Performance: From the Consumer Viewpoint

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The author devolpes concept of customer image
Profile and presents an example of its use.

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As supermarkets are examined, one is rather impressed with the similarities of stores from one company to another. Yet, in most markets the reputation or "image" of one store or group of stores is markedly different from another. In fact, there are all degrees of "image" identification between those which have a strongly positive image and those whose image puts them at a real competitive disadvantage.

"As the typical homemaker browses through her newspaper or magazine, or drives through town, alluring brands and supermarkets vie for her attention, each promising her the 'Land-of-Plenty-at-a-Bargain.' And the question is, what makes her choose one brand or supermarket over another? Most of the time, we really don't know for sure."[1]

Ask homemakers which store they would recommend to a good friend who just moved into town, and usually you get a positive recommendation for one or possibly two stores.

Evidence, then, indicates that homemakers see, sense, observe, smell, hear, are affected by differences in stores and their performance in any one trading area.

For background information and to provide some boundaries around the subject under discussion, it may prove helpful to list a few observations about the topic.

1. Studies (Consumer Dynamics, for example) [2] have indicated that each store's operation should be tailored to its own trading area. The emphasis in this paper will be on the individual store and competing stores in one trading area.
2. Each of these stores seems to have a unique trading area of its own. Competitive stores may share most of the same area or may impinge on only a portion of the store's trading area. The trading area is shaped by a number of factors; some of which are static, while others change. Static elements are street patterns, geographical features, man-made barriers such as freeways and railroads and strongly identified income and ethnic groups. Change, on the other hand, occurs when new streets and freeways are opened, when new competition enters or old competition changes its strategy.
3. Consumer motivation is of a dynamic nature. Shifts in consumer attitudes and values occur over time because of changes in the economic climate, because of effective merchandising strategy among competitors and because of innovations by stores in the trading area.
4. Although store management can readily supply information about financial analysis, store productivity, cost factors, employee productivity and price strategy, most can provide little or no information about customers in their trading area or what these customers feel is important when choosing a store.

This last point is the one to which this paper is addressed. Kenneth Boudling[3] in "The Image" points out there is often a considerable gap between reality and what people may perceive. He infers also that the scene as people perceive it may be more important than reality.
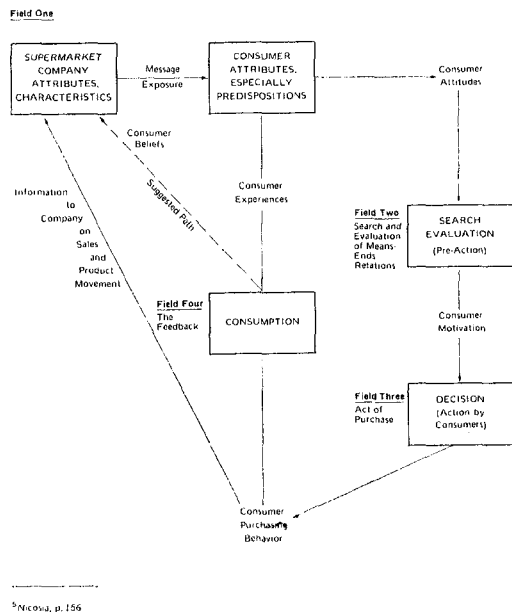
This point can be illustrated by an example. In developing an image study in one trading area, the store under study had the outstanding meat department in terms of quality of product, display, pricing, cleanliness —in fact, the store rated at the top of five stores in the area with commonly used measurements. Customers of the area, however, rated this meat department very low. In fact, the meat department had a negative image. Both management and those involved in making the study at first assumed that the customers were mistaken, or the interviewer had really biased the replies. Both of these assumptions proved to be wrong. In spite of management's high rating of the meat department, the meat department was a drag, a handicap to total store operations. Management's self image, then, is often at variance with that of customers or potential customers of that trading area.

In addition to conflicts between self image and customer image, there are conflicts between customer desires, wants and needs and what the business can readily provide. There also may be conflicts between goals set by managers for the business, such as increasing sales volume and profits.

In a theoretical approach to consumer decision making, Nicosia points out:

"Marketing is confronted with a great heterogeneity of both consumer choices and of factors that effect these choices. In its quest for explanation, marketing borrows from economics and the behavior sciences in different degrees. Ultimately,

Field One

SUPERMARKET COMPANY ATTRIBUTES, CHARACTERISTICS — Message Exposure → CONSUMER ATTRIBUTES, ESPECIALLY PREDISPOSITIONS ----- Consumer Attitudes

Consumer Beliefs

Information to Company on Sales and Product Movement

Consumer Experiences

Field Two Search and Evaluation of Means Ends Relations → SEARCH EVALUATION (Pre-Action)

Field Four The Feedback — CONSUMPTION

Consumer Motivation

Field Three Act of Purchase → DECISION (Action by Consumers)

Consumer Purchasing Behavior

[5]Nicosia, p. 156

therefore, marketing is in a position of conflict not only between theory and data but also between different and numerous theories.

Yet, if this conflict is difficult, it is also challeng ing. It calls for a well defined search into the social sciences for an understanding of the nature and limitations of economic and behavior notions."[4]

Nicosia also diagrams a consumer decision process illustrated in Figure 1. This diagram seems to fit supermarkets and their customers very well. The most substantial input to the company is related to sales and product movement (purchasing behavior). The thesis presented here is that management can effectively tap the experiences path illustrated to adjust firm attributes. This is shown on the diagram as a dotted line, a path yet to be meshed into the total management information systems for most companies.

To secure facts about attitudes, beliefs, motivations from customers, at least three methods of gathering information are generally recognized. Personal inverviews are generally used to gather detailed information, especially where the study may wish to note such factors as tone of voice, facial expressions, hand gestures, or degree of emotional involvement. Mail questionnaires are commonly used because of the relative ease of sampling and securing information. Telephone interviews are also used to sample the trading area under consideration. This last method will be used for illustrative purposes in this paper. A sample of a telephone interview schedule is presented in Figure 2.

Interviewers who are to gather the information are given verbal and written instructions on how to conduct the interview and record what they hear. This is a necessary step to secure accuracy and to reduce interviewer bias, the influencing of replies by the interviewer either through suggestions or through recording responses.

In developing a measurement of image, the pattern of responses to Questions 3 and 4 are especially useful. Observations have indicated that those who are most positive in their feelings about a food store tend to give a larger number or responses to considerations in selecting a food store. Table 1 summarizes responses to Question 3 obtained in a trading area that had five competing supermarkets.

Figure 2.

Telephone Interview

Market Research   No. _____
Food Stores   Phone _____
                                                   Name _____
                                                   Address _____

1. Where did you last shop for food? _____

2. Where do you usually shop for food? _____

    Meat? _____

    Fresh fruits & vegetables? _____

3. What considerations are most important to you in selecting a food store? _____

4. When thinking of recent food shopping experiences, what suggestions would you have for the improvement of food stores or food products?

5. Some homemakers place a high priority on low prices. On which items do you commonly compare prices?

6. About how much do you spend each week in food stores? _____

7. How many individuals are in your family who eat at home? _____

Table 1. Store Profile — Considerations Important in Selecting a Store

Factors	% of Each Store's Customers Indicating This * Item Was Important					
	STORE					
	A	B	C	D	E	Total Market
STORE						
Cleanliness, neatness	21	38	22	11	19	31
Shopping Convenience	2	15	6	6	8	9
Convenient location	16	15	10	4	23	20
Familiar with store	11	2	4	9	4	7
Well stocked, attractive displays	12	8	1	3	3	6
EMPLOYEES & SERVICE						
Courteous, pleasant, helpful	16	33	26	18	30	32
Quick checkout	—	5	1	6	3	4
Parking & carryout	2	4	—	—	6	3
PRICES, ADVERTISING & PROMOTION						
Attractive, competitive prices	5	10	17	2	8	13
Lower prices	5	7	18	2	29	14
Bargains, specials	—	3	1	—	8	4
Stamps given	—	1	—	—	3	1
No stamps	—	—	—	16	—	3
PRODUCTS						
Meat quality, freshness	14	11	20	28	20	22
Produce quality, freshness	8	15	10	18	8	14
Brand names available	6	7	1	2	5	5
Wide variety of products	7	26	4	6	5	16
Quality of food	2	7	4	7	10	10
ALL OTHER	—	2	—	—	11	8

* Not shown in the table are responses of customers who shop small neighborhood stores, stores out of the trading area or those customers who have no favorite store.

Table 2.

	A	B	C	D	E
Sales Area in Sq. Ft.	11,000	15,000	5,000	13,000	8,000
Estimated Weekly Sales	$28,000	$65,000	$30,000	$29,000	$35,000
No. of Customers in Sample Who Shop Primarily at Store	84	175	138	90	79
No. in Sample Who Shop This Store For Meat	51	120	110	72	71
No. in Sample Who Shop This Store For Produce	49	175	84	67	62
% of Customers Placing Little Priority on Comparing Prices	52%	53%	26%	30%	11%

Customer image surveys can give an indication of the market power of any particular store in the trading area. It also has some advantage over a store productivity figure such as sales per square foot for management purposes. Customer image:

1) Gives a customer generated profile about a particular store under consideration, as well as all other stores in the market area.
2) Provides a feel for what customers are saying is important at a particular moment in time.
3) Provides a breakdown on the major strengths (and weaknesses) of each store in the area as seen by customers.
4) Enables management to compare their customer profile with other stores in the area.

Customer image surveys will not:

1) Provide a reading on the acceptability of innovation and change on the part of management.
2) Relieve managers of decision making responsibilities relating to merchandising, pricing, planning or any other major management responsibility.

Additional information about the five stores in the trading area are summarized in Table 2.

As the ingredients of image, as revealed in Tables 1 and 2 are examined, it becomes apparent that Stores A & D have less appeal, even though Store D rates quite high in meat and produce, among its customers. Store A has no set of differences, as perceived by customers, that might give it strength. Store B has probably the best balance, although they may well be vulnerable on price and meats.

Store C, although the smallest store in the market, has its primary strength in its price program. Store E strengths are location, employee attitude, low price image, and perhaps meats.

One of the advantages, then, of developing a customer image profile may well be to observe the ingredients of the index that can be related to store operations. Some of the ingredients important in this market at this time are cleanliness, convenience, employee attitude, price, meat and produce programs and choice of products as seen by customers.

Responses to Question 4 may be similarly analyzed (as in Question 3). Because of the wording of the question, this analysis tends to identify those areas in which customers are not satisfied. In fact, the summary of such a table might well be labeled a negative customer image, the ingredients of which may be evaluated by management along with those responses to Question 3.

HEAD

Values generated by customer responses can provide additional information for making decisions. Without exception, customers have viewed one or more important facets of store operations differently than has management in every image survey made.

A sampling of customers' opinions and values periodically can provide a check on how effectively management is getting through to customers in their trading area, during any one period of time.

Customer image can provide not only a profile that may be compared with other stores in the area, but also isolates the major ingredients of this profile.

Customer image of a store might well be analyzed periodically (perhaps once a year) but particularly when the trading area is undergoing change (new competition, change in traffic patterns, major competitive strategy change) or when customer values and opinions are under pressure (inflation, social issues).

Customer image studies for an entire market area may also have value to multi-store groups, or chains operating over a metropolitan area, although some of the sharpness of detail secured in one trading area may be lost.

The image customers have of a particular store or organization is an important influence on profitable operations. This paper has suggested one method of providing management with a reading of a store's image, and through identification of the ingredients of that image suggest changes in strategy that may improve that image.

LITERATURE CITED

[1] Third Book of Progress, Progressive Grocer Magazine, 1969, New York, New York, p. 76.

[2] Consumer Dynamics in the Supermarket, Progressive Grocer, in cooperation with Rueben H. Donally Corp. and The Kroger Company, 1966.

[3] Boulding, Kenneth, "The Image," University of Michigan Press, Ann Arbor, Michigan, 1956.

[4] Nicosia, Francesco M.; Consumer Decision Processes, Prentice Hall, Inc., Englewood Cliffs, N. J., p. 45.