand categorizing by proposing some previously unnoticed processes and concepts in categorical information processing. They develop a framework for describing the building blocks of the three stages of categorical processing: antecedents, processes and consequences. Furthermore, they specify the relationships between these stages. The framework includes such antecedents for brand categorization as ability (expertise), motivation (utilitarian vs. expressive need) and opportunity (time available). The processing of brand information as well as categorization is regarded from the perspective of both input data and output data. First, as to type of input data, the study considers whether input data are mainly perceptual or conceptual. Perceptual information, e.g. colours, shapes leads to simple perceptual categorization. Conceptual data is much more diverse, and leads to a more theoretical category structure. Second, as far as the output of categorization process is considered, it can be conceived of as forming a hierarchical three-level representation. At the lowest, most concrete level objects are represented iconically, i.e. analogous to the input. At a more abstract level there is the categorical representation, an analog-to-digital filter which transforms the analog

[18] Lefkoff-Hagius & Mason conducted their study in an experimental setting in a laboratory.

input into digital form, i.e. into contextually relevant categories. At the most abstract level, symbolic representations are formed. The input view and the output view are closely related: perceptual categorization depends on iconic representation while conceptual categorization depends on symbolic representation. The study indicates, in line with many of the previously reviewed studies, that alterations in the existing category structure are influenced by congruity. Congruous new items will fit automatically into the existing categorization. An incongruous item may be made fit with the existing schema by assimilating, accommodating, or alternating. In case of deep discrepancy new categorization schemas will be formed.

The following relationships between the antecedent, process, and consequence variables are suggested by Cherian & Jones (1991). Firstly, the expressive needs of consumers and / or low expertise will be associated with simple perceptual categorization. Visibly similar objects are grouped together, and they form rigid categories. As a new stimulus is perceived as discrepant the consumer will use a high-power adjustment procedure, e.g. accommodation. Secondly, consumers with utilitarian needs and / or great expertise will use fuzzy conceptual categories. As the boundaries of these categories are flexible, a new stimulus will not be perceived as discrepant and lower-powered adjustment, e.g. assimilation will be used.

The model proposed by Cherian & Jones concentrates on the abilities and motivation of the consumer, the categorization method, and the nature of the categories formed. But it does not include the cues which consumers use when they categorize stimuli. Since grocery retailers can manipulate these cues in their marketing, and therefore it is necessary for them to understand the principles which underlie e.g. store categorization.

How categorization takes place: models of category formation

Cohen & Basu (1987) focused their study on the categorization process relating to "how consumers go about deciding what an object is". They reviewed and analysed the previously applied models of the categorization process: the rule defined, prototype defined, and exemplar defined models. In particular, the distinctions between feature-based and exemplar-based accounts of the model was emphasised. Second, the authors suggested a contingency-based "mixed model" of categorization. This new model incorporates the effects of category learning and task-related factors in categorization situations relevant to consumers. Third, the authors described empirical procedures useful in examining the effects of contingent processing factors on the categorization processes.

Interestingly, Cohen & Basu (1987) propose that the foundation underlying the existence of categories is functional rather than purely structural or representational. Categorization enhances information processing efficiency and cognitive stability. Moreover, the human information processing system is flexible in its response to contextual factors, and categorization may therefore be influenced by personal goals, values, or the need to respond in specific ways. The authors point out that the categorization approach emphasises the view that consumers will organize their belief systems about products around category-relevant factors such as consumption goals, product functions, common properties etc.

Cohen & Basu (1987) also discuss product similarity and preference judgments and argue that these two are closely linked to each other. It is claimed that categories may form both around discriminably different items and around evaluatively different items. Accordingly, either similarity or preference may be the common theme in categories. Cohen & Basu (1987) argue that the understanding of product identification and product evaluation issues might be enhanced by examining the alternative models of the categorization process. This is because the bases of these judgments might vary according to which model of information processing is followed by the consumer.

The categorization approach also helps to see that consumers have a relationship to a range of products, i.e. consumers do not consider each product in isolation but in the context of other products.

The authors noticed the importance of both the instrumental and expressive aspects of products. Uusitalo, L. (1977), likewise, stressed the importance of the functional and purposive basis of consumer perception. She examined which basic dimensions consumers use when they categorize TV advertisements and found that consumers reduce the many potential attributes into a few basic dimensions which corresponded to the functional needs the advertisements were supposed to fulfill. The dimensions found were: entertaining, giving information, having important issue. Correspondingly, we might assume that consumers categorize and differentiate between grocery stores according to a few major functions or expectations which they attach to these stores. Such expectations could include e.g. having variety in supply, selling good quality products, making shopping convenient (through modern technology), having a "pleasant atmosphere" (consisting of cleanliness, good personal service, aesthetic and modern surroundings).

In summary, the previous categorization studies in the domain of consumer behavior have dealt with several issues concerning consumer information processing and consumer knowledge structures. In general, the categorization approach seems to bring a number of benefits to the study of consumer perception. The studies reviewed also have implications for the study of the consumer categorization of grocery stores. It appears that schema-like knowledge structures help a consumer to identify and give meaning to products and services, especially to new objects and events. Categorical structures also contribute cognitive economy and efficiency: products and brands can be considered members of broader product categories, thus they can be responded to accordingly and the unique features of each product or brand do not require processing. Thus consumers in a turbulent retailing context would profit from the use of categorical cognitive structures which facilitate and simplify the perception and interpretation of new information. A considerable benefit of the categorization approach is the relationship between the consumer and the supply of products and brands. Whereas many contemporary views of consumer behavior concern the relationship between the consumer and a single product or service, the categorization perspective focuses on the relationship between the consumer and the structural context within which this relationship exists. For example, how the consumer perceives, evaluates, and responds to the alternative grocery stores in a given area. In addition, transformations in the supply structure will affect the organization of knowledge, and also the categorical knowledge structure. The categorization perspective emphasizes the view that consumers tend to organize their belief systems about products around category-relevant factors rather than around single brand attitudes or beliefs. The category-relevant factors could, for example, include consumption goals, product functions, common properties, clear or ideal instances.

2.2 Store evaluation and preference

2.2.1 Multiattribute model of preference

Retail stores are very complex and ambiguous objects of study. A multiplicity of factors may be involved as regards the formation of retail store preferences. The question of how grocery store preferences are formed and how they are represented needs careful investigation. Preferences have been extensively studied by marketers and they are commonly used to predict product choices (Green & Srinivasan 1978; McGoldrick & Thompson 1992).

In the marketing literature a preference has usually been defined as the outcome of a consumer's evaluation process (Johnson & Puto 1987). The multiattribute models of attitude (e.g. Fishbein & Ajzen 1975) and product evaluation (e.g. Schocker & Srinivasan 1979), can be used when measuring consumer preferences.

The application of these models implies that the consumer evaluates several alternative retail stores and forms a rank order of preference concerning the stores. The consumer is assumed to evaluate each store separately, assign an importance judgement to each store attribute and rate the store on the same attributes. The store attribute beliefs and the attribute importance ratings are then combined. The consumer is assumed to use some kind of combination rule to reach a preference structure. Implicated in the preference structure are the overall evaluations of the stores. While several alternative rules that consumers may use have been suggested in the earlier literature, it is difficult to show which rule is actually used by a consumer on a given situation (see e.g. McGoldrick & Thompson 1992, 47-48).[19] For example, the consumer might use a linear compensatory rule that assumes a tradeoff calculus according to which a poor evaluation of one attribute can be compensated by the good evaluation of some other attribute. Alternatively, a lexicographic rule could be used. Then the consumer will

---

19 Another issue is whether the consumers will choose the most preferred store. Even though it seems reasonable to assume that a consumer will choose the store which obtains the highest preference scale value, this may not invariably be the case. Thus instead of behaving according to a determinist rule of choice, the consumer may follow the rule of probabilistic choice, which means choosing a store which is not the most preferred. The use of the latter rule may be due to the constraints associated with the stores or particular unexpected events (McGoldrick & Thompson 1992).

evaluate each store on the most important attribute and the store perceived to be best on this attribute will be the most preferred. (See Bettman (1979) for the various combination rules).

The multiattribute model of preference assumes that the consumer interprets and thereby attributes importance to salient product attributes. The means-end model extends the multiattribute view by including various levels of abstraction in the model (Gutman 1982). While the model is designed to analyse why certain attributes are important to the consumer, it posits that the linking of a product to the self can be considered at three levels of abstraction: attribute, consequence and value.

What is more, consumers may assign a different importance to different product attributes on different occasions. That is, preferences may vary by consumption context or occasion. Thus consumers can have multiple perceptual orientations. Multiple knowledge structures will exist for a given product class, each reflecting a different preference order. The different levels of abstraction perform different functions with respect to perceptual discrimination and preference formation. Perceptual discrimination would occur at the attribute level, whereas preferences would be related to higher-order representations, i.e. either product benefits or values. Preferences would then be closer to the self and perceptions would be closer to the product. (Reynolds 1987).

2.2.2 Category-based preference model

While the multiattribute model has been the approach most commonly used to study preferences, the relevance of the category-based evaluation model in the context of preferences has been recognized recently. Some studies indicate that product evaluations and preference formation may be based on the categorization of objects rather than the constructive attribute review process (Fiske S. 1982; Fiske & Pavelchak 1982; Sujan 1985). Sujan (1985) suggests that "in category-based affect an already formed global, affective reaction is retrieved from memory and applied to the instance at hand" (p. 31). The theory behind these studies says that the overall category influences the evaluation of the specific product or brand (Sujan & Bettman 1989, 456).

Consumers' interaction with many products often entails evaluative judgments and inferences in addition to perceptual judgements or deciding what the object is. Categorization of products and brands and their evaluation may thus be intertwined (Cohen & Basu 1987). Accordingly, mental categories could be formed around the mental representations which reflect consumer preferences. Then, affective responses to products may be influenced by their identification as a member of a particular category (Cohen 1982; Sujan 1985).

For example, affect may be transferred from the general grocery store type schema to the specific store schema. Thereby, the evaluation (preference) of the overall store category may influence the evaluation (preference) of the specific store[20]. As the consumer categorizes a new grocery store as an example of a previously defined store type, the affect associated with the store type can be retrieved and associated with the new store. However, if the new grocery store is strongly different from previously known stores, a unique category, e.g. store type will be formed. Then it is less probable that the attributes associated with a previous grocery store category are ascribed to the specific new store. In addition, there is likely to be little transference of affect from the general store schema to the new store.

The definitions of similarity and preference applied in some studies imply that similarity and preference are the same thing. Preference in these studies is defined in terms of the distance judged by the consumers between an existing product and an ideal product. The closer the product is to the ideal the greater the preference. Similarity is also defined in terms of the perceived distance or proximity between products. The closer one product is to another, the greater the similarity. This view has, however, received counterarguments. Empirical evidence shows that what is important to consumers when they judge the similarity of products does not necessarily match what is important to them when they evaluate the same products for purchase. People sometimes appear to like one and dislike the other of the two objects that they perceive to be quite similar. What is more, previous research has demonstrated that the perceptual maps concerning product similarity are not necessarily consistent with the preference maps concerning the same products (Lefkoff-Hagius & Mason 1993; Derbaix & Sjöberg 1994; Block & Johnson 1995). While a link can be assumed between product similarity and preference, they must be studied separately.

2.2.3 Preferences and the role of affect

Many of the previously applied store preference models focus on consumers' cognitive judgments of retail stores. The models assume that consumer preferences are subjective counterparts, evaluative codes, of consumer perceptions of the stores' component properties. In addition, a one-to-one correspondence between the overall utility or value of a store and preference for a store is usually presumed. This view has been questioned, however. For example Zajonc & Marcus (1982) reject the traditional view that preferences are pure cognitive representations of products' component utilities. Instead, they emphasize the role of affect in preferences, at the same time stressing the importance of examining the interplay of affective and cognitive factors. In particular, they suggested the "exposure effect" paradigm which states that positive affect toward a given object may arise merely as a result of repeated stimulus exposure. Preceding cognitive evaluation is not necessary. If the "exposure effect" postulate is correct, repeated exposure to a retail store will be capable of making an individual's evaluation of this store more positive. A consumer would prefer that retail store because of repeated experience with it.

[20] In my study, overall category is considered equal to store type and brand is considered equal to a specific store.

Moreover, Zajonc & Marcus (1982) argue that preferences are behavioral phenomena. Consequently, preferences may not always be mentally represented as concepts but instead as behaviors. This kind of representation is referred to as a somatic representation. As preferences are so close to behaviors they presumably contain a predictive element. "A preference is a behavioral tendency that exhibits itself not so much in what an individual thinks or says about the object, but how s/he acts toward it" (p. 129). While preferences are associated with motor tendencies and other somatic manifestations, the somatic components may become independent of the cognitions that originally participated in the formation of those preferences. Then the behavioral tendencies may turn into expressions of the "independent" preferences. Zajonc & Marcus maintain that preferences can have multiple representations - concept associations, images, somatic representations. Consequently, it would be difficult for marketers to attempt to change preferences by cognitive methods.

The behavioral tendency as an integral part of store preference is especially significant because it participates in the expression of preference, e.g. choice of a store, shopping patterns etc.

Kaplan & Kaplan (1982) proposed a framework describing how preferences towards landscapes, spaces, scenes, or buildings are formed. They infer some principles which may well be relevant for the study of grocery store preferences.

For one thing, familiarity seems to play a vital part in evaluation. People usually prefer familiar things, things that they know. Familiarity also increases an individual's confidence and allows use of their cognitive maps. "The concern to *make sense* out of the environment is one of the most pervasive human needs" (Kaplan & Kaplan 1982, 77). People also have a tendency to look for variety and new things; they seem to like challenges and involvement, they want to explore their environment and extend their cognitive maps. "It is inherent in people to seek and cherish *involvement*" (p. 78). Involvement and making sense are fundamental aspects in life, and individuals tend to seek them throughout their lifetime. Involvement and making sense are also important components in preference; objects and events that appear involving and making sense will be preferred. Kaplan & Kaplan outline the relationship between preference and behavior in an interesting way:

> "Although preference is a guide to choice, the assessment involved in preference is assumed to take place whether one actually has a choice or not. ... It is an extension of the perceptual process; like prediction, it enhances one's readiness to act even though no action may be called for at that particular moment". (Kaplan & Kaplan 1982, 80).

In conclusion, we could say that store preferences may be formed through several alternative processes: cognitive learning of store attributes and their utilities; in categorization of stores (category-based affect); through repeated exposures and familiarity with the stores; in the transferring of store knowledge into the behavioral tendency; or as the outcome of the process of seeking involvement and new challenges. Store preferences can be seen as part of the consumer's hierarchical category structure. The category representations may be built on the basis of either similarly judged or similarly preferred products, and consumer perceptions of the similarity of the stores cannot be considered equivalent to store preferences. As we are concerned with consumers' mental representations of grocery stores we should examine both store similarity perceptions and store preferences separately while recognizing their potential interplay.

2.3 Store perception in the shopping context

This chapter discusses and analyses the role of some aspects of the shopping context in consumer store perception. First, consumers' goals with respect to grocery shopping and the consumers' values are addressed. Consumers may have different needs activated by different motives in different shopping situations. Moreover, different shopping orientations have been shown to exist. These issues are assumed to be important with respect to the interpretive stage of store perception. In the interpretive stage consumers are thought to attach meanings to the perceived stimulus. This chapter, therefore also analyses the role of the symbols and symbolic meanings attached to grocery stores.

2.3.1 Consumers' goals and perceptual categorization

Cognitive representations such as cultural models, cognitive schemas, or cognitive categories are arguably not pure representations of the surrounding world. In this sense, we could say that the consumers' cognitive structures concerning grocery stores will be biased. For example, existing store schemas and mental category representations of grocery stores may have a biasing and filtering effect on the perception and interpretation of new information concerning grocery stores.

Alternatively, consumers' goals and values may have a distorting effect on perceptual categorization. The formation, maintenance, and preservation of cognitive categories will be influenced by an individual's values (Tajfel & Forgas 1981; Gutman 1982). In the retail store context values are thought to determine which features or benefits consumers emphasize and which features they ignore. The important observation made by Gutman (1982) is that the manner in which consumers describe products at the attribute, consequence, and value levels indicates the way in which these products are grouped into functional categories. The values held by consumers are imposed by culture, and values influence consumers' goals concerning e.g. food consumption and grocery shopping.

> "Cognitive processing is coordinated with the individual's goals and intentions. The purposefulness engenders a selective mindfulness and cognitive attunement to particular kinds on information and alternatives" (Zukier 1982, 466).

Barsalou (1983, 1985) suggests that the mental category structures may be either taxonomic or goal-derived. Taxonomic categories would be formed of natural and physical objects - animals, fruits, vegetables - based on the common attributes shared by them. According to Barsalou, taxonomies such as these are collective categories as they are commonly shared by the members of a culture. Goal-derived categories are, on the contrary, idiosyncratic. Each consumer would then have an individual way of forming his or her goal-derived mental structure. The items in the goal-derived categories are not necessarily associated with each other, but they are related to the achievement of a common goal.

Perceived goals or purposes are critical because they impose directionality to the perception and evaluation of retail stores. Moreover, they will also affect the points of reference used in perception and evaluation.

The individual's goals will be in some way or another connected with the context. The context may refer both to the immediate shopping context and the larger cultural context. Furthermore, the context may be important in the construction and structuring of the perceptual or evaluative 'problem'. In this respect, the context may provide the cues for the solution or the outcome (Zukier 1982, 467).

The categorization approach posits that in the process of perception the 'external' stimulus input is transferred through cognitive operations into an 'internal' system of knowledge. This implies that experiences are not put into an individual as such, but he or she actively assigns them meaning and identity. The individual then classifies and regroups the experiences into categories which fit into the existing cognitive structure. According to this cognitive view, thinking is an active, anticipatory, and constructive activity where the values and goals of an individual as well as the context are important and active aspects.

Since consumer perception and evaluation of grocery stores include purposeful activities, consumers may select the criteria which guide their perceptual and judgment processes. Criterion selection may occur deliberately: the goals and objectives of the consumer guide the selection process. Deliberate, goal-guided selectivity implies that the person's expectations about the future will influence the evaluative reference point. But, criteria may also be selected inadvertently. Selectivity would then be reactional which means that the consumer reacts to the stimulus features or context unintentionally. The effects of heuristics and salience[21] are examples of reactive selectivity. While reactional selection is automatic and requires little effort and energy, its disadvantage is that a potentially irrelevant criterion might be selected unintentionally.

> "The information that receives special attention rarely does so because it is called for by the individual's judgmental objectives or by the use to which he or she intends to put the information. The salient information is not actively selected, but imposes itself and 'engulfs' the observer. Thus, an inappropriate criterion or point of reference may often be activated, guide further processing and recall, and produce systematic distortions" (Zukier 1982, 471).

Goal-oriented knowledge structures can be conceived as functional knowledge. This kind of knowledge concerns how and why retail store features are relevant to the achievement of a particular shopping goal. That is, functional knowledge is about the relevant product features and their connections with the consumers'

---

21 The term salient beliefs refers to the set of beliefs activated in a particular situation; they may be presented as an associative network of linked meanings.

goals. (Huffman & Houston 1993).

Consumers may have several different motivational or orientational dimensions in their grocery store schemas. The goals imposed for the shopping trip, or for grocery shopping in general, would determine which dimension is activated in a given situation. The importance placed by the consumers on either functional or expressive goals will influence how they perceive and evaluate the different retail service packages.

To sum up, the interaction between the consumer and the grocery store context is critical as regards the consumers' perceptions of grocery stores. Accordingly, it is important to notice that the content and structure of mental representations may have a functional base, as was discussed in the previous chapters (consider also e.g. Cohen & Basu 1987; Uusitalo, L. 1977). In particular the purposive, context-sensitive, and action-linked components of knowledge should be recognized. Besides, in accordance with the cultural model approach, we must remember that cognitive representations tend to be socially constructed and shared among the members of a culture. This particularly concerns taxonomic category structures.

2.3.2 Different shopping orientations

Consumers may perceive different types of cues on different shopping occasions. Moreover, shopping motives and evaluations of the shopping experiences are likely to be diverse. The diversity of consumers' needs and motivations is the idea underlying the theorizing about differences in shopping orientations.

Several studies have examined consumers' shopping orientations[22] in terms of multiple dimensions. Stone (1954) and Laaksonen (1987) regard the shopping orientation as an attitude structure with a particular direction and function. Stone (1954) distinguished between economic shoppers, who evaluate outlets primarily in terms of price differentials and the quality and variety of goods on offer, personalising shoppers who rely on their relationship with the store personnel, ethical shoppers who shop in particular store types for moral reasons, and apathetic shoppers who have very little interest in shopping, and try to minimise the shopping effort. Correspondingly, Laaksonen (1987) found four dimensions of shopping orientation: ethical support to small local shops, a personal-social relationship to small local shops, a rational-economical relationship to big stores, and a recreational relationship. As regards grocery shoppers' orientations, it seems that their motivation will be dominated by either the personal-social relationship which reflects a contact motive, or the rational-economical relationship reflecting collection and performance, i.e. economy-mindedness and bargain-seeking (Laaksonen 1987, 86).

Babin, Darden & Griffin (1994) suggest a different kind of distinction in the mental processes underlying shopping. They discern two basic dimensions in the

---

[22] Shopping orientation has been defined as "a long-established specific attitude structure which refers in its entirety to the function and direction of the action in a particular situation" (Laaksonen 1987, 78).

shopping experience: utilitarian and hedonic. Cherian & Jones (1991) were also concerned with consumers' needs: they investigated the expressive and utilitarian needs attached to products and consumption.

Sheth (1983) proposes shopping motives to refer to a shopper's needs and wants in relation to the choice of the store where to shop for a specific product. A shopper's needs could be either functional or non-functional. Functional needs refer to e.g. the need for low prices or the need for a wide range, whereas non-functional needs refer to wanting to shop to relieve boredom or to enjoy aesthetic experiences. Sheth (1983) suggests that a consumer's shopping motives may be composed predominantly of one type of needs and wants, e.g. functional needs across all product categories. Alternatively, functional motives may guide a consumer with respect to some product categories, e.g. food, meanwhile non-functional motives drive him or her in others, e.g. clothes.

In the present study, shopping orientation conceived in terms of attitude structure (Laaksonen 1987), which is a rather complex concept, is not required. Instead, I shall refer to the basic mental processes, i.e. needs and motives underlying shopping. *Hence the term shopping orientation will refer to the direction of the consumer's motivation. The direction of consumer motivation is thought to be either mainly functional or mainly hedonic, according to the benefits sought in a given situation.*

We can assume that certain functional motives frequently underlie grocery shopping behavior. Rational or utilitarian goals would then be fulfilled, and functional benefits would be sought, for example reasonable prices, high quality goods, quick service. However, there is no reason to believe that rational goals and functional benefits provide an exhaustive account of grocery shopping. This is because sometimes pleasure-seeking, experiential motivation, social relations, exploration, or identity-building may be the main motivation in grocery shopping. In this case the consumer would be seeking various non-utilitarian benefits. Non-utilitarian benefits are of various types: hedonic (enjoyment of shopping exotic food), expressive (self-expression related to preparing meals) and social benefits (feeling of being a good mother to a family).

The utilitarian orientation reflects a work mentality to shopping. Shopping is consequently an instrumental activity which helps the consumer to fulfil his or her functional needs and expectations. Consumers' expectations would be expected to revolve around the successful achievement of the goals set for a shopping trip. Shopping in utilitarian sense, shopping as utilitarian work, would include the "conscious pursuit of an intended outcome" (Babin, Darden & Griffin 1994, 645). Utilitarian shopping would be task-related and rational, as it reflects consumers' attempts to meet their goals and accomplish their necessary purchases efficiently.

For utility-oriented consumer, the categorization of grocery stores will be influenced by the consumer's functional needs and expectations. Consequently, the categories will be formed according to the functional benefits which these consumers expect to receive when shopping in the different grocery stores. A utilitarian-dominated shopping orientation may be related to consumer perceptions and use of the functional cues in the store environment. Such functional properties are presumably related to how the specific store succeeds in meeting consumers' functional goals in the grocery shopping context. The consumers would elaborate the cues available in the stores, and form conceptual categories that are useful and flexible (Cherian & Jones 1991).

On the other hand, the hedonically-oriented consumer will supposedly rely more on the symbolic cues of the retail environment in perceiving and evaluating grocery stores. Cherian & Jones (1991) found that expressively motivated consumers will perceive visually salient and distinctive attributes. These attributes may be irrelevant with respect to the utilitarian needs of the consumer. Moreover, according to whether their shopping goals are hedonic or expressive, consumers will form simple perceptual categories. These categories may, however, be rigid and not easily adaptable in case of discrepant new information (Cherian & Jones 1991).

Although the utilitarian and the hedonic aspects of shopping are often conceived as two separate dimensions, they may be inseparable in real-life consumer behavior. Food shopping, for example, is a necessary task which often includes the fulfilment of functional needs, and yet may after all be a rewarding and pleasant experience; for example, from a bargain-related hedonic perspective. Although the utilitarian dimension would appear to be more probable in grocery shopping, in principle either dimension may dominate.

2.3.3 Meanings associated with grocery stores

As was stated in the previous sections, consumer perception entails the whole process of sensing and interpreting stimuli. The inferences and interpretations made about grocery stores are an integral part of store perception. The interpretation stage of the perceptual process is important because it implies the association of meanings with the stimuli. Moreover, the meanings attached to grocery stores will drive consumer behavior.

One of the most important assumptions in contemporary consumer behaviour theory is that the consumers will attach subjective meanings to products. Furthermore, products are thought to contain abstract properties which go beyond their utilitarian value and physical characteristics (McCracken 1988a). Retail stores, like all ordinary consumer goods, also have the ability to carry and communicate cultural meanings. It follows that grocery stores, similarly to consumer products and services, may be studied as carriers of meanings (Baudrillard 1981; Belk 1988; Csikszentmihalyi & Rochberg-Halton 1981; Douglas & Isherwood 1979; McCracken 1988a).

In consumer research, the subject of product meanings has recently gained significant attention. Accordingly, the so called 'language metaphor' has become a widely used research approach (Uusitalo, L. 1995).

Solomon (1983) proposed that while products are usually viewed as responses in connection with need satisfaction, they can also act as stimuli. That is, the causal link between the product and the consumer is also bi-directional. The proposition that products act as stimuli implies that the consumer will use products in defining his or her social role or in constructing a situational self image. Actually, the consumer is argued by Solomon to employ product symbolism so as to define social reality and to clarify behaviors appropriate to a certain social role (Solomon 1983, 320-323). As grocery stores are often linked to need satisfaction, they must be viewed as responses. Meanwhile, we could expect that consumers will continuously be learning new cues in the symbolism of grocery stores; and that this symbolism will drive consumer behavior, especially in relation to self-attribution, definition of self-image, and clarifying one's social role. Thus, grocery stores may act as stimuli to consumer behavior. Grocery stores may act either as stimuli or as response. Hence, we can assume a bi-directional relationship between the consumer and a grocery store.

Two semiotic models of meaning: C.S. Peirce and Ferdinand de Saussure

Semiotics is a prominent approach to the study of how meanings are communicated in the marketplace. Semiotic models of communication stress the symbolic properties of objects and events. These models are relevant with respect to this study because meanings attached to products, services, advertisements, or shopping events may influence how consumers categorize these objects, and how consumers behave.

Unlike other communication models, semiotic models stress the active role of the user of the sign (Fiske, J. 1982). That is, the decoders and encoders, e.g. retailers and consumers, are both seen as active and creative in negotiating meanings. Critical attention would then be directed to the interaction between the retail organization and its products or services, and the consumer. *This interaction should be viewed as a two-way process where the retail organization is concerned with interpreting and anticipating the needs and desires of the consumer. Meanwhile, the consumer is decoding the messages from the retail organization and making choices.* The basic setting of a semiotic model of communication thus includes the organization submitting the messages, and the consumer perceiving and interpreting the messages.

Two prominent "fathers" of semiotic theory, C.S. Peirce and Ferdinand de Saussure, presented the two most important models of meaning. In Saussure's model the sign is composed of two constituents, a signifier and a signified. For example, the hypermarket Prisma could be regarded as a sign. Then Prisma would be conceived as conveying certain messages to the public, e.g. the consumers within its catchment area. As a sign, Prisma would be composed of the signifier which is the physical existence of the sign as it is perceived by consumers (a building by the highway); and the signified which is the mental concept, the word (Prisma). Each individual relates these two elements through signification; he or she gives meaning to and interprets each sign. This is how individuals are thought to make sense of the world and understand it. This model proposes further, that individuals use signifieds as mental concepts to help categorize reality. The signifieds which constitute the boundaries of different mental categories are created by people as members of a particular culture. According to Saussure, signification is determined by the boundaries of the related signifieds in the system rather than the nature of the experience or reality. Thus meaning is determined by the relationship of one sign to another. Saussure concentrated especially on differentiation: he proposed that the meaning of a sign is determined by how it is differentiated from other signs.

Saussure's model is restricted and inadequate if one is interested in how meaning relates to the external world. It does not recognize, for example, that the same object may convey different meanings for different people in different situations. Roland Barthes followed Saussure and extended his work as he composed a model by which the interactive and negotiating idea of meaning could be analysed. Barthes's theory postulates two orders of signification. The first order of signification describes the relationship between the signifier and signified. This is denotation which refers to the obvious meaning of the sign. According to Barthes there are three ways in which signs may work in the second order of signification: connotation, myth, and the symbolic. Connotation describes the interaction between the sign and the user, his or her feelings and cultural values. A myth is a story which helps a culture to explain and understand some aspect of reality, a way of conceptualizing or thinking about something. By the symbolic Barthes means that objects can through convention and use acquire a meaning which enable them to stand for something else. (Fiske, J. 1982, 85-91).

Peirce's semiotic model assumes that the meaning transfer process involves three components: the sign, the object to which the sign refers, and the interpreter or user of the sign. He defined three categories of sign. An icon imitates or resembles an object, an index is something which follows from an event, and a symbol is a sign which requires an agreement that it stands for a particular object. A symbol has no natural connection or resemblance to the object.

Saussure's theory was concerned with the iconic and the arbitrary relations between an object and a sign; he was not concerned with indexes. In so far as the signifier looks or sounds like the signified, there is an iconic relationship, whereas an arbitrary relationship is based on agreement among the users of the sign. Peirce's icons and symbols correspond to the Saussurean terms iconic and arbitrary relations. (Fiske, J. 1982, 46).

Some views on the meanings of goods

Consumption patterns, and product choices are some of the sources of cultural meaning for individuals. Douglas & Isherwood (1979) maintain an interesting and widely accepted view, i.e. that goods are assumed to have a significant role in human knowledge, in making sense of the world. This is because cultural meanings themselves are invisible and intangible, and thus they have to be fixed. "Consumption uses goods to make firm and visible a particular set of judgments in the fluid process of classifying persons and events" (Douglas & Isherwood 1979). Moreover, Douglas & Isherwood (1979) suggest that goods are important in the culture's social communication system; in communicating information about the owners or users of the goods and about social relationships.

McCracken (1988a) proposes a theory relating to the dynamic of the cultural meanings of goods. He especially stresses the mobile character of the meaning carried by goods, and he describes how meaning is constantly flowing from location to location. The efforts of institutions such as retail stores facilitate this transfer of meaning. In his model which describes the movement of meaning, McCracken regards the "culturally constituted world" as the original location of meaning. He analyses the meaning structure of the cultural world by means of two concepts: cultural categories and cultural principles. Cultural categories are determined as "the basic distinctions with which culture divides up the phenomenal world", for example time, space, person, and nature. Category membership is not fixed but under continual reconsideration. Consequently, cultural categories are indeterminate, dynamic and constantly changing.

Parties such as marketers, retailers, consumers, and public policy makers are all active in negotiating the coordinates of the cultural categories and meanings of e.g. grocery store types and brands, or indeed any other aspects of grocery stores. Cultural categories are substantiated by human practices and material objects, for example through retail stores' physical facilities, business practices, opening hours etc. The meaning that structures the world of retailing is thus made visible and stable. Thus the manipulative actions of marketers and other agents change not only the visible material objects but also the latent cultural categories.

The concept of cultural principle refers to the organizing ideas or values according to which cultural phenomena are constructed and segmented into cultural categories (McCracken 1988a). Cultural principles, too, are indeterminate and changeable, and possibly the subject of manipulation by retailers and other change agents. In the context of grocery retailing such cultural principles might exist as, for instance, economy, social value, quality, healthiness, and ecology.

An interesting implication of the theory proposed by McCracken (1988a) is that the cultural context of retail service packages, too, can be fabricated according to cultural categories and principles. Moreover, business managers and other operators in the retailing industry are in part responsible for creating these categories and principles. The store environments, products, buildings, environments or other aspects of the material world are assumed not only to display culture but also to persuade people to believe that the underlying cultural constitution is inevitable.

A different view of the character of meanings was set forth by Baudrillard (1988). He argued that in the contemporary world, one of hyper-reality, the meanings of goods are fleeting and ambiguous. This is because the distinction between the signifier and the signified may be illusory. As a consequence, anything can act as a signifier of the product as a sign. Any good may obtain any meaning, advertisers and managers are free to associate any meanings whatsoever with products and brands.

The hyper-real world with fleeting meanings suggested by Baudrillard may exist to some degree, but it cannot be considered the whole truth. Most people in our society seem to seek fixed meanings anyway. Moreover, attempts to make the world intelligible through material objects (Douglas & Isherwood 1979) still seems to be an important task. Gabriel & Lang (1995) note that Baudrillard ignores those areas of consumption where the functional qualities of goods are primary. Grocery shopping is arguably a task where functional benefits are sought above all others.

Previous studies suggest that meanings can originate from different sources, they are multidimensional and diverse, and they are continuously reinterpreted[23]. Nöth (1988) considered the origins of the meanings of products and services. He emphasised that the plurality of meanings associated with goods is more important than any of the dichotomies suggested in the previous literature, e.g. the dichotomy utilitarian vs. semiotic. Nöth suggested that consumers perceive goods from various semiotic perspectives, or within various frames. The three prototypical frames are the utilitarian, the commercial and the socio-cultural. As regards the origins of meanings, Nöth proposed three important sources of meanings. First, meanings may be generated as consumers interpret the producer's or retailer's discourse, e.g. descriptions or advertisements about the product. They may reject, accept or ignore the proposed meanings. Second, meanings are influenced by consumers' personal preferences for or experiences with the product. Third, meanings can originate from consumers' knowledge of the competing products on the market. Retail store advertising and communication typically aim at increasing the sales of branded goods and/or creating a store image so as to differentiate the store from its competitors. The three sources of meaning are likely to interact with the consumer and the situation as the consumer encodes the messages concerning grocery stores and as he or she attaches meanings to the stores.

Richins (1994) also examined the meanings of goods as the sources of their perceived value. She argued that while the value of goods is often determined in economic terms, the economic value does not necessarily represent the total value of the good. The economic value is often determined as the perceived quality of a good in relation to the price paid for it, or as "what I get for what I give" (Zeithaml 1988). However, value can be considered much more broadly (Babin, Darden & Griffin 1994). For example, a product's meaning may be an important source of value. Richins (1994) reviewed a numerous group of previous studies concerning the meanings of goods, and as a result classified the meanings that create value into four categories: *utilitarian value, enjoyment, representations of interpersonal ties, and identity and self-expression*.

Although the perceived economic value is inseparable from grocery shopping, it is interesting to conceive that there may be other dimensions of value. The four types of meanings discussed by Richins (1994) are possible sources of value in grocery shopping. First, that products bring utility is a basic premise in economic thought. Most durable goods are presumably purchased because they are useful or they increase convenience. It is plausible that the consumers will associate utilitarian value also with grocery stores. Grocery shopping is a necessity for most consumers, and previous studies confirm that the consumers seek utility in many forms: time saving, money saving, convenience, efficiency etc. Second, many goods are connected with enjoyment, since they bring pleasure or enable pleasurable activities. Grocery shopping environments may also be sources of enjoyment and pleasure, at least for some consumers. Consumers might seek sensory pleasures, appreciate aesthetic environments, and enjoy new tastes and novel items which provide hedonic experiences beyond

[23] Multidimensionality and diversity of meanings have been investigated within several disciplines, e.g. in linguistics by Barthes (1968); in marketing by Levy (1959); in anthropology by Sahlins (1976).

pure usefulness. Third, anthropologists in particular have stressed that goods are important in establishing and symbolising interpersonal relations. Grocery shopping is often connected with interpersonal relations. This is because food is purchased not only for oneself but for the family or the household. Food and the activity of shopping for food can mediate interpersonal relations. Finally, the meanings of goods may be associated with confirming identity or expressing the self. For example, consumers may associate particular products with their past or their personal history. Moreover, goods may reflect the knowledge, skills or achievements of a person. Goods may also serve as means by which individuals distinguish themselves from other people. Grocery shopping can be a way of expressing the self and confirming identity, especially for housewives or other persons who are often responsible for conducting the shopping task.

Retail organizations as producers of shared cultural meanings

The interpretation of the symbolic meanings of goods and services is often shared and consistent within a culture. Solomon (1983) justifies the consensus of meaning as follows:

> "Symbols acquire their meaning through the socialization process that begins in childhood. For this reason, individuals with a common history of enculturation should exhibit considerable overlap in their interpretation of symbolic meanings. In other words, the ascribed meanings of many symbols possess a high degree of consensual validation. Cultural symbols are vital to the interpretation of reality; they allow the role player to assign meaning to the world. The shared meaning inherent in a common symbol system allows an individual to assume that his or her interpretation of reality is reasonably consistent with the interpretations of others" (Solomon 1983, 321).

Against this background, we may propose that the meanings inherent in grocery store symbolism are shared.

Retail service packages may be conceived as messages composed of signs which convey meanings in different ways[24]. Grocery retail chains' advertising and marketing discourses convey messages about store offerings. These messages presumably aim at creating a retail service package which is unique, and differentiating it from the packages of competitors. Thus, distinctive symbolic meanings are generated and attached to the grocery stores.

As retail organizations increasingly create symbolic distinctions on the market, symbolism and aestheticization have also invaded the activities of shopping and consumption (Uusitalo, L. 1995). With the decline in the influence of traditional authorities, such as the Church, who previously determined the symbols in use in society, the formation of symbolic meanings has largely become the task of the individual (Campbell 1987, 74). Today consumers are allowed to choose and consider themselves what the symbols attached to the grocery stores and to the goods sold in the stores mean. Accordingly, consumers have the task

---

[24] The famous semiotic models are based on the notion that there are different varieties of signs, signs differ in ways of conceiving meaning, and they relate differently to the people who use them. (Fiske, J. 1982, 40).

of forming the meanings of goods and grocery stores, understanding the meanings conveyed by these goods, and associating the meanings with their own subjectivity and self-concept. As a consequence, shopping and consumption can be regarded as symbolic work. Miller (1987) states that consumption can be considered work whereby a mass-produced, impersonal and strange object is recontextualized into the consumer's own grammar. If grocery shopping is regarded as work which requires skills in manipulating symbols, the study of the meanings of retail store packages is important.

To conclude, it is important to note the cultural role of retail organizations: they play a significant part in the production and reproduction of cultural symbols and the communication of values in contemporary society. Meanwhile, retail organizations also pursue their traditional or main mission, i.e. the elimination of the gap between production and consumption, achieved through the delivery of goods together with retailing services. In this dual role retail organizations have an important effect to the development of meanings and the material culture of everyday life.

2.4 Major principles in store categorization

2.4.1 Functional and symbolic cues

Consumers use cues in the environment when they perceive retail stores and infer distinctions between them. For example, we may ask what kinds of cues consumers use as they build up a hypermarket-schema, or which cues consumers use when they infer differences between a hypermarket and a discount store. Here the concern is categorization output, i.e. the mental representation of store category structure. As the focus is on what the categories are, the interest is in the content and structure of store schemas. In the context of consumer research the schema theories refer to consumers' mental representations of products and brands, and to the content and structure of these representations (Peter & Olson 1990). Additionally, the investigation could look at the specific criteria that are used as bases when separating product categories from each other. In this way the dimensions separating the schemas or categories from each other would be revealed.

It is necessary to specify the terms categorization cue and categorization principle as they are used in this study. Consumers read or decode and interprete the cues inherent in grocery stores. These cues guide the consumer in the formation of mental representations. Accordingly, after they are interpreted the cues become the principles in store categorization. The difference between the cues and the principles is that the cues are the concrete and abstract features of the stores, whereas principles are the results of consumer interpretations of these cues.

The perceptual cues can be grouped into types in several alternative ways. It is possible to distinguish between, for example, characteristic cues, beneficial cues, and symbolic cues (cf. Lefkoff-Hagius & Mason 1993). Alternatively, the cues can be conceived as ranging from the concrete to the abstract, i.e. as being feature-based or dimension-based (Johnson, Lehmann, Fornell & Horne 1992). According to the model of store image suggested by Martineau (1958) the store is defined in the shopper's mind "partly by its functional qualities and partly by an aura of psychological attributes". The functional qualities refer to e.g. merchandise selection, store layout, price level and other such elements which could be considered at least to some degree objective. The psychological attributes refer to subjective and idiosyncratic factors such as feelings (security, friendliness, belonging, happiness). These subjective factors are actually the symbolic meanings associated with retail stores. Hence, functional versus symbolic perceptual cues can be distinguished.

The assumption that consumers associate certain functional as well as symbolic cues with specific grocery stores is the major line of argumentation of this study. Accordingly, it is suggested that grocery store schemas and store category representations can be structured according to either functional or symbolic principles. The functional and the symbolic aspects of grocery store schemas are obviously inseparable since some of the functional cues/principles, e.g. quality of goods, will partly be based on the consumer's imagination. Accordingly, the functional and symbolic categorization principles in practice interact with each other. The dichotomy functional and symbolic cues is, however, appropriate and illuminating with respect to the understanding of consumer perception and behavior in the grocery store context.

According to the semiotic theories, objects may assume different types of meaning. Objects usually denote a primary meaning - i.e. a utilitarian function. This denotative meaning is equal to a functional cue as it refers to what one must do or can do with the object. In addition, objects may have a second-order - i.e. connotative meaning which connotes the diverse ways of conceiving the function. Specifically, objects assume a symbolic function as they connote a certain ideology of the function. Connotative meaning is equal to a symbolic cue.

It is not proposed here that functional cues are more important than symbolic cues. Instead, I believe that the "symbolic" capacities of objects are as useful as their "functional" capacities (see Eco 1986). What is more, the symbolic properties can also be functional since they represent the real social utility of the object. Instead of separating functional from symbolic, it is possible to speak of a "primary" function (which is denoted) and a complex of "secondary" functions (which are connotative) (Eco 1986, 65). However, I use the terms functional and symbolic as follows: functional features are concrete, visible and utilitarian whereas symbolic features are imaginary and abstract.

It is suggested that the categorization principles, both functional and symbolic, are linked to the motives, needs and goals of the consumer. *The functional cues and principles concern consumers' need satisfaction, specifically, satisfaction of utilitarian needs.* Moreover, the functional cues and principles would be connected with the useful or necessary goals that the consumer expects to accomplish when conducting grocery shopping. Grocery shopping can be considered above all as an essential chore and an obligation undertaken for the family (McGoldrick 1990, 72). In consequence, we might suggest that consumers' expectations concerning the store features contributing to the economic value are important. *Store size*, in terms of floor space as well as product range, and *distance to the store*, measured by the mode of transport used and the actual journey time, are arguably the most important functional features of grocery stores (McGoldrick & Thompson 1992).

The functional and symbolic cues could be connected with the positioning attributes and dimensions conveyed by grocery stores in marketing communication and physical product and service design. The primary grocery store positioning dimensions are functional (discussed previously in Part I) including *price, quality and range of goods*.

In conclusion, the consumers' grocery store perceptions as well as the formation of store categories are expected to be based on both functional cues and symbolic cues. These cues are predicted to guide consumers in forming perceptions of store similarity: which stores belong to the same category and which stores are different. While this chapter concentrated on justifying the functional - symbolic dichotomy and the nature of the functional cues, the next section focuses on the symbolic aspect of grocery stores.

2.4.2 The imaginary aspect of grocery stores

The imaginary aspect of consumption and shopping has received increasing attention during recent years. Michael R. Solomon was one of the first authors to discuss and advocate product symbolism in the consumer behaviour literature. Product symbolism is presumably used by the consumers first of all to define social reality, and to construct and pursue the image of self[25].

The traditional role of retail stores is to act as intermediaries between producers and consumers, and to pursue marketing functions which aim at servicing customers. In this role, retail stores satisfy first of all consumers' functional needs. Contemporary grocery stores have, however, gone beyond this basic role. Thus, grocery stores have become the providers of augmented retail service packages. For the purpose of competitive advantage, many retail managers are increasingly concerned with fabricating distinctive images for their grocery chains. It is believed that imaginary abstract features and symbolic meanings will increase perceived customer value. For example, a grocery retail chain might strive for a coherent image conveying superior quality, unique service or convenience without equal so as to overcome price competition. Accordingly, retail stores have assumed the role of a producer of cultural symbols and culture in contemporary society.

Symbolic meanings attached to grocery stores are transferred by various forms of communication. Advertising, physical buildings, personal selling practices etc. all convey meanings to the actual and prospective customers. In this

---

[25] "It is argued that consumers employ product symbolism to define social reality and to ensure that behaviors appropriate to that reality will ensue. Thus it is proposed that product symbolism is often consumed by the social actor for the purpose of defining and clarifying behavior patterns associated with social roles. The consumer often relies upon the social information inherent in products to shape self-image and to maximize the quality of role performance" (Solomon 1983, 320).

way, retail stores may also position themselves.

The meanings become visible in the concrete retail service package. Consumers who actively participate in the interactive relationship with stores presumably learn over time to associate certain meanings with certain grocery stores. To apply the theory of McCracken (1988a), meanings are transferred from the grocery stores to the consumers. McCracken suggests that consumers would perform certain rituals whereby meanings are transferred (1988a, 83-87). Consumers create their subjective realities as they perceive, interpret in their own way, and act upon the messages and meanings conveyed by the grocery stores. This process can be conceived as the production and reproduction of the culture of retailing.[26]

Consumers may have learned over time to associate certain abstract and imaginary properties with grocery stores; they may associate particular symbolic meanings with particular stores. The symbolic cues and principles in question refer to such properties as, for example, colours, atmosphere, or life-style. The symbolic meanings associated with grocery stores do not directly affect the accomplishment of consumers' functional and practical shopping tasks. Meanings are, however, important because they may act as sources of consumer value by bringing e.g. aesthetic pleasure, sense of meaning and identity, feeling of purpose, image of a happy and rewarding shopping trip.

Consumer store perception based on imaginary features and symbols is the outcome of an interactional relationship between the consumer and the store (cf. Solomon 1983). Retail managers can create and transfer cultural meanings as well as attach abstract and imaginary features to store service packages, but the final perception and interpretation is created in the minds of the consumers.

Even though the production of the core service output is essential in grocery retailing, the intangible elements together with the augmented retail service package are of vital importance to obtaining a successful competitive advantage. As a consequence of the increasingly dominant position of these intangible elements, consumers find it more and more difficult to make safe judgments, and base their evaluations on material reality. Moreover, the increasing complexity of the whole marketing system has increased the ambiguity of the retailing context. As a result, the influence and significance of activities based on images has grown considerably. "The more ambiguity, the greater the material and perceptual space for images" (Alvesson 1990, 391).

Perceived store image is a mental representation which is likely to contain product meanings. Image is usually defined as an impression of an object, a representation consisting of visual and verbal elements. Accordingly, retail store image would capture several aspects of the store service package in a simple representation. Since an image compresses diverse perceptions into a coherent "picture" it may be used as an instrument which facilitates information processing. Images can be useful for consumers. The consumer can identify and deal with a grocery store on the basis of an image evoked by it. For instance, a consumer will sometimes face demanding cognitive and perceptual tasks in a turbulent and information-loaded environment. He or she may try to cope with

---

26 The process of culture is very complex, it is not possible to analyze it deeply here.

this complex environment by making use of compact and ready-made images. In this way the consumer may also avoid his or her own thinking (Lunt & Livingstone 1992,134).

Store images may also be the counterparts of the everyday understandings, explanations and beliefs formed by consumers. Then they can be used in making the perceived events and objects meaningful. The consumers' ordinary understandings, opinions and beliefs are semiotic insofar as they imply interpretation and abstraction. Often these beliefs are based on a commonly shared ideology and social difference. However, consumers' beliefs tend to become institutionalised. Consequently, they may be conservative, working to validate and maintain the existing collective world-view. (Lunt & Livingstone 1992, 134).

2.4.3 Some implications for categorizing grocery stores

This section presents some ideas and examples regarding how store categories may be formed. As a starting point, it is assumed that consumers have more or less incomplete information about grocery stores. The stores exist 'out there', and the consumer perceives and interprets the cues provided by them subjectively. The consumer then forms his or her subjective, idiosyncratic knowledge structure or mental representation of the stores.

When a consumer faces a new grocery store that has both similarities and dissimilarities to familiar stores, how will that consumer evaluate it? According to earlier theory, the consumer dealing with new products or brands will engage in some type of information integration process. The incoming information will be integrated into the existing knowledge structure. The process will take the form of assimilation, accommodation or subtyping (Sujan & Bettman 1989; Meyers-Levy & Tybout 1989).

Previous studies indicate that the consumer's prior experiences with the store category or the category schema containing expectations and store-related knowledge may serve as a guide to evaluations. It has been suggested that consumers tend initially to process information using the existing schema. In particular, existing grocery store schemas should affect the processing of information about a new grocery store which is related to a previously known store type but different from familiar stores (Sujan & Bettman 1989). Thus, as the consumer evaluates a retail store, existing store type schemas will affect the processing of incoming information. The new store information may or may not match the existing store schema. In case of information match to the existing category, relevant actions, i.e. affective reactions or heuristics, that cue the consumer's behaviors may be triggered automatically. If there is a low match between new information and store schema, then slower and more analytical processes are likely to be used in evaluations and judgements (Sujan 1985, 32).

Match or mismatch is also related to the type of information integration process. The process of assimilation is plausible in the case of information match: the new concept is integrated to the existing schema. Accommodation occurs when a new schema is created or when the existing schema is considerably modified as a result of interpreting a new concept. In such a situation consumers probably perceive moderate discrepancy which may lead to cognitive brand differentiation. Perceptions of strong discrepancy between the new brand of store and the already known stores may result in store subtyping. A subtyped position implies that the store is seen as considerably different from other stores. This position is associated with better memory for the store's distinguishing features, fewer inferences about other attributes, perceptions of greater variability among stores on the distinguishing attribute, increasing importance of the distinguishing or focal attribute, and a significant relationship between focal attribute importance and store evaluation. Subtyping or assimilation would hold for strongly discrepant brands and differentiation or accommodation for moderately discrepant brands. Moreover, with a subtyping strategy there is less transference of learning from the product category to the brand and a greater focus on the brand itself (see marketing consequences and theoretical implications in Sujan & Bettman 1989, 465-466).

3 INTERCHANGE BETWEEN STORES AND CONSUMERS

This chapter will compile a summary framework showing the major issues reviewed in Parts I and II, and indicating what relations are assumed between grocery stores and consumers. This chapter will also outline some assumptions concerning the following empirical inquiry into consumer perceptions of grocery stores.

A review of the literature sought to understand how consumers perceive their environments and the external world. Moreover, it gave an insight into consumer grocery store perceptions in the strategic marketing context of today. An essential point in consumer perception is that the information which exists in the external world is transformed into an internal mental representation. The concepts of consumer perception which best help us to understand the phenomenon of consumer grocery store perception are linked to the interpretive stage of the perception process; in particular categorical knowledge structures are of interest. As perceptions are influenced by the existing knowledge the concept of schema is important in analysing consumer perceptions. In addition, understanding the role and nature of the cues in the environment helps us to examine consumer perceptions.

Figure 6 summarizes the concepts which are included in the theoretical background concerning consumer perceptions of grocery stores. The core of the figure is the consumer point of view. The figure also displays the interchange between consumer perceptions and retail store structure and strategies. Types and brands of store, specific stores as well as functional and symbolic cues inherent in them act as transmitters, or a relay, between stores and consumers.

Basically, consumers seek need satisfaction. Functional and expressive needs will be found to underlie consumers' perceptual and evaluative processes. The consumer will make the environment of grocery stores intelligible through certain perceptual and cognitive activities. Categorization of stores is one important means of interpreting and making sense of this environment. The cues and principles which consumers use in categorization can be divided into two types: functional and symbolic. Apart from cognitive categorization, the consumer is likely to attach evaluative appraisals and affective qualities to grocery stores. These evaluations are referred to as preferences.

Both perception and preference are fundamental phenomena in human behavior. Consumers presumably undertake preference evaluations and judgments about similarities and differences among the products and services they encounter (Green, Carmone & Smith 1989, 5).

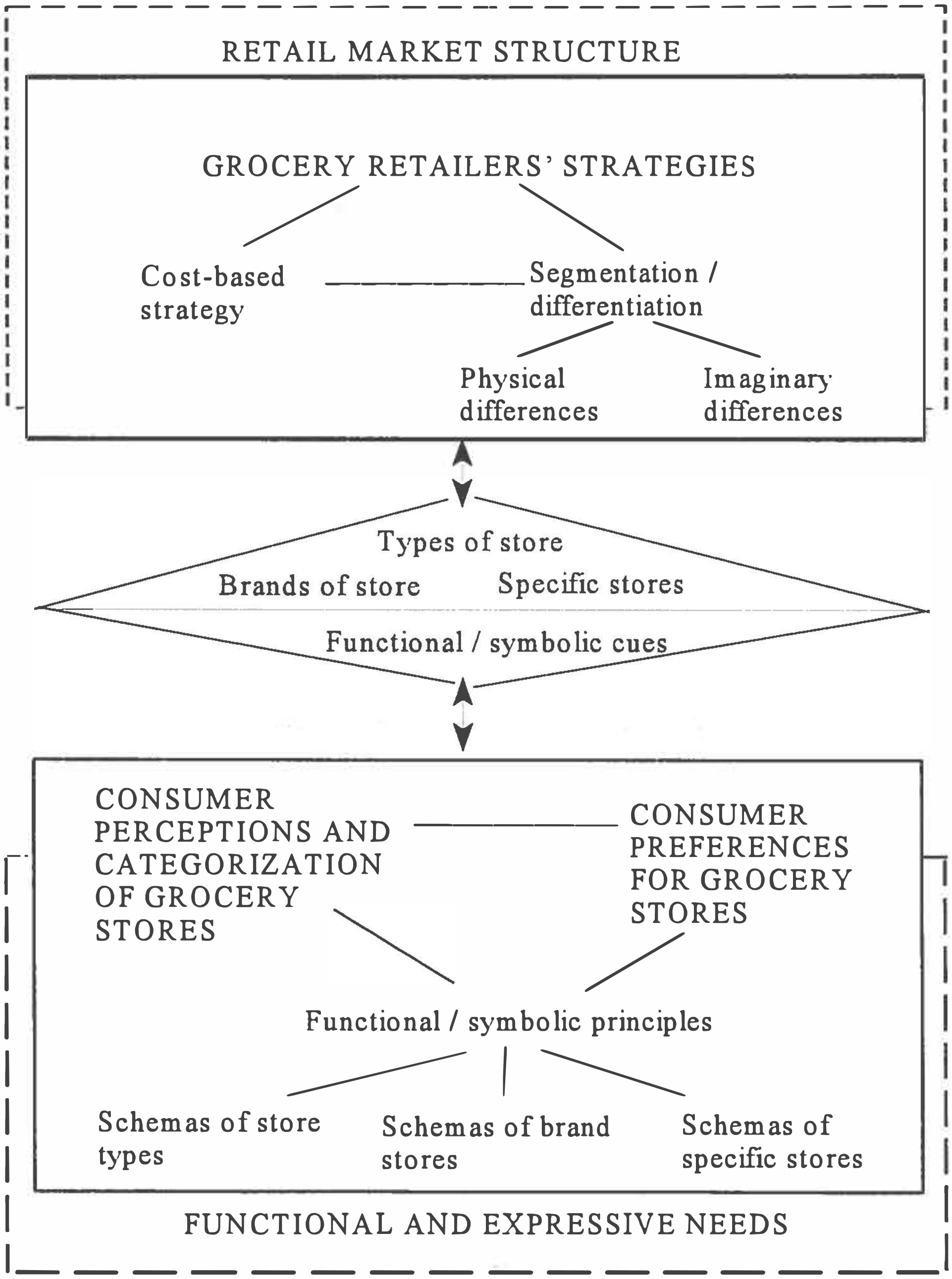


FIGURE 6 Interchange between grocery stores and consumers as an approach to studying store perceptions

Structure and strategies in retailing

Consumers' grocery store perceptions, categorization, and preference formation occurs in an interactive relationship with the stores. Moreover, the store-related information perceived by consumers is at least to some extent based on the existing retail market structure and retailers' marketing strategies. It is thus also important to consider the grocery store market structure and strategies. The upper part of figure 6 represents the position of grocery stores and the retail processes.

The major feature in the Finnish grocery retail market structure is centralized chain ownership and management. Accordingly, the design and management of the store types and chains is more or less strictly under the central administration of the trading groups.

The two basic procedures for creating differences in retail service packages are physical product differentiation and symbolic image creation. The first includes designation of e.g. product range and mix, own-label brands, advertising and promotion, and regular customer cards. Moreover, certain corporate functions, such as training, technology, buying, stock control, location, marketing, or aspects of the value chain can also create store differentiation. Symbolic images are created principally in advertising, personal selling, and conscious design of physical buildings and other facilities. Contemporary retail strategies aim at differentiating a particular grocery store chain (brand of grocery store) from other chains (brands of grocery stores).

Although grocery retail firms pursue differentiation strategies, they have not abandoned the cost focus. It is evident that contemporary grocery stores' functional policies tend towards productivity gains, scale increases and low costs.

While there are several potential sources of differentiation for retailers, they require a defensible differentiation strategy and a sustainable competitive advantage. The retail service package should offer customers the services which they really do find beneficial and valuable. Store differentiation strategies and principles are accordingly extremely complicated and multidimensional.

Chains seek uniqueness also through positioning strategies by which they attempt to designate a retail service package which is perceptually different from those of competitors. The aim of store positioning is that consumers perceive the store in a desired way with respect to other stores.

As for the interchange between consumers and retailers, several questions arise. How do consumers perceive the various types and brands of grocery stores? What meanings and associations do consumers attach to store types and brands? Is the managerial classification relevant from the consumer's perspective? Each consumer will perceive and categorize the grocery stores in his or her own way, in accordance with the goals or functions of grocery shopping in a particular situation. The managers differentiate types and brands of stores according to their own objectives and goals. Because the objectives and functions of retail marketers differ radically from the goals of consumers, these two parties are likely to form different mental representations of both the types and brands of stores.

Consumer perceptions of and preferences for retails stores

Consumer processes are displayed in the lower part of Figure 6. Consumer perception of grocery stores would incorporate the incoming information into an existing internal representation. That is to say, cues in the grocery retail environment are interpreted and stored according to specific organizing principles in grocery store schemas. The consumer's store schemas are assumed to deviate not only from the schemas of retail managers but also from the environment to be perceived. While this discrepancy can be explained in many ways, at least two aspects of the relationship between consumers and stores are worth elaborating. First, the properties of the process of transferring the incoming information into an internal representation[27], and second the motives and goals which consumers associate with their behavior as this is linked with grocery stores, and daily shopping for food and other groceries[28]. Also, the existing knowledge structure of the consumer tends to act as a filter which selects and adapts new information.

Two themes concerning consumer processes call for further analysis. First, cues and principles in store categorization; second, the formation of consumers' grocery store preferences.

Cues and principles in store categorization

The stimuli and cues inherent in the grocery store environment can be grouped into two types: functional and symbolic. Previous studies have assumed a similar dichotomy in different contexts. For example, consumers have functional and expressive needs (Cherian & Jones 1991); shopping provides either utilitarian or hedonic value (Babin, Darden & Griffin 1994). Consumers are assumed to form mental representations of categories consisting of similar grocery store types and brands of stores according to functional principles, or according to symbolic principles.

Categorization concerns similarity among stores, but at the same time it implies differences between categories. This approach thus implies that grocery stores which have been strategically differentiated by retail managers are also regarded from the consumers' perspective.

The existence of categories may be founded on functional, goal-related criteria. For example, the goals and values of consumers can determine the boundaries between categories. The goal and value orientation means that consumers feel that there is a need to respond in a certain way with respect to all the stores in a given category so as to obtain the desired value and benefits. This is a relevant notion as regards grocery shopping since the consumers will pursue functional needs and goals in grocery shopping. The principles underlying the categories may correspond to these goals.

---

27 The properties set forth by Kaplan & Kaplan (1982): simplicity, essence, discreteness, and unity.

28 This refers to the functional and experiential motives discussed in the previous chapters.

Determinants of store preference

The literature review addressed several alternative ways of modelling and measuring consumer preferences. The multiattribute preference model is presumably the most often used in studying consumer store preferences. It has been used especially when measuring the relative importance of the different attributes of the store. The multiattribute model may also be appropriate in examining whether, for example, functional versus symbolic attributes are more important in preferences. Furthermore, the model could be extended to include the different levels of abstraction, in which case the role of perceived risks or benefits could be investigated.

The categorization-based model has been suggested as an alternative to the multiattribute model. According to this model, store preference would form as a result of a spreading affect or evaluation. That is, as the consumer categorizes a specific store, the affect associated with that category will be generalized to the store in question. The strength of the categorization model is that it recognizes the less effortful and more rapid mental processes of consumers.

Another view is to regard preference as a principally affective phenomenon. Accordingly, a preference would be formed as a result of the consumer's exposure to a store. Preference would be formed and strengthened gradually as exposure is repeated. Eventually, preferences would become autonomous, and the original affect may even be forgotten. Preferences would then be represented as behaviors rather than evaluations or affect. Still another standpoint is to consider that the two basic human needs, i.e. making sense and involvement, also influence preferences.

All the explanations of consumer preference mentioned above would provide a credible account of the formation of grocery store preference. *We would then conclude that consumers' grocery store preferences can be formed in several alternative ways.*

Tentative assumptions concerning consumer grocery store perception and categorization

Categorization processes and schema-like, memory-based representations are important in consumers' perceptions of and preferences for products or brands. Mental representations are useful for consumers as they efficiently store and recall information learned from previous experience (Alba & Hutchinson 1987; Cohen & Basu 1987). On the basis of the existing literature, we can assume that these cognitive structures play an important role in retail store perception and evaluation. For example, a consumer forming an initial impression about a store would first determine the store's congruence with his or her existing cognitive representation concerning grocery stores. This initial reaction can be predicted to be an important step in forming the overall impression of the retail store (Cohen & Basu 1987).

Categories could be formed either around perceptually similar stores or around similarly preferred stores. The category of similarly preferred stores will form the evoked set of stores. The stores in the same category would be evaluated similarly; they would be the closest alternatives as regards store choice. What is more, similar behavior may be linked with these stores automatically.

According to the categorization theory, the schema-like representations maintained by consumers are organized hierarchically (Rosch 1978; Alba & Hutchinson 1987; Sujan & Dekleva 1987). Correspondingly, consumers can have store schemas at several different levels; in the case of grocery stores the two relevant levels would be store type and brand of store. Categories are formed as consumers decide what each grocery store is or what it means, i.e. as consumers infer which schemas are similar and which are different from each other. This categorization process entails the grouping and distinguishing stores whereby a hierarchically organized store category structure is established.

When a store is encountered for the first time, the initial classification of the new store will occur at the most basic level, i.e. the product class level[29]. In the process of gaining more information about and getting more involved in the store type the consumer will develop an ability to classify the store in more and more detail (Assael 1995, 210). The consumer might begin to make distinctions or subtypes in relation to the previously known grocery stores. This could involve developing new grocery store categories, e.g. a subcategory of a previous, more inclusive category. Marketing strategies may encourage consumers to notice the differences from other stores and to subtype. This occurs when marketers offer and actively promote unique benefits in a new store (Sujan & Bettman 1989). In this way, marketers attempt to establish a dominant position in a new subtype (Assael 1995, 211).

Categorization, like other cognitive processes, is ongoing. Therefore, the schemas and hierarchical structures resulting from categorization are subject to continuous change. The literature review also suggests that consumer's goals, intentions, and motivations will have an influence on consumer's cognitive structure. Schemas are often goal-oriented. Goals will shape consumers' expectations, perceptions, evaluations, and behavior.

The theoretical review implies some guidelines for the empirical inquiry. First, consumers are expected to define store categories by using the representative exemplars, prototypes, and features or attributes associated with grocery stores as measures of category membership. These measures would best be incorporated in a systematic but open-ended interview concerning consumers' store perceptions. The second issue concerns the underlying perceptual dimensions which differentiate store types or brands of store from each other. Since consumers are not consciously aware of these dimensions, they must be explored by indirect research methods. In each of the two aspects of cognitive structure mentioned above, we need consumer-initiated views and explanations of why certain stores belong to the same category.

---

[29] What the basic level is may be contingent on the product or service to be evaluated as well as the consumer's prior experience and expertise with the product.

PART III

EMPIRICAL INQUIRY INTO STORE PERCEPTIONS

CONTENTS OF PART III

1 METHODOLOGY

1.1 Research design

1.1.1 Questions and hypotheses

The empirical study was designed to inquire into consumer grocery store perception in an example catchment area. The context for consumer perceptions is the Finnish grocery store structure and strategies that were described in Part I. The inquiry concerns one catchment area in particular in Finland, i.e. the town of Jyväskylä. The purpose of the inquiry was to explore and investigate consumers' perceptions of the attributes and underlying dimensions of grocery stores as well as the meanings associated with different stores. Specifically, the focus was on how consumers categorize the grocery stores that they know and use regularly, and how they interpret and evaluate them. How consumers categorize the stores also implies how consumers interpret and infer the differences and similarities among the stores.

The inquiry covers three main issues as follows:
I How consumers perceive and categorize grocery stores
1) What are the concrete results of this perceptual categorization? What types and brands of stores consumers perceive? The perceived classes of retail stores in the consumer experimental sample are described.
2) Principles in grocery store categorization: What are the underlying dimensions in consumers' perceptions of the similarity and dissimilarity of grocery store brands?
Proposition 1: consumer perception and categorization of grocery stores occurs according to certain functional principles, or functional properties of the store.
Proposition 2: consumers also use certain cultural signs or imaginary features as categorization cues and principles.

3) What characteristics are associated with different store types and store brands? What likes and dislikes do consumers have towards different store brands or store types? Understanding how consumers describe stores, and how they describe their relationship with stores will contribute to an understanding of the consumers' perspectives on grocery stores and shopping.

II The evaluations of and preferences for the different store types
4) Which grocery store attributes do consumers consider most important? Do these attributes form uniform dimensions? How are the dimensions described?
5) What kind of profile is drawn of an ideal grocery store compared with the real stores examined?
6) How are store preferences formed: according to similarity criteria, importance criteria or other criteria, e.g. convenience and store accessibility or location? Is there a connection between store preference and store attribute beliefs?

III Sources of differentiation: Comparing consumer perceptions and grocery store business ideas
7) Are there gaps between the perceived store types, store brands and store features and the descriptions provided by the trading groups? Are consumers familiar with the different retail service packages promoted by the store chains?

1.1.2 The method used in this study: systematic interview

In designing the interviews I drew on the systematic interview approach suggested by Weller & Romney (1988). The guidelines proposed by McCracken (1988b) were also utilized. The interview approach used in this study is based on the designed and systematized questionnaire. Such a questionnaire imposes order and structure on the data, and helps in their arrangement and analysis. Moreover, respondents find it easier to deal with well-defined topics; completely unstructured conversations about grocery stores are not likely to be fruitful. "The questionnaire is used to order data and free the interviewer, but it must not be allowed to prevent open-endedness, or destroy the elements of freedom and variability within the interview" (McCracken 1988b, 25).

Consumer grocery store perception and evaluation was examined by applying various multiple interview techniques in succession in the interview session. Thereby, different types of data are obtained: free-response and free sort data, pairwise similarity perception data, and data on store attribute evaluations and store preference.

The following multiple data collection interview techniques were used.[1]

[1] Data obtained in a qualitative interview concern only one view of the reality to be investigated. Therefore, it is important to pay special attention to the risk of error and reliability. Researchers may, for instance, use multiple data sources and methods in a single study. For example, structured methods, participant observation and focus groups may be used alongside qualitative interviews (see McCracken 1988b). In my study, structured methods, i.e. factor analysis and multidimensional scaling may impose more rigour on the investigation of consumer perceptions and beliefs.

First, a free response approach with open-ended questions was applied, allowing the respondents to formulate the responses themselves. In the second stage the respondents conducted a sorting task; which is also an unobtrusive way of generating data. And third, the respondents were given a structured questionnaire which they were asked to complete. Thus, in the same interview, I obtained both respondent-initiated descriptions and explanations, and answers on structured questions. This approach has several advantages. First, a free response measure of brand perceptions has the following benefits: (1) the work on the design of the questionnaire is minimal; (2) it is more flexible and more likely to pick up new dimensions that consumers might start using in describing brands; and (3) the content of the dimensions can be communicated easily as the actual words used by consumers can be referred to (Boivin 1986). The main advantages of the structured questionnaire are: (1) systematization of data analysis, and (2) comparability of different responses.

The inquiry questions contained both inductive and deductive issues. One set of questions was geared to inductively explore consumer perceptions and interpretations, and the underlying dimensions and sources of store categorization. Accordingly, the focus is on understanding the nature of the phenomenon: consumer grocery store perception rather than testing hypotheses. This approach allows working with unstructured data which has not been coded into closed categories. Moreover, analysis of this kind of data involves explicit interpretation of the meaning and function of the action of the respondents. Finally, the main purpose of applying the open-ended method was to get close to the respondents' perspective.

Another set of questions was designed to test some of the theoretical assumptions derived from the review of the previous literature and theories concerning consumer perceptions. The quantifying and statistical analyses were included so as to systematize the data analysis. Moreover, as was mentioned earlier, the use of multiple methods in a single study will increase the reliability of the results.

Because the interview method used in this study is naturalistic and ethnographic[2], the reliability and validity of the research cannot be evaluated according to positivist criteria. Instead, the trustworthiness of this inquiry ought to be evaluated according to so called post-positivist criteria (Wallendorf & Belk 1989). Lincoln & Cuba (1985) suggested the following criteria for the evaluation of non-positivist research. *Credibility*: adequate and believable representations of the constructs of reality studied; *Transferability*: the extent to which working hypotheses can also be employed in other contexts, based on an assessment of similarity between the two contexts; *Dependability*: the extent to which the interpretation has been constructed in a way which avoids instability other than the inherent instability of a social phenomenon; *Confirmability*: ability to trace a researcher's construction of an interpretation by following the data and other records kept.

---

2 For naturalistic inquiry, see Belk, Sherry & Wallendorf (1988), and for ethnographic methods see Atkinson & Hammersley (1994).

1.1.3 Conduct of personal interviews

Data on consumer perceptions were collected through a systematic and standardized interview in which each interviewee was asked the same set of questions. Each interview lasted 45-60 minutes. All the interviewees were inhabitants of Jyväskylä, a medium-size Finnish town.

The interviews started with a short informal discussion. In order to orientate the respondents to the subject, they were first asked to describe their weekly grocery shopping patterns, e.g. how often they visit stores, which stores they patronize, whether they go by car or on foot, whether they shop on the way home from work or make separate trips (see the questionnaire in Appendix 1).

The respondents then did a pile sort task[3]. They were given a stack of 33 cards, each card listing the name of a grocery store. The respondents were then asked to remove the cards bearing store names unfamiliar to them. After that cards were further sorted into piles so that the stores which the subjects perceived as similar were in same piles. The number of piles was not restricted.

Respondents were asked to list the criteria which connect the stores in the same pile and the criteria which differentiates the stores in the different piles. Moreover, the respondents' likes and dislikes regarding the familiar stores were discussed. As a result, a rich data base was collected while avoiding a lengthy interview.

In the second stage the respondents evaluated the similarity and dissimilarity of six specific grocery stores. They accomplished a pairwise similarity judgment task. Fifteen combinations of two stores derived from the original six were presented on cards. The respondents were asked to rank the pairs of the stores according to their similarity.

After completing the similarity ranking task the respondents were asked to rank the six stores according to their preference.

In the final stage, the importance weighting of 20 grocery store characteristics were obtained by means of a seven-point Important - Not important scale. In addition, store profiles of the six stores were obtained on a semantic differential scale. The respondents rated each store on each of the 20 characteristics, thus expressing their view of each characteristic. Items were arranged on a seven-point rating scale as bipolar opposites. Respondents were instructed to check the point on the scale which most accurately reflected their position regarding each store on each of the bipolar phrases.

1.1.4 Choice of stores

In the free response task all the grocery stores in the market area of Jyväskylä were included. At the time of the interviews (January - March 1995) there were

---

[3] The free sort technique was selected because the pilot interviews indicated that the respondents would sort the cards into several small piles. Thus neither a phased nor dual sorting procedure would have been appropriate. Triad sort is inappropriate here because of the large number of terms. With a lot of terms the number of triads soon rises quite high.

about 54 grocery stores in all in Jyväskylä. During this period, consistent with the general trend described in Part 1, a number of small grocery stores closed down. In all, there has been a steady net decline in the number of grocery stores in Jyväskylä. The closings of the small stores are partly explained by the opening of two new hypermarkets in autumn 1994. They were included in this study.

The cards listing the stores totalled 33 since the store names of the multiple chains[4] were listed only once. These two multiples (Siwa and Prisma) differ from each other in several respects, and different assumptions can be made about how consumers see the separate outlets. The interviewees presumably considered the particular Siwa outlet which was most familiar to them. On grounds of my own cultural knowledge and experience as a grocery shopper, I assume that consumer perceptions of the various Siwa outlets are rather similar. I cannot, however, assume that the two Prisma outlets would be perceived as similar. This is because Prisma stores are large, and their size allows more variation in layout. Furthermore, there will probably be differences in accessibility, parking facilities, and accompanying services. Nonetheless, only one card with the label Prisma was given. During the interviews, I listened carefully to see whether I could determine which outlet the respondents were talking about[5].

In the similarity judgment task it was possible to include only a limited number of stores. The purpose was to avoid too complex a task so that all the respondents would be able to accomplish it properly, regardless of capabilities, education, or age. Adding to the number of the stores would increase the difficulty of the sorting task.

Several considerations were taken into account in choosing the particular stores included in the similarity judgment task. First, as the goal of the study was to explore consumer perceptions of grocery store type differentiation in the grocery retail sector, a representative of each store type (described in Part 1 of this study) had to be included. The main interest of the study was in examining the grounds on which some stores are perceived as similar and others as different, looking at both intertype and intratype comparisons. Secondly, because the respondents were selected independently of their place of residence, the stores needed to be familiar to respondents living in different suburbs. Therefore, stores in the downtown area were selected; hypermarkets were included because they draw customers from various locations. Thirdly, in order to keep the judgment task relatively simple, the number of pairs for comparison could not be very high, hence six grocery stores were selected.

In order to acquire the consumers' perceptual maps, including the different store types, various types of grocery stores were included in the study. The following stores were chosen:

---

4 There are fifteen Siwa outlets and two Prisma outlets in Jyväskylä.

5 This presumption turned out to be accurate; the respondents did, indeed talk about either about the Prisma outlet in Keljo (new) or the Prisma outlet in Seppälä (old).

A - Prisma
Hypermarket with about 5000 m^2 selling space. Sells groceries (70%) and goods connected with living, clothing, and leisure. Multiple chain with 30 outlets in Finland; two outlets in Jyväskylä (Keljo 6500 m^2/ Seppälä 7500 m^2). Affiliated with S-group.

B - Mestarin Herkku
Foodstore in a department store located in the city centre. Not part of any national chain store or brand of store. Conveys exclusive image. Affiliated with S-group.

C - Citymarket
Hypermarket with over 5000 m^2 selling space. Sells groceries and durable goods. Multiple chain with 38 outlets in Finland; one outlet in Jyväskylä (in Keljo, 8100 m^2 selling space).[6] Affiliated with Kesko.

D - Kymppi[7]
Neigborhood small store. Belongs to the voluntary chain labelled 'one K neighborhood store'. Operated by an independent shopkeeper. The store carries both the K-label, and the individual store name. Affiliated with Kesko.

E - Siwa
Discount store with less than 400 m^2 selling space. Multiple chain with about 430 outlets in Finland; 15 outlets in Jyväskylä. Affiliated with Tradeka.

F - Anttila
Department store, food department with the SPAR label and the business idea of a supermarket. Multiple chain with 31 stores in Finland. One outlet in Jyväskylä, located in the city centre. Until 1997 affiliated to Tuko, since then affiliated with Kesko.

1.2 Sample of respondents

The sampling approach used here resembles the nonprobability sampling or anthropological sampling method. It stresses the importance of selecting informants by their salient characteristics, in order to maximise the validity of the information obtained. Nonprobability samples yield a small number of informants who provide representative pictures of aspects of information or knowledge distributed within the population. For example, informants may be selected from groups that are maximally homogeneous and comparably

---

6 This figure includes the cafeteria.

7 The shopkeeper in Kymppi changed not long before my interviews were conducted. Some informants referred to this store by its former name.

heterogeneous across informants or informant clusters. Useful advice on selecting informants properly is provided for instance in the ethnographic literature (e.g. Patton 1990; Johnson 1990; McCracken 1988b).

A discretionary / convenience sample of 30 respondents was selected. In naturalistic research, the size of the sample depends on the exact purpose of the study. Since the goal of this study was to understand a particular phenomenon more profoundly, a relatively small number of long and intensive interviews was required. The size of the sample has to be larger if the aim of the research is to make comparisons between different individuals or groups (Bergadaà 1990). This was not, however, the purpose of my study. In any case, new informants may be added during the fieldwork if deemed necessary (Belk, Sherry & Wallendorf 1988; Hudson & Ozanne 1988). My interviews focused on inquiring into consumer perceptions of certain aspects of their ordinary daily activities. Consumers can be considered well qualified to describe their perceptions of the daily food shopping environment. It has been maintained that knowledge of such ordinary issues, or cultural knowledge, is widely shared, i.e. there is obviously high agreement among respondents about the answers. Patterns in consumer perceptions of differentiated grocery store types can be assumed to be rather similar across many consumers (cf. shared knowledge in cultural models). The reliability of the findings is influenced by sample size, but also by the level of agreement, or correlation, among the respondents (Weller & Romney 1988, 76-77). Therefore, while a considerable level of agreement can be supposed in my study, adding new respondents would not be expected to add significantly to the reliability of the data.

Respondent selection was based on the objective of having consumer observations from different types of family and phases of the family life cycle as well as data from males and females. Different family types have different needs and resources. What is more, they are likely to have different life-styles and shopping patterns. Family status is arguably one of the most important criteria defining the grocery shopping attitudes and perceptions of an individual. Several family life-cycle models have been suggested in the consumer behavior literature (see e.g. Schaninger & Danko 1993). These models provide detailed frameworks according to which households can be segmented into homogeneous groups. In my study, distinctions between types of household do not have to be so detailed as in these models. Two main assumptions guided the classification of family types in my study. First, we could claim that the presence or absence of children, and the age of children at home will influence a family's functional needs in grocery shopping. Second, it can be expected that two types of households without children, i.e. the young and the elderly, will have different grocery shopping needs and requirements. Thus, four categories of family types were formed. The characteristics of the sample are presented in Table 5. The stratification was expected to reflect within-group homogeneity and between-group heterogeneity with respect to shopping patterns, level of routinization, and store knowledge. The small size of the groups can be justified by their mutual level of agreement; the persons in each group are likely to have similar patterns of cultural knowledge about grocery stores.

TABLE 5 Characteristics of respondents

Family life cycle:	n	percentage
1.		
Empty nest I	4	13,3
Young, single		
Young, married, no children		
2.		
Full nest I	9	30,0
Childbearing and preschool families		
3.		
Full nest II	12	40,0
School-age and teenage families		
4.		
Empty nest II	5	16,7
Older, employed or retired		
Sex:		
Female	22	73,3
Male	8	26,7
Total	30	100,0

To find the persons to be interviewed I followed the snowball sampling method. I obtained first the names of seed respondents by asking acquaintances to mention a few possible names. After interviewing the seed respondents, I asked them to provide the names of individuals who would probably be willing to participate in the study. I contacted these candidates by telephone and asked if they were willing to be interviewed. I mentioned the name of the referee in the telephone conversation. Mentioning the referee seemed to increase the willingness of the individuals to comply with my request. There were, however, a few refusals. The interviewees received a packet of coffee in exchange for their participation. Most of the interviewees were clearly anxious to participate. Two interviewees refused to take the packet of coffee, and several interviewees said that a reward was not necessary since they were willing to give me assistance anyway.

1.3 Operationalization of concepts

The development of the operational measures of the concepts elaborated in the previous parts of my study is described next. In accordance with the credibility criteria (see chapter 1.1.2), we should form adequate and believable representations of the phenomena studied.

In the first part of the interview the free response technique was used. This focused on exploring how the respondents perceived and categorized the grocery stores which they knew personally. Consumer store perceptions would thus be represented in the terms which the consumers themselves use when they describe grocery stores. In the interview, store perceptions were captured through the pile sort task conducted in the second stage of the interview (see Appendix 1). The following questions were presented: In what way are the stores in each pile similar? In what way do the stores in each pile differ from the stores in the other piles? Correspondingly, the following analytic categories were derived from the review of the literature in Part II: *functional and symbolic cues used perceptual categorization of grocery stores, the content of the consumers' store-related knowledge structures, and grocery store schemas*. The interpretation of the data obtained in the interviews would connect the phenomenon to the theoretical concepts and representations.

Consumer *preference* was measured in the open ended-interview, i.e. free response by inquiring into the likes and dislikes that the interviewee associated with the stores. Accordingly, the following questions were presented: What advantages / disadvantages do you find in this store / in this store category?

The operational measure of the *perceptual map* concept is the order of similarity of the 15 pairs of grocery stores included in the study.

Store evaluation was measured by asking the respondents to rate the features of an ideal grocery store. The importance of 20 grocery store characteristics were measured on a seven-point scale ranging from Not important at all to Very important. The set of 20 items was chosen on the basis of a review of the relevant literature and previous studies concerning store perception and store choice[8] (see the questionnaire, question 3. in Appendix 1). A three-dimensional a priori grouping was used as a guideline when selecting the items. That is, the store attributes were picked from three groups: aesthetics (items 1-10), functionality (items 11-16) and social relations (items 17-20).

A semantic differential scale provided an operational measures of consumers' perceptual inferences about grocery stores. The 20-item scale measured consumer *perceptions of the features of the specific stores*, i.e. store attribute beliefs. The items were the same as those used in the scale measuring the features of an ideal store. The scale was administered so that the respondents were asked to rate the six grocery stores according to predefined characteristics which were presented as bipolar adjectives or opposites. The advantages of the semantic differential scale include ease of administration, a minimum literacy requirement, ease of coding and analysing responses, treatment of data as interval, and high reliability. On the other hand there are several limitations: a structured format wherein unimportant dimensions may be included or important dimensions excluded, limited value in qualitative, idea-generating research, lack of distinction between a neutral rating and a "don't know" answer, and inability to measure global or overall impressions.

---

8 To select the most salient grocery store characteristics which would be familiar and meaningful to consumers, depth interviews or focus group interviews are usually administered. In my study such interviews were not considered necessary since the interview process itself entails an open-ended interview, whereby attributes salient to the respondents were elicited.

1.4 Methods of data analysis

This section describes the methods used in analysing the data obtained in the personal interviews. First, the methods applied in the analysis of the free response data are outlined. Second, the methods applied in analysing the data collected via the structured questionnaire are addressed. These methods include multidimensional scaling, factor analysis and regression analysis. Due to the small size of the sample we should consider the results of the multidimensional scaling, factor analysis and regression analysis as explorative. These results can not be generalized but should be regarded as characterizing the present respondents. SPSSx for Windows was used in the analyses.

1.4.1 Analysis of free response data

A wide variety of theoretical approaches as well as measurement scales and analytical techniques have been applied to the study of store perception. Some research has aimed at analysing consumers' own descriptions, thereby applying a qualitative approach in the form of various free response methods (McDougal & Fry 1974; Zimmer & Golden 1988). The free response approach is appropriate in studies where a complex of meanings or a total impression is the focus. Perceptual dimensions are not imposed by the researcher but are unpromptedly described by the informant. Thus the critical factors affecting informants' perceptions can be revealed. One reason for selecting the free response approach was that it provides definitions of the domain to be studied in the language of the informants or people being studied (Weller & Romney 1988).

There are several techniques available in the free response interview approach (see Weller & Romney 1988). The pile sort task was applied in my interviews. It is commonly used when studying categorizations and dimensions used by individuals in perceiving and evaluating objects. The pile sort task produced descriptions of store types: consumer perceptions about store similarities and differences. In addition, descriptions of what the interviewees liked and disliked in the grocery stores were collected.

The open ended interviews were tape-recorded and transcribed. The transcripts of the interviews were read through carefully several times. Concerning the qualitative inquiry, I drew on the four-step procedure proposed by McCracken (1988b, 30). This method implies a five-stage process of data analysis. The main idea is that the investigator begins with the most detailed observations of the interview transcript moving upward to more general observations through the successive stages (McCracken 1988b, 42-43).

In the first stage of the analysis, I read and judged the transcript carefully. Each utterance was judged separately on its own terms. Useful or interesting utterances, i.e. the bases on which the respondents judged the stores as similar or different, were picked and turned into observations. In the second stage the selected observations were developed further and expanded. The associations and meanings attached to the observations were analysed. In the third stage I investigated whether it was possible still further to uncover implications concerning the perception of store size. The purpose was to refine the previous observations and find new concepts and interconnections between the observations. The fourth stage included analyses of the generated observations in terms of their common themes and patterns, and examination of potential contradictions between the observations. In the fifth stage the themes and patterns obtained were reviewed once more.

1.4.2 Multidimensional scaling and perceptual mapping of stores

The data obtained in the third stage of my interviews, i.e. from the dissimilarity comparison task, was analysed by a multidimensional scaling (MDS) program, ALSCAL. The dimensions obtained are assumed to represent the important attributes along which the grocery stores were perceived and compared.

While MDS is a data reduction technique like e.g. factor analysis, MDS does not require consumers to rate stimuli directly but asks them to judge pairwise the similarity and dissimilarity of the stimuli, in this case grocery stores. Thus it provides an unobtrusive way of studying consumer perceptions.

The basic assumption in MDS is that people perceive a set of objects as more or less similar to each other along a number of dimensions, presumably more than one. People are not usually aware of the dimensions that they use when judging similarities among objects. The relevant multidimensional map cannot therefore be obtained by asking the respondent directly. MDS is used to infer the number and types of dimensions that underlie the judgment expressing relative similarities among varied stimuli. (Singson 1975, 39-40).

MDS provides a visual representation of the perceived similarities among stores. The aim is to represent a set of grocery stores within a multidimensional space. The dimensions are assumed to represent the salient attributes along which the set of grocery stores in question are perceived and compared.

MDS started with the judgment of the similarities between all the pairs of grocery stores. All the possible combinations within the stores chosen for this study were used (see Chapter 1.1.4). A matrix formed of the similarity rankings of the pairs of stores was used as the input in the MDS procedure. From this set of similarities judgment, the basic attributes and dimensions underlying the informants' perceptions about the set of stores can be inferred. In other words, a set of computational procedures determine the minimum dimensionality of the relationships between the objects and the position of each object on each dimension (Kinnear & Taylor 1988, 535).

In this study, nonmetric multidimensional scaling was applied[9]. This type

---

[9] There are three types of multidimensional scaling which relate to the nature of the input and output data:
1. *Fully metric* methods require intervally or ratio-scaled input measures and generate a set of relationships among objects that is also interval or ratio.
2. *Fully nonmetric* methods take ordinally scaled input measures and generate the rank order of each object on each dimension.
3. *Nonmetric* methods take ordinally-scaled input measures and generate a set of intervally-scaled relationships among the objects. That is, the distances between objects in the

of scaling is frequently used in marketing research (Kinnear & Taylor 1988, 536). The advantage of nonmetric MDS is that although it does not require a metric scale in the input data it nonetheless provides a metric solution. In marketing research, data frequently come from human subjects who are able to give ordinal judgments easily and reliably. Interval judgments would be too difficult to give.

An extended version of MDS, a weighted MDS (WMDS) was used in this study. WMDS applies the Euclidean distance model to several dissimilarity matrices simultaneously. This model generalizes the Euclidean distance model so that the several dissimilarity matrices S_k can be assumed to differ from each other in systematically nonlinear or nonmonotonic ways. WMDS is also referred to as individual differences scaling (INDSCAL), because it can account for individual differences in perceptual or cognitive processes (Carroll & Chang 1969). The stimulus space X represents the information that is shared in common across individuals about the structure of the stimuli, and the weight space W represents the information that is unique to each individual about the structure of the stimuli. Individuals are assumed to vary in the importance they attach to the dimensions of the stimulus space X. Some individuals may assign zero weights to one or more of the axes. The weights w_{ka} (k=individual, a=dimension) represent the salience of the dimensions. Vectors emanating from the origin of the space represent the individuals. The direction of the vector from the origin indicates the relative weighting of each dimension. The length of the vector indicates the overall salience of the dimension to the individual, i.e. it indicates how well the analysis describes the data of the person.

WMDS uses three measures of fit: s-stress, Kruskal's (1954) stress formula, and RSQ (SPSS 6.1 Professional Statistics 1994, 189-199). WMDS estimates a goodness of fit on each individual stimulus configuration. Thus, those subjects can be identified whose similarity perceptions are not well represented by the shared space model (Green, Carmone & Smith 1989, 74).

In marketing, MDS has usually been applied to examine relationships among brands of a particular product group. MDS has several advantages. As MDS is an unobtrusive method in studying consumer perception, preselected attributes are not used, and thus the superimposing of the researcher's perceptions is avoided. Respondents are allowed to base their judgments on whatever criteria they choose. Often the judgments required are relatively easy. Additionally, respondent perceptions can be displayed visually. There are also disadvantages. Firstly, the dimensions discovered will depend on the objects (stores) included in the set. Secondly, the dimensions of perceptual maps may be difficult to name and interpret. (Brown 1992; Ghosh 1990, 181; Zimmer & Golden 1988, 268).

The validity of MDS has been found to be adequate by several authors. "MDS algorithms designed for pretty much for the same thing have provided pretty much the same results" (Green 1975, 25). Moreover, metric and nonmetric methods appear to yield very similar solutions. Further, MDS techniques are robust with respect to the type of metric method employed in that the Euclidean metric has been found to provide a close enough approximation (Green 1975).

---

perceptual space have useful meaning.

Regarding data collection for MDS, it has been found that the order of presentation of stimuli does not influence the similarity judgments provided by the respondents (Jain & Pinson 1976). Even though the data collection tasks are occasionally burdensome and may lead to respondent fatigue and boredom, these effects do not appear to influence MDS solutions. Moreover, MDS has been found to be relatively robust against errors that leave observed similarities still approximately linearly related to distance (Malthora 1987). Malthora (1987) reported adequate convergent and discriminant validity of MDS and encouraged its use.

There are several previous studies on consumer retail store perception that have relied on MDS analysis. Singson (1975) used nonmetric MDS to represent similarity judgments of stores. In his study, for example, a two-dimensional configuration comprised of a price/quality dimension and a product depth-width dimension resulted in a good fit. Doyle & Fenwick (1974) used INDSCAL to evaluate grocery stores and identified three dimensions: quality, variety, and price. Davies (1992) used a variation of MDS, MINISSA, in constructing a positioning map of multiple food retailers in the UK. He found that the dimensions explaining the differentiation between competing stores were price/service, as well as dimensions associated with product, staff and choice.

1.4.3 Factor analysis of store attributes

The respondents evaluated the importance of twenty pre-defined attributes for an ideal store. It can be presumed that consumers do not actively use as many as twenty independent characteristics to evaluate grocery stores. Instead, their evaluations might be described by fewer underlying factors. Factor analysis was utilized to group the attributes and explore the underlying evaluative dimensions which consumers may use in appraising grocery stores on given store characteristics. However, as noticed before, in my study the results of the factor analysis should be considered as exploratory. Because of the small sample size the factors should not be regarded as a model to be applied universally.

The factors were extracted by principal-axis factoring procedure. The varimax method was used for rotation. A six-factor solution was used in the analysis. Solutions of three, four, and five factors were also generated but they were inferior in interpretability and yielded lower explanatory power, i.e. explained less of the total variance.

The factors were named according to the variable which had the highest loading on the specific factor. The results of the factor analysis were also used as an aid in the task of identifying the axis provided by MDS.

1.4.4 Regression analysis of store preference

Factor analysis in itself does not reveal the importance of the different factors in question. Hence, a stepwise regression analysis was conducted to find the most important characteristics in explaining consumer grocery store preference.

Preferences regarding the six grocery stores were measured on a rank-order scale[10]. The rank orders were rescaled so that the most preferred store obtained the highest number and the least preferred store was assigned the lowest number. The reversed rank order was the dependent variable and the consumer scores on the evaluative beliefs of store attributes were the independent variables in a regression run.

Stepwise regression analysis was selected here because it prints the proportion of the square sum of the dependent variable explained by each variable entered in the regression equation. Stepwise method is appropriate since the study is explorative rather than confirmatory. Moreover, we did not specify an exact model and hypotheses. Stepwise regression helps to identify which of the explanatory variables account for the greatest proportion of the square sum of the variable to be explained.

In stepwise regression analysis the explaining variables enter into the regression equation one at a time. The variable selected to enter first is the variable that explains the greatest proportion of variance in the dependent variable. The second variable is the variable that explains most of the variation in the dependent variable after the effect of the first variable has been eliminated. Thereafter, the explanatory variables enter until no significant variation remains or no variable is left that explains a significant proportion of the variation (Kinnear & Taylor 1988, 544). In my study variables were allowed to enter until the selection criteria PIN = .10, and POUT = .15 were reached. The explanatory variables which did not meet the criterion for inclusion were not selected. PIN (probability of F-to-enter) is the entry criterion measured by the F value of an independent variable. A PIN value of 0.10 means that variable enters in the equation only if the probability associated with the F test is less than or equal to 0.10. Stepwise selection determines after each step whether the variables selected should be removed according to removal criterion POUT, i.e. the value of maximum probability of F-to-remove. In this study the POUT was set at 0.15 (SPSS 6.1 Base System User's Guide 1994).

Two types of regressions were run. First, a regression was computed for each store separately. This enables the store attributes which explained the preference order rank of each store to be explored. Second, a regression was also computed across all the six stores and thirty respondents. in this way we obtained a great many more observations: 6 x 30 = 180. The latter analysis delivered the estimates for the average importance of the store attribute beliefs.

---

10 To measure rank-order preference, respondents were asked the following question: "Please rank the six grocery stores named on the cards according to your preference. Place the letter in front of the store name you like most on the line next to 1. Place the letter in front of the store name you like least on the line next to 6".

2 ANALYSIS OF EMPIRICAL RESULTS

This chapter presents the results of the empirical inquiry. The open-ended interview data is analysed in section 2.1. First, the perceived classes of grocery stores are described, followed by the informants' descriptive appraisals of the stores they know and patronize. Second, the meanings of the stores to the informants are captured, and the respondents' relationships with the individual stores are analysed. Direct quotations from the open interview data are presented so as provide an ethnographic picture of the interviews, and to introduce the interview material. The results of the multidimensional scaling analysis are presented in section 2.2, the results concerning the features of an ideal store are presented in section 2.3, and the results of analysing consumer store evaluations and preferences in section 2.4.

2.1 Consumer perception and evaluation of grocery stores based on free response data

2.1.1 Consumers' emic definitions of grocery store categories

How do consumers name store types when they are allowed to discuss them freely? What types of grocery stores do consumers perceive? Do consumers perceive differences between grocery stores at the levels of store type, brand of store or individual store?

Analysis of the pile sort data revealed that when asked to categorize freely the 33 selected stores (labels on cards) the respondents formed 2 to 6 piles. Thus, if we consider the number of piles to indicate the number of different store categories, the respondents perceived 2 to 6 categories among the total set of stores. How many respondents reached each number of different store categories is displayed in Table 6. The perception that there were three different categories of grocery stores appeared to be the most common. One third of the respondents sorted the cards into three piles. It may be concluded that the informants were able on average to discern three different grocery retail store categories.

TABLE 6 Number of different store categories perceived

2 piles	3 piles	4 piles	5 piles	6 piles
7 respondents	10 respondents	6 respondents	4 respondents	3 respondents

The respondents were asked to explain why the stores in each pile were similar, and how the stores in each pile differed from the stores in the other piles. As a result, several concepts describing the perceived similarities and differences among the grocery stores were generated.

Size of the store (37)[11], *store type* (31), and *variety* of merchandise in the store (22) were used most frequently as the basis of similarity or resemblance. When the respondents were asked spontaneously to describe grocery stores they tended to refer first of all to size. Two other frequent criteria, store type and variety are, of course, also related to store size. These three criteria are easy to identify, since they are visible and related to fulfilling the shopper's functional goals. The results indicate a preference among the consumers to form rather simple perceptual categories of grocery stores. Store type, however, is a somewhat ambiguous criterium which may reflect symbolic associations in addition to functional features. Categorical structure according to store types indicates a more complex and theoretical, conceptual categorization.

The respondents defined the store types as follows: not so market-like, not supermarkets or neighborhood stores but in-between, small markets, big bargain store, small bargain store, neighborhood store, warehouse stores, automarkets, hectare halls. Store type definition is clearly related to the perceived image of a store, but also contains some elaboration of the stores' functional features.

Location (18) is an important functional feature of grocery stores, and is typically expressed in terms of a person's residence, "near my home", "on my way home", or relative to the area covered by the city, "in the city centre", "outside the city". Some respondents defined the differences between grocery stores by attaching to each store the method of doing a *shopping trip* (15). "You can do the shopping quickly", "You can carry the goods on a trolley to your car", "A store where you search for special offers". Grocery stores are sometimes classified according to *quality* (11), *shopping frequency* (9), *price* (7), or *personal customer service* (6).

From the categorization principles listed above, we can conclude that the consumers' perception and categorization of grocery stores was based on both functional and symbolic principles. In accordance with the definition presented in Part II (section 2.4.1), functional principles refer to the satisfaction of

---

11 The numbers in the brackets refer to how often the term was mentioned (across all respondents and all stores).

consumers' functional needs. In the present case the store features reflecting utility and rational shopping goals could be considered functional. Correspondingly, symbolic principles refer to the abstract and imaginary properties that consumers have learned to associate with grocery stores. In Part II it was suggested that the consumers would use both functional and symbolic criteria in grocery store categorization. Thus, the interview data is consistent with this suggestion. In addition to the functional and symbolic principles, the consumers could define store categories on the basis of their own behaviour in the particular store or on the basis of their interaction with the store. This observation, too, supports the ideas presented in the theoretical section: consumers' grocery store knowledge structures seem to be shaped according to their shopping goals and functional expectations concerning grocery stores.

2.1.2 What do consumers like and dislike in grocery stores?

The interviewees were asked to explain what they like and what they do not like in the grocery stores that they know. In discussing and analysing the explanations obtained we drew on the distinction between functional and symbolic cues (see Part II section 2.4.1). Additionally, another typology can be used, i.e. the means-end-chain model (Gutman 1982) which is designed to describe consumer product knowledge at three levels of abstraction. The levels of attributes, consequences, and values are linked to each other so that they form a knowledge structure (Peter & Olson 1990). At the lowest level consumers will perceive concrete store attributes. These, in turn, will lead to perceptions of either positive consequences, i.e. benefits, or negative consequences, i.e. risks for consumers. These consequences may be either functional or psychosocial. The consequences are further assumed to lead to the most abstract forms of knowledge, i.e. values which reflect the ends that consumers wish to achieve from the use of products or services.

The present analysis observes the occurrence of different attribute types in the respondents' accounts. In particular, consumers were expected to describe what they like and what they dislike in grocery stores by employing the level of benefits and risks. This level should be important because perceived benefits are assumed to include evaluations that reflect consumer preferences. Preferences are presumably related to store choice even though they do not directly predict store choice[12].

After removing the idiosyncrasies in the respondents' utterances I obtained a list of typical risks or dislikes in a grocery store, and a list of typical benefits or likes in a grocery store (see Table 7). Surprisingly, the respondents mainly used the attribute level. The absence of benefit-level terms may be due to the interview technique. In order to obtain terms at the benefit level, the laddering-interview method should have been used (Reynolds & Gutman 1988).

---

12 Brown (1992) discusses the designative and appraisive approaches to consumer cognition. The former refers to consumers' knowledge while the latter deals with the evaluative and emotional associations which consumers attach to their subjective knowledge. The latter aspect reflect also consumer preferences (Brown 1992, 133).

The respondents seemed concerned with the price of food[13]. They frequently mentioned *high prices* as a drawback in small neighborhood stores on the one hand, and in a city-centre quality store on the other. Moreover, they tended to find a lack in the availability of some goods in small stores and discount stores, i.e. they carry too *limited a variety*. In larger stores, i.e. in some supermarkets and in all the hypermarkets moving around was considered laborious. Further, shopping in large stores takes a lot of time and, occasionally, there are *queues*. The respondents ordinarily appreciated high quality as regards food products. *Deficiencies in quality* of merchandise were noticed frequently, and usually found in discount stores or in small stores. Moreover, *lack of personal service*, and service counters was bemoaned. *Store atmosphere* was disliked as well, some big stores being viewed as unpleasant, and some small stores as untidy. *Store layout* was seen sometimes as poor; this may lead to difficulties in finding goods. *The location* of a store was also found problematic.

TABLE 7 Perceived risks and benefits in grocery stores

PERCEIVED DISLIKES / RISKS	PERCEIVED LIKES / BENEFITS
High prices (23)[14]	Reasonable, low or stable prices (37)
Limited variety (17)	Suitable range of goods (37)
Loss of time and queues (13)	Finding goods easily and quick shopping (22)
Poor quality of merchandise (9)	Personal customer service (21)
Lack of personal service (5)	High quality of merchandise (19)
Unpleasant atmosphere (11)	Nearness (16)
Store untidy (4)	Special offers (11)
Poor layout (5)	Fresh foodstuffs (10)
Difficult to find goods (4)	Easy access by car and good parking (8)
Problematic location (6)	Suitable store size (7)
	Long opening hours (7)
	Spacious (8)
	Pleasant atmosphere (2)
	Tidy (1)
	Good location (6)
	Do not have to carry bags (2)
	Specialities available (4)

What the consumers liked is a reasonable, low or stable price level and a suitable range of merchandise in a grocery store. They seemed to value low prices, but most important was that prices should be moderate and remain stable. The range of

13 The price of food has been regarded as too high in Finland for a long time. The average price of food dropped by about 10% in 1995 when Finland joined the EU and the VAT on food products was lowered. The price of food was one important argument used by advocates of EU membership.

14 The figures in brackets refer to the frequency of the term across all respondents and all stores.

merchandise does not have to be very wide or deep, but it should include "everything that a family needs". *Also quick shopping, and finding goods easily was regarded highly. Personal customer service is seldom available in today's grocery stores, but it is nonetheless valued. High quality of merchandise was often mentioned as a positive aspect. Several additional benefits were mentioned: nearness; special offers; fresh foodstuffs (bread, meat, fish); easy access by car and good parking facilities; suitable store size; "not too big"; open late; spacious; pleasant atmosphere* and *tidy; good location* and *do not have to carry shopping bags; specialties available.*

The interviewees' stories about the dislikes perceived in grocery stores consist mostly of functional issues which are related to obstacles to effective and convenient shopping. The perceived likes reported by the consumers, likewise, tend to be related to the functional aspects of the shopping task rather than the hedonic or experiential dimension of shopping.

The interviews indicated that while the consumers used both functional and symbolic image attributes when describing good and bad qualities in grocery stores, functional characterizations were most commonly used. We could assume that this is because grocery stores are often perceived and evaluated from the viewpoint of how well they fulfil the logistic and service functions attached to them. Consumers organize their grocery store related knowledge structures according to principles which are connected with the capability of the stores to meet consumers' functional goals. As regards grocery shopping, consumers' goals are obviously geared around getting the necessary food products home.

However, grocery retail chains also promote image differentiation. Thus they also attempt to convey symbolic messages, e.g. that the particular chain provides some abstract, imaginary benefits and value that are unique and superior to those of the competitor. Such messages conveying imaginary and abstract features may or may not have reached consumers. The free response data concerning consumer perceptions in the present study shows a notable absence of the images fabricated and intended by the retail chains.

As regards the level on which grocery stores are evaluated, it seems that the principal level is store type rather than brand of store. Store type is often regarded as the basic level at which consumers produce the richest verbalizations. Brand or chain level evaluations and distinctions should appear more infrequently. Consumers do not pay so much attention to the intended differences between the various chain concepts.

Only one of the store chains, Siwa, was recognized clearly. Thus, Siwa is a well-known distinct concept. It seems that many of the informants have formed a Siwa schema. The informants discerned that all Siwa outlets are quite similar. Siwa thus has an institutionalized position as a grocery store.

The lowest level of evaluation is the specific store level. The respondents often described the specific stores familiar to them. Some interviewees noted that a specific store belongs to a particular chain, e.g. Spar. But no one could tell the differences between the chain concepts. This may be because although the details of the concepts and business ideas of the chains have been designed principally for the sake of consumers, they have, in fact, only remained a concept for the retail organizations themselves. Only some aspects of the business ideas have been actively communicated to the consumers.

To sum up, the respondents in my study seemed able to categorize the grocery stores familiar to them, when asked to conduct the categorization task. While they sorted the stores into groups quite readily, they found it somewhat difficult to give expression to the perceived differences. This indicates that the tendency to categorize grocery stores is often a subconscious process. Daily shopping is mainly routine and is often a low-involvement activity. Distinguishing between specific brands of stores requires subtle perceptions and often conceptual inferences at an abstract level.

Grocery stores were also described in terms of the respondents' own relationship with a store. In the following sections, these relations between consumers and the grocery stores which they know personally are described and analysed in more detail.

2.1.3 The meanings and associations of grocery stores to consumers

Here, the observations concerning the free response data are extended and analysed further. For one thing, store size appeared to be an important perceptual categorization principle. For another thing, the discount store seemed to be the only distinctive store type in this study. Accordingly, the meanings and associations attached to small stores, big stores and discount stores are elaborated next. The relationship between store and consumer is analysed from the perspective of the meanings and associations that consumers attach to small versus big grocery stores; and what meanings are associated with discount stores. We make use of the classification proposed by Richins (1994), which was discussed in Part II (section 2.3.3). Accordingly, goods may be associated with four types of meaning: utilitarian value, enjoyment, representations of interpersonal ties, and identity and self-expression.

Small stores

There is a wide variety of small grocery stores within the city of Jyväskylä. Most of the informants appeared to know well the small stores near to their homes or near to their workplaces. Small stores not on the way to work or home or otherwise en route, were usually not known. Store size seemed to be directly related to the distance which the consumers are willing to travel. This is consistent with the previous literature, which finds that the attractiveness of a retail store is affected by its size.

But small stores appear to have potentially attractive features other than size. One important aspect of a small store is the opportunity for personal contacts with the staff of the store. There is a feeling of personal attention and care about personal needs and hopes.

> "You can contact the sales staff and the shopkeeper, you can ask him to order items. This is extra service. The price is, of course, higher ..." [2].

One possible strength of the small store is personal customer service. Many respondents associated personal service with the small store types. In consequence, there is a demand for service and occasionally the consumers want it and need it. For example, one respondent said that she has a set of four specific stores for situations when she wants to buy fresh meat. She knows that in each of these stores there is fresh meat and personal service available.

> "I shop there when I buy fresh meat and want counter service, especially when I need meat counter service, and I know where I can get it..." [6].

Small stores are associated with the representation of interpersonal ties, one of the significant categories of meaning that potentially create value (Richins 1994). *Consequently, we could say that the consumer will obtain value when shopping in a small store because of the opportunity for interpersonal relations.*

A higher price level was also often associated with a small store. Price may, however, be compensated by other beneficial characteristics, for example nearness or convenience of location. Size, price level, location and their consequences could be the trade-off attributes when the consumer uses the compensatory evaluation rule. As the consumers associated high prices, nearness and convenience with small stores, we could interpret that small stores convey meanings related to utilitarian value. *Consumers may, however, sacrifice utilitarian value in order to obtain other types of value associated with, e.g. interpersonal relations.*

According to many respondents the right size of a store is between small and big: medium size. The right size means that there is variety: the consumer will get what he or she needs. Size of store was also connected with expectations concerning the store and the accuracy of those expectations. If the store is of the right size,

> "you can find things quickly, you find almost everything you need. The goods are kept in the same places, whereas in big stores it is easy to move goods from one place to another and back again..." [2].

Small stores are predictable: the customer knows what to expect, what goods are available, where the goods are located, and what the price level is. Shopping is efficient, quick, and without too many problems. It seems that consumers have learnt to think about stores according to size. That is, different types of shopping trips are associated with stores of different sizes. Accordingly, consumers associate different goals and functions with small stores versus big stores.

Small stores offer convenience in terms of ease of shopping; consumers may prefer them because of their nearness and the familiarity and intimacy.

> "It is the familiarity, as I go almost daily I know what I'm getting and where to find things. I know whom to ask if there are problems. Smallness and intimacy. I patronize these small neighborhood stores ... They are quite good stores, there is a fair supply of food, it satisfies the needs of a family of four like ours..." [13].

This quotation indicates that the consumer takes a critical stand on big hypermarkets: she perceives them as unpleasant and oppressive. She does not like "the impersonal shopping pattern which implies driving and enormous numbers of purchases". *For her, small stores perhaps produce value in the form of meanings related to identity and self-expression.*

The informants seemed to support their small neighborhood stores. They feel that this type of store is necessary. Several respondents explained why they ought to support their neighborhood stores. Meanwhile, they gave various reasons for not shopping there regularly. Consumers appear to have a somewhat ambivalent view of small stores: even though they feel that for the sake of the common good small stores must be supported, small stores are nonetheless not attractive enough in the face of other temptations.

> "Small stores are cramped. It is difficult to move around with a trolley; you have to crowd round the shelves. .. Ruokamatti is a good store but I think it is expensive. It is run by a private shopkeeper, the goods are of high quality but he can't provide special offers. It's a good thing that the shopkeeper runs it himself. Even though the store is near my home I don't go there. It has good service and friendly staff, unfortunately I just have not gone shopping there. I would like to support the private shopkeeper; it is a good thing that there are private businesses today ... But for some reason I shop in the bigger stores." [22]

> "It's a good thing that there are small neighborhood stores. Not everyone can be bothered with the markets anyway. Of course, I ought to support them more; but the goods are often only so-so. For instance, freshly-baked bread often runs out, and the product range is narrow." [21]

> "Small neighborhood stores. It is easy to shop there. They are alternatives when I have to shop for small purchases, because they are on the way home. I get more personal service in Kotikenttä than in S-market. There is a meat counter. But we shop in S-market more often because we are members. A store run by the shopkeeper is, however, more pleasant than the totally faceless co-op. Small stores are more expensive than big stores." [16]

It is interesting to notice how the respondents give reasons to their actual shopping behavior. Irrespective of preferring or being satisfied with a particular store, consumers may choose to shop in another store anyway. *This finding would indicate that consumer satisfaction with a grocery store will not invariably lead to favourable behavior with that same store. Conversely, dissatisfaction with a store will not invariably lead to store switching or exit behavior.*

Big stores

The big stores are well known. The hypermarkets Prisma and Citymarket as well as the big stores in the city centre Anttila and Mestarin Herkku were mentioned by almost all the respondents. Moreover, Prisma and Citymarket were grouped in the same category by 26 respondents. Consequently, we can propose that they are perceived as very similar by the consumers. Anttila was classified as similar to Prisma and Citymarket by 18 respondents. Mestarin Herkku was classified as similar to Prisma and Citymarket by 12 respondents, and as similar to Anttila by 17 respondents.

The following quotations illuminate the typical meanings associated with big grocery stores:

> "In a big store there is a wide range of all kinds of goods. I go for big quantities of low-priced goods. I go there for special offers. But in such a large space you can't go fast and you don't find goods easily. You have to walk as if you were out for a stroll. You cannot get away quickly, you lose time. And you can't find sales assistants if you have questions to ask..." [2].

> "In the big stores the goods are well displayed. They are perhaps too big; there's a lot of walking, shopping takes a long time, there are attractions. Big stores are spacious and the prices are reasonable. But in my family we don't spend much, only the kid and I. And I don't have a car ..." [22]

> "... These are big stores, we go there when we have a car at our disposal. And when we happen to be in that area. They are giant halls, big and versatile. Quick turnover of stock. There is a lot of room; it's hard to move around with the trolley. I don't know the stores well, so I have to walk a lot and search for things." [24]

> "There is a broad range of goods. Meat and fruit products are good. Prices are reasonable. Shopping is easy, big stores are spacious and it is easy to get around. I go there when I have to purchase big quantities of goods, when we are out of almost everything. I go by car and I bring back many packages of goods. I sometimes combine purchasing other goods besides food." [25]

> "Hypermarkets are far away, but as we go by car it doesn't matter. This is a special kind of shopping. We go by car, and we have to walk several kilometres in order to find the goods we want. We can get close to the store by car and there is plenty of parking space. We go there when we have a lot of goods to purchase, we buy more goods in one go, goods that are difficult to carry." [29]

These quotations indicate that big grocery stores may be associated with the availability of a wide variety of goods. Some consumers perhaps find big stores convenient since they offer the possibility to buy all the things they need in the same place. On the other hand, many respondents feel that while the big stores are spacious there is a lot of walking along and searching. This extra walking is often compensated by purchasing large quantities of goods at one time.

> "We go there when we buy a greater quantity of goods in one trip. As we go by car we drive easily to the car park, and we do not have to carry the bags..." [4].

> "... Market-like stores where the number of the items is usually larger. There are good special offers. Many tills. There is rarely a crush or queues, you don't have to stand idle for a long time. There are large packs, toilet paper for example. They are usually new sites, a lot of space, no collisions against the shelves, good lighting, easy to move around in, pleasant shopping. ... The method of shopping is such that you take the goods on the trolley to the car. From the perspective of a motorist, shopping goes smoothly, especially if you are on your own and with a child." [14]

Several respondents mentioned that potential obstacles to efficient shopping are minimized in the big stores. *The most prominent meanings associated with big stores were related to utilitarian value.*

The shopping pattern associated with the large stores included infrequent visits, a lot of walking and searching, and purchasing large amounts of goods at lower prices. Furthermore, the respondents sometimes associated big stores with saving money, while they felt that a lot of time and effort needed be devoted to this kind of shopping.

> "Hypermarkets are located farther away. I go there because the prices are lower. At first it was difficult to find things, but then gradually they have become more familiar. We plan purchases in advance and we buy a larger amount at a time. We try to avoid the crowds by choosing a convenient time" [19]

> "In the big stores the overall price level is reasonable. I mostly shop in these stores. I feel oppressed by their size, especially if I am with the kids, or if I am in a hurry or if the store is crowded. Shopping there is pleasant when you choose a quiet time and leave the kids at home. I go there when under a constraint, that is when I have to get food in. They have a wide variety of goods. I find what I'm looking. The broad range and overall reasonable prices appeal to me." [20]

This respondent sees it as important that his functional needs and expectations are met. He feels that shopping for food is troublesome, but this can be minimized by timing his shopping. He also mentioned that he always combines physical exercise or some aspect of pleasure with the shopping trip. Thus he does the shopping trip on foot or he goes together with a friend. *The emphasis on reasonable prices, a wide variety of goods and avoiding the rush hour indicate that this shopper seeks utilitarian value. At the same time, he tries to reduce the inconvenience of shopping by pursuing enjoyment in the form of physical exercise and by enhancing his interpersonal relations going with a friend.*

Even though hypermarket shoppers feel that they may get bargains, they also recognize that for some reason they have to spend a lot of money. Money is spent unnoticed, and also because a number of impulse buys are made.

> "When I go shopping there I always find that thousand FIM has gone all at once. Impulse purchases can't be helped..." [6].

As a consequence of the temptation to make unplanned purchases, shopping in a big hypermarket requires that the consumer has control of several things. In an environment of abundance consumers often do not easily find what they are after, and they may also lose their sense of system and control. This came up in the open interviews, when some of the respondents described how and why they occasionally make wrong purchases, especially in big stores.

Which type of store best satisfies the needs of a family is likely to vary from situation to situation, and from family to family. In some situations and some families, needs are known and functional satisfaction is sought. When functional needs are uppermost, medium size or even small stores are regarded as adequate. The big stores offer an excessive supply of goods. In principle, medium size stores should satisfy all functional grocery needs. But consumers are, after all, explorers who wish to know what is beyond the ordinary. Accordingly, bulk purchases and variety may be sought for. Big stores are probably visited in search of something beyond the regular and familiar. They involve a promise of some reward which is yet unknown (cf. Campbell 1987). *Giant stores also convey meanings of enjoyment and pleasure.* Big stores often carry wide product ranges and it is therefore conceivable that they are providing consumers at the same time with the opportunity to experience new tastes and try novel items. Moreover, the new shopping centres, especially, as well as some of the hypermarkets are highly designed aesthetic environments that stimulate hedonic experiences. Some kind of enjoyment or pleasure was obviously sought by the informant who explained why she switched from patronizing a medium size store (Länsiväylä) to patronizing a hypermarket (Citymarket) as follows:

> "I can't distinguish any difference in prices. While Citymarket campaigns on offers, there is no difference as regards the regular price level. I did not switch on account of the prices but because we wanted variety, to shop in a big store..." [8].

Discount stores

Discount stores in Finland have been set up in suburbs and other areas where they have replaced the disappearing small neighborhood store. The concept of the discount store is based on reasonable prices, limited service and a standard range of goods.

There are two national discount chains operating within the catchment area considered in this inquiry (Jyväskylä): Siwa and Sale. Of these, Siwa seemed to be better known among the respondents. This may be because the number of Siwa outlets in the area in question is much bigger than the number of Sale outlets. In addition to these two national discount chains, there is a privately owned, "independent" discount store, Minimani in the city centre in Jyväskylä. Minimani is not affiliated to any trading group, and there are similar Minimani stores in other medium-sized towns in Finland.

The open-ended interview data provides evidence of the existence of a discount store schema in the consumers' minds. This schema is distinctive and perceived as different from the cognitive representations of the other store types. Accordingly, consumers appear to have learnt what a discount store is, what it offers, and what chains are included in the discount store category. All the respondents described and discussed readily the characteristics of the discount store concept.

It is presumably due to the standardized appearance of the discount chains that consumers have familiarized themselves with the discount stores. For example, many respondents proved to be familiar with Siwa. They were easily able to provide both descriptive and evaluative data about Siwa and the other discount stores. Actually Siwa was the only store which was mentioned by all the respondents. The descriptions of Siwa were surprisingly consistent across the respondents, irrespective of age, sex, family status or education.

> "All the basic food are available. Convenient packs for the summer cottage, summer cottage food. There are similar stores in many locations. It is convenient to know that they carry approximately the same variety of goods and they are in the same place in the different store. You don't have to search for things." [7]

> "Siwa has a fair price level. And there are various food products available, except fresh meat. You can easily get fresh supplies of (basic) food, Siwa is near. There is quite a lot

of variety. But, as they have a standardized range of goods, it can sometimes happen that certain essential items are not available, if those items are not included in the standard range."[8]

"Siwa is shabby. You have to be very careful with the quality of the products you buy. But it is good that Siwa is open late on Saturdays. There is Siwa near my home, so when I can't be bothered to go farther and I need something, then I go and buy it in Siwa." [16]

"The advantage of Siwa is that it is open until 8 pm, that it is open late. The disadvantage is that the quality is not good, for example fruit is often of a very poor quality. And there is no fresh meat available, everything is packaged ready." [21]

"Siwa is clearly a warehouse store. There is a limited range of goods and no personal customer service at all. You even have to be prepared to root around in packing crates. I like Siwa because you don't need to look at prices, you can count on prices being fairly moderate. There are no special offers but the overall price level is rather fair. .. The advantage is that Siwa is near and it is flexible, you can get out quickly. .. The disadvantage is that there is a narrow range of goods." [25]

"Siwa is near my home. I go there if I can't be bothered to go elsewhere. In Siwa there are many kinds of things, but the meat is always frozen, which is not a good thing. But there is milk and bread like in the other stores. It is all right .. And the staff is friendly. And, of course, it is good that it is open until 8 pm, so that if I notice in the evening that something is missing, I just go and get it." [39]

The terms convenience, knowledge of what there is, fair prices, and general accessibility indicate that the consumers associated functional meanings with the discount stores. Further, as the following quotations indicate, consumers obviously seek *utilitarian value* when they go shopping in a discount store. On the other hand, enjoyment, interpersonal relations, or self expression do not appear to be present.

"Siwa sells canned foods. Siwa used to have fair price level, but not any more. Siwa is near my home, open late, I usually buy the stuff late there. Minimani is the best in this category. Lower prices, the largest selection to choose from, the biggest store. Spices, canned food, juices are cheap. You could call it a bulk market, they only have big packs, no small ones. I go there for juices and such things. I shop there if I happen to be already in the city centre". [18]

"Siwa is a primitive store. You can do your shopping there quickly. No large selection, a quick way of shopping. This is also a good store format. It is a typical store to go for milk, yoghurt, sour milk. I would shop in Siwa if there was one on my way". [20]

Indeed, one respondent was ready to evaluate and analyse Siwa even though he had only shopped there a few times.

"Siwa chain consists of several small shops around the town. Beer-drinkers buy their beverages there. Siwa is a good choice if you need for example milk or basic foodstuffs. We go occasionally for single items, milk products. Open late. Cramped, old and inconvenient. You have to look closely, fruit can be of poor quality. There is a very limited range of goods available". [14]

In the interviews, discount stores were frequently associated with lower than average prices. Many interviewees, however, questioned the low price image in Siwa. Some of the interviewees explained that Siwa holds out a low-price image, but in reality its price level is not low. One respondent attributed rational reasons to the lower price-level of the discount store Minimani as follows:

> "In Minimani some goods are very cheap, but others are expensive. No store can keep on selling under cost price. You have to watch the prices carefully. Minimani is also messy, disordered and has narrow aisles. I always feel that I can't find things there". [21]

This respondent was suspicious of the perceived low price level of the store. If the projected price level of goods is not perceived as plausible, consumers may infer that the store sells other goods at higher prices. Alternatively, consumers may attribute low prices e.g. to poor quality.

2.1.4 Consumers' relations with grocery stores

This section elaborates the interview data further by considering how the respondents described their relations with the grocery stores. It explores what patronage patterns the respondents reported with respect to certain stores and how they described their relations with these stores. In analysing the consumer-retail store relation, and the consumer-retail store interaction the analytic categories based on the literature on the nature and structure of product meanings were useful. Moreover, the role of the respondents' shopping orientation is explored. In accordance with the discussion in Part II, shopping orientation refers here to the direction of consumer motivation. In grocery shopping consumers are assumed mainly to have functional shopping orientation, which means that their goals are rational and utilitarian, and they seek functional benefits. Alternatively, a hedonic orientation may sometimes dominate. Then the consumer is motivated by pleasure seeking, sensory experiences, identity seeking, or exploration.

When reading the interview transcripts, a question re-emerges which has received considerable attention in the consumer behavior literature as well as the retailing literature. That is, what motivates the consumer, why does he or she prefer a particular store in a given situation? A frequently occurring explanation for preferring a specific store was: "Store x is on my way home from work" or "It depends on what I happen to need". This confirms the view that the situational factors, needs and goals of the consumer will influence store preference.

As for store choice, it can be assumed that consumers may use different rules according to the situation or according to the situational needs. For example, "I always buy canned food in Minimani". Thus consumers' relationships with grocery stores may be mediated by specific products or situational factors. A place to buy milk, a place to buy fresh bread, or a place to buy detergents are often recurring descriptions. On the other hand, the regular customer relationship is often based on the location of the store: it is near home.

At the time of these interviews regular customer cards were being introduced and were not common to all. Only a few respondents mentioned a regular customer card or membership of a co-operative as a determiner of their shopping behavior and store choice. In part, of course, the absence of card-carriers is due to the small sample size. However, the importance of the customer cards has increased markedly during the last few years. All the major trading groups in Finland have invested considerable amounts of money in the marketing of regular customer cards. Consequently, all consumer groups have been targeted via intensive promotional campaigns.

Only a few of the respondents mentioned that they use special offers as a criterion in doing their choice of grocery store. However, some respondents reported a pattern of travelling to the hypermarket and buying price-reduced products in bulk quantities.

Consumers commonly develop regular customer relationships with particular grocery stores. That is, they have a relatively steady set of store choice. Arguably, a particular store is preferred and chosen in a given situation in accordance with the shopping orientation. In a way, this is automatization of mental work, and it makes the shopping task easier. Moreover, in a familiar store the consumer knows what there is and where to find it.

Below, some quotations from the interview data are presented as examples of how consumers describe why they use some stores regularly. These quotations, again, indicate that the respondents are seeking functional benefits. There is no evidence of a hedonic shopping orientation.

A particular store is preferred and chosen because:

- it is near;
- there are good special offers and I can buy almost anything;
- it is on my way home from work;
- it is the nearest and most convenient;
- because it is big, there is unwrapped bread available;
- it is the nearest, easy to get to,
- the stores are familiar, it is easy to get there, I know them;
- it is easy to put the bags in the car, I don't have to carry them;
- it's our neighborhood store, I get everything there, I don't have to go to other stores;
- it has everything that a family needs, and we get a bonus;
- we are not crazy about carrying bags, so we go by a car and this store is within easy reach;
- it is easy to shop while kids are in the bouncy castle, the store is not too far away, so I don't have to spend on petrol;
- it's familiar, I am used to it;
- it's a habit, the store is of high quality, we are satisfied.

While a hedonic shopping orientation could not be discerned, it is nonetheless possible to break down the functional orientation more closely. The functional orientation is not uniform, but within it, different types of stores are connected with different shopping trips, each with specific motivations and goals. The respondents mentioned various functions and goals which they pursue in grocery shopping. For example, the concrete functional goals include: to go for special offers, to get a favourite loaf of bread, to buy food for a party, to fetch a carton of milk and rye bread. These goals indicate rationality and utility; at the same time there is variation, indicating the existence of different routines in different situations. For example, shopping for a special occasion versus shopping for an ordinary everyday meal.

Another distinction in orientation emerged in the interview data. Almost all the respondents in my study reported that they have an established weekly shopping pattern. Respondents readily reported how many times a week they go shopping for food, on which days they usually go, and which stores they usually patronize. Shopping for the weekend and supplementary shopping during the working week are presumably the major complementary shopping occasions. Each of them implies visits to particular stores. Moreover, it frequently came up in the interviews that supplementary shopping during the week is aimed at fulfilling particular needs. Weekend shopping is, conversely, partly directed at fulfilling needs, but experiences, exploration, and novel stimuli also play an important role.

The consumers' shopping patterns and their relations with the grocery stores seemed to be institutionalised. Shopping behavior would appear to follow approximately the same pattern for rather long periods. Events may, however, give the impulse to change the pattern. Such impulses may, for example, relate to dissatisfaction with the present stores, changes in family status, exploratory behavior, and seeking new stimuli. Moreover, changes in grocery store structure and the strategies of stores or trading groups may cause consumers to modify their established shopping patterns (Laaksonen 1987).

2.2 Perception of grocery stores based on similarity

In order to examine the principles which underlie consumer grocery store perception, multidimensional scaling analysis was performed on the six selected grocery stores. The set of 30 dissimilarity matrices, one for each subject, of these grocery stores were used as input in the MDS analysis. The data matrix was triangular, a particular type of square data matrix in which the rows and columns represent the same things and data is symmetrical (Schiffman, Reynolds & Young 1981, 57-58).

To decide the appropriate number of dimensions, solutions were obtained in several different dimensionalities and the best solution among them was chosen. Accordingly, both a two-dimensional and three-dimensional WMDS solution was computed. Interpretability, reproducibility, and fit were used as the criteria in comparing the solutions [15] (Davison 1983, 91). The interpretations of the solutions are discussed below.

The interpretation of the axes of the MDS solutions is often problematic. It consists of identifying important stimulus groupings or orderings. In addition, the stimulus attribute corresponding to each ordering is labelled, and the feature

---

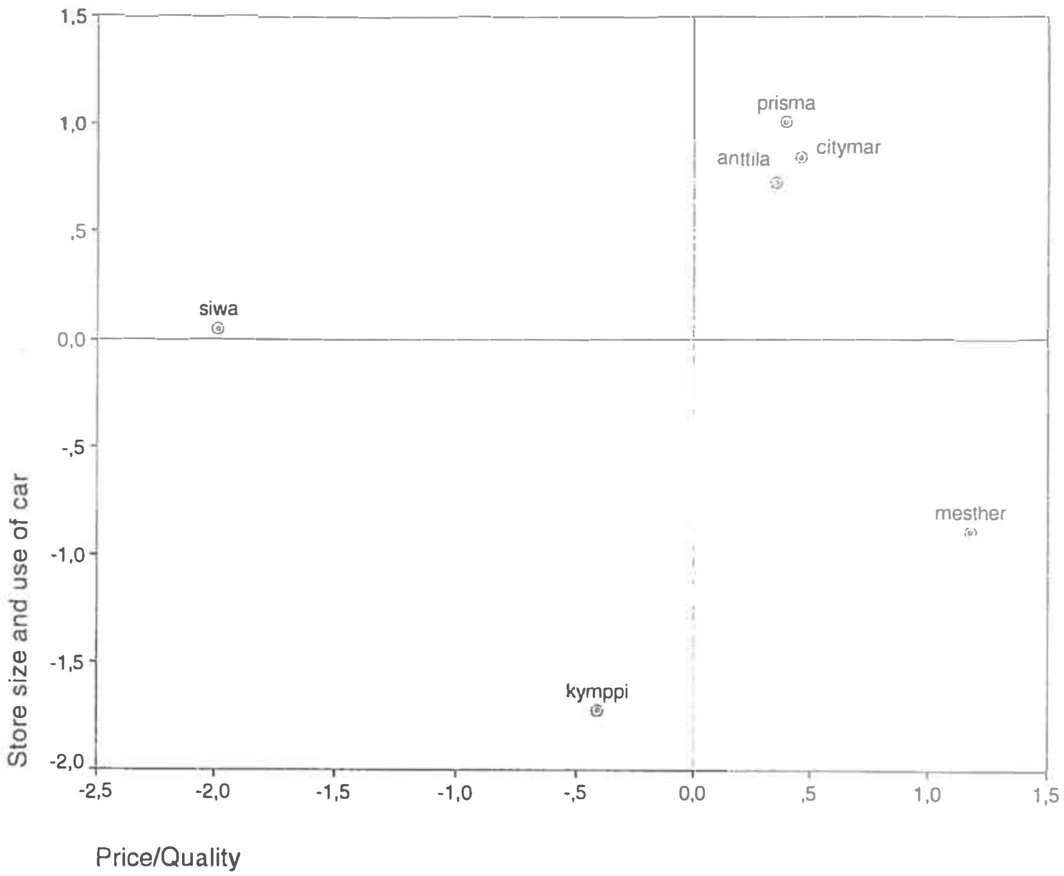
15 Interpretability implies that the number of dimensions from the smallest dimensionality in which all of the important stimulus features appear. Reproducibility dictates that the solution must include dimensions which emerge consistently in all subgroups. Fit can be evaluated by a dimensions-by-fit-measure plot and stress (Davison 1983, 91).

that is shared by each stimulus grouping is described (Davison 1983, 93). There are a number of methods which can be used as aids in axis interpretation. Green, Carmone & Smith (1989), for example, suggest three alternatives. First, the researcher may use his/her own expertise together with a list of criteria obtained from the respondents about what they believe to be the reasons why particular stores are similar. Second, one can use property fitting procedures where two sets of data are collected from each respondent. The first set is the stimulus space obtained from scaling the similarities data. The second data set consists of respondents' ratings of each object on prespecified attributes. Next, the attempt is made to fit the property vectors calculated from the unidimensional ratings in the stimulus space. Third, experimental design methods can be used (Green, Carmone & Smith 1989, 67-69). In this study, in interpreting the dimensions of the perceptual maps the following means were used: store profiles drawn from respondents' store attribute belief ratings, data obtained in the open interviews and researcher's experience were employed.

Figure 7 shows the two-dimensional space of the 6 grocery stores. The perceptions of the three stores Anttila, Prisma, and Citymarket appear to be quite similar to each other.

The discount store Siwa lies at a distance from the others on dimension 1. The exclusive department store food market Mestarin Herkku (Mesther) lies farthest from Siwa on this dimension. With the open interviews in mind we can interpret that the features on which these stores differ most are perceived price level and quality of merchandise. **Dimension 1** seems to describe *low price/low quality* versus *high price/high quality*.

Dimension 2 separates the stores Anttila, Prisma and Citymarket and the neighborhood store Kymppi. The open interviews showed perceptions of Kymppi to differ from those of the three other stores in terms of store size. Moreover, Kymppi is perceived as being poorly accessed by car. There are few parking places near the store. On the other hand, the hypermarkets Prisma and Citymarket have large parking facilities and they are located outside the downtown area. Anttila is in the city centre, but it has an underground car park. In the open interviews it was mentioned that Anttila is conveniently located for car users because of this facility. In consequence, Anttila, Prisma and Citymarket differ from Kymppi in terms of store size and accessibility by car. **Dimension 2** is interpreted to describe *store size* while it may also be connected with *use of car*.



Measures of fit[16]:
S-stress[17] (after the last iteration) = 0,20062
RSQ[18] = 0,87079
Stress[19] = 0,17127

FIGURE 7 Two-dimensional stimulus space of the 6 grocery stores

The weight space for the two-dimensional solution reveals the relative importance that respondents attach to each dimension (Appendix 2A). The stimulus coordinates (X) and weights (W) for the two-dimensional solution are in Appendices 2B and 2C.

The weirdness index for the two-dimensional solution is given in Appendix 2C. The weirdness index indicates how unusual each informant's weights are

---

16 See e.g. Davison (1983), 85-89.

17 S-stress ranges from 1 (worst possible fit) to 0 (perfect fit). The S-stress fit formula is based on the squared distances contained in the matrix D^2. It indicates the fit of the squared distances D^2 to the transformed data $m\{S\}$. (SPSS 6.1 Professional Statistics 1994).

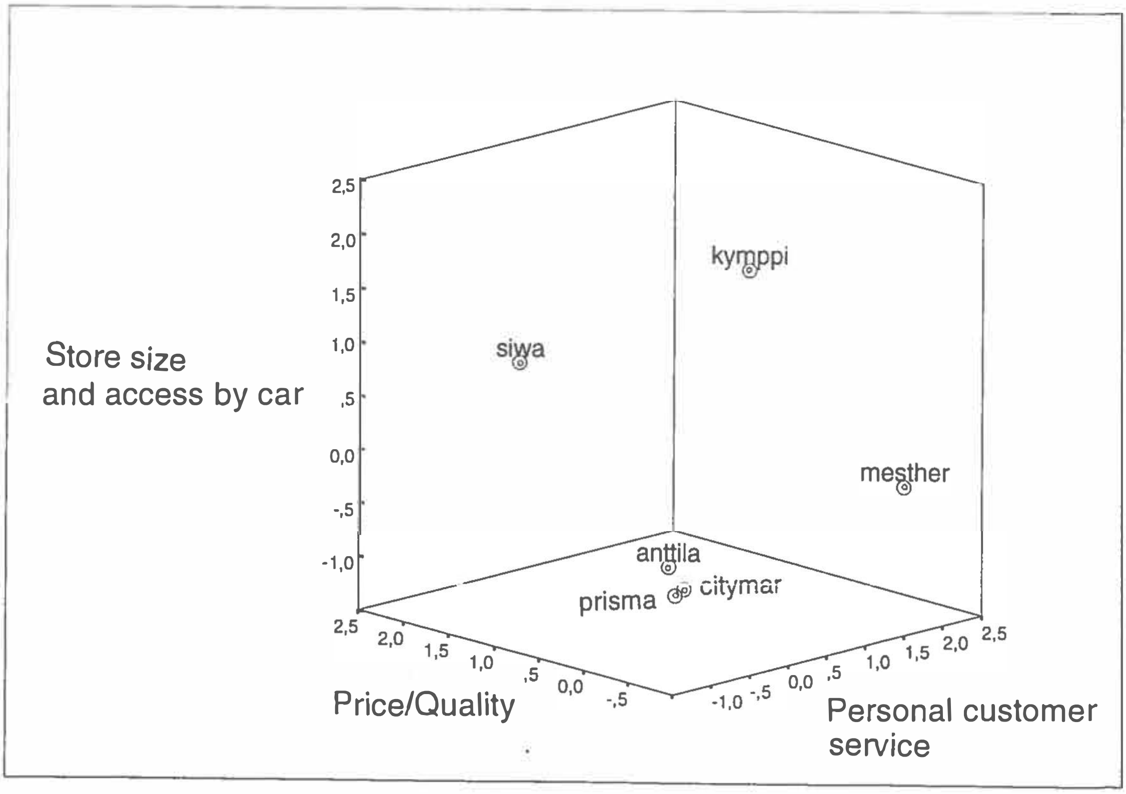
18 The proportion of variance of the transformed data T that is accounted for by the distances D of the MDS model. (Ibid.)

19 The stress index is Kruskal's (1964) stress formula. It is defined similarly to S-stress, but distances are used instead of squared distances. (Ibid.)

relative to the weights of the typical informant. It varies from 0.00 to 1.00. A totally typical informant's index is 0.00, and values near 1.00 are unusual. An informant whose weirdness index is 1.00 is very weird, which means that he or she uses only one of the dimensions of the analysis.

Figure 8 shows the three-dimensional stimulus configuration for the stores. The three-dimensional salience configuration, i.e. weight space W is given in Appendix 3A.

The stimulus coordinates (X) for the three-dimensional solution are shown in Appendix 3B, and the subject weights (W) and weirdness index in Appendix 3C. There are three subjects (12, 15, 28) with unusual values, i.e. values near 1.00 (see Appendix 3C). These subjects' store perceptions are based on only one dimension, dimension 1.



Measures of fit:
S-stress (after the last iteration) = 0,13279
RSQ = 0,91940
Stress = 0,12443

FIGURE 8 Three-dimensional stimulus configuration of the 6 stores

Siwa and Mestarin Herkku (Mesther) are widely separated from each other on dimension 1. The items on which Siwa and Mestarin Herkku differ most are prices, availability of different goods and brands, quality of goods, selection of goods, and separate service counters. Siwa is perceived as having lower prices but items reflecting quality and convenience are also ranked low. Mestarin

Herkku is perceived as having high prices but good quality and exclusive shopping. Exclusivity is related to quality, it refers to the uniqueness and elegance of the store. Thus, **dimension 1** is interpreted to describe price/quality ranging from low price/low quality to high price/high quality. This is labelled the *Price/quality* dimension. Along dimension 2, Prisma, Citymarket and Anttila are located near each other whereas Kymppi lies at the other end of this dimension. The feature particularly differentiating these stores is size. Prisma and Citymarket are large hypermarkets, Anttila is a large supermarket within a department store meanwhile Kymppi is a small neighborhood store. In addition, the use of a car seems to imply differences along dimension 2. Prisma, Citymarket and Anttila are perceived as accessible whereas Kymppi is perceived as less easily accessed by car. **Dimension 2** is thus the *Store size and access by car* dimension. On dimension 3, Anttila, Citymarket and Prisma lie near each other but far away from Mestarin Herkku. The items on which Mestarin Herkku differs most from the other stores are "Separate service counters", "Products are freshly made", "Friendly and helpful sales staff", "Customers' opinions are considered". Thus, **dimension 3** can be described as *Personal customer service*.

The consumer perceptions of grocery stores are adequately represented by three dimensions. The three important dimensions along which the consumers perceived differences between the grocery stores appear to be *Price/quality*, *Store size and access by car* and *Personal customer service*. Dimension 1 is above all the price dimension. Consumers may have been referring to the price level of the store when they inferred similarity between stores. But price is usually evaluated in terms of some reference point. Quality will be one such reference point. A high price level would be accepted if the store is perceived as offering high quality, and low price would imply low quality. Dimension 2 combines two very important evaluative criteria on which the previous studies quite unanimously agree: size of the store and its accessibility, especially by car. Hypermarkets and small neighborhood stores are the opposite poles of this dimension. Consumers may judge store similarity according to whether a store is hypermarket or not. Dimension 3 refers to personal customer service, a current issue in grocery store-type transformation. The trend is towards self-service, and grocery store types with scant personal service are dominant. Personal customer service in grocery stores is being replaced more and more by automation and equipment. The emergence of this dimension indicates that this trend has been noticed by consumers.

Although each consumer will perceive a particular store in an idiosyncratic way, it seems that some objective attributes underlie consumer grocery store perceptions across groups of consumers. The perceptual dimensions obtained in this study concern in particular the perceptions of the six stores examined. Since the dimensions are consistent with the findings of the previous studies on store perceptions we can feel more confident about generalizing the results beyond this study.

The perceptual dimensions obtained in the MDS are consistent with the results of the open interviews reported in the previous sections. These dimensions reflect the respondents' knowledge structures in terms of the perceived similarity or dissimilarity between the grocery stores, i.e. perceptual maps of the grocery stores.

In accordance with conclusions drawn in Part II we do not propose that the similarly perceived stores are similarly preferred. However, we suggest that the more similar to each other two stores are perceptually the more likely it is that behavior towards each of them will be similar (Singson 1975). In this case we could interpret Anttila, Prisma, and Citymarket, i.e. those stores which are near to each other on a perceptual map, to be close competitors. Moreover, these stores are unlikely to have distinctive images. Siwa, Kymppi, and Mestarin Herkku are widely separated from other stores and thus can be assumed to have distinctive images.

2.3 Store attributes and their importance

The respondents were asked to rate the attributes of an *ideal store* according to importance. These store attribute importance ratings are assumed to indicate the respondents' evaluative assessments of the grocery store features according to three broad attribute groups: functional attributes, aesthetic attributes and attributes reflecting social relations. That is, the ratings should reveal which attributes are important in the store evaluations. The store attributes and their average importance ratings are listed in Table 8.

TABLE 8 Store attributes and their average importance ratings

STORE ATTRIBUTE	AVERAGE IMPORTANCE (1 - 7)
High quality of goods	6,70
Freshly made products	6,63
Friendly and helpful staff	6,30
Location is appropriate	6,27
Fair prices of goods	6,10
Belongs to a reliable chain	6,10
Broad range of goods	5,93
Store layout is clear	5,93
Goods always available	5,93
Separate service counters	5,90
Suitable opening hours	5,60
Fast checkouts	5,53
Customers' opinions are considered	5,47
Store is clean	5,43
Many special offers	4,70
Easy access by a car	4,47
Store is aesthetically pleasing	4,10
Organically cultivated products available	3,70
Public announcements in the store	2,50
My friends shop in this store	1,97

In order to reduce the number of variables, factor analysis was conducted. Factor analysis with an Eigenvalue criterion of 1 provided six evaluative dimensions[20]. The factors were interpreted and labelled according to the highest loadings. The six-factor solution explained 69.9 percent of the total variance. The interpreted solution is shown in Table 9 which displays the correlations between the factors and the variables in the factor matrix[21].

The item "Friendly and helpful personnel" obtained the highest loading on factor 1. This indicates that the factor describes the success of personal customer service. The items "Products are freshly made", "Separate service-counters" and "Clear store layout" can be connected to the store's perceived willingness to help customers to find the goods they want and in good condition. Factor 1 was labelled *Service quality*.

The second factor obtained the highest loading on "Suitable opening hours". Also, "Fast checkouts", "Broad range of goods", "Fair prices of goods", and "Goods always available" were included. These items reflect aspects of technical quality, they state that a grocery store provides efficient shopping facilities. In addition, the items reflect ease of shopping. Factor 2 was thus labelled *Convenience and efficiency*.

The third factor loaded highest on the item "Store is aesthetically pleasing". Also, the items "Store is clean" and "High quality of goods" grouped on factor 3. These items indicate that a store is of a high level, and describe how a store presents itself to its customers. Factor 3 was labelled *Aesthetics*.

Factor 4 had the highest loading on the item "Customers' opinions and requests are considered". This item together with "Store belongs to a reliable chain" and "Organically cultivated goods available" indicate confidence in a supplier and point to the knowledge and politeness of a retailer. This factor was labelled *Reliability*.

Factor 5 loaded on two separate items, "Many special offers" and "My friends shop in this store". The first item loaded higher, and this factor was labelled accordingly *Special offers*. Another price-related item "Fair prices of goods" was grouped into factor 2. This indicates that consumers may attach different meanings to stores which have fair prices and those with many special offers.

The sixth factor was interpreted on the basis of two items. "Easy access by car" and "Location is appropriate" loaded equally highly on this factor. The latter was negatively correlated with the factor. This indicates that an inappropriate location may be easily reached by car. The third item on this factor was "Announcements in the store". This item may be associated with hypermarkets. It is, therefore, related to those items indicating the use of a car on a shopping trip. Factor 6 was labelled *Travel by car*.

---

20 The factor matrix of store attribute importance ratings is displayed in Appendix 4.

21 The sample of the inquiry was small (N=30); therefore the factors should be considered exploratory and descriptive. This factor solution should not be generalized in any way but should be taken as an illustration of the evaluative dimensions in the respondents' grocery store schemas.

TABLE 9 Factors in the six-factor solution and factor interpretation

Service quality	Factor 1	h^2
17 Friendly and helpful staff	.81	.75
11 Freshly made products	.62	.45
15 Clear store layout	.62	.92
10 Separate service-counters	.59	.39
Convenience and efficiency	Factor 2	
5 Suitable opening hours	.72	.55
3 Fast checkouts	.64	.67
9 Broad range of goods	.57	.46
2 Fair prices of goods	.48	.47
6 Goods always available	.42	.51
Aesthetics	Factor 3	
13 Store is aesthetically pleasing	.72	.56
14 Store is clean	.54	.34
8 High quality of goods	.53	.61
Reliability	Factor 4	
19 Customers' opinions and requests are considered	.91	.91
20 Belongs to a reliable chain	.61	.66
12 Organically cultivated goods available	.46	.39
Special offers	Factor 5	
7 Many special offers	.80	.90
18 My friends shop in this store	.43	.32
Travel by car	Factor 6	
4 Easy access by a car	.67	.61
1 Location is appropriate	-.67	.52
16 Public announcements in the store	.56	.58

cumulative proportion explained 69.9%

The six factors obtained in the factor analysis were *Service quality*, *Convenience and efficiency*, *Aesthetics*, *Reliability*, *Special offers*, and *Travel by car*. These six factors represent the characteristics included in the measure of store attribute importance. The factors are here interpreted as the possible dimensions along which consumers evaluate grocery stores. But the results of factor analysis do not reveal whether some of the factors are especially important with respect to consumer preference towards grocery stores. The question which factor or attribute will predict preference towards grocery stores is analysed in the next section.

The results of the factor analysis of consumer evaluative assessments can also be compared with the results of the MDS analysis, which were based on similarity perceptions. In the MDS analysis, the three important perceptual dimensions obtained were *Price/quality*, *Store size and access by car* and *Personal customer service*. These dimensions are rather consistent with the results of the factor analysis based on predefined attributes.[22]

But can these dimensions be regarded as shopping motives, and how important are they in the choice of stores? The previous literature and research has listed the important determinants of retail patronage. While the important determinants, such as accessibility, low prices, fast checkouts, and variety of merchandise remain the same, their relative importance will vary from time to time, from space to space, from store to store. Accordingly, different types of stores may be preferred for different reasons. Moreover, consumers will vary markedly in their shopping orientations. Different types of consumers will invoke quite different principles in forming store preferences (Brown 1992). Therefore, store attribute importance perceptions as such are insufficient to account for consumers' preferences for specific stores.

2.4 Evaluation of different store types

2.4.1 Comparing the store profiles

The profiles of the six grocery stores based on the attribute beliefs are drawn in Figure 9. As we compare the store profiles with each other we notice that the stores were all perceived to be quite similar on the attributes measured in this study[23]. Thus, no single store is unique enough to be differentiated significantly from the others. This implies that a cost-based strategy remains the primary means of competition between these undifferentiated stores.

In particular, the profiles of the hypermarkets Citymarket and Prisma are almost identical. Anttila resembles closely these stores. The profile of the discount store Siwa differs from the other store profiles; Siwa was assessed in more negative terms than the other stores on several attributes. The neighborhood store Kymppi has a unique shape, though close to the ratings of the other stores. Mestarin Herkku was perceived more positively than the other stores on most items. However, there may be a halo effect[24] in the evaluations. Accordingly, as

---

22 The three-factor solution was not used in the comparison of the factor analysis and the MDS because this solution was far less interpretable than the six-factor solution. The six-factor solution explained most of the total variance and was also theoretically most plausible.

23 The differences in the means of attribute beliefs of specific stores were not tested statistically due to the small sample size and qualitative and explorative nature of the inquiry. Thus there is a considerable risk of error if the differences in the means are generalized to the whole population.

24 The term halo effect refers here to the tendency of a respondent in a store image survey to rate individual store attributes according to his or her general impression of the store that is being rated. The ratings of individual attributes may be either systematically inflated or deflated, depending on whether the respondent's overall attitude towards the store is positive or negative. The amount of halo effect may be reduced e.g. by ensuring that the subjects are familiar with the stores being evaluated, and by making sure that the more important attributes are less subject to halo effect (Wu & Petronius 1987).

Figure 9 shows, lower ratings are given to the less preferred store (Siwa) meanwhile higher ratings are given to the most preferred store (Mestarin Herkku).

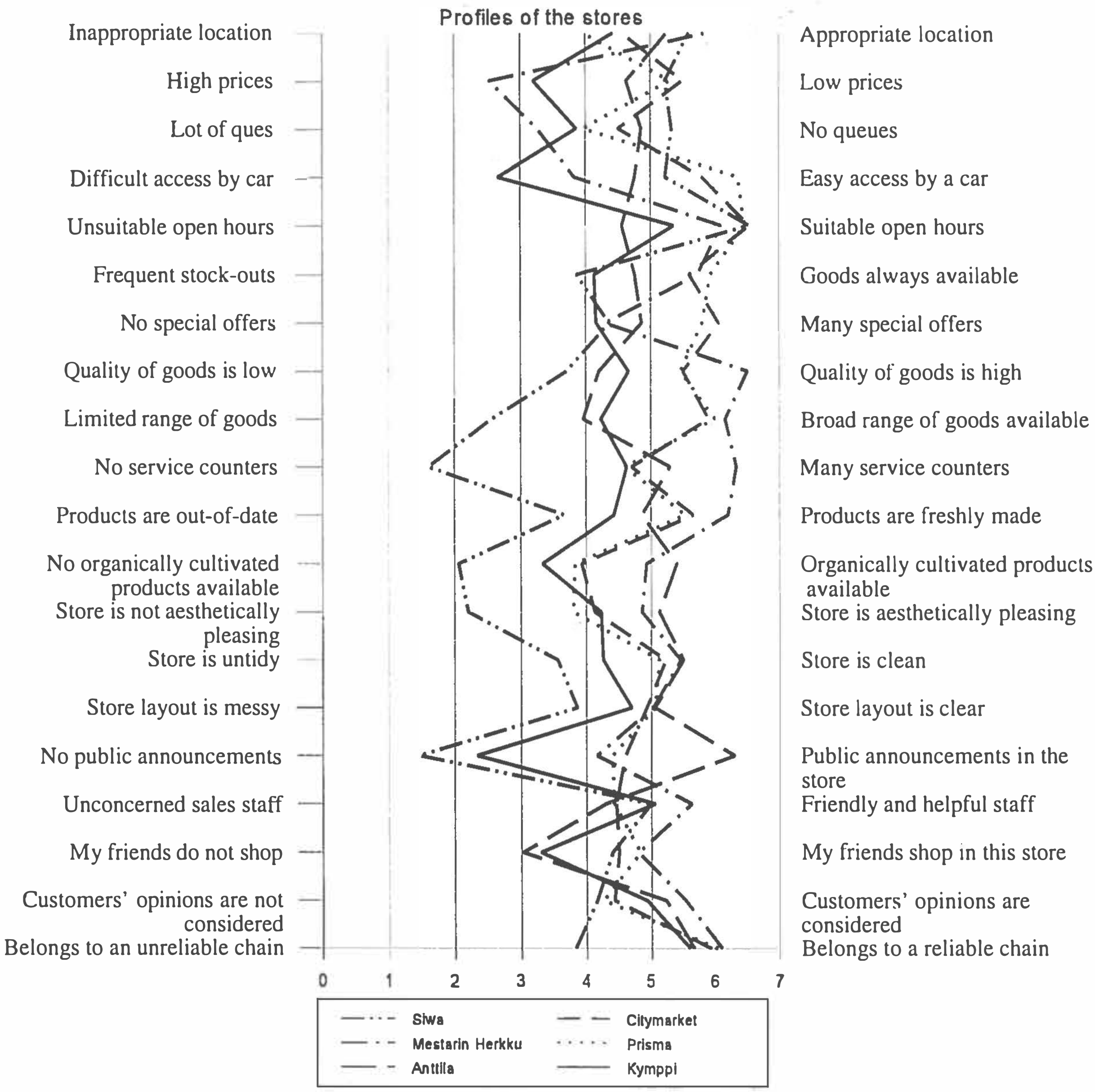


FIGURE 9 Profiles of the stores

Beliefs concerning store location are polarized. On the one hand, Prisma, Citymarket and Kymppi were perceived as having a slightly inappropriate location. On the other hand Anttila, Mestarin Herkku and Siwa were perceived as having an appropriate location, that is, they were felt to be conveniently located. In a similar manner, price level caused polarization in the respondents' beliefs. Accordingly, some stores (Mestarin Herkku and Kymppi) had a high perceived price level while other stores were seen as similar to each other as far as price-level is concerned. As regards personal customer service (item: *Friendly* *and helpful staff*) all the stores were perceived as rather similar. Mestarin Herkku was accorded a slightly more favourable judgement than the other stores. Another aspect of service was the availability of separate service counters. In this respect, the discount store Siwa does not provide counter service at all.

2.4.2 Consumers' store preference

The results concerning the respondents' preference rankings of the six grocery stores are presented in this section. After presenting the preference scores, I turn to explaining consumer preference for each store separately. The possible explanatory variables are selected from the 20 attribute belief ratings for each store.

Figure 10 shows a boxplot with summaries of the separate store preference variables[25]. The vertical axis is the reversed prference rank order of the stores. The lower boundary of the box is the 25th percentile, the upper boundary is the 75th percentile, and the horizontal line inside the box is the median. 50% of the cases have values within the box. Cases with outlying values are shown either as extreme values or as outliers. From the ends of the box, lines are drawn to the smallest and largest observed values that are not outliers.

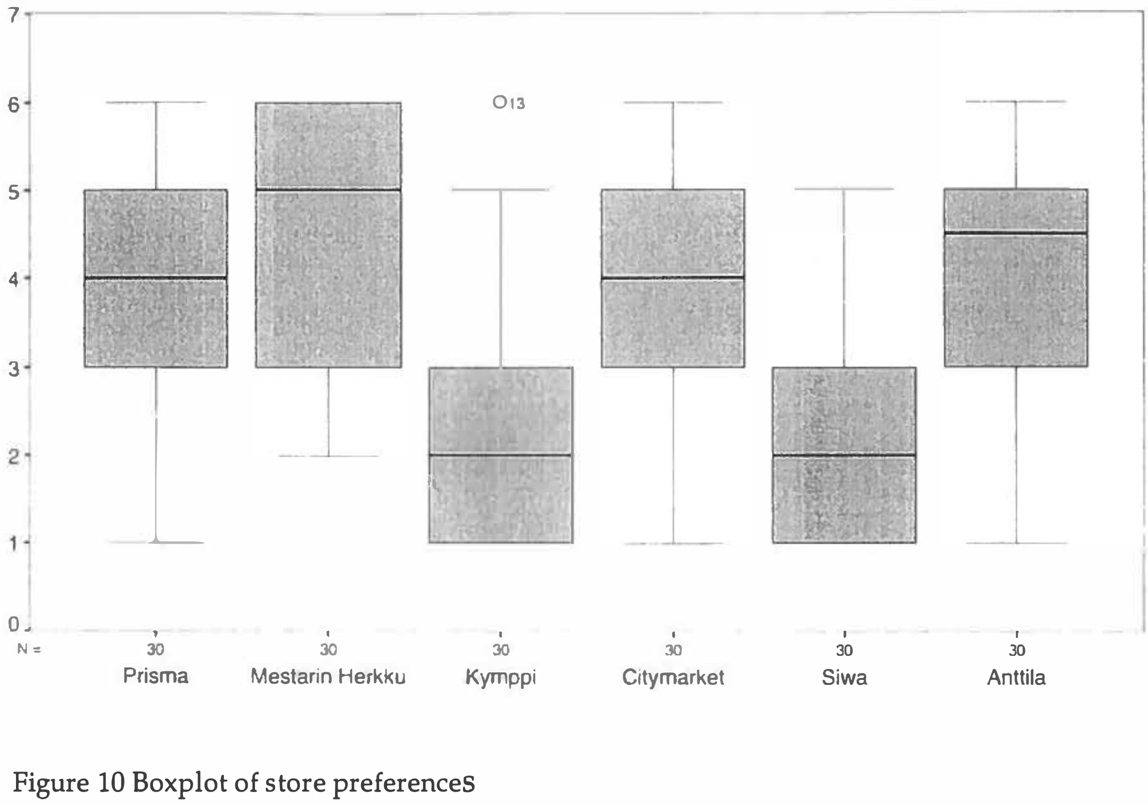


Figure 10 Boxplot of store preferences

25 A boxplot does not display actual values but summary statistics for the distribution. Extreme values (designated with *) are more than 3 box-lengths from the upper or lower edge of the box. Outliers (designated with o) are cases with values that are between 1.5 and 3 box-lengths from the upper or lower edge of the box. (SPSS 6.1 Base System User's Guide 1994).

and helpful staff) all the stores were perceived as rather similar. Mestarin Herkku was accorded a slightly more favourable judgement than the other stores. Another aspect of service was the availability of separate service counters. In this respect, the discount store Siwa does not provide counter service at all.

2.4.2 Consumers' store preference

The results concerning the respondents' preference rankings of the six grocery stores are presented in this section. After presenting the preference scores, I turn to explaining consumer preference for each store separately. The possible explanatory variables are selected from the 20 attribute belief ratings for each store.

Figure 10 shows a boxplot with summaries of the separate store preference variables[25]. The vertical axis is the reversed prference rank order of the stores. The lower boundary of the box is the 25th percentile, the upper boundary is the 75th percentile, and the horizontal line inside the box is the median. 50% of the cases have values within the box. Cases with outlying values are shown either as extreme values or as outliers. From the ends of the box, lines are drawn to the smallest and largest observed values that are not outliers.

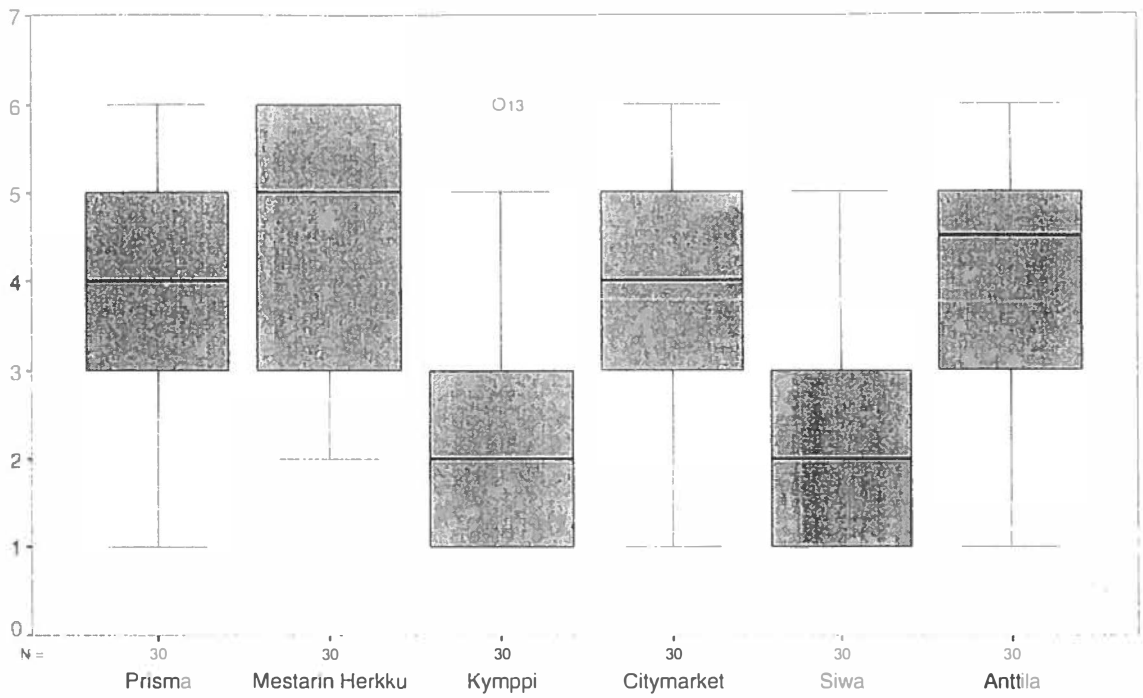


Figure 10 Boxplot of store preferences

25 A boxplot does not display actual values but summary statistics for the distribution. Extreme values (designated with *) are more than 3 box-lengths from the upper or lower edge of the box. Outliers (designated with o) are cases with values that are between 1.5 and 3 box-lengths from the upper or lower edge of the box.(SPSS 6.1 Base System User's Guide 1994).

Prisma, Citymarket and Anttila have similar distributions for consumer preference. In the case of Anttila, however, the median is close to the top of the box, which indicates that the data are negatively skewed. The observed values are strongly skewed towards high preference scores in the case of Mestarin Herkku. Conversely, the data for Kymppi and Siwa are skewed towards low preference scores.

Mestarin Herkku was the most preferred of these six stores. The three large grocery stores large supermarket Anttila and hypermarkets Prisma and Citymarket were preferred almost equally highly, albeit presumably for different reasons. The small stores: the neighborhood store Kymppi and discount store Siwa were least preferred, with almost equal scores. One exceptional respondent [13], i.e. an outlier, rated Kymppi as the most preferred grocery store. In general, however, the respondents were rather unanimous in their preference rankings.

The high-quality food store located in the city centre was the most preferred, although it was unanimously regarded as expensive. This would indicate that consumers form their preferences on the basis of criteria other than price.

One explanation for store preference could be store size. All the most preferred stores are large, the small stores attracting fewer preferences. Why do consumers not prefer small stores? The concepts of the small neighborhood store (Kymppi) and the warehouse-type discount store (Siwa) clearly differ from each other. But, in both store types consumers perceive several drawbacks regarding e.g. high prices, insufficient product mix, quality flaws, and cleanliness. On the other hand, consumers may find small stores convenient and adequate, yet not providing anything out of the ordinary product ranges. This extra included in the service package of a large store could be the source of positive affect and preference.

Earlier, when reporting the results of the open interviews, it was suggested that the respondents seemed to trade off the different store characteristics. The boxplot chart confirms this observation.

Let us look next, attribute by attribute, at how the most and least preferred stores appear to differ from the ideal store. The profiles of the ideal store as well as the least and the most preferred store are shown in Figure 11. The profile of the most preferred store runs roughly parallel with the ideal store profile. The relatively most important attributes would be *Good location*, *Fair prices*, *Availability of goods*, *High quality*, *Freshly made products*, *Clear store layout*, and *Friendly and helpful staff*.

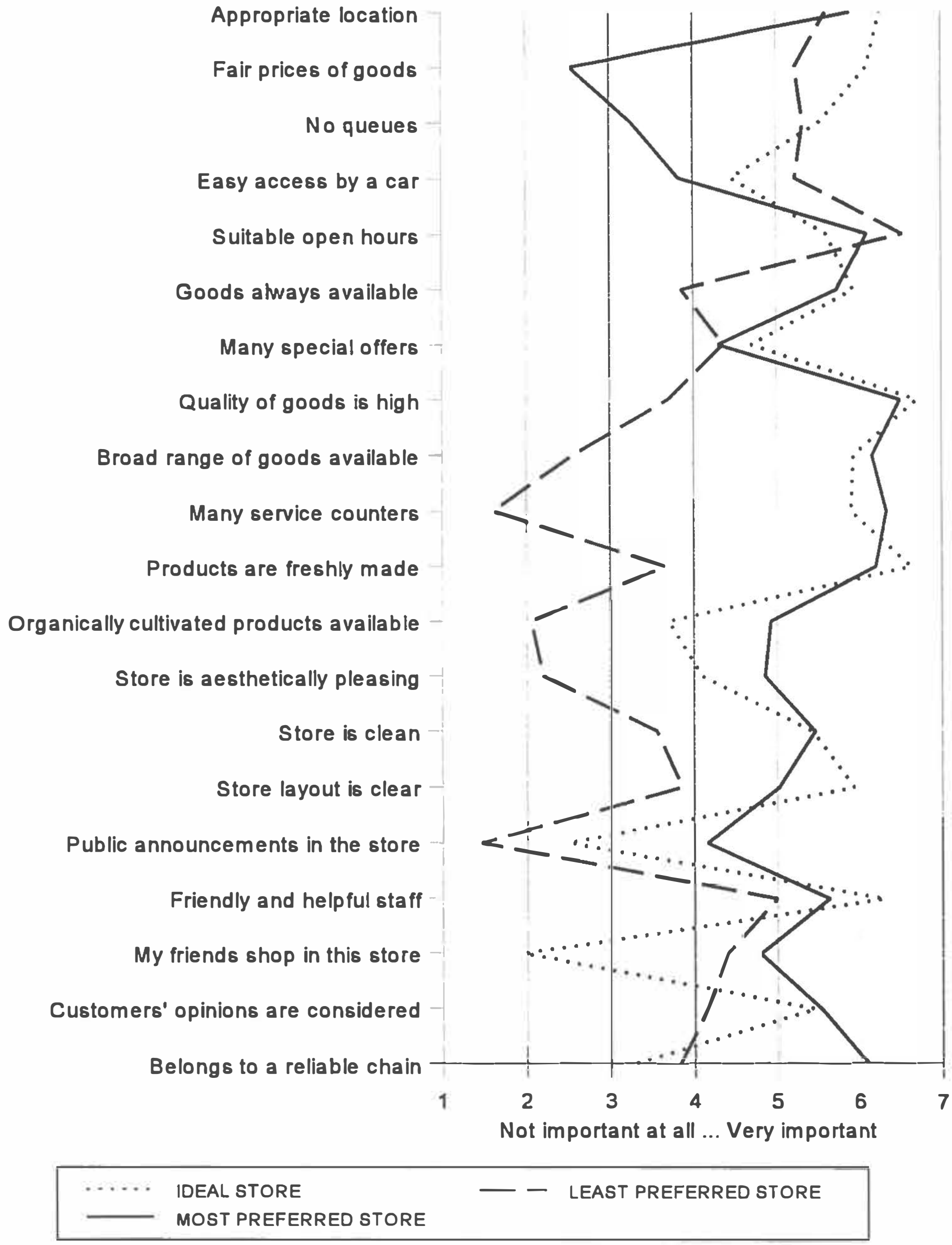


FIGURE 11 Profiles of the ideal, most and least preferred store

Even though *Good location* is an important attribute it does not differentiate the most preferred store and the least preferred store from each other. An especially interesting observation is that while the attribute *Low prices* is regarded as important, the most preferred store is considered to have high prices. Thus price would not be seem to be a decisive factor in store preference. Actually, Darden & Babin (1994) found that low prices, discount prices in particular, can be negatively related to the perceived affective quality of pleasantness (cf. Part II, section 2.4.4). Low prices perhaps appeal to consumers' rational evaluations, but may be a negative feature as regards the affective experience of consumers.

It appears instead that consumers may form a preference for a store along criteria concerning the quality and availability of goods. For example, *Goods are always available*, *Quality of goods is high*, and *Broad range of goods available* were considered important while these attributes were also associated with the most preferred store. *Clear store layout* is considered important and it may also affect store preference. Previous studies also show that consumers are irritated by a messy retail store where they have to search for the goods they want. What is more, the frequent renovations and rearrangements in store layout will also irritate consumers (Uusitalo, O. 1993).

Meanwhile *Friendly and helpful staff* was regarded as important it does not clearly differentiate the most preferred and least preferred stores from each other. However, the most preferred store is ranked rather high on this item. Previous studies provide evidence for the proposition that store personnel play an important role in consumer satisfaction (Uusitalo, O. 1993) and in consumer perceptions of the pleasantness of a store (Darden & Babin 1994). Regardless of store, consumers often indicated that if they "by chance get hold of a salesperson" he or she is usually friendly and willing to help. Retail managers, on the contrary, may tend to regard personal customer service as too expensive and risky. Accordingly, staff levels have been cut to a minimum in all contemporary types of grocery stores.

Surprisingly, *Easy access by a car* was only of moderate importance. *My friends shop in this store* obtained the lowest importance ranking. Grocery stores may not be places for experiencing social life. It is not important to meet friends during grocery shopping trips. This reinforces the assumption that grocery shopping is rational and individual task rather than a task conducted with a companion. However, the open-ended responses indicated that some consumers may enjoy socializing with the sales staff in a grocery store.

Explaining preference by store attribute beliefs

Is there a connection between store preference and store attribute beliefs? Stepwise linear regression analysis was used to study whether the store attribute beliefs measured in this study explain store preference. This task was undertaken although it is possible that all the relevant grocery store attributes were not identified and measured by the questionnaire, so that the data may be scanty in this respect.

The independent variables were selected through the following procedure. First, the factor analysis based on the store attribute importance weights was used to reduce the number of the potential independent variables. Of the six dimensions the attributes which best described each factor, i.e. the attributes with the highest loading on each factor were selected to represent the most important attributes in grocery store evaluation. In accordance with the multiattribute attitude model it is appropriate to use the attribute beliefs about specific stores rather than attribute importance weights as independent variables when explaining store preference (e.g. Uusitalo, L. 1977, 82). Thus the evaluative beliefs of the attributes "Location is appropriate", "Suitable opening hours", Many special offers", "Store is aesthetic", "Friendly and helpful staff", and "Customers' opinions are considered" were used as independent variables in the stepwise regression.

It should be noticed that in my data, the influences of store preference and beliefs as to the attributes of the same store may work in both directions; i.e. there could be a halo-effect. In the same way as the store attribute beliefs might influence the preference ranking of the store, preference may have an effect on the evaluation of the store attributes.

Regression analysis was first run on each of the six stores separately (Prisma, Mestarin Herkku, Citymarket, Kymppi, Siwa, Anttila). This is because we assume that the explanation for preferring a store will vary strongly according to the store. The dependent variable in each regression model was the total preference rank score of the specific store. This score was computed from the reversed preference rank order. We then considered all the data together and tried to determine which characteristics best explained the preferences across the stores. The same set of six independent variables were included in each analysis: "Location is appropriate", "Suitable opening hours", Many special offers", "Store is aesthetic", "Friendly and helpful staff", and "Customers' opinions are considered".

Preference for Prisma

In the regression upon preference for Prisma, the first variable selected by the stepwise regression procedure was "Location is appropriate". It explained 17% of the variance in the dependent variable (Preference for Prisma). The positive coefficient (beta weight) indicates that location of Prisma has a positive impact in its preference rank order. The variable entered in step two was "Many special offers" which improved the proportion of the variance explained from 17% to 30% in "Preference for Prisma". The coefficient of "Many special offers" has a negative sign. It was mentioned earlier (Part II, section 2.2.3) that discount prices may have a negative relation to the positive affect which a store evokes (Darden & Babin 1994). No more variables entered at the third step. The remainders of the independent variables did not pass the criterion for inclusion ($p<0.10$) and thus did not enter the equation. Together the two variables in the equation explain 30% of the variance in "Preference for Prisma". A summary of the output statistics of the regression run is displayed in Table 10.

TABLE 10 Summary statistics for the equation and the variables in the equation, with preference for Prisma as the dependent variable.

Independent variable	Regression coefficient after the last step	Standard[26] error	Proportion[27] explained	F in each step	t after the last step
Location is appropriate	.25	.10	.17	5.92	2.41
Many special offers	-.46	.21	.13	5.80	-2.20
Constant	5.76	1.33			4.33
Cumulative proportion explained			.30	Sig F = .0080	

Preference for Mestarin Herkku

In the regression run with "Preference for Mestarin Herkku" as the dependent variables none of the six independent variables met the entry requirements. Thus the regression procedure terminated with no independent variables in the equation.

Preference for Citymarket

The first and only variable that entered in the equation with "Preference for Citymarket" as the dependent variable was "Store is aesthetically pleasing". It has a positive effect on the preference ranking of Citymarket. It alone accounted for 14% of the variance within the preference for Citymarket. Table 11 shows the summary statistics for the equation.

26 Standard error of the regression coefficient measures the distance of the plots from the regression line. When SE = 0, the plots are on the regression line.

27 The measure of proportion explained is R^2, which discloses the proportion of the square sum of the dependent variable explained by each independent variable. If R^2 is 0 there is no linear relationship between the dependent and independent variables.

TABLE 11 Summary statistics for the equation and the variables in the equation, with preference for Citymarket as the dependent variable.

Independent variable	Regression coefficient after the last step	Standard error	Proportion explained	F in each step	t after the last step
Store is aesthetically pleasing	.41	.18	.14	4.8	2.2
Constant	2.21	.81		2.7	
Cumulative proportion explained			.14	Sig F = .0361	

Preference for Kymppi

Good explainers for "Preference for Kymppi" were examined next. The independent variable "Suitable opening hours" was selected in the equation at the first step. It explained 16% of the variance within "Preference for Kymppi". The regression coefficient of the variable is positive, thus suitable opening hours has a positive influence on the preference ranking of Kymppi. At the second step, the variable "Many special offers" was accepted in the equation. This improved the proportion of the variance explained by eight percentage points. "Many special offers" has a positive sign, thus this attribute belief was positively related to preferences for Kymppi. The overall explanatory level of the model was 24%; the remainders of the independent variables failed to meet the entry criterium. Summary statistics of the analysis are shown in Table 12.

TABLE 12 Summary statistics for the equation and the variables in the equation, with preference for Kymppi as the dependent variable.

Independent variable	Regression coefficient after the last step	Standard error	Proportion explained	F in each step	t after the last step
Suitable opening hours	.35	.15	.16	5.36	2.26
Many special offers	.39	.21	.08	4.48	1.78
Constant	-1.25	1.20			-1.04
Cumulative proportion explained			.24	Sig F = .0281	

Preference for Siwa

The regression analysis explaining "Preference for Siwa" was conducted next. The independent variable "Suitable opening hours" entered the equation with a positive sign at step 1. Opening hours has a positive effect on consumer preference for Siwa. The variable "Suitable opening hours" explained almost 11% of the variance within the dependent variable. The explanatory power of the other independent variables was so weak that they were not included in the equation. Table 13 displays the summary statistics of the analysis.

TABLE 13 Summary statistics for the equation and the variables in the equation, with preference for Siwa as the dependent variable.

Independent variable	Regression coefficient after the last step	Standard error	Proportion explained	F in each step	t after the last step
Suitable opening hours	.66	.35	.11	3.43	1.85
Constant	-2.17	2.33			-.93
Cumulative proportion explained			.11	Sig F = .0745	

Preference for Anttila

In the analysis with "Preference for Anttila" as the dependent variable, "Good location" was selected in the equation at the first step. It explained a considerable proportion, over 41%, of the variance within the dependent variable. As the regression coefficient of this variable was positive, we conclude that good location contributes to consumer preference for Anttila. The variable "Many special offers" entered at step 2 with a positive sign. Thus the belief that Anttila has special offers has a positive effect on preference for Anttila. The second variable increased moderately, by six percentage points, the explanatory power of the model. The rest of the independent variables failed to meet the entry requirements; the two independent variables selected explained together 47% of the variance within preference for Anttila. Table 14 displays the summary statistics of the analysis.

TABLE 14 Summary statistics for the equation and the variables in the equation, with preference for Anttila as the dependent variable.

Independent variable	Regression coefficient after the last step	Standard error	Proportion explained	F in each step	t after the last step
Location is appropriate	.58	.13	.41	19.97	4.5
Many special offers	.34	.19	.06	12.34	1.8
Constant	-.93	1.24			-.75
Cumulative proportion explained			.47	Sig F = .0001	

Preference across all the stores

Stepwise multiple regression analysis was computed across all the stores and all respondents in order to identify good explainers of store preference. The store attributes were the same as in the individual store regression analyses. The criterion for inclusion (PIN) was set at $p<0.10$.

At the first step the independent variable "Store is aesthetically pleasing" was entered in the equation. It explained 8% of the variance within store preference. At the second step "Location is appropriate" entered the equation. It explained 6% of the variation in store preference. "Special offers" was selected in the equation at the third step. It alone explained 4% of the variance in the dependent variable. The fourth variable selected was "Suitable opening hours", which increased the level of explanation only by 2%. "Friendly and helpful staff" and "Customers' opinions are considered" did not meet the entry criteria and were not entered in the equation. The combined independent variables entered in the equation explained 20% of the variance in store preference. Since the level of explanation is rather low, we presume that store preference is influenced by other factors than the attribute beliefs included in the analysis. All the variables had a positive sign, and thus they are inferred to have a positive impact on store preference on the average. A summary of the results of the regression across all the stores and all respondents is presented in Table 15.

TABLE 15 Summary statistics for the equation and variables in the equation, with store preference as the dependent variable

Independent variable	Regression coefficient after the last step	Standard error	Proportion explained	F in each step	t after the laststep
Store is aesthetically pleasing	.27	.07	.08	15.98	3.59
Location is appropriate	.19	.06	.06	14.74	3.09
Special offers	.20	.08	.04	13.15	2.38
Suitable opening hours	.22	.11	.02	11.01	1.99
Constant	-.93	.77			-1.21
Cumulative proportion explained			.20	Sig F = .0000	

Table 16 shows the explainers of store preference for each store separately and across all the stores in sum. The results of the regression analyses confirm the assumption that the reason why a store is preferred will vary considerably according to the specific store. Different stores are preferred for different reasons. The preference for Mestarin Herkku was not explained by the six independent variables included in the analysis. The reason may be that there is too little variation in the respondents' preferences. Thus the respondents were presumably quite unanimous about the preference ranking of these stores.

TABLE 16 Variables explaining preference for each store and preference across all the stores

STORES	VARIABLES EXPLAINING STORE PREFERENCE	REGRESSION COEFFICIENT
PRISMA	Location is appropriate Many special offers	.25 -.46
MESTARIN HERKKU	-	
CITYMARKET	Store is aesthetically pleasing	.41
KYMPPI	Suitable opening hours Many special offers	.35 .39
SIWA	Suitable opening hours	.66
ANTTILA	Location is appropriate Many special offers	.58 .34
ALL THE STORES TOGETHER	Store is aesthetically pleasing Location is appropriate Many special offers Suitable opening hours	.27 .19 .20 .22

Two of the six independent variables, "Friendly and helpful staff" and "Customers' opinions are considered" were not entered in any of the regression analyses. The best explainers seem to be "Location is appropriate", "Many special offers" and "Suitable opening hours". "Location is appropriate" explained the preference for Prisma and Anttila. The actual location of these stores differ considerably from each other as far as the geographical area under study is concerned. While Anttila is located in the centre of the city, Prisma outlets are located outside the city area. Correspondingly, Anttila offers easy access to those who do not use a car, while Prisma is rather easily reached by car. The findings concerning "Many special offers" as an explanatory variable are somewhat inconsistent. "Many special offers" was connected with the preference for Prisma in a reverse direction. On the other hand, the average impact of special offers in store preference appeared to be positive. In accordance with the average result, the regression upon preferences for Anttila showed that special offers will increase preferences for this store. Many special offers will also affect preferences for Kymppi. "Suitable opening hours" appears to be a good explainer as regards preferences for both Kymppi and for Siwa.

2.5 Comparison of grocery store types with consumer perceptions

Further understanding of the interchange between consumers and grocery stores is sought by parallelling the intended service packages of grocery stores and store images with the stores as perceived by consumers. We may ask, first, what messages are conveyed to consumers by the store chain concepts, and second, what perceptions and interpretations are formed by consumers?

The contemporary trend among retail chain managers is to aim at differentiating their own chain from other chains. The two major sources of difference are physical differences in the product or service package and customer marketing on the one hand and imaginary differences based on the abstract symbolic features of the stores on the other. Both forms of differentiation pursue the idea of the added value of the retail service package. The value provided by the physical parts of the retail package is important as it brings functional utility to the consumer. Imaginary value is important because a favourable image can contribute to the attractiveness of a store. This is also because meanings other than utility may be associated with the retail service package. That is, consumers will seek pleasure and aesthetic experiences, social relations, and self-expression in addition to fulfilling utilitarian goals.

Below the stores' own concepts are compared with consumer perceptions separately for each store. The four national multiple chain stores (Prisma, Citymarket, Siwa and Anttila) are included in the analysis. The data on consumers' views is from the open-ended interview; the data on the stores' own concepts is from the secondary sources including documents, observations and interviews (see Part I).

Prisma

The Prisma chain concept claims that Prisma provides a versatile range of goods under one roof. The majority of Prisma's sales consists of groceries (70%), alongside clothing, footwear, living, household and leisure products, and others. The business idea of Prisma includes clear displays, good guidance, quick shopping, and low overall prices.

The respondents in my sample regarded Prisma first of all as a big store with a broad range of goods. A shopping trip to Prisma is considered worthwhile if the amount of goods to be purchased is substantial. Conversely, shopping at Prisma is justified because it has everything that a family needs. The trip is conducted by a car and thus it is wise to buy a lot of goods at the same time. Prices are regarded as reasonable, though not unreservedly.

Both the store concept of Prisma and consumer perception of it stress efficient shopping: buying a versatile basket of goods on the same trip and taking these goods home smoothly by car. Thus the marketing effort concerning the functional benefits of Prisma would appear to have been successful. However, these functional features are by no means different from those offered by the other hypermarkets, such as Citymarket. We might propose that the consumers were not aware of the potential imaginary benefits or values offered by Prisma.

Citymarket

Citymarket offers a concept quite similar to that of Prisma. The main advantages offered include a versatile range of goods, fair prices, and easy one-stop shopping by car.

Citymarket and Prisma were perceived as similar, almost uniform by the respondents in the sample. Some respondents tried hard to find differences. Issues mentioned included the following statements: availability of different brands, Citymarket has better guidance and signs, Prisma has fixed prices while other stores have more special offers, in Citymarket there are service counters for cold cuts which are open in the evenings, there is a flower shop next to Citymarket, Citymarket is slightly cheaper than Prisma at the moment, Alko is next to Citymarket in Keljo, Citymarket is more spacious and it is easier to take one's bearings and navigate there.

Again, it is concluded that the hypermarkets Prisma and Citymarket were perceived as physically rather alike. Obviously, they have similar target consumer segments (car-owning families) and they seek to fulfil the same, mainly functional needs of consumers. Consequently, it would appear that if these chains are to succeed at differentiation, they need more creativity and imagination.

Siwa

There was only one chain, the centrally managed Siwa, which had a clearly perceivable concept. Consumer perception of the Siwa service package was quite clear. Even the colour blue that is used in the store and on mailed brochures was associated with Siwa. No other store or chain was associated with a specific colour even though each chain included in this study has used particular colours in its marketing messages and physical design.

The main features in the Siwa concept as defined by the managers of the chain include fixed reasonable prices, reliability, nearness, and easy shopping. A lot of effort has been put into the internal efficiency of the chain, for example logistics and space management. In addition, Siwa operates with a minimum staffing level.

As regards consumer perceptions of Siwa, the most distinctive features in the service package provided by Siwa were the following: ready packaged products, no fresh foodstuffs available, close to home, a limited variety of goods, goods easy to find, reasonable prices, not nice and cosy, not pleasant, only self service, familiar, feel secure, open late, only basic foodstuffs, you know what there is, allows quick shopping, small, a good choice if you have forgotten something.

The concept of Siwa and what was perceived about it are parallel though not perfectly consistent. Siwa is a centrally managed, strictly organized chain and it communicates its image quite uniformly everywhere. The compactness and uniformity of the concept makes it easy for consumers to perceive the service package and thus form expectations. Accordingly, the consumers can be expected to know what the service package provided by Siwa includes.

Consumer perceptions of Siwa and the features intended by the chain managers, however, do not overlap perfectly. Some negative characteristics were associated with Siwa. For example, the outlets are viewed as not nice and cosy, they do not have a pleasant atmosphere. These features are presumably not intended by the managers. Furthermore, consumers might have suspicions about the quality of fresh foodstuffs in Siwa; some of these suspicions are based on experiences of poor quality goods bought in Siwa. In the future the Siwa management will need to assure customers that the quality of the merchandise sold in Siwa is irreproachable.

Anttila

Anttila is a department chain store with about 30 outlets in Finland. Sales consist mainly of durables (65%) and groceries (35%). The grocery department operates under the SPAR label[28]. The Anttila concept claims that Anttila has a cosy and versatile food department offering security and reasonable prices. Unlike Sparmarket and Superspar, the Anttila concept is based on pure self-service.

In consumer perceptions, Anttila seems to lie between the hypermarkets (Prisma and Citymarket) and big supermarkets (Mestarin Herkku, Länsiväylä). This perception is obviously based on comparing store size on the one hand and referring to the location of the store on the other. In Jyväskylä, Prisma and Citymarket are on the outskirts of the city while Anttila and Mestarin Herkku are in the city centre. Länsiväylä is also located inside the main residential area, though not quite in the city centre. The respondents seemed to have rather clear expectations regarding Anttila. However, they were not at all unanimous in their opinions: I get everything in the same place, good special offers, wide and versatile range, good bread, convenient and near, average prices though it claims low prices in advertising, a lot of advertising concentrating on low price appeal, located in the city centre, easy access by a car, reasonable prices, changes layout frequently, difficult to find goods, poor location, difficult to access by car, has done well in price comparisons, confusing layout, good service store, all kinds of goods available, in a central place, versatile variety of goods, a slightly narrower variety than in Prisma and Citymarket, very little space in the aisles, familiar and safe, very good variety of cheese, very good meat, good bread, an image of a cheap store (negative tone), friendly personnel, the staff greet me. The most frequently mentioned features characterizing Anttila were reasonable prices, versatile range of goods, and many special offers. While Anttila has conveyed many points of its concept successfully, there are still some features such as "there is a cosy atmosphere" which may not be widely agreed upon by consumers. Moreover, it seems that consumers emphasize low prices in Anttila much more than the store concept outlined by the store managers. This may be due to the mailed advertisements with price appeal which are delivered to all households about twice a week.

The above analysis concerned the best known grocery store chains: Prisma,

---

28 Anttila was bought by the Kesko in December 1996. Thus the label Spar was dropped; it was decided within the Kesko that Anttila food departments would become privately owned food stores along the lines of the other grocery stores in the group.

Citymarket, Siwa, and Anttila. It seems that consumers are aware of the main physical and functional features of the service packages of these store chains. The features conveyed by the concepts and those reported by the respondents mainly related to the functional and physical characteristics or benefits of the stores. On the other hand, the cultural symbols conveyed by the store chains seem to be ambiguous; the messages conveyed by the chains may not be systematically designed to convey a coherent image. Furthermore, consumers are perhaps confused by the proliferation of so many new chains with minimal differences. To sum up, it would appear that the grocery chains investigated have not yet been able to create meaningful differences in the minds of the consumers. The interview data indicate that consumers may have not yet learned to discern possible differences between the competing grocery store chains in terms of values other than those associated with functional benefits. The stores of a similar type are perceived as virtually identical in terms of functional utility.

To conclude, consumers' inability to perceive the imaginary differences promoted by the retail managers may be due to inconsistencies between the physical store package and what the store is supposed to communicate. The retail store package consists of physical components and symbolic components. In order to convey the message about the store package adequately, the physical components and the symbolic components should be consistent with each other. Otherwise, consumers may not be able to perceive a chain as a distinct brand of store.

3 SUMMARY OF EMPIRICAL FINDINGS AND CONCLUSIONS

3.1 Consumer perception and categorization of grocery stores

The empirical study revealed that the respondents in my study may seek cognitive economy, since they unconsciously categorized all the grocery stores they know into a few types. The respondents were able to discern 2 to 6 different store categories, and about half of the respondents found only two or three different categories of stores. The most frequently used cues in similarity perception were the rather more visible and concrete features of the stores: size, type, and the versatility of the range of goods for sale. These features may reflect either a taxonomic or a goal-related categorization.

The perceived differences between the store packages were expected to rest upon the types of cues used: functional or symbolic. Moreover, different categorizations can be assumed to be used, according to the functional versus expressive needs and motives of the consumer. Functional needs seem to be primary while certain expressive needs also have some importance in grocery shopping. The free response data from the inquiry indicate that the cues used in grocery store categorization are most often the visible and tangible characteristics of stores associated with the functional needs of consumers. The cues include e.g. store size, variety of merchandise in the store, and store location. Symbolic features are also used as classification cues; for example store type is an abstract cue, which may be inferred from the symbols associated with a store's image[29].

In their own way, often in a subtle manner, consumers can make distinctions and separate grocery stores into distinct categories. If asked to do so, consumers can describe similar and dissimilar grocery stores. For example, high

---

29 The respondents used their own definitions of store types, which bear resemblance to the official typologies but are not the same.

quality stores are distinguished from low quality stores, and hypermarkets are differentiated from other store types. Consumers are not, however, familiar with or cannot recognize all the differences in and details of the grocery retail service packages, or brands of store fabricated by the grocery retail chains. Even if hypermarkets can be differentiated from the other store types, no differences seem to be perceived between different hypermarket chains. Thus consumers are unable to recognize the fabricated, often imaginary differences between the brands of store.

When consumers are allowed to freely talk about the grocery stores which they patronize or which they know, they usually refer to one particular store at a time. Thus they do not readily discuss store types, chains, or brands. An exception is the rather uniform chain Siwa; the respondents talked about Siwa as a general grocery store chain.

As the meanings and associations of the different stores and store types were further analysed some interesting issues emerged. Store size seemed to be one important characteristic organizing consumer perceptions. The connotations of small stores included personal attention, familiarity, nearness, high prices. The meanings associated with large stores included great amounts of goods, special offers, a lot of walking and searching. Convenience was associated with both small stores and big stores, but the perception of convenience is likely to be different in small versus big stores. Small stores were perceived as convenient because they are near and they allow quick and easy shopping. Conversely, big stores were viewed as convenient because a lot of goods can be purchased at one shopping trip and brought home easily by car.

One way for the consumers to perceive and categorize stores is according to their shopping behavior with respect to them. Some of the respondents described their shopping patterns and classified the stores accordingly, for example stores where weekend purchases are made versus stores where only milk is bought etc. The consumers' shopping behavior could be seen as connected to the consumer-store relationship. Furthermore, these relationships appear to be mediated by many kinds of criteria, such as distance to the store, price level, convenience, size of store, familiarity, variety, bonuses, and satisfaction from regular patronage.

As regards the level at which categories are formed, this study shows that consumers most readily categorize grocery stores at the level of store type. Consequently, store type is the basic level of categorizing grocery stores (cf. Rosch (1978). Consumers may have established grocery store schemas concerning store types. Consumers would then have schemas for different store types distinguished by the size of the store and the variety of goods in the store. Meanwhile, retail store managers seem to emphasise the importance of the brand of store. There seems to be a discrepancy here, as the respondents did not form brand-level schemas of stores, except for Siwa. The ambiguity of consumers' store schemas can be explained by the fact that the brands in question have been under a process of modification during the 1990s.

A widely applied model of categorization (Rosch 1978) maintains that categories may be distinguished from each other on the basis of the features attributed to the category members. It was suggested in the theoretical framework that consumers will rely on certain cues when they infer similarities between grocery stores. That is, categorization may be based on the perception of certain features shared by all the stores in the category. My data indicate that the categorization of grocery stores, even at the basic level, may be based on just a few common features. The categorization model also suggests that such constructs as typical exemplars or prototypes would be used as the point of reference in categorization. This remains a plausible view even though my data do not reveal the use of either a typical exemplar or a prototype.

One task of this study was to explore the dimensions underlying consumers' perceptions of similarity among the grocery stores. The dimensions underlying the respondents' similarity perceptions of the six grocery stores were interpreted in the two-dimensional solution as price/quality and store size and access by car. *The three-dimensional MDS solution included the following dimensions: price/quality, store size and access by car, and personal customer service.* These are the dimensions which would differentiate the grocery stores from each other in the consumers' perceptual maps, or knowledge structures. The dimensions confirm the importance of functionality in grocery store perception. Dimensions price/quality and personal customer service correspond to those found out to be the primary positioning dimensions in the previous literature: price/quality (Davies & Brooks 1989; Mulhern 1997), merchandise, customer service and communication (McGoldrick 1990). Store size and access by car is a less typical dimension which may reflect certain specific characteristics of Finnish grocery stores.

We have stressed above that consumers would be expected to use cues taken from the stimulus objects in forming categories of similar products or brands. We should note, however, that the consumers' existing knowledge structures, i.e. existing store schemas, have an important role in what is perceived, too. Categorization is an unconscious, very rapid two-way process: on the one hand features of the external stimulus are used as input, and on the other hand consumers' available categories, and expectations will strongly influence how the new stimulus input is categorized. The schema theories of cognitive psychology focus on the patterns of knowledge which both shapes and is shaped by the incoming information (Mandler 1984; Mandler & Parker 1976).

People living in the same culture have shared understandings of the world. Consumers would, therefore, have common, or shared knowledge structures about the grocery stores. This shared knowledge has been referred to as cultural knowledge (see e.g. D'Andrade 1984; Quinn & Holland 1989). Common cultural knowledge is socially powerful because it implies strong expectations and, in our present case will shape consumers' everyday understandings. This knowledge is taken for granted, it is not questioned. Consumers could have certain institutionalized expectations concerning the service package of grocery stores that will strongly influence their perception of what is going on in their shopping environment. Changes in the grocery retail business context would be filtered through these common, "institutional" beliefs.

Presumably due to the ongoing rapid transformations in grocery retail structure, the consumers were rather ambivalent in their views of the different types of retail store. On the one hand, the open-ended interviews indicated that the consumers often appreciated the proximity and other positive features of the small stores in grocery shopping. Further, the consumers noticed the time resources expended when shopping in large stores. On the other hand, when examining the rank order of preference of the six individual stores, the small stores turned out to be the least preferred.

Perception, as well as other cognitive processes, is intentional, purposeful, and action linked. The lens model suggested that behavior is influenced by how stimuli are perceived and interpreted (Fiske & Taylor 1984). But perception and categorization are also given direction by the goals, purposes, and intended action of the perceiver (Barsalou 1983, 1985). The respondents indicated such goals as what the family needs, what is necessary, weekend shopping versus supplementary shopping. Store preferences in terms of behavioral tendencies seem especially to be influenced by the goals and purposes of the consumer. According to the shopping goal, the consumer feels that there is a need to perceive a grocery store in a certain way, behave towards it in a certain way.

3.2 Consumer grocery store preferences

Respondents' preference rankings of the six stores revealed that the three largest stores, Anttila, Prisma and Citymarket were almost equally preferred. However, these stores were preferred for different reasons. Some of the stores were judged as perceptually different although similarly preferred. For example, Mestarin Herkku was preferred similarly to Anttila, Prisma, and Citymarket, although it was perceived as different from them in terms of price. The two small stores Kymppi and Siwa were similarly preferred yet were perceived as different from each other.

All the most preferred stores are big and were perceived to offer a broad range of goods, many of them offer reasonable prices. The marketing strategies of the grocery stores of today increasingly aim at deriving distinctiveness and unique competitive advantage from non-price characteristics. It seems, however, that price continues to have an important appeal to a large segment of consumers. However, while the prices were regarded as an important grocery store feature by the consumers, it does not seem all that much to affect consumer preference towards stores. One reason is that there is in fact no clear price difference among the otherwise preferred stores.

Instead, features other than price were more important in the consumers' store evaluations and preferences. The profiles of the respondents' importance ratings of the predefined grocery store attributes and the profiles of the most preferred store on the same attributes indicate that the most important single attributes in store preferences would be Goods always available, Quality of goods is high, Products are freshly made, and Friendly and helpful staff.

When the ratings of the store importance attributes were factor analysed the following six dimensions emerged: quality of service; convenience and efficiency; aesthetics; reliability; special offers; and travel by car. These dimensions correspond with the findings of previous studies which have investigated grocery store choice. The results of the factor analysis do not reveal the relative importance of the factors, thus the significance of the results is based on their descriptive power.

Regression analyses were conducted to explore whether the evaluative beliefs of selected store attributes are good explainers of store preferences. Store preference in general was explained by evaluative beliefs concerning the following attributes: "Location is appropriate", "Suitable opening hours", "Many special offers", "Store is aesthetically pleasing", "Friendly and helpful staff", and "Customers' opinions are considered". Regression procedures were run on each of the six stores separately as well as across all the stores. The analyses indicated that different stores were preferred for different reasons. For example, the two hypermarkets included in the set of stores examined were preferred for different reasons. For one thing, preference for the hypermarket Prisma is explained by the location of the store. For another thing, preference for the hypermarket Citymarket is explained by the aesthetics of the store. Kymppi and Siwa are small stores with different business ideas: Kymppi is a neighborhood store while Siwa is a discount store. Suitable opening hours explain the preference for both stores. Preference for Kymppi is in addition explained by "Many special offers". Preference for Anttila is explained by the good location of the store and special offers. We could not obtain significant models explaining the preference for Mestarin Herkku, which was the most preferred store.

It is interesting to notice that different stores are preferred for different reasons. This finding implies that consumers may not use a set of all relevant attributes of grocery stores in their decision making. Instead, they may evaluate different stores according to different criteria. This also confirms the view that consumers' product or brand evaluations and preferences are multidimensional. Accordingly, consumers would have multiple knowledge structures and preference orders for a given store category (Reynolds 1987). These mental representations of grocery stores are activated according to the situation, context or goals to be achieved in a shopping trip.

In the regression analysis across all the stores and all respondents it was found that the variables "Store is aesthetically pleasing", "Location is appropriate", "Many special offers", and "Suitable opening hours" best explained general store preference.

In conclusion, the explanatory variables used in the regression analyses, i.e. the beliefs regarding the store attributes measured, do not explain the preferences for all the grocery stores examined. The low levels of explanation also indicate the presence of other factors, which remained outside the analysis, influencing the store preferences. One explanation may be that several stores are simultaneously equally preferred, and regular use of two or more stores takes place. That is, different stores are selected for different shopping purposes.

Alternative explanations of store preferences

Several accounts have been presented in the consumer behavior literature about how consumer preferences might be formed. The traditional approach to preferences suggests that preferences have a cognitive basis, and that they are formed according to the multiattribute model (e.g. Green & Srinivasan 1978). However, more recent views suggest various additional insights (e.g. Cohen & Basu 1987; Johnson & Puto 1987; Sujan 1985; Zajonc & Marcus 1982). For example, it has been argued that preferences may be founded on category-based affect (Sujan 1985). The category-based evaluation model implies that preference formation is connected to the categorization of stores. The general evaluation of the category will influence the evaluation of the individual stores in that category. Consumers will prefer a specific grocery store because they have a positive overall evaluation of the category to which it is attached. This explanation may be true in some contexts and for products rather than services. However, the empirical evidence of this study, especially the open interview data does not support it. This study indicates instead that consumers evaluate each grocery store separately, and they may like one store and dislike another store in the same category.

An alternative view proposes that preferences may be influenced by familiarity: people seem to like certain stores because they are familiar with them (Kaplan & Kaplan 1982). The findings of my interview data also show the importance of familiarity: the respondents considered familiarity with the store as one reason why they form a constant relationship with the store. Positive affect toward a store may arise as a result of repeated exposure to that store. Repeated experience with a grocery store will lead to a positive evaluation of the store, an evaluation not necessarily influenced by the store's attributes. The exposure effect and familiarity effect are related. Repeated exposure will breed the feeling of familiarity.

Even though familiarity seems to be related to preference, there is a counterweight to familiarity. Consumers also like new experiences and exploration. This is manifest in variety-seeking behavior which also seems to be typical of grocery shopping.

Preferences may be represented as behaviors and may thus also be rather independent of store attributes (Zajonc & Marcus 1982). Since preferences are linked to behavior, a preference would be a behavioral tendency. Preference is manifested in behavior: how the consumer behaves towards a grocery store. What the consumer says or thinks is not so important as how he or she acts.

Consumers' goals have an important role in store preference and store choice. In Part II of this study we discussed the idea of goal-derived categories suggested by Barsalou (1985). Consumers will draw inferences about grocery stores' functional and social meanings which are related to the shopping or consumption context or occasion. The context or occasion is further connected with consumers' motivations and goals. Consumers may draw inferences about the relationships between a store's attributes, and the context, purpose, or goal of shopping in that store.

The evaluation of the different store types

The profile of the ideal store can be regarded as the standard of comparison when evaluating the success of specific stores. If the profile of a grocery store is uniform with the ideal profile, consumers should generally be satisfied with that store. The store has succeeded in fulfilling consumers' expectations. On the other hand, any deviations from the ideal profile would indicate that the expectations of consumers are not met by the retail store's service package.

The profile of the most preferred store was rather uniform with the ideal store profile. The profile of the least preferred store, on the contrary, deviated significantly from the ideal profile. The rest of the stores obtained profiles that indicate moderate level of consumer satisfaction.

The store profiles of the six stores examined differ from each other on some attributes, but no marked differences were found. This implies that the stores are perceived as rather similar on the attributes measured. Only the discount store Siwa obtained different rankings on several store attributes, and differed clearly from the rest of the stores in terms of consumer attribute beliefs. Siwa was ranked more negatively on most attributes, although on certain attributes (*No queues, Suitable opening hours*) Siwa was evaluated more positively than the other stores. Discount stores have been opened up in the suburbs and other areas where they compensate for the previous neighborhood stores. This type of store is based on rational management and efficiency. It mainly offers consumers rational and functional shopping, while sources of pleasure have been removed from the stores. The respondents appeared to have quite clear and explicit expectations and views about Siwa as a member of the discount store category. While it does not meet the requirements of the ideal store, Siwa may well fulfil consumer expectations of a discount store.

In this study, only the attribute importance ratings of an 'ideal grocery store' in general were measured. The ideal profiles of the different store types would have revealed how well each store met expectations concerning its type. For example, we might consider the discount store type and measure consumer expectations towards it so as to draw up an ideal profile of a discount store. As regards the standing of Siwa in the set of grocery stores considered by the consumer, we can suggest that while the consumers do not particularly like the concept of the discount store, they have after all learned to accept it as an alternative to be considered on certain situations. An interesting implication of this is that the other store types could also have an ideal profile. *That is, consumers may have specific expectations concerning each store type that they can discern.* Consequently, future studies should examine consumer perceptions of and preferences for each type of store separately, especially those perceived as distinct types by the consumers, e.g. hypermarket or discount store.

The ideal store profile can be regarded as reflecting consumers' desired expectations of grocery stores in general. However, if consumers evaluate each store type according to different criteria, as the results of this study suggest, the ideal store profile is a high-level abstraction. Instead of an average ideal store, we should obtain ideals of the different store types separately: the ideal hypermarket, ideal discount store etc.

CONCLUDING DISCUSSION

What is going on in grocery retailing

In Part I we studied contemporary trends in the retail grocery market structure and strategies with particular reference to Finland. These form the 'cultural' retail context in which consumers purchase food and other daily products.

An understanding of what happens in retailing is important in attempting to understand the consumer. This is because retailing decisions and operations will influence consumer behavior. Retail organizations can be seen as agents of change in contemporary society. The evolving retail structure and strategies, and the ensuing retail innovations will not only change consumers' shopping patterns but also their other daily routines.

To survive retailers have to anticipate and respond to a changing environment. As the transformations taking place in the socio-economic context are rather rapid today, retailers also tend to be dynamic. The dynamics of retailing is manifested in retail innovations. For instance, self-service was a major innovation of the 1960s. Recently, the most visible innovations in the grocery sector have been space management and the various implications of new technology in both logistics and customer service. Moreover, new hybrid forms of retailing are being developed in many countries, including Finland. Self-service cash registers, shopping from home, fast-food and take-away grocery stores are examples of recent trends.

The transformations in grocery retailing have aimed at enhancing the rationalization of grocery store operations. In particular, internal cost concerns such as logistics and inventories have been focused on. Inefficiencies have been detected and eliminated. Provided that internal performance has not been enhanced at the cost of external performance, the effectiveness of grocery retailing may also have increased. This is because the cost efficiency will allow the retailers to invest additional resources in developing their customer orientation, for example, customer service.

Concentration and large-scale operations contribute to the achievements of low costs. On the other hand, a situation in which all the retail firms are pursuing the same generic strategy is insupportable. For example, the Finnish hypermarket chains all have been pursuing a low-cost strategy, resulting in an unprofitable battle in many trading areas. Apparently, the trading groups are now changing course and increasingly shifting towards differentiation strategies. New, sustainable ideas of competitive advantage would clearly be invaluable for retailers.

A contemporary feature in grocery retailing in Finland is the emergence of fabricated types and brands of grocery store. The types and brands of store are related to the growing importance of retailing chains. The organizational form of the chain stores is that a number of individual stores are subordinated to a centralized management. In Finland the grocery chain stores in effect consist of old stores and types of store many of which were previously run by independent retailers or shopkeepers. The individual stores should benefit from the economies of scale that are achieved as a consequence of chain operations.

The development and maintenance of a strong and favourable image which is different from that of competitors in the market has become an important task for the grocery chains. An image that conveys the kinds of abstract values appreciated by the consumers should in theory attract the latter and encourage their loyalty towards the chain. Accordingly, customer loyalty is enhanced because the shoppers respond to intangible benefits and regard them as more important than low prices and convenience. As a consequence, the sources of buyer value become more versatile and subtle. Imagination as well as skill in working on symbols is thus vital both for retailers and consumers.

The trend towards the strategic differentiation of retail store chains as brands has contributed to the transformation of retailing from a distribution business to a cultural industry. Marketing communications of the major grocery retail chains include aspects of symbolic differentiation. However, the messages have so far reflected few long-term activities. It appears that the symbolic image-creation and identity-building of the store chains so far has not been either logical or long term. For example, the transformations in the ownership arrangements within the retail grocery sector reflect turbulence and uncertainty. Consequently, many retail grocery chains and brands of store suffer from the lack of a strong identity. The marketing communications may have created confused images in the minds of consumers. This also emerged in my study in the form of the difficulties experienced by consumers in forming categories similar to the fabricated concepts.

As regards competitive positioning, Finnish grocery retailers seem to appeal to the majority. This may be because in the Finnish food market customer segments are not big or distinctive enough to provide "natural", visible positioning opportunities. Nonetheless, it is possible for a retailer to promote a differentiated position by appealing to specific segments through augmenting attributes, i.e. benefits valued only by that specific segment. In order to achieve differential advantage the retail firms need to find subtle differences in the consumers' values and expectations. Such differences, for example, could be based on consumers' life-styles or psychographics. Another reason why retailers tend to offer a service package desired by the majority may be competition. It is feared that attempts to achieve a unique position would be watered down by imitation from competitors. Other constraints might be associated with the process of meaning transfer. First, the physical properties of the store or retail service package are fixed and often cannot be altered. Second, the source of these meanings, i.e. the cultural world, has to be taken as given. Third, a potentially limited budget or an established brand image will constrain the attainment of a desired perceptual position (see McCracken 1988a, 77-78).

How consumers manage daily grocery shopping

Consumption and shopping are said to have a central position and importance in contemporary society. Institutions providing the facilities for consumption and shopping such as retail firms obviously inhabit a powerful position in this context. Consumers not only satisfy their needs and desires in the marketplace, but they also construct their sense of self and identity[1]. The fact that people are more and more constituting their sense of self through consumption, means that they are increasingly becoming dependent on commercial institutions.

It is thus important to seek an understanding of the practices and strategies which consumers use when they go about the tasks related to consumption and shopping. This study sought to understand how consumers manage in the context of today's evolving grocery retailing. While the grocery store context, or shopping context, consists of an innumerable set of concerns, this study focused on brands and types of grocery store, and the service packages and promotional activities which they offer. The theoretical examination in Part II considered the perceptual theories, concentrating on perceptual interpretation and categorization. As a result of this examination several observations on consumer processes and consumer-retailer interchange were made.

Consumer perceptions and evaluations of the retail grocery types and brands of store were examined in an empirical inquiry. *The consumers' perceptions of similarity between the stores they know seemed to be based mainly on the physical and functional features of grocery stores; store size was the most frequently used cue in the similarity judgments.* The perceptual dimensions of price/quality, store size, and personal customer service obtained in the MDS analysis also more or less reflect the traditional functional properties of grocery stores.

The open-ended interviews contributed significantly to the results of this study by providing insights into the variations in consumer behavior, in particular by indicating the importance of the shopping context and established shopping patterns. These results indicate, for example, that different store sizes are associated with different characteristics, both positive and negative. In addition the results reveal that the discount store may be the only store type which is perceptually easily differentiated as a concept of its own.

In accordance with the previous literature, my study indicates that as consumers shape or reshape mental representations, including store categories, they take in new information while they rely on their existing schemas. It

---

1 See Gabriel & Lang (1995) and Uusitalo, L. (1995) for a discussion and critical examination of the problems associated with the view of the consumer as identity-seeker.

appears that the existing schemas will be subject to frequent slight reshaping, but considerable reorganizing would occur only in cases when the new information is extremely discrepant from the present schema. Consumers' existing grocery store schemas tend to be persistent, and capable of resisting moderately inconsistent information. The major influences in the formation and reshaping of grocery store schemas include marketing communications, especially advertising, as well as consumers' personal interactions with the stores.

Store categories can be formed in two alternative ways. First, the consumers form grocery store categories around stores which are taxonomically similar. These taxonomic categories may be based on such similarity criteria as, for example physical, functional, or symbolic features. Second, consumers may sometimes form store categories on the basis of their goals. Such goal-derived categories would consist of types or brands of store which are similar in terms of achieving specific goals related e.g. to grocery shopping or preparing meals.

The examination of the previous literature and research indicated that consumers' store preferences would be formed independently of and based on other criteria than similarity perceptions. *Preferences entail an affective or evaluative component and would therefore be expected to be closer to the consumer's self than the cognitive similarity judgments.* The empirical inquiry supported these assumptions. The stepwise regression provided the preference equation for all other stores examined, except one. Different independent variables entered the equations upon different stores. We can conclude that consumers use different criteria when they evaluate different stores. According to their motives and goals, consumers consider and prefer different store alternatives, or evoked sets.

Even though store choice is determined by certain general key factors, the relative importance of these factors varies. There is variation at the general level, i.e. between countries and through time. What is more, the motivating factors will also vary by store type, centre type, and type of consumer. Different orientations and motivations for store choice emerge in different situations. Because consumers' goals also vary according to situation, mental representations of the evaluations of stores will vary.

How consumers perceive and evaluate the various aspects of grocery store service packages is a possible antecedent to consumer satisfaction, which is claimed to be an important indicator of grocery store effectiveness. Generally, in Finland consumers would appear to be fairly satisfied with the supply of grocery stores. According to several surveys, consumers have given positive satisfaction ratings to the services provided by the Finnish grocery stores. It seems that the retail trading groups have succeeded in providing grocery store concepts which offer consumers the main functional benefits they seek. Consumers seem to value quick and easy shopping and an appropriate range of goods at reasonable prices. (Uusitalo, O. 1993). The fact that consumers' general satisfaction towards grocery stores is high may also indicate that consumers are taking a passive stand towards developing the stores. That is, they may be unwilling to express their ideas for change. The results of Holmberg (1996) also indicate that consumers tend to take the store for granted.

In this study, the respondents did not discern the differences between brands of grocery stores. This suggests that Finnish consumers may not yet perceive the retail grocery store chains as brands[2]. The reasons for this may be found in marketing practices, in consumers, and in the interaction between these parties. First, grocery store communication and advertising seem to have relied heavily on two basic appeals: price and convenience. As many grocery retailers have stressed low prices, special offers, and discounts consumers have learnt to expect low prices and base their decisions on price. Promoting convenience means in practice that retailers are hoping to convince consumers about the ease of shopping in a particular store. As a result of the continuous reinforcement and perceived consistency between consumers' beliefs, promotion, and advertising messages, low price and convenience may have become persistent representations in consumers' grocery store schemas. Consumers have learnt to associate low price and high convenience with grocery stores; these are important elements in the Finnish consumers' expectations concerning grocery stores.

Another reason why consumers do not recognize the brands of grocery store could reside in the goals of grocery shopping. It seems that grocery shopping is mainly functional, and that grocery shoppers evaluate whether the properties of a particular store will help them to fulfil the logistic and physical shopping function. Consumers may not be able to interpret the imaginary cultural symbols provided in the stores. The messages are difficult to interpret if they are presented in an inconsistent manner and are frequently changed. Finally, it appears that these trends all reinforce each other. That is, the retailers' strategies reinforce the consumers' perceptions of and preferences for the convenience and low prices, and conversely the consumers' opinions and preferences are taken into account in designing the new strategies.

The outcomes of consumers' and retailers' activities

What retailers choose to do will render visible the cultural categories in operation. While marketing strategies essentially are invisible, their implementation will produce outcomes which are visible. Retail managers' decisions and efforts will contribute to the creation and transformation of cultural meanings. McCracken (1988a) maintains that cultural meanings can be created and varied through goods. As cultural meanings are made visible in goods, they may be used as agents of change or as agents of continuity. The innovations introduced by retailers thus have an important role as the agents of change in a culture. We can discern several transformations in retailing which have occurred in Finland during the course of the 1990s. The visual appearance of shopping environments has changed as a result of the new chains and brands of store as well as their visual images; there has been a rapid proliferation of new brands of merchandise as a result of joining the EU; several innovations connected with information technology have been introduced; and the retailer-customer interaction has become more intimate as a result of the implementation of a relationship marketing strategy.

---

[2] The results of this study cannot be generalized. Hence, this study provides suggestive views concerning all Finnish grocery stores.

Retail stores as agents of change seem to have an institutionalized position. Consumers may regard many retail innovations as inevitable facts and accept readily them.

The results of this study indicate that the strategic differentiation of the Finnish grocery chains has not been fully recognized by the consumers. It seems that consumers first of all perceive the functional features of grocery stores, suggesting that the imaginary aspects of grocery store concepts may have been ineffectively communicated. If grocery shopping is a rational, compulsory task whereby consumers aim at fulfilling functional goals, they may not actively engage in the symbolic work of interpreting the new meanings in the grocery store environment. As for differentiation strategies, new ideas are needed. This requires innovativeness as differentiation ideas should be hard if not impossible to imitate. The communication of such new, different benefits attached to the grocery chain will be hindered by consumers' existing grocery store schemas with their persistent expectations of low prices and high convenience. It is probable that some consumer groups will, however, also recognize other values. The benefits offered should, however, be culturally meaningful. That is, the benefits should help consumers to make sense of the social and cultural world they live in. Consumers may prefer familiarity, although they also seek variety, but only in small and manageable portions. Accordingly, the imaginary aspects of the retail service package should be communicated in a consistent rather than ambiguous framework.

Retailers need to know their customers and therefore it is important that they make use of studies concerning consumer behavior. But consumer behavior has proved to be difficult to explain or understand, let alone predict. Thus, retailers perhaps find it hard to anticipate and respond to consumers' needs and desires. Moreover, my interviews indicate that some retailers assume that consumers are not aware of or able to express all their desires. Consequently, retailers offer customers benefits which they believe customers to desire, but which the latter are unaware of.

We may also ask if consumers have benefited from the various retail innovations, especially the novel aspects of retail service packages, e.g. store brands and imaginary value added to the stores. For example, have consumers learnt to shop so as to take the best advantage of all the extra value provided? Only if these questions were answered positively, will we be able to say that the innovations really have added value to the grocery stores. But we may also be critical and ask whether it really is advantageous for the consumers that new store types are constantly being developed. After all, the basic function of retailing is the distribution of goods and services. Does distribution require these endless rapid changes in courses of action?

Theoretical contribution

Many aspects of the theoretical contribution made in this study were discussed earlier in this chapter, but the following findings are worth emphasising. First, a large part of this theoretical contribution can be attributed to the application of the categorization approach in the context of consumer store perceptions. Owing to this approach, a deeper understanding of the consumer-store relationship was gained. Moreover, the adoption of a consumer perspective revealed and highlighted some previously hidden aspects of consumer shopping behavior. For example, the results indicate that consumers categorize grocery stores into types on the basis of store size; they also attach various meanings to different store types - large, medium, and small. Moreover, consumers may make trade-offs between sources of perceived value; the absence of one source of value, e.g. enjoyment, may be compensated by other sources, e.g. utility from low prices.

Second, a contribution was also made by focusing on the interchange between consumers and the cultural context of grocery retail structure and strategies. The store was seen as a transmitter in this bi-directional relationship. A store conveys various messages to the consumers who, in turn perceive functional and symbolic cues and use them in the process of categorization. This issue warrants further research.

Third, consumer perceptions of and preferences for grocery stores were examined at the various levels: store type, brand of store and individual store. The results suggested that consumers most readily categorize stores at the level of store type. At this level, stores are distinguished from each other on the basis of store size, range of goods and other functional benefits. However, the level of the individual store seemed to be the most important as regards consumer preference for stores as well as consumer satisfaction, store loyalty, and customer relationship. The level of brand of store, on the contrary, was not markedly pronounced. The respondents were not able to discriminate between brands of store.

Finally, the theories considered in this study are connected with the literature and research on store choice. The concept "evoked set of stores", which is an important issue in store choice models, corresponds to the concept store category. The theory of categorization, however, extends the notion of the evoked set. Perceptual categorization is an antecedent to a formation of an evoked set, and thus store choice. Stores in the same perceptual category are close competitors; they are likely to be considered as alternatives when the consumer makes a choice. If a particular store aims to have a position of uniqueness, it has to make sure that consumers perceive it as forming a category of its own. To conclude, we found evidence that the theory of categorization was able to contribute to the understanding of store choice.

Recommendations for further research

There are a number of challenges facing the study of retailing. First, more studies are needed which examine retail structure and retail store strategies from a consumer perspective. To date, few studies have addressed retail store performance from the consumer's perspective. One important issue is whether the outputs and activities of a retail store are acceptable from the perspective of the various interest groups that are affected by its activities. Thus the effectiveness of retailing would be an important area of study. For example, measures of customer satisfaction and perceived service quality could be used as indicators of effectiveness. Since many retail managers have realised the importance of the customers' perspective as well as customer satisfaction, customer feedback is regularly collected in a number of grocery stores. One problem in the collection of customer satisfaction data is the lack of well developed and sophisticated measurement scales. In practice, the scales used are often too simple and the analysis of the responses is done ad hoc. The so called disconfirmation model has been prevalent in studying consumer satisfaction in relation to products and services. This model has, however, several shortcomings with regard to examining consumer satisfaction in the context of continuous shopping behavior and in an ongoing customer-store relationship (Uusitalo, O. 1993). Apart from academic researchers and retail managers, the external outcomes of retailing have thus far concerned public policy makers (Kilpiö & Panzar 1993).

The second challenge derives from the fact that the trading groups are putting an increasing effort on developing the business ideas of store types and corresponding uniform store chains many of which are promoted as brands. From the perspective of a centralized retail store management brand and store type are now more meaningful levels than that of the individual store. The majority of the decision making, in this age of concentration, is made at the store type level. Shopping behaviour has, however, been studied mainly on the level of a single store rather than the level of store type or store chain. For example, several previous studies have focused on the question: What store-related, consumer related, and environmental factors determine store choice? In fact, it is not known whether the levels of store type or store brand are at all relevant to consumers. Retail stores' and consumers' views could be in contradiction. Research programs which include the juxtaposition of the retailers' concerns at store type, chain, or brand level, and the consumers' concerns at the level of the specific store are now needed.

As grocery stores are more and more marketed as managerially defined brands, this issue requires further research. To what extent, in fact, can grocery stores be considered as brands? Examples from other countries would indicate that retail stores, including grocery stores, can be successfully promoted as brands[3]. There may, however, be impediments. One potential obstacle is the requirement that grocery stores should adjust to the needs and desires of local customers. It is important to ask if it is possible to replicate the standard formats across Finland, for example. An additional question is: do local products get to feature on the shelves of local stores? Or does the store brand concept strategy block the entry of some products which might, otherwise, be preferred by consumers? Branding also creates the problem of multiple levels of brand labels. Do consumers get confused? First of all the trading organizations have their symbols: S-group, K-group, Spar-related group, and Tradeka. Then, there are the chains' logotypes. And what is more, there is the plentitude of branded products in the product range carried by the branded chains. An interesting topic of study would be to investigate how these multiple levels of brand labels relate to each other in consumers' decision making. In particular, what is the role of the

---

[3] For example, consider the food retailers Tesco, Sainsbury, ASDA, the Co-op and Kwik Save (Davies & Brooks 1989, 104).

different product brands within the range carried by a particular chain? How do consumers perceive the diversity and proliferation of new brands?

What is more, the relation between grocery stores and consumers deserves further attention. The buyer-supplier relationship has received considerable attention in the marketing literature recently. In the industrial marketing literature, different aspects of the relationship have been studied, and the relationship has been regarded as interactive (see e.g. Campbell, N. 1990). The service marketing literature, on the contrary, has considered buyer-seller relationships mainly from the perspective of the marketer (e.g. Berry 1983; Grönroos 1990a). In consequence, many aspects of the interaction between the seller and the customer have been neglected. In particular, customers' concerns have been regarded narrowly as customer expectations concerning the service package. Studies focusing more deeply on customers' needs and desires are needed. Moreover, the context has often been neglected when studying shopping behavior; consumers have been regarded as shoppers without other concerns. Few studies have taken notice of the fact that consumers live their everyday life shopping for groceries constituting only one concern among many others (see Holmberg 1996).

The final research challenge concerns consumer shopping behaviour. It should be asked what consumer shopping behaviour is about, why consumers actually behave as they do. While shopping is essentially an issue of economic choice, there are other dimensions involved. First, daily shopping is compulsory task for the majority of people. Second, grocery shopping is also a social and cultural activity which is determined not only by factors in the immediate environment - such as price, quality, distance - but also the cultural meanings attached to that activity (Douglas & Isherwood 1979, Bourdieu 1984, Baudrillard 1988). Consequently, it is suggested that consumption and shopping behaviour should be studied as a part of the social and cultural context. The research design should then also recognize that consumption and shopping behaviour entail important hedonic and experiential aspects as well as identity-seeking, aspects which go beyond the purely economic and rational as criteria governing choice.

REFERENCES:

Aaker, David A. 1996. Building Strong Brands. New York: The Free Press.

Achabal, Dale D., John M. Heineke & Shelby H. McIntyre. 1984. Issues and Perspectives on Retail Productivity. Journal of Retailing, No. 3, 107-127.

Alba, Joseph W. & J. Wesley Hutchinson. 1987. Dimensions of Consumer Expertise. Journal of Consumer Research 13 (March), 411-454.

Alvesson, Mats. 1990. Organization: From Substance to Image? Organization Studies 11:3, 373-394.

Assael, Henry. 1995. Consumer Behavior and Marketing Action. Cincinnati: South-Western College Publishing.

Atkinson, P. & M. Hammersley. 1994. Ethnography and Participant Observation. In N.K. Denzin & Y.S. Lincoln (Eds.) Handbook of Qualitative research. USA: Sage Publications Inc.

Babin, Barry J., William R. Darden & Mitch Griffin. 1994. Work and/or Fun: Measuring Hedonic and Utilitarian Shopping Value. Journal of Consumer Research 20, 644-656.

Bagozzi, Richard. 1991. Principles of Marketing Management. New York: Macmillan Publishing Company.

Barsalou, Lawrence W. 1983. Ad Hoc Categories. Memory & Cognition 11 (May), 211-227.

Barsalou, Lawrence W. 1985. Ideals, Central Tendency, and Frequency of Instantiation as Determinants of Graded Structure. Journal of Experimental Psychology: Learning, Memory, And Cognition 11 (October), 629-654.

Barthes, Roland. 1968. Elements of Semiology, trans. Annette Lavers and Colin Smith. New York: Hill & Wang.

Baudrillard, Jean. 1981. For a Critique of the Political Economy of the Sign. St Louis: Telos Press.

Baudrillard, Jean. 1988. Consumer Society. In M. Poster (ed.) Selected Writings. Cambridge: Polity Press.

Bauman, Zygmunt. 1987. Legislators and Interpreters. Cambridge: Polity Press.

Bauman, Zygmunt. 1988. Is There a Postmodern Sociology? Theory, Culture and Society 5, June, 222.

Beisel, John L. 1993. Contemporary Retailing. New York: Macmillan Publishing Company.

Belk, Russell. 1988. Possessions and the Extended Self. Journal of Consumer Research 15 (September), 139-168.

Belk, Russell W., John F. Sherry, Jr., & Melanie Wallendorf. 1988. A Naturalistic Inquiry of Buyer and Seller Behavior at a Swap Meet. Journal of Consumer Research 14 (March), 449-470.

Bennison, David, Ian Clarke & John Pal. 1995. Locational Decision Making in Retailing: An Exploratory Framework for Analysis. The International Review of Retail, Distribution and Consumer Research 5: 1, 1-20.

Bergadaà, Michelle M. 1990. The Role of Time in the Action of the Consumer. Journal of Consumer Research 17(December), 289-302.

Berger, Peter & Thomas Luckmann. 1966. The Social Construction of Reality: A Treatise in the Sociology of Knowledge. New York: Doubleday.

Berry, L.L. 1983. Relationship Marketing. In L.L. Berry, G.L. Schostack, and G.D. Upah (Eds.) Emerging Perspectives on Services Marketing. Chicago: American Marketing Association, 25-28.

Berry, Leonard L. & Larry G. Gresham. 1986. Relationship Retailing: Transforming Customers into Clients. Business Horizons, November/December, 43-47.

Bettman, James R. 1979. An Information Processing Theory of Consumer Choice. Reading, MA: Addison-Wesley Publishing Company.

Block, Lauren Goldberg & Michael D. Johnson. 1995. The Locus of Context Effects on Product Proximity Judgments. International Journal of Research in Marketing 12, 121-135.

Boivin, Yvan. 1986. A Free Response Approach to the Measurement of Brand Perceptions. International Journal of Research in Marketing 3, 11-17.

Bourdieu, Pierre. 1984. Distinction: A Social Critique of the Judgement of Taste. Cambridge: Harvard University Press.

Brown, Stephen. 1990. The Wheel of Retailing: Past and Future. Journal of Retailing 66, 143-149.

Brown, Stephen. 1992. Retail Location. A micro-scale perspective. Aldershot: Avebury.

Burt, Steve & Leigh Sparks. 1995. Understanding the Arrival of Limited Line Discount Stores in Britain. European Management Journal 13, No 1, 110-119.

Campbell, Colin. 1987. The Romantic Ethic and the Spirit of Modern Consumerism. Oxford: Basil Blackwell.

Campbell, N.C.G. 1990. An Interactional Approach to Organizational Buying Behavior. In D. Ford (Ed.) Understanding Business Markets; Interaction, Relationships, and Networks. Academic Press.

Carroll, J.D. & J.J. Chang. 1969. A new method for dealing with individual differences in multidimensional scaling. Unpublished manuscript, Murray Hill, NJ.: Bell Telephone Laboratories.

Cherian, Joseph & Marilyn Jones. 1991. Some Processes in Brand Categorizing: Why One Person's Noise is Another Person's Music. In Rebecca H. Holman & Michael R. Solomon (Eds.) Advances in Consumer Research 18. AnnArbor, MI: Association for Consumer Research, 77-83.

Christopher, Martin. 1992. Logistics and Supply Chain Management. Strategies for reducing costs and improving services. London: Pitman Publishing.

Christopher, Martin, Adrian Payne & D. Ballantyne. 1991. Relationship Marketing. Oxford: Butterworth-Heinemann.

Citymarket. 1997. http://www.kesko.fi/fin/ketjut/citym.htm 12.3.1997.

Cohen, Joel B. 1982. The Role of Affect in Categorization: Towards a Reconsideration of the Concept of Attitude. In Andrew A. Mitchell (Ed.) Advances in Consumer Research 9. AnnArbor, MI: Association for Consumer Research, 94-100.

Cohen, Joel B. & Kunal Basu. 1987. Alternative Models of Categorization: Toward a Contingent Processing Framework. Journal of Consumer Research 13 (March), 455-472.

Creusen, Mariëlle & Jan Schoormans. 1997. The Nature of Difference Between Similarity and Preference Judgments - A Replication with Extension. International Journal of Research in Marketing 14, 81-87.

Csikszentmihalyi, Mihail & Eugene Rochberg-Halton. 1981. The Meaning of Things: Domestic Symbols and the Self. Cambridge: Cambridge University Press.

Cutler, Kristie & Christopher Rowe. 1990. Scanning in the Supermarket: For Better or Worse? A case study in introducing electronic point of sale. Behaviour & Information Technology 9, No. 2, 157-169.

D'Andrade, Roy. 1989. A Folk Model of the Mind. In Dorothy Holland & Naomi Quinn (Eds.) Cultural Models in Language and Thought. Cambridge: Cambride University Press.

D'Andrade, Roy. 1984. Cultural Meaning Systems. In R. Shweder & R. LeVine (Eds.) Culture Theory: Essays on Mind, Self, and Emotion. Cambridge: Cambridge University Press, 88-119.

Darden, William R. & Barry J. Babin. 1994. Exploring the Concept of Affective Quality: Expanding the Concept of Retail Personality. Journal of Business Research 29, 101-109.

Davies, Gary. 1992. Positioning, Image and The Marketing of Multiple Retailers. International Review of Retail, Distribution and Consumer Research 2, No. 1, 13-34.

Davies, Gary & Janice Brooks. 1989. Positioning Strategy in Retailing. London: Paul Chapman Publishing.

Davison, Mark L. 1983. Multidimensional Scaling. New York: John Wiley & Sons.

Dawson, John. 1987. The Social Impact of Retailing Strategy. Introduction. In Gerry Johnson (Ed.) Business Strategy and Retailing. Chichester: John Wiley & Sons Ltd., 235-239.

Derbaix, Christian & Lennart Sjöberg. 1994. Movie Stars in Space: A Comparison of Preference and Similarity Judgments. International Journal of Research in Marketing 11, 261-274.

Douglas, Mary & Baron Isherwood. 1979. The World of Goods. London: Allen Lane.

Doyle, P. & I. Fenwick. 1974. How Store Image Affects Shopping Habits in Grocery Chains. Journal of retailing 50, No. 4, 39-52.

DuGay, Paul. 1993. Numbers and Souls: Retailing and the De-differentation of Economy and Culture. British Journal of Sociology 44, No. 4, 563-587.

Eco, Umberto. 1986. Function and Sign: Semiotics of Architecture. In M. Gottdiener & Alexandros Ph. Lagopoulos (Eds.) The City and The Sign: An Introduction to Urban Semiotics. New York: Columbia University Press.

The Economist. 1995. March 4th, 3-18.

Featherstone, Mike. 1991. Consumer Culture and Postmodernism. London: Sage.

Fishbein, Martin & Icek Ajzen. 1975. Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research. Reading, MA: Addison-Wesley.

Fiske, John. 1982. Introduction to Communication Studies. London: Routledge.

Fiske, Susan T. 1982. Schema-Triggered Affect: Applications to Social Perception. In Margaret S. Clark and Susan T. Fiske (Eds.) Affect and Cognition: The 17th Annual Carnegie Symposium on Cognition, Hillsdale, NJ: Erlbaum, 55-78.

Fiske, Susan T. & Mark A. Pavelchak. 1982. Category-Based versus Piecemeal-Based Affective responses. Developments in schema-triggered affect. In Richard M. Sorrentino & E. Tory Higgins (Eds.) Handbook of Motivation and Cognition. Foundations of Social Behavior. John Wiley & Sons, 167-203.

Fiske, Susan T. & Shelley E. Taylor. 1984. Social Cognition. Massachussetts: Addison-Wesley Publishing Company.

FMI Media Backgrounder. 1997. http://www.fmi.org/media/bg/ecr1.html 17.12.1997.

Forgas, Joseph P. 1981. Social Cognition. Perspectives on Everyday understanding. London: Academic Press.

Fornell, Claes & Michael D. Johnson. 1993. Differentiation as a Basis for Explaining Customer Satisfaction across Industries. Journal of Economic Psychology 14, 681-696.

Gabriel, Yiannis & Tim Lang. 1995. The Unmanageable Consumer. Contemporary consumption and its fragmentations. London: Sage.

Gardner, Carl & Julie Sheppard. 1989. Consuming Passion: The Rise of Retail Culture. London: Unwin-Hyman.

Gatignon, Hubert & Thomas S. Robertson. 1991. Innovative Decision Processes. In Thomas S. Robertson & Harold H. Kassarijan (Eds.) Handbook of Consumer Behavior. New York: Prentice-Hall, 316-317.

Ghosh, Avijit. 1990. Retail Management. USA: The Dryden Press.

Green, Paul E. 1975. Marketing Applications of MDS: Assessment and Outlook. Journal of Marketing 39 (January), 24-31.

Green, Paul E., Frank J. Carmone, Jr. & Scott M. Smith. 1989. Multidimensional Scaling, Concepts and Applications. Massachuttes: Allyn and Bacon.

Green, Paul E. & V. Srinivasan. 1978. Conjoint Analysis in Consumer Research: Issues and Outlook. Journal of Consumer Research 5 (September), 103-123.

Greyser, Stephen A. 1981. Retail Customer Satisfaction and Dissatisfaction. In Ronald W. Stampfl & Elizabeth C. Hirschman (Eds.) Theory in Retailing: Traditional and Nontraditional Sources. Chicago, Ill.: American Marketing Association.

Grunig, James E. 1993. Image and Substance: From Symbolic to Behavioral Relationships. Public Relations Review 19, No. 2, 121-139.

Grönroos, Christian. 1990a. Relationship Approach to Marketing in Service Contexts: the marketing and organizational behavior interface. Journal of Business Research 20, 3-11.

Grönroos, Christian. 1990b. Service Management and Marketing. Managing the Moments of Truth in Service Competition. Lexington Books.

Gummesson, Evert. 1994. Service Management: An Evaluation and the Future. International Journal of Service Industry Management 5, No. 1, 77-96.

Gutman, Jonathan. 1982. Means-End Chain Model Based on Consumer Categorization Processes. Journal of Marketing 46 (Spring), 60-72.

Heskett, James L., W. Earl Sasser, Jr. & Christopher W. L. Hart. 1990. Service Breakthroughs. Changing the rules of the game. New York: The Free Press.

Hildebrandt, Lutz. 1988. Store Image and the Prediction of Performance in Retailing. Journal of Business Research 17, 91-100.

Hirschman, Elizabeth C. 1981. Retailing and the Production of Popular Culture. In Ronald W. Stampfl & Elizabeth C. Hirschman (Eds.) Theory in Retailing: Traditional and Nontraditional Sources. Chicago, Ill.: American Marketing Association.

Holland, Dorothy & Naomi Quinn. 1989. Cultural Models in Language and Thought. Cambridge: Cambridge University Press.

Hollander, S. C. 1960. The Wheel of Retailing. Journal of Marketing 24 (July), 37-42.

Hollander, S.C. & G.S. Omura. 1989. Chain Store Development and Their Political Strategies and Social Interdependence. Journal of Retailing 65, 299-325.

Holmberg, Carina. 1996. Stores and Consumers - Two Perspectives on Food Purchasing. Stockholm School of Economics. The Economic Research Institute. Stockholm.

Home, Niilo. 1989. Kyläkaupan kuolema ja eloonjääminen. Valikoituminen lopettavaksi tai jatkavaksi myymäläksi maaseudun päivittäistavarakaupassa. Helsingin kauppakorkeakoulun julkaisuja A:63. Helsinki.

Home, Niilo. 1995. Kauppa 2000 - EU-jäsenyyden vaikutus päivittäistavarakaupan rakenteeseen ja toimintaan. Helsingin Kauppakorkekoulun julkaisuja D-223. Helsinki.

Hudson, Laurel A. & Julie L. Ozanne. 1988. Alternative Ways of Seeking Knowledge in Consumer Research. Journal of Consumer Research 14(March), 508-521.

Huffman, Cynthia & Michael J. Houston. 1993. Goal-oriented Experiences and the Development of Knowledge. Journal of Consumer Research 20 (September), 190-207.

Hyvönen, Saara. 1990. Integration in Vertical Marketing Systems. A study on power and contractual relationships between wholesalers and retailers. Helsingin kauppakorkeakoulun julkaisuja A:72.

Isen, Alice M. 1993. Positive Affect and Decision Making. In Michael Lewis & Jeanette M. Haviland (Eds.) Handbook of Emotions. New York: The Guilford Press, 261-277.

Jain, Arun K. & Christian Pinson. 1976. The Effect of Order of Presentation of Similarity Judgments on Multidimensional Scaling Results: An Empirical Examination. Journal of Marketing Research 13 (November), 435-439.

Johnson, Gerry. 1987. Strategies and Strategic Positioning in Retailing. In Gerry Johnson (Ed.) Business Strategy and Retailing. Chichester: John Wiley & Sons Ltd, 81-87.

Johnson, Jeffrey C. 1990. Selecting Ethnographic Informants. Newbury Park: Sage Publications.

Johnson, Michael D., Eugene W. Anderson & Claes Fornell. 1995. Rational and Adaptive Prformance Expectations in a Customer Satisfaction Framework. Journal of Consumer Research 21, March, 695-707.

Johnson, Michael D. & Claes Fornell. 1991. A Framework for Comparing Customer Satisfaction across Individuals and Product Categories. Journal of Economic Psychology 12, 267-286.

Johnson, Michael D., Donald R. Lehmann, Claes Fornell & Daniel R. Horne. 1992. Attribute Abstraction, Feature-dimensionality, and The Scaling of Product Similarities. International Journal of Research in Marketing 9, 131-147.

Johnson, Michael D. & Christopher P. Puto. 1987. A Review of Consumer Judgment and Choice. In Michael Houston (Ed.) Review of Marketing. Chicago: American Marketing Asssociation, 211-232.

Jones, Ken & Jin Simmons. 1990. The Retail Environment. London: Routledge.

Kajalo, Sami. 1991. Vähittäiskaupan aukioloaikakysymys. Helsingin kauppakorkeakoulun julkaisuja D-141. Helsinki.

Kaplan, Stephen & Rachel Kaplan. 1982. Cognition and Environment: Functioning in an Uncertain World. New York: Praeger.

Kehittyvä Kauppa 5/1997. Ketjuilla kulkee, 4-41.

Kilpiö, Eila & Mika Pantzar. 1993. Vähittäiskaupan rakenteen suuntaviivat Suomessa. Kuluttajatutkimuskeskus, keskustelualoitteita 7/1993.

Kinnear, Thomas C. & James R. Taylor. 1988. Marketing Research. New York: McGraw-Hill.

K-lähikauppa. 1997. http://www.kesko.fi/fin/ketjut/lahik.htm 12.3.1997.

Knee, Derek & David Walters. 1985. Strategy in Retailing: Theory and Application. Oxford: Philip Allan.

Koski, Kimmo, Pekka Lahti & Antti Luukkanen. 1995. Kaupan suuryksiköt ja kunnallistalous. Tutkimus kuuden suuryksikön vaikutuksista kunnallistalouteen Helsingin, Tampereen ja Turun kaupunkiseuduilla. VTT tiedotteita 1684. Espoo.

K-supermarket. 1997. http://www.kesko.fi/fin/ketjut/superm.htm 12.3.1997).

Kulke, Elmar. 1992. Structural Change and Spatial Response in the Retail Sector in Germany, Urban Studies No. 6, 965-977.

Laaksonen, Martti. 1987. Retail Patronage Dynamics. A study of daily shopping behavior in the context of changing retail structure. Acta Wasaensia No 22. Business Administration No 7. University of Vaasa.

Lakoff, George. 1987. Women, Fire, and Dangerous Things. What categories reveal about the mind. Chicago: University of Chicago Press.

Lekoff-Hagius, Roxanne & Charlotte H. Mason. 1993. Characteristic, Beneficial, and Image Attributes in Consumer Judgments of Similarity and Preference. Journal of Consumer Research 20 (June), 100-110.

Levy, Sidney J. 1959. Symbols for Sale. Harvard Business Review 37 (July-August), 117-124.

Lincoln, Yvonna S. & Egon Cuba. 1985. Naturalistic Inquiry. Beverly Hills: Sage Publications Inc.

Loken, Barbara & James Ward. 1990. Alternative Approaches to Understanding the Determinants of Typicality. Journal of Consumer Research 17 (September), 111-126.

Lovelock, Christopher H. 1984. Services Marketing. New Jersey: Prentice Hall, Inc.

Lovelock, Cristopher H. & Robert F. Young. 1979. Look to Consumers to Increase Profitability. Harward Business Review (May-June), 168-178.

LTT. 1995. Kotitalouksien päivittäistavaroiden ostotavat 1994 sekä ostostenteon ongelmat. Liiketaloustieteellinen tutkimuslaitos Sarja B 119. Helsinki.

Lucas, G.H. & L. G. Gresham. 1988. How to Position for Retail Success. Business 38, 2, 3-13.

Lunt, Peter K. & Sonia M. Livingstone. 1992. Mass Consumption and Personal Identity. Puckingham: Open University Press.

Malthora, Naresh K. 1987. Validity and Structural Reliability of Multidimensional Scaling. Journal of Marketing Research 24 (May), 164-173.

Mandler, George. 1982. The Structure of Value: Accounting for Taste. In M.C.Clark & S.T. Fiske (Eds.) Affect and Cognition: The 17th Annual Carnegie Symposium. Hillsdale, NJ: Lawrence Erlbaum Associates, 3-36.

Mandler, Jean M. 1984. Stories, Scripts, and Scenes: Aspects of Schema Theory. Hillsdale, N.J.: Lawrence Erlbaum Associates.

Mandler, Jean M. & Richard E. Parker. 1976. Memory for Descriptive and Spatial Information in Complex Pictures. Journal of Experimental Psychology: Human Learning and Memory 2 (January), 38-48.

Marjanen, Heli. 1997. Distance and Store Choice. Publications of Turku School of Economics and Business Administration A-4:1997. Turku.

Marker. 1979. Marketindex Newsletter 1/79.

Marker. 1985. Marketindex Group Newsletter 4/85.

Marker. 1991. Marketindex Group Newsletter 2/91.

Market. 1997. http://www.kesko.fi/fin/ketjut/market.htm 12.3.1997.

Martineau, Pierre. 1958. The Personality of the Retail Store. Harvard Business Review 36, Jan-Feb.

Maute, F. M. & W. R. Forrester Jr. 1993. The Structure and Determinants of Consumer Complaint Intentions and Behavior. Journal of Economic Psychology 14, 219-247.

Mazursky, David & Jack Jacoby. 1988. Exploring the Development of Store Images. Journal of Retailing 64 (February), 145-165.

McCracken, Grant. 1988a. Culture and Consumption: New Approaches to the Symbolic Character of Consumer Goods and Activities. Bloomington: Indiana University Press.

McCracken, Grant. 1988b. The Long Interview. Newbury Park: Sage Publications.

McDougal, G. H. G. & J. N. Fry. 1974. Combining Two Methods of Image Measurement. Journal of Retailing 50 (Winter), 56-57.

McGee, John. 1987. Retailer Strategies in the UK. In Gerry Johnson (Ed.) Business Strategy and Retailing. Chichester: John Wiley & Sons Ltd., 89-106.

McGoldrick, Peter J. 1990. Retail Marketing. London: McGraw-Hill.

McGoldrick, Peter J. & Mark G. Thompson. 1992. Regional Shopping Centres. Aldershot: Avebury.

Meyers-Levy, Joan & Alice M. Tybout. 1989. Schema Congruity as a Basis for Product Evaluation. Journal of Consumer Research 16 (June), 39-54.

Miller, Daniel. 1987. Material Culture and Mass Consumption. New York: Blackwell.

Mulhern, Francis J. 1997. Retail Marketing: From Distribution to Integration. International Journal of Research in Marketing 14, 103-124.

Murray, Jeff B. & Julie L. Ozanne. 1991. The Critical Imagination: Emancipatory Interests in Consumer Research. Journal of Consumer Research 18 (September), 129-144.

Myers, James H. & Allan D. Schocker. 1981. The Nature of Product-related Attributes. In Jagdish N. Sheth (Ed.) Research in Marketing 5, CT:JAI, 211-236.

Mäkinen, Helena. 1982. Evoluutio vai revoluutio elintarvikkeiden markkinointijärjestelmissä vuosina 1948-1976. Teoreettinen ja empiirinen muutosanalyysi. Turun kauppakorkeakoulun julkaisuja A:3:1982. Turku.

Möller, Kristian & Rob Van den Heuvel. 1981. Contribution of Store Attributes to Retail Store Image and preference. The Finnish Journal of Business Economics (Liiketaloudellinen aikakauskirja) 30, 3, 278-295.

Nielsen. 1994. AC Nielsen Finland Newsletter 1/94.

Nielsen. 1995. AC Nielsen Finland Newsletter 1/95.

Nielsen. 1997. AC Nielsen Finland Newsletter 1/97.

Normann, Richard. 1983. Luova yritysjohto. Espoo: Weilin & Göös. 3. p.

Nöth, Winfried. 1988. The Language of Commodities: Groundwork for a Semiotics of Consumer Goods. International Journal of Research in Marketing 4, 173-186.

Olson, Jerry C. 1978. Inferential Belief Formation in the Cue Utilization Process. In H. Keith Hunt (Ed.) Advances in Consumer Research, Vol. 5. Ann Arbor, MI: Association for Consumer Research, 703-713.

Ozanne, Julie L, Merrie Brucks & Dhruv Grenwall. 1992. A Study of Information Search Behavior during the Categorization of New Products. Journal of Consumer Research 18 (March), 452-463.

Patton, Michael Quinn. 1990. Qualitative Evaluation and Researdh Methods. Sage Publications.

Payne, Adrian, Martin Christopher, Moira Clark & Helen Peck. 1995. Relationship Marketing for Competitive Advantage. Cornwall: Butterworth-Heinemann.

Peter, J. Paul & Jerry C. Olson. 1990. Consumer Behavior and Marketing Strategy. Irwin, Homewood, IL.

Porter, Michael E. 1982. Competitive Strategy. New York: Macmillan.

Porter, Michael E. 1985. Competitive Advantage: Creating and Sustaining Superior Performance. New York: Macmillan.

Prisma. 1997. http://www.sok.fi/päivittäistavarat/prisma 14.4.1997.

PTY. 1994. Päivittäistavarakaupan rakennemuutos. Suomen Päivittäistavarakauppayhdistyksen julkaisuja 2.

Quinn, Naomi & Dorothy Holland. 1989. Culture and Cognition. In Dorothy Holland & Naomi Quinn (Eds.) Cultural Models in Language and Thought. Cambridge: Cambridge University Press, 3-42.

Raijas, Anu. 1997. The Consumer's Choice of Grocer's Shop - a Comparison between Two Metropolitan Areas in Finland and Norway. Kuluttajatutkimuskeskuksen julkaisuja 6. Helsinki.

Rathneshwar, S. & Allan D. Shocker. 1991. Substitution in Use and the Role of Usage Context in Product Category Structures. Journal of Marketing Research 28 (August), 281-295.

Retail Futures. 1996. http://www.e1.com/RF/44.htm. 12.4.1996.

Reynolds, Thomas J. 1987. The Impact of Higher Order Elements on Preference: The Basic Precepts and Findings of Means-end Theory. University of Texas at Dallas. Working Paper.

Reynolds, Thomas J. & Jonathan Gutman. 1988. Laddering Theory, Method, Analysis, and Interpretation. Journal of Advertising Research, February/March, 11-31.

Richins, Marsha L. 1994. Valuing Things: The Public and Private Meanings of Possessions. Journal of Consumer Research 21 (December), 504-521.

Ries, Al & Jack Trout. 1981. Positioning: The Battle for Your Mind. New York: McGraw-Hill.

Rimi. 1997. http://www.kesko.fi/fin/ketjut/rimi.htm 12.3.1997.

Rosch, Eleanor. 1978. Principles of Categorization. In Eleanor Rosch & Barbara B. Lloyd (Eds.) Cognition and Categorization. Hillsdale: Lawrence Erlbaum Associates, Inc, 28-48.

Rosch, Eleanor, Carolyn Mervis, Wayne Gray, David Johnson & Benny Boyers-Braem. 1976. Basic Objects in Natural Categories. Cognitive Psychology 7 (October), 573-605.

Rosenbloom, Bert & Marc Dubuis. 1994. Low Price, Low Cost, High Service: A New Paradigm for Global Retailing? International Review of Retail, Distribution and Consumer Research 4, No. 2, 149-158.

Rökman, Maija. 1985. Retail Patronage Behaviour. An empirical analysis of localshopping and outshopping behaviour. Publications of Departmenet of Business Economics and Business Law. Series A1:studies 29. Tampere.

Sack, Robert David. 1992. Place, Modernity, and the Consumer's World. A relational framework for geographical analysis. Baltimore: The Johns Hopkins University Press.

Sahlins, Marshall. 1976. Culture and Practical Reason. Chicago: University of Chicago Press.

Samiee, Saeed. 1990. Productivity Planning and Strategy in Retailing. California Management Review, Winter, 54-76.

Schaninger, Charles M. & William D. Danko. 1993. A Conceptual and Empirical Comparison of Alternative Household Life Cycle Models. Journal of Consumer Research 19, March, 580-594.

Scherer, F. M. 1980. Industrial Market Structure and Economic Performance. Chicago: Rand McNally.

Schiffman, Susan S., M. Lance Reynolds & Forrest W. Young. 1981. Introduction to Multidimensional Scaling. Theory, methods, and applications. New York: Academic Press.

Schocker, Allan D. & V. Srinivasan. 1979. Multi-attribute Applications for Product Concept Evaluation and Generation: A Critical Review. Journal of Marketing Research 15, 159-180.

Schostack, G. Lynn. 1987. Service Positioning Through Structural Change. Journal of Marketing 51 (January), 34-43.

Sheth, Jagdish N. 1983. An Integrative Theory of Patronage Preference and Behavior. In William R. Darden & Robert F. Lusch (Eds.) Patronage Behavior and Retail Management. New York: North-Holland.

Singson, Richard L. 1975. Multidimensional Scaling Analysis of Store Image and Shopping Behavior. Journal of Retailing 51(Summer), 38-52.

Sirgy, M. Joseph. 1982. Self-Concept in Consumer Behavior: A Critical Review. Journal of Consumer Research 9 (December), 287-300.

Siwa. 1997. http://www.siwa.fi/ 12.3.1997.

Sjöberg, Lennart, Christian Derbaix & Bengt Jansson. 1987. Preference and Similarity: Affective and Cognitive Judgment. Scandinavian Journal of Psychology 28, 56-68.

Solomon, Michael R. 1983. The Role of Products as Social Stimuli: A Symbolic Interactionism Perspective. Journal of Consumer Research 10 (December), 319-329.

SPSS 6.1 Base System User's Guide. SPSS for Windows Professional Statistics Release 6.1. 1994.

SPSS 6.1 Professional Statistics. SPSS for Windows Professional Statistics Release 6.1. 1994.

Stayman, Douglas M., Dana L. Alden & Karen H. Smith. 1992. Some Effects of Schematic Processing on Consumer Expectations and Disconfirmation Judgments. Journal of Consumer Research 19, 240-255.

Steenkamp, Jan-Benedict E. M. 1990. Conceptual Model of the Quality Perception Process. Journal of Business Research 21, 309-333.

Stern, Louis W. & Adel I. El-Ansary 1988. Marketing Channels. New Jersey: Prentice-Hall.

Stone, G.P. 1954. City Shoppers and Urban Identification: Observations on the social psychology of city life. American Journal of Sociology, July.

Sujan, Mita. 1985. Consumer Knowledge: Effects on Evaluation Strategies Mediating Consumer Judgments. Journal of Consumer Research 12 (June), 31-46.

Sujan, Mita & James R. Bettman. 1989. The Effects of Brand Positioning Strategies on Consumers' Brand and Category Perceptions: Some insights from schema research. Journal of Marketing Research 26 (November), 454-467.

Sujan, Mita & Christine Dekleva. 1987. Product Categorization and Inference Making: Some implications for comparative advertising. Journal of Consumer Research 14 (December), 372-378.

Tajfel, Henri & Joseph P. Forgas. 1981. Social Categorization: Cognitions, Values and Groups. In Joseph P. Forgas (Ed.) Social Cognition. Perspectives on Everyday Understanding. London: Academic Press, 113-140.

Talouselämä 27/1994. Rimi haastaa laatikkomyymälät imagokisaan.

Talouselämä 40/1997. Kaikkien lemmikki ei ole kenellekään uskollinen.

Thompson, Craig J., William B. Locander & Howard R. Pollio. 1990. The Lived Meaning of Free Choice: An existential-phenomenological description of everyday consumer experiences of contemporary married women. Journal of Consumer Research 17 (December), 346-361.

Uusitalo, Liisa. 1977. Consumer perception and preference of message structure. Helsinki School of Economics and Business Administration, Publications, B-21.

Uusitalo, Liisa. 1995. Consumption in postmodernity - social structuration and the construction of self. Helsinki School of Economics and Business Administration, Working Papers, W-142.

Uusitalo, Outi. 1993. Retail Dis/satisfaction: Framing the Domain of Consumer Dis/satisfaction in a Dynamic Shopping Context. University of Jyväskylä. Reports from the Department of Economics and Management N:o 16/93. Jyväskylä.

Valkonen, Tapani. 1981. Haastattelu- ja kyselyaineiston analyysi sosiaalitutkimuksessa. Helsinki: Gaudeamus.

Wallendorf, Melanie & Russell W. Belk. 1989. Assessing Trustworthiness in Naturalistic Consumer Research. In Elizabeth C. Hirschman (Ed.) Interpretive Consumer research. Provo, UT: Association for Consumer Research.

Walters, David & Derek Knee. 1989. Competitive Strategies in Retailing. Long Range Planning 22, No. 6, 74-84.

Weller, Susan C. & A. Kimball Romney. 1988. Systematic Data Collection. Newbury Park: Sage Publications Ltd.

Wilkie, William. 1994. Consumer Behavior. New York: John Wiley.

Wind, Yoram. 1980. Going to Market: New Twists for Some Old Tricks. The Wharton Magazine 4, Spring.

Wortzel, L. H. 1987. Retail Strategies for Today's Mature Marketplace. Journal of Business Strategy 7, No. 4, 45-56.

Wu, Bob T.W. & Susan M. Petronius. 1987. The Halo Effect in Store Image Measurement. Journal of The Academy of Marketing Science, No. 3, 44-51.

Ympäristöministeriö. 1997. Suurmyymälätyöryhmän mietintö. Suomen ympäristö 102. Helsinki: Edita.

Zajonc, Robert B. & Hazel Markus. 1982. Affective and Cognitive Factors in Preference. Journal of Consumer Research 9, 123-131.

Zeithaml, Valerie. 1981. How Consumer Evaluation Processes Differ Between Goods and Services. In Donnelly, J.H. and George, W.R. (Eds.) Marketing of Services. American Marketing Association, Chicago, IL.

Zeithaml, Valerie. 1988. Consumer Perceptions of Price, Quality and Value: A means-end model and synthesis. Journal of Marketing 52, July, pp.2-22.

Zimmer, Mary R. & Linda L. Golden. 1988. Impressions of Retail Stores: A Content Analysis of Consumer Images. Journal of Retailing 64, No. 3, 265-293.

Zerubavel, Eviatar. 1991. The Fine Line: Making Distinctions in Everyday Life. New York: Free Press.

Zukier, Henri. 1982. The Paradigmatic and Narrative Models in Goal-Guided Inference. In Richard M. Sorrentino & E. Tory Higgins (Eds.) Handbook of Motivation and Cognition. Foundations of Social Behavior. John Wiley & Sons, 465-501.

INTERVIEWS

Johtaja Matti Kautto, Kesko Oy. 23.11.1994

Ketjujohtaja Risto Pyykönen, SOK. 29.12.1994

Toimitusjohtaja Aarno Mäntynen, Tradeka. 8.9.1995

Suunnittelupäällikkö Raimo Hälinen, Suomen Spar Oy. 11.9.1995

APPENDICES

APPENDIX 1

Questionnaire

INTERVIEW: PART I

Please explain how you normally do your grocery shopping.
- where do you usually shop for food?
- when do you go shopping?
- how often do you go shopping?
- how do you travel?
- how do you pay?

INTERVIEW: PART II

All the grocery stores within the city of Jyväskylä are presented on cards.

1. Please pick out the stores that you are familiar with, and remove the stores that you do not know.
2. Please arrange the cards so that similar stores are in the same pile.
3. Please explain why the stores in each pile are similar, and how the stores not in the same pile differ from each other.
4. Please explain the advantages and disadvantages of the stores in each pile.

INTERVIEW: PART III

1. The cards in the pack represent all the possible pairs that can be formed of the following six stores:
Prisma
Mestarin Herkku
Citymarket
Kymppi (Pylkkänen)
Siwa
Anttila

Evaluate the stores according to your own overall impression about each store. Now, please rank these 15 cards so that the card with the most similar pair of stores has the ranking 1 and the card with the least similar pair of stores has the ranking 15.

(continues)

You may find the following procedure useful:
- Sort the cards first into four piles: 1. Very similar pairs of stores, 2. Somewhat similar pairs of stores, 3. Somewhat different pairs of stores, 4. Very different pairs of stores
- Rank the cards within the piles so that the card with the most similar pair of stores is on top and the least similar pair is on the bottom in each pile. Now, combine the piles so that the card with the most similar pair is on the top and the card with the least similar pair is on the bottom.
- Please write down the order of the cards on the next page of the questionnaire.

The final order of the cards is the following:
(Write the number of the card on the line; the number is in the top right-hand corner of the card):

1.________ (the most similar pair of stores)
2.________(the second most similar pair of stores)
3.________
4.________
5.________
6.________
7.________
8.________
9.________
10.________
11.________
12.________
13.________
14.________
15.________(the least similar pair of stores)

2. Please rank the six stores mentioned on the cards according to your preference. Rank the stores so that the store that you prefer most is number 1, and the store that you prefer least is number 6. Write the letter in front of the name of the store on the line.

1.________(the most preferred store)
2.________
3.________
4.________
5.________
6.________(the least preferred store)

A- Prisma
B - Mestarin Herkku
C - Kymppi (Pylkkänen)
D - Citymarket
E - Siwa
F - Anttila

3. Below you have a list of grocery store attributes. Please state how important you consider each attribute for a good grocery store. (Please circle the appropriate alternative)

	Not important at all					Very important	
1. Good location	1	2	3	4	5	6	7
2. Low prices	1	2	3	4	5	6	7
3. No queues	1	2	3	4	5	6	7
4. Easy access by car	1	2	3	4	5	6	7
5. Suitable opening hours	1	2	3	4	5	6	7
6. Goods always available	1	2	3	4	5	6	7
7. Many special offers	1	2	3	4	5	6	7
8. Quality of goods is high	1	2	3	4	5	6	7
9. Broad range of goods	1	2	3	4	5	6	7
10. Many service counters	1	2	3	4	5	6	7
11. Freshly made products	1	2	3	4	5	6	7
12. Organically cultivated products available	1	2	3	4	5	6	7
13. Store is aesthetically pleasing	1	2	3	4	5	6	7
14. Store is clean	1	2	3	4	5	6	7
15. Store layout is clear	1	2	3	4	5	6	7
16. Public announcements in the store	1	2	3	4	5	6	7
17. Friendly and helpful staff	1	2	3	4	5	6	7
18. My friends shop in the store	1	2	3	4	5	6	7
19. Customers' opinions are considered	1	2	3	4	5	6	7
20. Belongs to a reliable chain	1	2	3	4	5	6	7

4. Please evaluate the six stores named on the cards according to the following characteristics. Please mark x in the column which corresponds your opinion.

PRISMA/MESTARIN HERKKU/KYMPPI/CITYMATKET/SIWA/ANTTILA

	1	2	3	4	5	6	7	
Poor location	_	_	_	_	_	_	_	Good location
High prices	_	_	_	_	_	_	_	Low prices
Lot of queues	_	_	_	_	_	_	_	No queues
Difficult access by car	_	_	_	_	_	_	_	Easy access by car
Unsuitable opening hours	_	_	_	_	_	_	_	Suitable opening hours
Frequent stock-outs	_	_	_	_	_	_	_	Goods always available
No special offers	_	_	_	_	_	_	_	Many special offers
Quality of goods is low	_	_	_	_	_	_	_	Quality of goods is high
Limited range of goods	_	_	_	_	_	_	_	Broad range of goods
No service counters	_	_	_	_	_	_	_	Many service counters
Out-of-date products	_	_	_	_	_	_	_	Freshly made products
No organically cultivated products available	_	_	_	_	_	_	_	Organically cultivated products available
Store is not aesthetically pleasing	_	_	_	_	_	_	_	Store is aesthetically pleasing
Store is untidy	_	_	_	_	_	_	_	Store is clean
Store layout is messy	_	_	_	_	_	_	_	Store layout is clear
No public announcements	_	_	_	_	_	_	_	Public announcements
Unconcerned sales staff	_	_	_	_	_	_	_	Friendly and helpful staff
My friends do not shop in this store	_	_	_	_	_	_	_	My friends shop in this store
Customers' opinions are not considered	_	_	_	_	_	_	_	Customers' opinions are considered
Belongs to an unreliable chain	_	_	_	_	_	_	_	Belongs to a reliable chain

BACKGROUND QUESTIONS

Please circle the appropriate alternative

1. Sex: 1 Female
   2 Male

2. Size of your family: 1 person
   2 persons
   3 persons or more

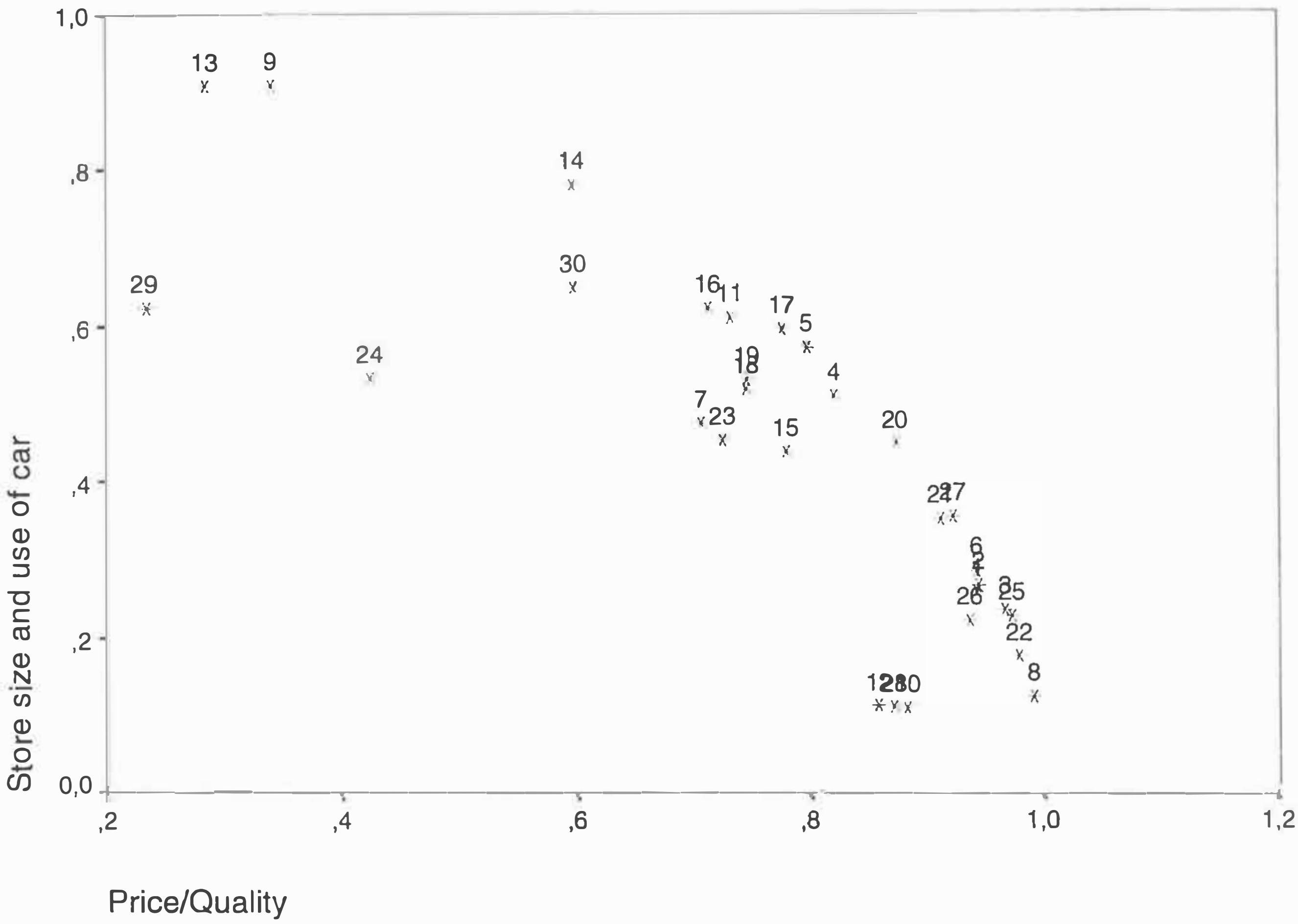
3. Do you have a car 1 Yes
   2 No

4. Your address (Street name)

Thank you for your help!

APPENDIX 2

APPENDIX 2AThe weight space W.



APPENDIX 2B Stimulus coordinates

Stimulus Coordinates
Dimension

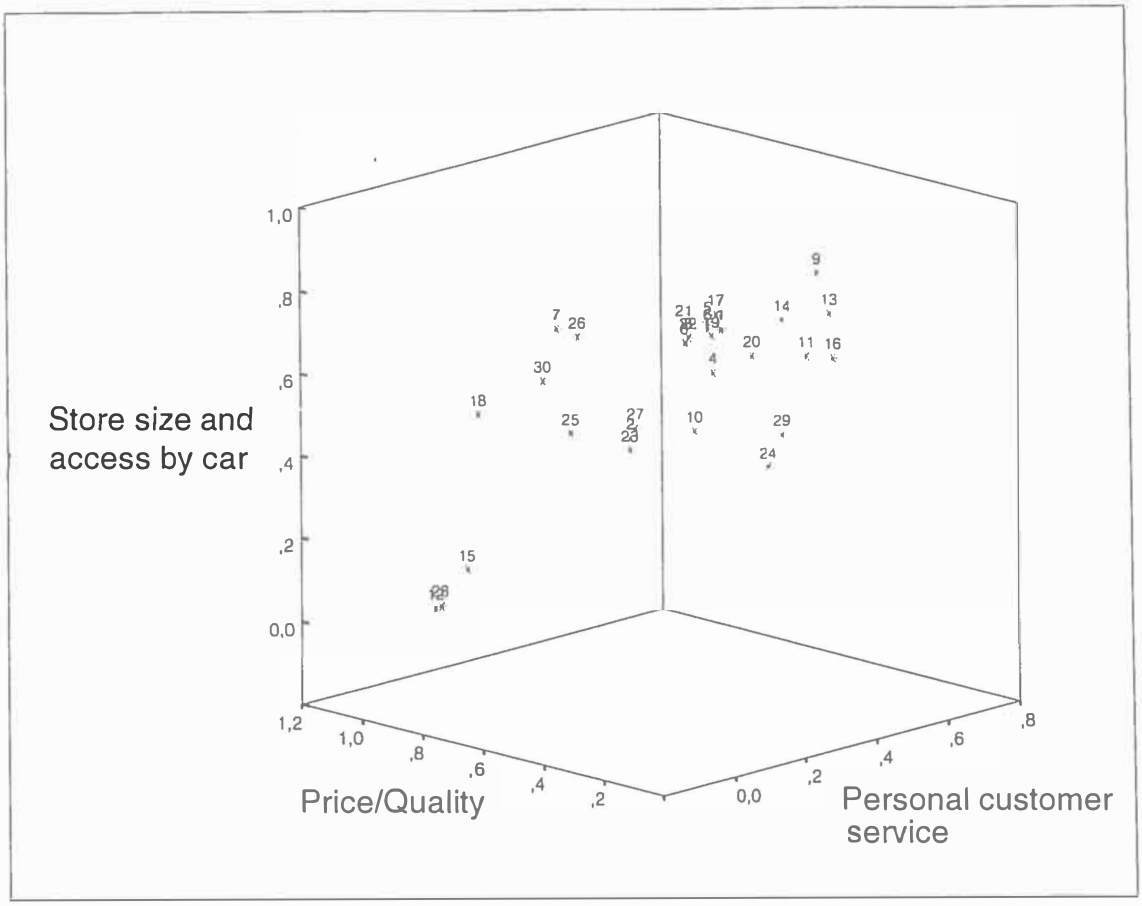
Stimulus Number	Stimulus Name	1	2
1	PRISMA	0,3972	1,0096
2	MESTHER	1,1786	-0,8923
3	KYMPPI	-0,4087	-1,7215
4	CITYMAR	0,4621	0,8361
5	SIWA	-1,9862	0,470
6	ANTTILA	0,3569	0,7210

APPENDIX 2C Subject weights and weirdness index

		Subject Weights	
		Dimension	
Subject Number	Weirdness	1	2
1	0,4248	0,9440	0,2593
2	0,4082	0,9456	0,2684
3	0,4803	0,9677	0,2369
4	0,0610	0,8208	0,5114
5	0,1501	0,7982	0,5733
6	0,3721	0,9435	0,2870
7	0,1103	0,7065	0,4760
8	0,7210	0,9918	0,1251
9	0,7329	0,3416	0,9082
10	0,7230	0,8838	0,1106
11	0,2423	0,7319	0,6120
12	0,7093	0,8590	0,1130
13	0,7755	0,2858	0,9080
14	0,4800	0,5970	0,7809
15	0,0037	0,7799	0,4389
16	0,2693	0,7128	0,6241
17	0,1917	0,7767	0,5969
18	0,1310	0,7454	0,5191
19	0,1450	0,7458	0,5312
20	0,0630	0,8740	0,4480
21	0,2391	0,9136	0,3520
22	0,6070	0,9794	0,1768
23	0,0645	0,7249	0,4542
24	0,4614	0,4246	0,5339
25	0,4990	0,9733	0,2288
26	0,4936	0,9380	0,2231
27	0,2402	0,9239	0,3553
28	0,7189	0,8722	0,1108
29	0,7350	0,2332	0,6250
30	0,3888	0,5979	0,6501

APPENDIX 3

APPENDIX 3A Three-dimensional weight space



APPENDIX 3B Stimulus coordinates

Stimulus Coordinates
Dimension

Stimulus Number	Stimulus Name	1	2	3
1	PRISMA	-0,3559	-0,8689	-0,7239
2	MESTHER	-0,5787	-0,3137	1,9872
3	KYMPPI	-0,3625	1,9822	0,2053
4	CITYMAR	-0,4889	-0,7819	-0,7670
5	SIWA	2,2296	0,5416	0,2194
6	ANTTILA	-0,4436	-0,5592	-0,9211

APPENDIX 3C Subject weights and weirdness index

Subject Number	Weirdness	Subject Weights Dimension 1	2	3
1	0,1513	0,5827	0,6717	0,4536
2	0,2731	0,8342	0,3699	0,4078
3	0,0758	0,6362	0,6519	0,4074
4	0,1931	0,6712	0,5366	0,5045
5	0,1389	0,5785	0,7004	0,4123
6	0,1256	0,5962	0,6755	0,4297
7	0,6122	0,6244	0,7634	0,0292
8	0,0631	0,6523	0,6347	0,4109
9	0,4836	0,2159	0,8807	0,4167
10	0,0541	0,4879	0,4767	0,2985
11	0,3619	0,5105	0,5778	0,6332
12	0,9816	0,9964	0,0219	0,0000
13	0,3826	0,3722	0,7179	0,5815
14	0,2840	0,4778	0,6933	0,5358
15	0,8143	0,9767	0,1030	0,0710
16	0,4139	0,4686	0,5715	0,6726
17	0,1689	0,5511	0,7230	0,4124
18	0,6679	0,8538	0,5194	0,0000
19	0,2265	0,4660	0,7040	0,3296
20	0,2472	0,5957	0,5820	0,5498
21	0,1130	0,6088	0,6965	0,3716
22	0,0753	0,6371	0,6504	0,4084
23	0,1873	0,6894	0,3959	0,2842
24	0,3074	0,3419	0,3971	0,3820
25	0,3082	0,8720	0,4061	0,2714
26	0,4547	0,6538	0,7191	0,1113
27	0,2451	0,8201	0,3961	0,4101
28	0,9630	0,9944	0,0272	0,0103
29	0,3808	0,2114	0,5161	0,3130
30	0,5835	0,6777	0,6262	0,0313

APPENDIX 4

Rotated Factor Matrix of store attribute importance ratings

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6
17 Friendly and helpful staff	.81436	.11359	.11983	.22127	-.03117	-.10538
11 Products are freshly made	.62209	.19837	.05553	-.05765	.03330	-.14467
15 Clear store layout	.62163	.21868	.39277	.22287	-.52153	-.09453
10 Separate service-counters	.58680	-.02885	.02162	-.00376	.22556	.02563
5 Suitable opening hours	.02960	.72256	.04854	.02439	-.14663	-.06006
3 Fast checkouts	.38110	.63906	-.14182	-.24432	-.06209	.19439
9 Broad range of goods	.19530	.57206	.12886	-.01987	-.01987	.15573
2 Fair prices of goods	.00376	.48224	.18698	.38179	.38179	-.23645
6 Goods always available	.39490	.41753	.38011	.16349	.16349	-.09568
13 Store is aesthetically pleasing	-.00937	.17612	.71694	.01915	.13877	-.02261
14 Store is clean	.21845	-.04651	.54053	.04356	-.05143	.02364
8 High quality of goods	.11593	.41254	.52728	.22290	-.32092	-.05309
19 Customers' opinions and requests are considered	.23652	.16250	-.09952	.90592	.03258	.06857
20 Belongs to a reliable chain	.00263	-.19610	.48245	.61115	-.09264	.12808
12 Organically cultivated goods available	-.07039	-.08207	.34121	.46168	.21043	.08116
7 Many special offers	.14455	.30977	-.07254	.37805	.79809	.03868
18 My friends shop in this store	.17187	-.30061	.10009	-.05705	.42783	-.09652
4 Easy access by a car	.06099	.13535	-.05062	.09376	-.35892	.67519
1 Location is appropriate	.24878	.05752	.05250	.02217	-.08608	-.66703
16 Public announcements in the store	-.04545	.01100	.35424	.16993	.34392	.56086

YHTEENVETO (FINNISH SUMMARY)

Tutkimuksen ongelma-alueena on vähittäiskaupan ja kuluttajan suhde. Aihetta tarkastellaan tutkimalla erityisesti kuluttajien havaintoja ja käsityksiä päivittäistavarakaupoista, miten kuluttajat kokevat eri tyyppejä edustavat myymälät, eri myymäläketjut ja yksittäiset myymälät, millaisia eroja kuluttajat mieltävät eri myymälöiden välillä, kuinka kuluttajien preferenssit myymälöitä kohtaan muodostuvat. Aihealue on tärkeä koska vähittäiskaupan rakenne ja markkinointi on viime aikoina muuttunut voimakkaasti. Vähittäiskaupan toimintaa on tutkittu paljon kaupan sisäisen tehokkuuden näkökulmasta. Kuluttajien näkökulmaan keskittyvää tutkimusta sensijaan on tehty sangen vähän.

Tutkimus muodostuu kolmesta osasta sekä johdanto- ja tarkasteluosiosta. Ensimmäisessä osassa tarkastellaan vähittäiskaupan rakennetta ja strategioita. Toisessa osassa kartoitetaan kuluttajan havaintokäyttäytymistä ja preferenssien muodostumista koskeva teoriatausta. Kolmannessa osassa raportoidaan kuluttajien myymälähavaintoja koskeva empiirinen tutkimus. Tarkasteluosiossa keskustellaan tässä tutkimuksessa esille nousseiden havaintojen ja tutkimustulosten käytännön merkityksestä ja teoreettisesta kontribuutiosta sekä hahmotellaan aiheita jatkotutkimuksille.

Osa I Suomalaisen päivittäistavarakaupan rakenne ja strategiat

Ensimmäisen osan tarkoituksena on kuvata vähittäiskaupan kontekstia, jossa suomalaiset kuluttajat tekevät päivittäiset ostoksensa. Vähittäiskaupan rakenteen ja strategioiden tarkastelu on rajattu suomalaiseen vähittäiskauppaan. Kaupan toimialoista keskitytään päivittäistavarakauppaan, joka on sekä vähittäiskaupan suurin että kuluttajien kannalta tärkein toimiala. Myös monet vähittäiskaupan innovaatiot ja uudet toimintatavat luonnehtivat juuri päivittäistavarakaupan kehitystä. Päivittäistavarakaupan rakenteen ja strategian tarkastelu koostuu kolmesta tehtävästä.

Ensiksi kartoitetaan aikaisempia suomalaista vähittäiskauppaa koskevia tutkimuksia. Tämä tutkimus asemoituu aikaisempien tutkimusten kentässä kuluttajan näkökulmaa painottaviin tutkimuksiin, mutta käytetty kuluttajalähtöinen, induktiivinen lähestymistapa eroaa useimmista aikaisemmista kuluttajaa ja vähittäiskauppaa käsittelevistä tutkimuksista.

Seuraavaksi kuvataan ja analysoidaan suomalaisen vähittäiskaupan rakennetta ja siinä viime aikoina tapahtuneita muutoksia. Perinteiset kaupan tyypit ja kaupankäynnin tavat ovat jo usean vuosikymmenen ajan olleet uudelleenmuotoutumisen alaisia, ja muutosprosessi jatkuu edelleen. Eräs suurimmista muutoskohteista on kaupan tyyppien ja muotojen uusiutuminen: uuden ajan suuret supermarketit ja hypermarketit ovat pikkuhiljaa korvanneet pieniä yksiköitä kuten lähikauppoja ja korttelikauppoja. Samalla kaupankäynnin tavat sekä työnjako kaupan henkilöstön ja kuluttajien kesken ovat muuttaneet muotoaan. Itsepalvelu on laajentunut, kuluttajat osallistuvat yhä enemmän itse palvelun tuottamiseen. Vähittäiskaupan omistussuhteet ovat muuttuneet yhä keskittyneempään suuntaan. Toimipisteiden maantieteellinen rakenne on muuttunut, kun myymälöiden sijainnillinen painopiste on siirtynyt kaupunkien keskustoista ja lähiöistä niiden ulkopuolisille alueille, asumattomille paikoille tai teollisuusalueille pääteiden varteen. Uudet alueet ovat kaupan kannalta houkuttelevia, koska ne mahdollistavat suurten yksiköiden rakentamisen. Uuden teknologian myötä vähittäiskauppaan on syntynyt innovaatioita, jotka ovat muuttaneet kaupan sisäistä toimintaa, ennen kaikkea tavaravirtoja ja tietovirtoja sekä toimintojen ajoitusta. Innovaatioiden vaikutus on ulottunut myös kuluttajiin.

Kolmantena tehtävänä tarkastellaan vähittäiskaupan strategioita. Erityistä huomiota kiinnitetään kaupan tyyppien ja ketjujen sekä näiden asemoitumisen analysointiin. Asemointi kuvaa myymälöitä kuluttajien havaintomaailmassa, ja toimii siten siltana kaupan strategioiden ja kuluttajien havaintojen välillä. Vähittäiskaupat ovat toteuttaneet erottautumisstrategiaa myymälätasolla: on muodostettu ja määritelty myymälätyyppejä sekä myymäläbrandeja, jotka pyritään asemoimaan kuluttajien mieliin valitulla asemointiulottuvuudella suotuisammin kuin kilpailijat. Suomalaisten vähittäiskauppojen erottelu- ja asemointikeinojen analyysin aineistona käytettiin sekundääriaineistoa: olemassaolevia dokumentteja, kaupparyhmittymien www-sivuja, kaupan edustajien haastatteluja, sekä tutkijan omia havaintoja. Tämän aineiston perusteella voidaan päätellä, että vähittäiskaupan erottelu ja asemointi perustuu vain pieneen joukkoon keinoja. Vähittäiskaupan myymälärakenne on Suomessa hyvin homogeeninen. Erottautuminen kilpailijoista vaatiikin kaupoilta entistä tarkempaa analyysiä kuluttajien tarpeista ja ostokäyttäytymisestä.

Osa II Kohti kuluttajan näkökulmaa: Kuluttajien myymälähavainnot ja -mieltymykset

Toinen osa perustuu aikaisempaan kirjallisuuteen. Siinä kartoitetaan kuluttajan havaintokäyttäytymistä koskevat teoriat. Havaintoprosessin osalta keskitytään havaintojen tulkintaan, jolloin kuluttaja liittää havainnon kohteeseen merkityksen. Tulkinnan kannalta keskeinen teoriatausta on kategorisointi. Koska kuluttajan aikaisemmat tiedot ja odotukset vaikuttavat uuden tiedon havaitsemiseen ja ennen kaikkea tulkintaan, tarkastellaan myös tietorakenteita käsitteleviä teorioita. Havaintojen ohella on tärkeää tutkia kuinka kuluttajat muodostavat tunneperäisiä arvioita myymälöistä. Preferenssi on olennainen osa kuluttajan kokemusta myymälästä. Preferenssien muodostumista koskevat teoriat valaisevat myös kuluttajien käyttäytymistaipumusta myymälöiden suhteen. Niinpä tämä tutkimus sivuaa kuluttajan päätöksentekoa myymälän arviointi- ja valintatilanteessa. Kuluttajan havaintokäyttäytymisen ymmärtämiseksi on tarpeellista ymmärtää myös käyttäytymistä muovaavaa päämääriin suuntautumista. Kuluttajan päämäärillä on taipumus "vääristää" havaintoja. Kuluttajien tekemien tulkintojen ymmärtämiseksi perehdyttään teorioihin tavaroiden merkityksen syntymisestä sekä välittymisestä kuluttajille.

Toisen osan lopussa esitetään kokoava viitekehys, joka kuvaa kuluttaja-vähittäiskauppa suhdetta tämän tutkimuksen näkökulmien kautta. Vähittäiskaupan erottautumisstrategiat perustuvat joko fyysisen tarjontapaketin erilaistamiseen tai erottumiseen mielikuvan perusteella. Erottautuminen, samoin kuin asemointi voi tapahtua joko myymälätyypin, myymälän brandin tai yksittäisen myymälän tasolla. Kuluttajan käsityksiin myymälöistä vaikuttavat pohjimmiltaan kuluttajien tarpeet, jotka on tässä tutkimuksessa jaoteltu funktionaalisiin ja itseilmaisuun liittyviin tarpeisiin. Kun kuluttajat muodostavat käsityksensä myymälöistä tai luokittelevat myymälöitä, tähän vaikuttavat ainakin kuluttajien aiemmat tiedot ja odotukset, kuluttajien päämäärät sekä havainnon kohteet eli kaupat. Myymälät ja niiden toimintatavat, niiden erottautumisstrategiat sekä viestintä välittävät kuluttajille vihjeitä, joiden perusteella kuluttajat tekevät päätelmiä ja tulkintoja myymälöistä. Myymälöiden luokittelussa käytetyt vihjeet voivat koskea joko kaupan toiminnallisia ominaisuuksia tai ne voivat liittyä abstrakteihin merkityksiin, joita kuluttajat liittävät myymälöihin.

Osa III Empiirinen tutkimus myymälähavainnoista

Kolmannen osan muodostaa empiirinen tutkimus kuluttajien myymälähavainnoista. Haastatteluilla kerätyn aineiston avulla pyritään muodostamaan kokonaisvaltainen ja monipuolinen kuva kuluttaja-vähittäiskauppa suhteesta esimerkiksi valitulla markkina-alueella, Jyväskylässä. Haastattelut suunniteltiin siten, että niillä saadaan vastaukset seuraaviin kysymyksiin: Kuinka kuluttajat erottelevat myymälät toisistaan? Minkä vihjeiden perusteella kuluttajat luokittelevat myymälöitä? Kuinka myymäläpreferenssit muodostuvat? Ovatko vähittäiskauppojen viestittämät palvelupaketit ja kuluttajien käsitykset niistä yhdenmukaiset? Mitä mahdolliset erot ovat? Haastattelumenetelmänä käytettiin systemaattista tekniikkaa, jossa jokaiselle haastateltavalle esitetään samat kysymykset. Osa kysymyksistä oli avoimia, osa oli strukturoituja. Avoimet kysymykset koskivat kaikkia Jyväskylässä sijaitsevia päivittäistavarakauppoja, strukturoidut kysymykset kuutta valittua myymälää. Informantit valittiin harkinnanvaraisesti, näytteeseen pyrittiin saamaan mukaan sekä miehiä että naisia sekä vastaajia perheen elinkaaren eri vaiheista. Haastateltavia oli 30. Avoimiin kysymyksiin perustuvaa aineistoa luettiin useaan kertaan, jokaisella lukukerralla aineistosta tehtiin havaintoja ja tulkintoja siten, että havaintojen ja tulkintojen abstraktion astetta nostettiin jokaisella lukukerralla. Strukturoituun haastatteluun perustuvaa aineistoa analysoitiin ensin moniulotteisella skaalauksella (MDS), jolla pyrittiin löytämään kuluttajien myymälähavaintojen taustalla olevia, myymälöitä erottelevia ulottuvuuksia. Toinen keskeinen analyysimenetelmä oli askeltava regressioanalyysi, jonka avulla etsittiin myymäläpreferenssejä määrääviä tekijöitä.

Informantit luokittelivat myymälöitä useimmiten myymälän koon, myymälätyypin ja myymälän valikoiman perusteella. Joskus myös myymälän sijaintia, ostosten tekotapaan liittyviä seikkoja ('auton käyttöä vaativa', 'nopea ostopaikka', 'kauppa josta ostetaan erikoistarjouksia'), laatua, ostouseutta, hintaa tai kaupan palvelua käytettiin erottelukriteereinä. Aineistosta tehdyt havainnot vahvistavat tutkimuksen toisessa osassa esitettyä käsitystä, jonka mukaan kuluttajat käyttävät sekä funktionaalisia että symbolimerkityksiin perustuvia vihjeitä erotellessaan myymälöitä. Myös kuluttajien päämääriin suuntautunut käyttäytyminen tuli esiin aineistossa: informantit erottelivat myymälöitä sen perusteella kuinka ne liittyvät heidän ostamiselle asettamiensa tavoitteiden saavuttamiseen. Esimerkkeinä tästä ovat 'nopea ostopaikka' ja 'kauppa, josta ostetaan erikoistarjouksia'.

Kuluttajien arvioita eri myymälöiden hyvistä puolista ja huonoista puolista kartoitettiin avoimen haastattelun avulla. Oletuksena oli, että vastaajat kuvailisivat näitä seikkoja hyöty- tai arvotason termein. Näin ei kuitenkaan käynyt, vaan vastaajat käyttivät attribuuttitason termejä. Useimmat informantit esittivät huonona puolena korkean hintatason, joka yhdistettiin useimmiten joko pieniin lähimyymälöihin tai keskustassa sijaitsevaan, korkeasta laadusta tunnettuun myymälään. Pieniin myymälöihin liitettiin usein myös rajoitettu tai niukka tuotevalikoima. Suuriin myymälöihin liitettiin useimmiten huonona puolena ajan tuhlaantuminen ja jonotus. Hyviä puolia liitettiin myymälöihin paljon enemmän kuin huonoja puolia. Eniten mainintoja saivat kohtuullinen ja vakaa hintataso sekä sopiva tuotevalikoima. Sekä huonot että hyvät puolet heijastivat funktionaalisten tarpeiden tyydytystä. Ilmaisullisiin, sosiaalisiin tai esteettisiin tarpeisiin liittyviä seikkoja ei mainittu. Kuluttajien päivittäistavarakauppoja koskevat tietorakenteet todennäköisesti muodostuvat sellaisten odotusten ympärille, jotka liittyvät kuluttajien funktionaalisiin päämääriin. Päivittäisten ostosten kohdalla kuluttajien keskeisiä päämääriä ovat ostosten suorittamisen sujuvuus.

Teoriaosassa muodostetun käsityksen mukaan myymälöiden luokittelu voi tapahtua eri tasoilla: myymälämuodon (store-nonstore), myymälätyypin tai myymäläbrandin tasolla. Myymäläbrandin taso vastaa ketjua. Myymälätyypin oletettiin olevan perustaso, jolla kuluttajat spontaanisti luokittelevat myymälöitä. Empiirisen tutkimuksen tulokset tukevat tätä oletusta. Myymälöitä luokitellaan yleisimmin tyypin tasolla. Ketjun tasolla informantit tunnistivat myymäläbrandit, mutta eivät kyenneet havaitsemaan eroja samaa tyyppiä edustavien brandien väillä. Myymälöiden markkinointiviestinnässä välittämiä mielikuvia ja myymäläbrandien eroavuuksia informanttien kertomuksissa ei esiintynyt. Ainoastaan yksi myymäläbrandi erotettiin selkeästi muista erottuvaksi sekä myymälätyypin että brandin tasolla.

Richinsin (1994) mukaan kuluttajat liittävät tavaroihin erilaisia symbolimerkityksiä, joita voidaan pitää kuluttajan kokeman arvon perusteena: hyöty, nautinto, sosiaaliset suhteet sekä itseilmaisu ja identiteetti. Informanttien kertomuksista ilmeni, että erilaisiin myymälätyyppeihin liitetään erilaisia merkityksiä. Kuluttajat saattavat kompensoida joitakin myymälöiden tuottamia arvoja toisilla. Esimerkiksi pienissä myymälöissä uhrataan hyötyyn perustuvaa arvoa, koska nämä myymälät tuottavat arvoa sosiaalisiin suhteisiin sekä minäkuvaan liitettyjen merkitysten kautta. Isoihin myymälöihin liitetyt merkitykset tuottavat hyötyyn perustuvaa arvoa, niissä kuluttajat näyttävät hakevan myös virikkeitä suurista valikoimista ja monipuolisesta tarjonnasta. Nämä kompensoivat ison myymälän vaatimaa ajanhukkaa. Informantit myös kuvailivat omaa suhdettaan myymälöihin. Haastatteluaineistosta nousi esiin se, että kuluttajat saattavat usein muodostaa suhteen tiettyihin myymälöihin. Kuluttaja-myymälä suhde ilmenee suhteellisen säännöllisenä asiointina myymälässä. Useiden informanttien kohdalla ilmeni samanaikainen suhde useaan eri myymälään. Monista vastauksista ilmeni suhteellisen pysyvä käyttäytymisen malli, joka ehkä johtuu kuluttajien pyrkimyksestä automatisoida ostokäyttäytyminen ja helpottaa siten ostosten tekoa. Ostokäyttäytymisen malli ja suhteet tiettyihin myymälöihin näyttävät institutionalisoituneen, mutta muutokset ovat mahdollisia. Muutoksen ostokäyttäytymisessä voi saada aikaan esimerkiksi tyytymättömyys säännöllisesti käytettyyn myymälään, perhesuhteissa tapahtuneet muutokset tai uusien virikkeiden etsintä.

Kuluttajien käsityksiä myymälöiden samanlaisuudesta tutkittiin myös muodollisemmin MDS-analyysilla. Tässä analyysissä oli mukana kuusi valikoitua myymälää, jotka edustivat kaupan eri ryhmittymiä sekä erilaisia myymälätyyppejä. Kaksiulotteisessa ratkaisussa myymälähavaintojen taustalla oleviksi ulottuvuuksiksi nimettiin hinta/laatu sekä myymälän koko & auton käyttö. Kolmiulotteisessa ratkaisussa nimettiin kolmanneksi dimensioksi henkilökohtainen palvelu. Näiden tekijöiden voidaan tulkita olevan tärkeimmät ulottuvuudet, jotka erottelevat myymälöitä toisistaan kuluttajien havaintomaailmassa. Kuuden tutkitun myymälän ominaisuusprofiileja verrattiin kuluttajan ihannemyymälän profiiliin. Myymälöiden profiilit olivat keskenään varsin samankaltaiset ja vain yksi myymälä erottui muista. Kuluttajan ihannemyymälän ominaisuuksia mittaavat 20 väittämää ryhmiteltiin faktorianalyysin avulla kuudeksi muuttujaksi. Tuloksen perusteella valittiin riippumattomat muuttujat regressioanalyyseihin, joiden avulla pyrittiin selittämään myymäläpreferenssejä.

Myymäläkohtaiset regressioanalyysit tehtiin ensin kullekin kuudelle myymälälle erikseen. Askeltavaan regressioanalyysiin valittiin riippumattomiksi muuttujiksi kuluttajan arviot kuudesta myymälän ominaisuudesta (attribute beliefs). Kaikissa analyyseissä käytettiin samoja ominaisuuksia. Yleistä myymäläpreferenssiä selitettiin ottamalla kaikki myymälät mukaan analyysiin. Tuloksista ilmeni, että myymäläpreferenssiä parhaiten selittävät tekijät vaihtelivat selvästi eri myymälöiden kohdalla. Yksi myymälä miellytti sopivan sijainnin takia, toinen myymäläympäristön esteettisyyden. Mieltymystä kolmatta myymälää kohtaan selittivät parhaiten sopivat aukioloajat ja erikoistarjoukset. Jos tarkastellaan kuluttajan päätöksentekoa ja myymälävalintaa, tulokset viittaavat siihen, että kuluttajat arvioivat eri myymälöitä eri ominaisuuksien perusteella sen sijaan, että he käyttäisivät samaa arviointikriteerien joukkoa kaikkiin vaihtoehtoihin. Regressioanalyysien selitysasteet jäivät kuitenkin melko alhaisiksi, joten myymäläpreferensseihin todennäköisesti vaikuttavat myös muut tekijät kuin nämä myymäläominaisuudet.

Informanttien käsityksiä myymälöistä verrattiin neljän ketjun konseptiin. Ketjukonsepteja koskeva tieto perustuu osan I analyyseihin. Informantit näyttivät olevan tietoisia ketjujen tarjoamien palvelupakettien fyysisistä ja toiminnallisista ominaisuuksista. Informantit eivät kuitenkaan liittäneet ketjuihin abstraktimpia ominaisuuksia tai hyötyjä eivätkä symbolimerkityksiä. Ketjujen välittämät symbolimerkitykset ja vihjeet ainutlaatuisesta hyödystä tai arvosta ovat ehkä olleet liian epämääräisiä, mainoksessa esitettyä väittämää on vaihdettu usein, tai merkitykset eivät ole olleet kuluttajille relevantteja. Siten ketjut eivät ole onnistuneet välittämään yhtenäistä ja vakuuttavaa mielikuvaa tarjoamastaan palvelupaketista. Toisaalta kuluttajat saattavat olla hämmentyneitä monien, vain vähän toisistaan erottuvien ketjujen ilmestymisestä lyhyen ajan sisällä.

Tutkimus tuotti uutta tietoa kuluttaja-vähittäiskauppa suhteesta. Kuluttajan näkökulman ottamista tarkastelun lähtökohdaksi voi suositella myös tulevissa tutkimuksissa. Tutkimuksessa tarkastellut kuluttajakäyttäytymistä koskevat teoriat valaisivat uudella tavalla tutkittavaa ilmiötä. Kategorisointia koskeva teoria soveltuu hyvin tutkimuksen lähtökohdaksi tutkittaessa tuotteiden tai merkkien asemoitumista kuluttajien havaintomaailmassa.