

RELATIONSHIPS AMONG THE IMPORTANCE OF VISUAL MERCHANDISING,
THE PERCEPTION OF STORE IMAGE, AND CONSUMER PATRONAGE BEHAVIORS:
AN EMPIRICAL ANALYSIS IN THE HOME FURNISHINGS RETAIL SETTING

by

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(Under the Direction of Yoo-Kyoung Seock)

ABSTRACT

The current study explored the effects of the importance of visual merchandising specifically in the home furnishings retailing setting. Five underlying dimensions of the importance of visual merchandising were identified as well as five perceived store image dimensions. With these variables, how the importance of visual merchandising affects both the perception of store image and consumer patronage behaviors was examined. Further, the relationship between the perception of store image and consumer patronage behaviors was tested. Overall, the current study provided partial support for the effects of the importance of visual merchandising as a marketing tool to influence the perception of store image and consumer patronage behaviors; different sets of the importance of visual merchandising factors affected the perceived store image and only one factor of the importance of visual merchandising influenced consumer patronage behaviors in the home furnishings retail setting. Contrary to numerous previous studies conducted in various retail settings, in the current research the perception of store image did not show any impacts on patronage behaviors in the home furnishings retail setting.

INDEX WORDS: the importance of visual merchandising, the perception of store image, consumer patronage behaviors

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To My husband, Sung Min

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CHAPTER I

INTRODUCTION

As the retail market has become increasingly competitive, retailers have found it challenging to differentiate their stores from others. In this era of mounting difficulty for retailers, the store environment has provided a fertile opportunity as a market differentiator (Roy & Tai, 2003), and effectively managing customer-store environment interactions has become a viable retail management tactic (Babin & Darden, 1995). Accordingly, over the last few decades, the retail store environment encountered by customers while shopping has been prominent in marketing (Gilboa & Fafaali, 2003) and has gained a growing amount of attention from both industry and academia (Smith & Burns, 1996).

Numerous industry publications have indicated that the conscious design of the store environment can positively affect the consumers' shopping behaviors at the store (Kotler, 1974). In a survey conducted by *Drug Store News* examining what consumers considered the most important when they chose a store in which to shop, almost nine-out-of-ten respondents reported that a pleasant store atmosphere was either very or somewhat important (Parks, 1998). According to *Chain Store Age*, retailers investing in store environment reported a positive connection between improving the atmosphere and increasing sales ("Store atmospherics," 2004). Consequently, the elements that retailers put into their stores to make shopping more appealing continue to be more varied and more costly ("Store atmospherics provide," 2005).

A growing body of academic research also supports the importance of store environment as a marketing tool to affect shoppers' approach behaviors (Fiore, Yah, & Yoh, 2000). According

to Bitner (1990), atmospheric planning can make the difference between a business' success and failure in today's retail marketplace. Schlosser (1998) argued that in the face of fierce competition in a retail market, retailers' sole reliance on promotional techniques is inadequate and retailers' efforts must turn from offering just price promotions to creating a pleasant shopping experience. In addition, Mano (1999) stated that by enhancing consumers' positive feelings, store environments can influence consumers' shopping behaviors, such as higher willingness to purchase or longer stays at the store. Thus, it is critical that marketers understand the impact of store environment cues on shopper perceptions and their shopping behaviors (Bitner, 1990; Sirgy, Grewal, & Mangleburg, 2000; Ward, 1992).

Both practitioners and academics particularly have long considered visual stimulation and communication as important aspects of retail store environment (Kerfoot, Davies, & Ward, 2003). According to Lea-Greenwood (1998), retailers have commonly—and often effectively—responded to the increased competition with a strategic review of how their offers are communicated visually with consumers. In a time when it is hard for retailers to differentiate their stores from similar retailers, visual merchandising is becoming one of the prominent avenues to obtain differential advantage over their competitors (Swanson & Everret, 2000). Lea-Greenwood also asserted that visual merchandising is not merely one part of the total design and merchandising concept, but an extremely important element as the first visual cue that affects a consumer's decision to enter or not enter the retail store. A study conducted by *Cotton Incorporated's Lifestyle Monitor* reported that more than 60 percent of all women get their clothing ideas from store displays ("Show me," 1997). Thus, visual merchandising may have a significant advantage over other means of enticing consumers and, subsequently, may lead to consumers' purchase of products.

Bell and Ternus (2002) proposed that effective visual merchandising techniques establish and maintain the store's physical and mental image in the customer's mind, providing support for the rest of the store's selling effort. That is, merchandise at the store can sell itself with effective display and signage even without the assistance of a sales associate. In fact, current trends in store staffing indicate a reduction in the number of sales associates on the selling floor (Colborne, 1982). These trends may reflect the fact that visual merchandising can aid retailers in lowering their operating costs in that effective visual merchandising efforts can supplement, support, and sometimes replace the sales staff (Bell & Ternus, 2000). Similarly, Levy and Weitz (2004) maintained that visual communications in the store can provide necessary product information and suggest items or special purchases, and thereby help boost retail sales. Whereas the display department was once charged with simply "making pretty," the visual merchandising department is now confronted with the challenge of "making sales" (Bell & Ternus, 2000). Therefore, it is not surprising that the work of the visual merchandiser has become far more demanding than that of a window trimmer in the past. Likewise, their responsibility has become more and more important in a time of extreme competition.

Recognizing the significant impact of store environment on consumer behaviors, retailers have devoted considerable resources to store design and merchandise presentation activities (Kaltcheva & Weitz, 2006). For instance, within a period of five years, Neiman Marcus invested more than \$200 million to renovate its 23 stores (Lawson, 1990); in fact, Roy and Tai (2003) reported that retailers spend millions of dollars every year for the design, construction, and refurbishing of their stores. Despite these large investments, retailers do not generally engage in systematic research to examine the environmental factors that may influence the patronage decision (Baker, Levy, & Grewal, 2001).

Store image is a comprehensive concept reflecting overall consumer attitudes toward individual stores (Omar, 1999). According to Mazursky and Jacoby (1986), over time, consumers form images of the stores, products, and brands in their shopping environment. Steenkamp and Wedel (1991) argued that store image represents the retailers' most important communication with their target market and, thus, is one of the retailers' most valuable assets (Birtwistle, Clarke, & Freathy, 1999). The greater the discrepancy between the store's claims regarding its image and consumers' perception of it, the less effective the image management activity of that store (Omar, 1999). Given the potential of store image as an effective competitive tool for retailers (Reardon, James, Miller, & Chip, 1995), the importance of store image to the retailer is clear. Retail stores must, therefore, deliberately project an appropriate image through personal and nonpersonal communicators through a combination of the tangible and intangible (Omar, 1999).

Berry (1969) asserted that one of the essential components of store image is store environment. In addition, Baker, Julie, Grewal, Dhruv, and Parasuraman (1994) claimed the store environment is one of the antecedents of store image along with merchandise quality and service quality. Aware of the importance of store environment in developing the store image, retailers have devoted more effort to structuring some of the environmental cues in the retail store (Smith & Burns, 1996). Giving more attention to improving store atmosphere and store image is no longer just an option for retailers, but rather a necessity (Saffer, 1996).

Store image is very important to the retail manager because it can ultimately influence patronage behavior (Zimmer & Golden, 1988). Increased competitive pressure are challenging retailers to determine current image, make necessary changes, and tailor a marketing strategy to attract and develop loyalty among the targeted customer group (Reardon et al., 1995). In fact,

store image has been considered a crucial component in both store choice and store loyalty (e.g., Arons, 1961; Doyle & Fenwich, 1974; Lewis & Hawksley, 1990; Malhotra, 1983; Nevin & Houston, 1980; Osman, 1993; Stanley & Sewall, 1976). Martineau (1958) reported that store loyalty is increased when retail organizations project an image similar to the targeted customer's self-image. Similarly, Bearden (1977) noted that consumers tend to seek out the retail outlet that has an image most closely matched with their own self-image. Albaum, Best, and Hawkins (1980) also claimed that the store patronage of current or potential customers is strongly affected by store image; therefore, store image allow marketers to change any negative aspects of their operations and to improve their performance based on customer preferences. More directly, McDougall and Fry (1974-75) asserted that the more favorable the image, the more likely consumers are to shop and buy at the store. To succeed, a retailer must communicate a distinctive, clear, and consistent image. Hence, due to the intensified competition, it is imperative that, retailers keep their stores up-to-date and project an image that appeals to their target markets (Baker, Levy, & Grewal, 2001).

As the present retail environment is one of aggressive competition and rapid market entry of innovative store concepts and formats (Maronick & Siff, 1985), consumers' loyalty behavior has been identified as a key to the success of a particular retail business and has become a premier objective for which every marketer aims. Thus, increasing store and brand loyalty has been a managerial challenge to marketers, and in-depth understanding and an empirical estimation of consumer loyalty behavior are critical to researchers. Results from a study by Darden, Erden, and Darden (1983) indicated that consumers' beliefs about the physical attractiveness of a store have a higher correlation with patronage intentions than do such variables as merchandise quality, general price level, and selection. Such research showed that

attitudes toward the store environment may have more influence on determining store choice than do attitudes toward the merchandise (Darden et al., 1983; Spangenberg, Crowley, & Henderson, 2001).

As mentioned above, one of the important factors influencing consumer patronage behavior is store image (Kunkel & Berry, 1968). Analogously, Osman (1993) argued that patronage behavior towards a particular store is dependent on their image of that particular store. More recently, Bloemer and Ruyter (1997) reported that the more favorable the store image, the higher the valence of the store to the customer. Therefore, in attempting to increase consumers' patronage, management of a retail store may turn to the physical environment and the image of their retail stores.

Research Objectives

The present study attempts to reveal the importance of visual merchandising dimensions and examines the influences of the importance of visual merchandising on the perception of store image and consumer patronage behaviors in the home furnishings retail setting. Also identified are the underlying dimensions of store image in the home furnishings retail setting. Furthermore, the relationship between the perceived store image and consumer patronage behaviors is investigated in this study. The specific research objectives are the following:

1. To identify the underlying dimensions of the importance of visual merchandising in the home furnishings retail setting.
2. To identify the underlying dimensions of the perception of store image in the home furnishings retail setting.

3. To examine the influences of the importance of visual merchandising on the perception of store image in the home furnishings retail setting.
4. To examine the influences of the importance of visual merchandising on consumer patronage behaviors in the home furnishings retail setting.
5. To examine the relationship between the perceived store image and consumer patronage behaviors in the home furnishings retail setting.

CHAPTER II

LITERATURE REVIEW

Home furnishings stores

Consumers today tend to place considerable importance on the home as a place to live, relax, and enjoy life with their families—a reflection of the current lifestyle trend toward casual expression in fashionable home furnishings as well as in apparel (Sloan, 2007). There was a time when home furnishings referred only to wall coverings, paints, window treatments, and furniture. Today the inventory of home furnishings available to the consumer seems almost endless, with well-designed home products including everything from kitchen items, such as pots, pans, and pepper mills, to items for the bedroom, such as bedding and blankets (Bell & Ternus, 2002). Reflecting the increasing importance of the home furnishings retail setting, Sloan (2007) also asserted that even some high fashion designer companies, such as Missoni, Versace, and Fendi are already involved in the home furnishings product world as well as some other apparel leading companies, such as Moschino and Etro coming up right behind them.

The NAICS industry, in a broad sense, defines *Furniture and Home Furnishings Stores* as “Industries in the furniture and home furnishings stores subsector retail new furniture and home furnishings merchandise from fixed point-of-sale locations. Establishments in this subsector usually operate from showrooms and have substantial areas for the presentation of their products. Many offer interior decorating services in addition to the sale of products” and *home furnishings store* is defined as the industry group comprising establishments primarily engaged in retailing new home furnishings (except furniture) (U.S. Census Bureau, 2002). Home furnishings stores

offer such products as floor coverings, window treatments, bath stuff, chinaware, picture frames, glassware, furnishings for the home, housewares, kitchenware, lamp (electric), and linens (U.S. Census Bureau, 2002). However, the boundaries of both home furnishings and furniture retail industries have recently blurred as the home furnishings stores have carried furniture as well. For instance, Pottery Barn, Crate and Barrel, West elm, Restoration Hardware, etc. have carried furniture as one of the major merchandise. Hereby, consumers have been able to purchase furniture in the home furnishings stores. The sales of furniture and home furnishings stores in the U.S. totaled \$92 billion in 2002, with only home furnishings stores accounting for 45% of the combined sales (U.S. Census Bureau, 2002). In 2005, the combined amount of sales of both furniture and home furnishings reached \$111 billion (U.S. Census Bureau, 2005).

As consumers have placed more and more importance on their home (Forney, Park & Brandon, 2005), more attention has been given to home furnishings retail setting, especially in industry literature; however, far too little attention has been paid to home furnishings retail setting in the academic literature stream. Therefore, the current study attempts to contribute to the academic literature by focusing specifically on the effects of the importance of visual merchandising on consumers' various behaviors in the context of home furnishings retail setting.

Store Environment (Atmospherics)

Neglecting the importance of the aesthetic shopping experiences, retailers in the past preferred to entice consumers into their stores by announcing sales incentives (Kotler, 1974; Saffer, 1996). However, since 1974 when Kotler coined the term *atmospherics* to refer to the conscious and intentional control and structuring of environmental cues to create certain effects in buyers, marketing researchers and practitioners in the retailing area have paid considerable

attention to atmospherics. More specifically, *retail atmospherics* was defined as all of the physical and nonphysical components of a store that can be controlled in order to further improve (or restrain) the behaviors of customers and employees (Eroglu & Machleit, 2000). Turley and Milliman (2000) asserted that marketing researchers have come to realize that physical stimuli experienced at the point of purchase influence consumers, and, therefore, the practice of creating influential atmospheres should be an important marketing strategy for most exchange environments. A number of previous studies indicated that store atmospheric cues, such as music, scent, color, lighting, interior decoration, etc., create the overall context within which shoppers make patronage decisions and are likely to significantly impact store image (Baker, Grewal, & Parasuraman, 1994; Bellizzi, Crowley, & Hasty, 1983; Chebat, Gelimans-Chebat, & Vanisky, 1995; Dube, Chebat, & Morin, 1995; Milliman, 1982). Of particular importance, and a salient factor in the retail atmosphere is the visual aspect of store environment. It is demonstrated by the research that has been conducted in the area of marketing as follows: layout (e.g., Berman & Evans, 1995; Levy & Weitz, 1996), fixturing (e.g., Donnellan, 1996; Levy & Weitz, 1996; Kerfoot et al., 2003), merchandise (e.g., Davies & Ward, 2005), presentation technique (Buchanan & Simons, 1999), color (e.g., Bellizzi et al., 1983; Kerfoot et al., 2003; Koelemeijer & Oppewal, 1999).

Visual merchandising specifically focuses on the visual aspects of store environment, while involving promotional functions to augment the sales of the store. Mills, Paul, and Moormann (1995) claimed that the display function is one of the major aspects of visual merchandising in a visual merchandising establishment. Lea-Greenwood (1998) also highlighted that the display function became centralized and refocused as visual merchandising, leading to

professionalism of the function. Accordingly, the current study concerns the display function of visual merchandising.

The components of visual merchandising that will be addressed in the subsequent section appear to be shared with the visual elements of store environment. Provided the display function of visual merchandising is specifically accentuated, visual merchandising may be considered to represent in-depth visual features of store environment rather standing as independent; therefore, the relative importance of visual merchandising may have significant implications in store environment research. Identifying the dimensions of visual merchandising in terms of their relative importance, the present study will profoundly tackle the effects of the importance of visual merchandising on various consumer behaviors based on the determined dimensions of the importance of visual merchandising in the home furnishings retail setting.

Visual Merchandising

Visual merchandising is “the presentation of a store and its merchandise to the customer through the teamwork of the store’s advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by the store (Mills et al., 1995, p.1).” Analogously, Swanson and Everett (2000) defined visual merchandising as “the physical presentation of products in a nonpersonal approach to promote the image of a firm and the sale of merchandise to the consumer” (p.465). Pegler (1998) argued, “Visual merchandising is no longer just a matter of making merchandise look attractive for the customer. It is the actual selling of merchandise through a visual medium” (p.1). In addition, Bell and Ternus (2002) asserted that “visual merchandising, once called ‘display,’ has evolved from its origins as a store’s decorative arts department to its current status as a sales-supportive entity,

which impacts store design, store signing, departmental merchandise placement and display, store atmospherics, and store image” (p.18). Visual merchandising is therefore concerned with both how the product and/or brand is visually communicated to the customer and also whether this message is decoded appropriately in the context affecting a positive psychological or behavioral outcome, ultimately leading to purchase (Kerfoot et al., 2003). The term *visual merchandising* tends to be interchangeably used with the term *display*. Nevertheless, visual merchandising involves much more in terms of practices and responsibilities than simply displaying merchandise (Swanson & Everett, 2000).

Mertes (1949) identified the responsibilities of visual merchandisers as store design, planning, store and department identification, customer traffic control, store layout, space-sales analysis, fixturing, window display, interior display, and display research. According to Pegler (1998), visual merchandising involves a number of technical and artistic components: color, texture, lighting, mannequins, fixture, graphics, signage and so on. Bell and Ternus (2002) described the range of visual merchandising in terms of the tasks of the visual merchandiser, such as window and interior display, promotional signing, store layouts and interior décor, fixture layouts, displaying merchandise on walls and fixtures.

Of components of visual merchandising, that related to merchandise has received the most attention. Merchandise display refers to “a consciously designed presentation of selected merchandise in a defined area, highlighting the product(s) and creating a mood and/or message with the intent to positively affect consumers’ approach responses” (Fiore, Yah, & Yoh, 2000, p.29). Several researchers have made specific claims that merchandise displays are responsible for retail sales. Gagnon and Osterhaus (1985) found that merchandise display on the floor significantly affects on sales in the pharmacy retail setting. Mills et al. (1995) asserted that

merchandise display is visual selling and acts as a silent salesperson for the store. Kerfoot et al. (2003) revealed that merchandise display is strongly linked to purchase intention.

The store layout should be such that customers are enticed to browse and purchase more merchandise than they may have originally planned (Iyer, 1989). According to Bost (1987), the successful layout of a store depends on the store's clear concept, the ease of finding merchandise, the clear separation of different departments, etc. Bitner (1992) suggested that careful layout of an environment helps people to orientate, to find the way and learn to understand signs, to get the feeling of personal control and mastery. Barth's research (1993) exhibited that certain layout patterns were especially attractive for customers. It was found that most customers move through the store in a counterclockwise direction with their attention being concentrated on the wall-sides. They tend to avoid turns and are rather reluctant to accept any attempts to divert the direction in which they are going. In an examination of the effects of layout, Smith and Burns (1996) studied the optimal use of a power aisle in a warehouse grocery. The power aisle can make an impression of extremely low prices when used to display large quantities of a small number of products. Levy and Weitz (2004) maintained that to encourage customers to explore merchandise, retailers could offer their customers a layout that facilitates a specific traffic pattern. They also claimed that as interesting design elements could help customers move through the store easily, off-price retailers intentionally create a certain degree of messiness to encourage their customers to spend more time browsing through the racks for bargains. To create effective store layout, retailers have developed various basic floor plans to move shoppers past fixtures of merchandise in their stores. Retailers also strive to expose the maximum number of shoppers to the maximum amount of merchandise in the minimum amount of space and time (Bell & Ternus, 2002).

Another important component of visual merchandising is fixture. Fixtures include a wide variety of furniture and equipment to hold and display merchandise (Swanson & Everett, 2000), and they must help define areas of a store and encourage traffic flow (Levy & Weitz, 2004). Several researchers investigated the relationship between shelf space, level, row, or volume and sales (e.g., Cox, 1964, 1970; Curhan, 1972; Frank & Massey, 1970; Kotzan & Evanson, 1969). The aforementioned researchers all reached the consensus that store fixtures have a significant influence on sales.

Although color as an atmospheric cue has not received serious attention by scholars, a review of color research in marketing exhibited that color creates certain emotional responses and obtains customers' attentions (Crowley, 1993). Mills et al. (1995) asserted that one of the strongest forces in stopping the pedestrian and making them want an item is the effective use of color in a display. Pegler (1998) also maintained that of all the atmospheric cues, color is the strongest motivator for shopping. Bellizzi et al. (1983) asserted that retailers have attempted to use colors that put customers in a buying mood in various retail setting. They tried to seek out the role of color in retail store display through experiment conducted in a lighting laboratory and concluded that color has not only customer drawing power but image-creating potential in retail store design. Almost a decade later, Bellizzi and Hite (1992) corroborated that consumer's react to specific colors more favorably and the positive reaction to color leads to higher purchase rates. The results of Crowley's literature review (1993) indicated that color can affect perceptions of the merchandise within the store environment. Moreover, Kerfoot et al. (2003) suggested that the use of a wide variety of colors is deemed to produce attractive and appealing display and had the potential to positively impact on a respondent's propensity to browse.

All colors depend on light and color means little unless it is considered in relation to the type of light in which the color is seen (Pegler, 1998). Colborne (1982) stated that the quality, mood, balance, and nature of color are determined by light, which functions to help customers see better and to enhance the merchandise and displays. More specifically, good store lighting enables customers to color-match merchandise, visualize how it will combine with their home furnishings, and enjoy seeing their purchases by day or night (Colborne, 1996). Investigating the interactive effect of light and color on consumer reactions, Babin, Hardesty, and Suter (2003) reported that a blue store interior is associated with more favorable affect in the bright lights condition relative to soft lights, whereas orange store interiors resulted in greater positive affect in the soft lights condition relative to bright lights.

Many researchers have considered lighting as one of the major contributing factors of visual merchandising in the retail setting (e.g., Bell & Ternus, 2002; Berman & Evans, 2004; Levy & Weitz, 2004). Areni and Kim (1993) suggested that brighter lighting leads consumers to examine and handle more merchandise, but does not have much impact on sales. Most recently, Park and Farr's research (2007) revealed that the color quality of lighting in a retail store environment such as color temperature and color appearance affects consumers' emotional states and the behavioral intention of approach-avoidance.

Window display, according to the findings of Lea-Greenwood (1998), is a vitally important visual communication tool used in retailing because it has the potential offer, including store image and brand attributes, to the passing or potential consumer. Other research reported that sales increase when window displays are used, particularly for new products, and well-known brands need effective elements of a window display (Edwards & Shackley, 1992). Similar to the previous research, Omar (1999) asserted that the careful selection of merchandise

for the display—items that are distinctive, timely, stylish, or particularly good value—contributes to the successful sale of those items. At the same time, the use of appropriate merchandise, careful choice of the right fixtures, and tastes and imagination in designing and executing the display contributes greatly to the overall store image. Therefore, window displays featuring the latest fashion trends or lifestyle products can pique the interest of the shopper. However, despite these assertions of the significant role of window display in retailing, very little evidence supports these claims.

Signs are “silent sales associates” and are often the first contact that customers have with a store, a department, and the merchandise (Colborne, 1982). Signs provide important information which the customer can use in making purchase decisions (Mills et al., 1995); for example, effective signs identify departments, describe the merchandise and its price, inform customers of special sales events, alert customers to advertised merchandise, and determine the theme of special window and interior displays (Colborne, 1982). As further evidence of signage effects, Levy and Weitz (2004) claimed that signs as one of the visual communication media help boost sales by providing information on products and suggesting items or special purchases.

Woodside and Waddle (1975) found that, as an effect of an in-store sign in the supermarket setting, consumers respond to point-of-sale promotion by purchasing more products than they did when a price reduction was utilized. McKinnon, Kelly, and Robinson (1981) claimed that retailers should use different signing strategies based on pricing condition: a regular price and a sale price. They reported that price signs boosted sales only at sale price and benefit signs increased sales at both sale and regular price, though at a greater rate when the item was on sale. In addition, they found that a benefit sign, when combined with a price sign, is more effective than a price-only sign at both a regular and sale price.

Despite the important role of visual merchandising in marketing, in the academic literature little attention has been given to the influences of visual merchandising on consumers' behaviors. Specifically, the dimensions of visual merchandising has not been clearly discovered. Yet, this need not necessarily mean that visual merchandising is unimportant; instead, researchers may feel unable to meaningfully communicate and analyze visual merchandising (Lea-Greenwood, 1998). Moreover, while a few researchers have tackled some individual visual attributes of store environment, no research on visual merchandising has focused on its overall effects, with the exception of Lea-Greenwood's research asserting the importance of visual merchandising and its holistic effects on consumer behavior. Hence, the current study particularly identifies the dimensionality of visual merchandising in terms of its relative importance evaluated by consumers in the home furnishings retail setting and investigates its overall effects of various customer behaviors as well as the effects of the individual factors.

Store Image

One pervasive concept in the field of marketing is that image plays an important role as a variable in the functioning of human behavior (Lindquist, 1974). Consumers also employ store image to determine how suitable they are as customers for a particular store (Dickson & MacLachlan, 1990). As store image has emerged as a major strategic tool in the highly competitive retailing environment (Reardon, Miller, & Coe, 1995), numerous practitioners are now seriously involved with image research. In accordance with this trend, academia is devoting increased effort to the specification and analysis of the concept of store image and has come to the realization that retail store image is a vital factor influencing customer patronage. As

evidence of this, the amount of research has escalated with regard to store image in the retailing and marketing literature.

In 1958, Martineau articulated the retail image concept and its importance. Martineau defined *store image* as “the way in which the store is defined in the shopper’s mind, partly by its functional qualities and partly by an aura of psychological attributes” (p.48). Martineau’s definition led to a number of subsequent definitions of store image, as well as research attempts to measure the concept of image (Omar, 1999). Arons (1961) offered an expanded definition of store image, a complex combination of tangible and intangible factors as well as functional and psychological attributes. Employing the principles of Learning Theory, which proposes that an image is acquired through experience and thus is learned, Kunkel and Berry (1968) referred to store image as “the total conceptualized or expected reinforcement that a person associates with shopping at a particular store” (p.22). Besides, they argued that “retail store image at any point in time is mainly the result of previous differential reinforcement in the context of a store” (p.22). Following Martineau’s dichotomy of functional qualities and psychological attributes, Oxenfeldt (1975) explained that many customers form factually based opinions about a store and feel certain ways toward it, resulting in an emotional state known as an image. Likewise, Houston and Nevin’s (1981) study describes store image as “the complex of a consumer’s perceptions of a store on functional attributes (e.g., assortment of goods offered, price level, physical layout) and emotional attributes (e.g., perceived clientele, atmosphere)” (p.677). More recently, Bloemer and Ruyter (1998) proposed that image can be explained as a function of the salient attributes of a particular store that are evaluated and weighted against each other. In line with Houston et al.’s definition, they defined store image as “the complex of a consumers perceptions of a store on different (salient) attributes” (p.501).

Doyle and Fenwick (1974) suggested that the terms *image* and *attitude* can be used interchangeably to describe the consumer's overall impression of a store, while James, Durand, and Dreves (1976) considered store image to be a set of attitudes that consumers form based on attributes that they believe are important. In agreement with James et al.'s definition, Engel and Blackwell (1982) maintained that store image is "one type of attitude, measured across a number of dimensions hopefully reflecting salient attributes" (p.518). Building upon the previous concepts defined by other researchers, Mazursky and Jacoby (1986) were more explicit in their definition addressing the process aspect of store image development: "a cognition and/or affect which is inferred either from a set of ongoing perceptions and/or memory inputs attaching to a phenomenon and which represents what that phenomenon signifies to an individual" (p.147). Despite the aforementioned varied conceptualization of store image, many researchers subscribe to the view originally proposed by Martineau (1958), and later Arons (1961) (e.g. Dichter 1985a, 1985b; Doyle & Fenwick, 1974-1975; Keaveney & Hunt 1992; Lindquist, 1974-1975; Marks 1976; Oxenfeldt, 1974-1975; Zimmer & Golden, 1988).

In addition to developing definitions of retail store image, over the years, scholars in retailing have tried to determine dimensions of the retail image concept and the appropriate measurement of this image (Samli, Kelly, & Hunt, 1998). McDougall and Fry (1974-75) concluded that consumers perceive stores on various dimensions that collectively lead to the formation of store. Despite these attempts to identify the dimensions of store image considered imperative to the customer, no obvious consensus has yet emerged from the literature.

Martineau (1958), initiating and popularizing the research dealing with store image, suggested that the elements affecting store image included store layout and architecture, symbols and color, advertising, and sales personnel. In 1963, Fisk presented the following six-category

framework of store image relevant to customer patronage: location convenience, merchandise suitability, value for price, sales effort and store service, congeniality of store, and post-transaction satisfaction. Expanding the framework of store image, Kunkel and Berry (1968) introduced a twelve-factor store image scheme: price of merchandise, quality of merchandise, assortment of merchandise, fashion of merchandise, sales personnel, locational convenience, other convenience factors, service, sales promotion, advertising, store atmosphere, and reputation on adjustment. Linqvist (1974) asserted that store image attributes contributing to image formation or consumer attitude toward retail stores fall into nine categories: merchandise, service, clientele, physical facilities, convenience, promotion, store atmosphere, institutional factors, and post-transaction satisfaction. Of all these factors, Linqvist claimed that the merchandise, service, and locational factors received the prime attention of most researchers, with merchandise factors being the most dominant. Through factor analysis, Mark (1976) concluded that the key factors of store image were fashionability, advertising, convenience, outside attractiveness, salesmanship, and service. Reviewing store image aspects of previous research, Mazursky and Jacoby (1986) discovered that the merchandise-related aspects (quality, price, and assortment), service-related aspects (quality in general and salespeople service), and pleasantness of shopping at the store are among the most critical components of store image. They also concluded that retail store image has both core facets, such as price and merchandise, and more peripheral facets, such as policy and service. In addition to traditionally measured attributes, Zimmer and Golden (1988) identified other types of image descriptors in their experiment employing an open-ended format. These included global image perceptions, store-type labels, prototypic and exemplar image descriptors, product-related image descriptors, and behavioral image descriptors in terms of the gestalt of image rather than the individual attributes. Claiming that the most important retail mix

element is the store merchandise, Ghosh (1990) suggested that retailers need to make sure that they offer to customers what they expect retailers to offer. More recently, researchers have continued the discussion of aspects of store image, selectively choosing from those proposed by their predecessors (e.g., Reardon, Miller, & Coe, 1995).

As store environmental cues represent the most imperative channel through which retailers can communicate their images with consumers, it is critical to understand how consumers infer images from such environmental cues. Accordingly, recent research has begun to devote increasing attention to store atmosphere and pleasantness of shopping indicating its importance as a store image facet (Mazursky and Jacoby, 1986). According to Ward, Bitner, and Barnes (1992), regardless of the level of impact, atmosphere can help to define a retailer's image. The research on store image to date has tended to focus on the non-visual attributes of store environment, such as music, scent, etc., and little attention has been given to its visual aspects. For this reason, without differentiating between visual and non-visual aspects of store environment, how store environmental cues affect forming store image will be the concern of the following paragraphs.

Because of its potential impact on atmosphere, which in turn contributes to the image of the retailer and consumer store choice (Zillmann & Bhatia, 1989), background music has been one of the most frequently addressed topic in store environment and store image research. Herrington and Capella (1994) reported that background music can be used as an aid to defining or enhancing retailer image even if the magnitude of the impact of background music on retailer image and store selection is likely to vary somewhat by the nature of the retail or service setting.

According to Bellizzi et al. (1983), retailers have traditionally used color to project an image or to create a desired atmosphere. Also, the researchers investigated the role of color on

store and merchandise image and suggested that color has certain perceptual qualities affecting store and merchandise image: red and other warm color are shown as colorful yet negative, bright yet tense, and high on an activity factor while blue and other cool color are rated as positive, relaxed, and favorable on an evaluative factor. In 1992, Bellizzi and Hite corroborated the differentials effect of warm and cool color that the previous study suggested revealing more positive outcomes such as a stronger inclination to shop and browse, more stimulated purchase, and fewer purchase postponing occurred in blue rather than in red environments.

Some researchers believed that store environment is a socially constructed reality comprising both physical and social elements. Several studies have stressed linking social cues emitted by store environment, such as interaction between customers and salespeople, signage including social meaning (e.g., Veteran's day sale) to store image. Schlosser (1998) argued that store atmosphere communicates social identity product information, thereby quality perceptions of the social identity rather than utilitarian merchandise. The finding was interesting in that creating a more prestigious atmosphere is unlikely to change perceptions of all store merchandise and thus, a store's social image. Hu and Jasper (2006) asserted that in a retail environment, social meaning is usually conveyed through visual merchandising and that the perception of a store is based on both physical and social store cues represented in the consumers' mind. Examining the relationship between social cues emanated from visual merchandising and store image, they concluded that consumers have more favorable attitude toward merchandise and service quality and feel more aroused or pleased with a store where more social cues are present. Besides, Chebat, Sirgy, and James (2006) concluded that the social class image of a mall influences the quality perception of stores housed within the mall.

Offering a different perspective, some researchers focused specifically on store types. Rich and Portis' research (1963) indicated that high fashion retailers exhibit the strongest overall image while discounters present the strongest price image. They also claimed that department stores have the strongest image for merchandise, reliability, and service. On the other hand, Rachman and Kemp (1963) concluded that merchandise quality and honest advertising were the most important store image factors for department stores. Moreover, through their experiment comparing an audio equipment specialty and a full-line department store, Schiffman, Dach, and Dillon (1977) concluded that the primary components of store image vary according to store-type. The results of their experiment revealed that for the audio equipment specialty store patrons, the expertise of the retail salesperson and the assortment of brands and models are critically important, whereas convenience of store location and guarantee/warranty policies are of primary concern to the department store customer. In spite of the lack of apparent consensus on the attributes of store image, researchers seem to agree that a store's image is much more than just the sum of the individual aspects of the store; rather, it is a composite of dimensions that consumers perceive as the store itself (Marks, 1976).

Image affects shopper behavior and the ultimate choice of retail stores to be patronized (Donovan & Rossiter, 1982). Indeed, store image has been theoretically and empirically connected with store choice and store loyalty (Berry, 1969; Samli, 1989; Sirgy & Samli, 1985). There is much evidence supporting that store image may be related to store loyalty in previous literature. For example, Lessig (1974) drew an interesting result from their examination that the nature and strength of the relationship between image and loyalty is such that knowledge of the images that consumers have of the various stores provides a significant input into the simultaneous prediction of loyalties to the alternative retail outlets. An experiment performed by

Mazursky and Jacoby (1986) revealed that store image attributes can affect consumers' inclination to stores. Thang and Tan (2003) investigated how consumer perception of the attributes of store image affects their preference for the stores based on their post-visit ranking of the stores. The results from their investigation identified the following attributes as significantly influencing consumer preference: merchandising, accessibility, reputation, in-store service and atmosphere of the stores, and the researchers concluded that possession of certain strong attributes increases the ability of the store to attract consumers. By investigating the relationship between store image, store satisfaction, and store loyalty, Bloemer and Ruyter (1998), in another point of view, came to the conclusion that store image can only influence store loyalty through store satisfaction. The finding is more likely to shade the commonly held view, which is the intuitively appealing direct relationship between store image and store loyalty.

Plentiful research in the academic literature of the marketing and retailing disciplines has addressed store image. However, surprisingly, there has been a lack of studies on how visual merchandising affects the perception of store image, whereas many researchers have considered the visual aspects of store environment as one of the components of store image. Therefore, the current study will address visual merchandising as a separate variable in relation to the perception of store image. Also examined in this research is the relationship between each component of store image and consumer patronage behaviors.

Consumer Patronage Behaviors

Studies on patronage behavior are not a new research paradigm, and in fact, patronage behavior has been a subject of research for the past few decades (Osman, 1983). Patronage behavior is defined as “a store choice behavior that represents an individual's preference for a

particular store for purchasing products”, borrowing the definition of apparel store patronage presented by Shim and Kotsiopulos (1992, p.50). Indicative of the highest level of patronage motives is store loyalty (James, Walker, & Etzel, 1975, as cited in Osman, 1983), a phenomenon that has received a great deal of interest from retail management (Bloemer & Ruyter, 1998). Reynolds, Darden, and Martin (1974-75) defined customer loyalty as the tendency for customers to continue over time to exhibit similar behaviors in situations similar to those customers previously encountered. Osman (1983) offered a more simplified definition of loyal patronage behavior: “the repeat purchase behavior at a particular store for either the same products or any other products” (p.135). As seen above, strictly saying, patronage and loyalty have differential meaning, yet the two terms have been utilized as combined or interchangeable in many studies.

As shown in the academic literature, the consumers’ choice of retail outlets has also drawn a considerable amount of attention. Bearden (1977) examined store selection behavior among four department stores by investigating the effects of the following seven salient store characteristics: price, quality, selection, atmosphere, location, parking, and salesperson and investigated. Of those seven characteristics, atmosphere, location, parking facilities, and friendly sales people were found to be significant attributes in store choice. Black (1984) proposed that customers are likely to make their store selection, considering a number of activities simultaneously. For instance, customers may visit a store merely because it is near some other facility that has to be visited and not because of favorable attributes that the store may offer. In a similar vein, May (1981) claimed that consumers tend to make more of their patronage decisions based on the shopping complex instead of the individual store. According to Gripsrud and Horverak’s research (1986), there is an impact of nearby complimentary services on consumers’ selection of food retailing outlets although the result of their experiment contradicted the

assumption made in most other retail patronage research that shopping is done in single-purpose trips. Their findings indicated that the proximity to other service facilities as well as the opening hours is an important determinant of store choice in food retailing. In addition, Louviere (1984) argued that locational convenience and attractiveness (including image) affect the choice of retail outlet.

Much of the research literature supports the view that consumers form images of retail stores, which in turn influence their store selection. Investigating the relationships existing between store image and store loyalty, Lessig (1973) asserted that store loyalty is predicted from store image. He suggested that loyalty may be described as an avoidance of—rather than an attraction toward—particular stores. However, Murphy and Coney (1975) pointed out that Lessig provided no theoretical and very little empirical support for his avoidance hypothesis. Osman (1983) argued that loyalty patronage behavior is casually linked with two sources: the customers' past purchase experiences and the congruity between the customers' and management's store image, which were posited by the researchers as two determinants of loyalty patronage behavior.

In 1974, Kotler stated that atmospheres are a silent language in communication with consumers and more influential than the product itself in the purchase decision. Schlosser (1998) suggested that store atmospherics has a significant impact on the consumers' perception of the quality of products providing a socially communicative function, and this perception in turn positively influences store patronage and intentions of purchasing items for social occasions. In the home furnishings retail setting, Spies, Hesse, and Loesch (1997) experimented in the effects of store atmosphere on purchasing behavior with mood effects. The effects of store atmosphere coupled with mood effects were found that customers with positive mood stay longer

in the pleasant store atmosphere. Interestingly, store atmosphere had no influence on the amount money spent altogether but on the amount of money spent only for spontaneous purchases in the pleasant store. Roy and Tai (2003) asserted that store atmosphere is designed to make a buying environment that produces specific emotional and experience effects to enhance a consumer's likelihood of purchase. The research of Hu and Jasper (2006) provided evidence of the positive effects of store environment with social meaning on patronage behavior.

As mentioned previously, patronage behavior has prevailed in the academic literature as a prominent research topic. Yet, only limited research has investigated the relationship between visual merchandising and patronage behaviors. Furthermore, no studies have specifically focused on the effects of the importance of visual merchandising. The present study, thus, attempts to fill this gap by examining the relationship between consumer patronage behaviors and the importance of visual merchandising especially in the home furnishings retail setting.

CHAPTER III

CONCEPTUAL FOUNDATION

Statement of Purpose

The current research aims to identify the underlying dimensions of both the importance of visual merchandising and the perception of store image and to investigate the influences of the importance of visual merchandising on the perception of store image as well as consumer patronage behaviors in the home furnishings retail setting. Moreover, the relationship between the perceived store image and consumer patronage behaviors is examined. Based on the Mehrabian-Russell (M-R) environmental psychology model that is most dominant in the store environment research (Donovan & Rossiter, 1982), the researcher developed the conceptual framework presented in the current study to examine the effects of the importance of visual merchandising on various consumer behaviors.

Conceptual Framework

The ability of the physical environment to influence consumer behaviors and to create an image has long been acknowledged by many academic and industry researchers and far-sighted retailers. However, despite the pervasiveness of the physical atmosphere as the topic prominent in the academic literature in marketing, to date there has been a surprising lack of empirical research or theoretically based frameworks coping with the role of physical surroundings in consumption setting (Bitner, 1992; Turley & Milliman, 2000). Turley and Milliman pointed out

that there is a deficiency of theoretical frame, reflecting the main problem of the store environment research field of inquiry. From this perspective, Donovan and Rossiter's study not until Donovan and Rossiter introduced the Mehrabian-Russell (M-R) environmental psychology model to the store environment research that the effects of environmental factors on retail patronage behavior could actually be documented (Kenhove & Desrumaux, 2003).

Applying the M-R model to the study of store atmosphere, Donovan and Rossiter (1982) demonstrated predictions from their model. Employing a Stimulus-Organism-Response (S-O-R) paradigm, Mehrabian and Russell (1974) provided a description of environments, intervening variables, and behaviors related to the retail setting. As noted in Spansenberg, Crowley, and Henderson's research (1996), in this context, the atmosphere is the stimulus (S) that causes a consumer's evaluation (O) and in turn, causes some behavioral response (R) through the evaluation process (See *Figure 3.1*).

The M-R model postulates emotional states as intervening variables mediating approach-avoidance behaviors in the environmental situations. These emotional responses refer to pleasure-displeasure (P), arousal-nonarousal (A), and dominance-submissiveness (D) are known as PAD (Donovan & Rossiter, 1982). Among the three emotional states, specifically P and A states have been strongly supported in the previous academic literature on store environment.

The M-R model also posits that all responses to an environment can be considered as approach or avoidance behaviors. The approach-avoidance behaviors are considered to have four desire aspects: to stay in or to get out of the environment, to look around and to explore or to avoid moving through or interacting with the environment, to communicate with others or ignore communication attempts from others, and lastly, to enhance or hinder performance and

satisfaction with task performances. These four aspects refer to physical, exploratory, communicative, and performance and satisfaction approach-avoidance behaviors respectively.

Despite this strong conceptual support, the topic of the environmental stimuli has been left largely untouched prior to introduction of the M-R model to retail environment research. Donovan and Rossiter (1982) offered the following reason why researchers have been unable to provide evidence of the strong effects of store atmosphere, in spite of claims made by retailers that those effects do exist: “Store atmosphere effect is based on emotional states difficult to verbalize, transient and therefore difficult to recall, and influencing behaviors within the stores rather than gross external behaviors such as choosing whether or not to patronized the store” (p.35).

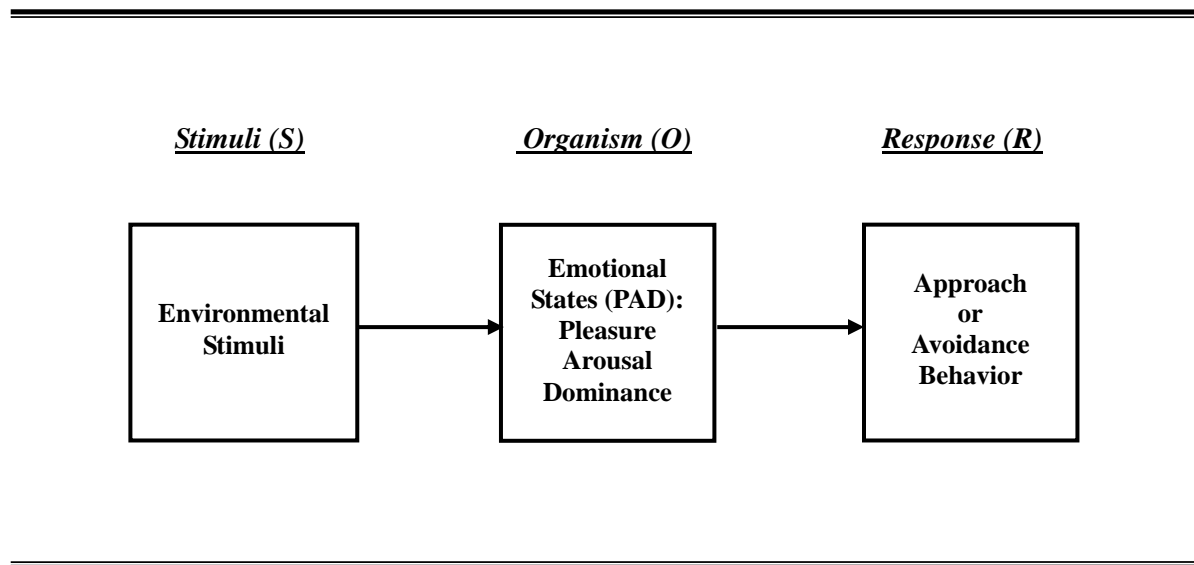
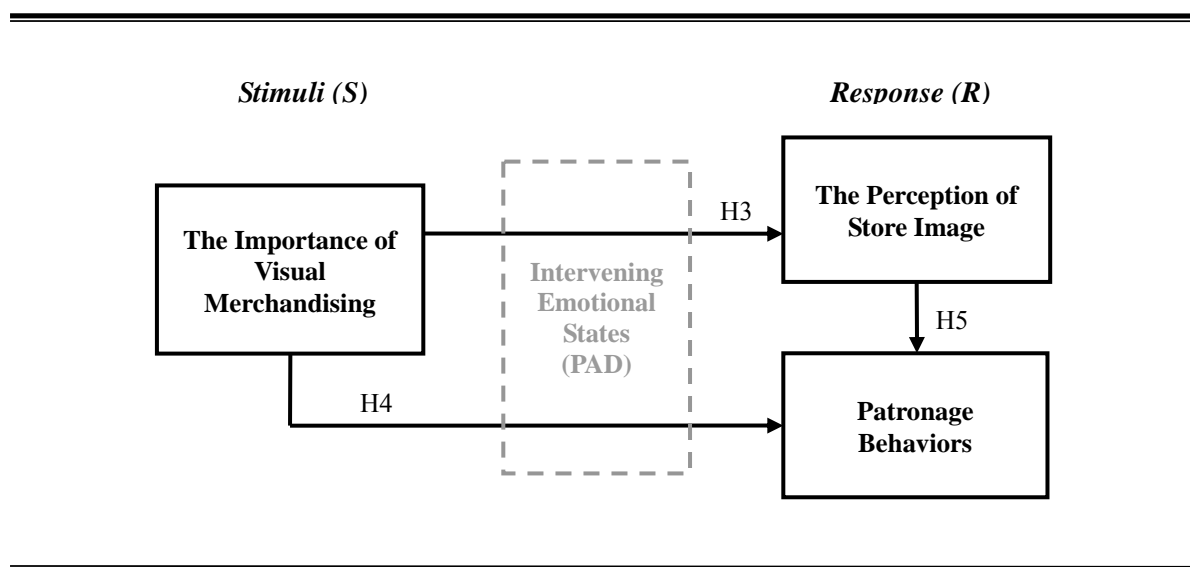


Figure 3.1. The Mehrabian-Russell (M-R) Environmental Psychology Model

Source: Donovan & Rossiter, 1982

As a result of marketing research grounded in environmental psychology, a link has successfully been established between environmental stimuli (S) with evaluative responses (O) and approach/avoidance behaviors (R) (Spansenberg et al., 1996). Furthermore, the research has provided evidence that consumers' emotional states can, for the most part, be presented by the PAD dimensions. The studies also indicated that the emotional response leads to a variety of behaviors and outcomes, such as how much time or money the consumers spend inside the store (Babin & Darden, 1995; Bellizzi & Hite, 1992; Donovan & Rossiter, 1982).

The Mehrabian-Russell's environmental psychology model is readily amenable to empirical testing and on the basis of conceptual understanding the M-R model, the conceptual framework of the current study is suggested as below (*Figure 3.2*):



*Figure 3.2. Model of the Effects of the Importance of Visual Merchandising
on Response Variables*

- Conceptual framework suggested in the present research –

The M-R model consists of three stages: S (stimuli)-O (organism)-R (response). Omitting the intervening emotional states, the modified model presented for the current study, however, mainly focuses on the S (stimuli) and R (response) stages, as much of previous research on store environment has already demonstrated the PAD paradigm representing O (organism) stage. Therefore, the primary emphasis of the current study is on the effects of the importance of visual merchandising (stimuli) on both the perception of store image and consumer patronage behaviors (responses) rather than on attesting the M-R model.

As mentioned in the literature review, visual merchandising as a store environmental stimulus has not been paid much attention in the academic literature. Donovan and Rossiter (1982) pointed out that developing an adequate stimuli taxonomy is extremely difficult due to abundant possible stimuli that consumers can face in any environment. The present study, therefore, attempts to identify the basic dimensions of the importance of visual merchandising in the home furnishings retail setting. Furthermore, based on the M-R model introduced in store environment research by Donovan and Rossiter, the current research investigates the influences of the importance of visual merchandising on the perception of store image and consumer patronage behaviors. Sequentially, the relationship between two other major variables, which are the perceived store image and consumer patronage behaviors, is examined.

Conceptual Definitions

1. **Visual merchandising** is the presentation of a store and its merchandise to the customer through the teamwork of the store's advertising, display, special events, fashion coordination, and merchandising departments in order to sell the goods and services offered by the store (Mills et al., 1995). In the current study, **the importance of visual**

merchandising refers to the relative importance of visual merchandising evaluated by consumers based on their shopping experiences in the home furnishings stores.

2. **Display** is defined as the physical exhibits of merchandise and support materials (Swanson & Everett, 2000).
3. **Merchandise display** refers to “a consciously designed presentation of selected merchandise in a defined area, highlighting the product(s) and creating a mood and/or message with the intent to positively affect consumers’ approach responses” (Fiore et al., 2000, p.29).
4. **Atmospherics** is the conscious and intentional control and structuring of environmental cues to create certain effects in buyers (Kotler, 1974).
5. **Store Image** is defined as the way in which the store is defined in the shopper’s mind, partly by its functional qualities and partly by an aura of psychological attributes (Martineau, 1958).
6. **Patronage behavior** is defined as “a store choice behavior that represents an individual’s preference for a particular store for purchasing products”, borrowing the definition of apparel store patronage presented by Shim and Kotsiopulos (1992, p.50).
7. **Home furnishings stores** refer to the industry group comprising establishments primarily engaged in retailing new home furnishings (except furniture) and offers such products as floor coverings, window treatments, bath stuff, chinaware, picture frames, glassware, furnishings for the home, housewares, kitchenware, lamps (electric), and linens (U.S. census bureau, 2002). However, the home furnishings stores have long carried furniture; hence, based on the current tendency of the home furnishings retail

setting, it is considered to be appropriate that the inventory of the home furnishings store includes furniture in the current study.

Research Hypotheses

Donovan and Rossiter (1982) claimed that the development of an appropriate stimuli taxonomy has proven extremely difficult for research and the problem has remained largely untouched due to the vast number of stimuli confronting consumers in any environment. Since then, the adequate stimuli taxonomy has yet to be clearly developed. On the basis of a review of diverse literatures, Bitner (1992) identified three composite dimensions of physical surroundings: ambient conditions, spatial layout and functionality, and signs, symbols, and artifacts.

Synthesizing and categorizing store atmosphere stimuli addressed in the previous literatures, Berman and Evans (1995) presented four categories: external variables (e.g., exterior sign, entrances, exterior display windows), general interior variables (e.g., color schemes, lighting, paint and wall paper, merchandise), layout and design variables (e.g., space design and allocation, placement of merchandise and equipment, waiting rooms, furniture), and point-of-purchase and decoration variables (e.g., point-of-purchase displays, signs and cards, product displays, price display). Presumably, some visual elements presented above can be reclassified under new constructs of the importance of visual merchandising in the home furnishings retail setting.

Mertes (1949) implied the elements of visual merchandising by identifying the responsibilities of visual merchandisers: store design, planning, store and fixturing, window display, interior display, and display research. In a similar vein, Bell and Ternus (2002) presented components of visual merchandising in terms of the tasks of the visual merchandiser, such as window and interior displays, promotional signing, store layouts and interior décor,

fixture layouts, displaying merchandise on walls and fixtures. Although the aforementioned assertions on the multi-dimensionality of visual merchandising by some scholars were not empirically supported, it was expected that the importance of visual merchandising has multiple dimensions in the home furnishings retail setting, possibly differing from other retail settings.

Thus, the following hypothesis was established:

- H1: There are multi-dimensions of the importance of visual merchandising in the home furnishings retail setting.

Numerous researchers have made considerable efforts to determine what constitutes store image in the mind of consumers. Martineau (1958) initiating the research on store image pronounced the elements affecting store image: store layout and architecture, symbols and color, advertising, and sales personnel. Since then, many scholars have attempted to identify the underlying dimensions of store image (Fisk, 1963; Kunkel & Berry, 1968; Linquist, 1974; Mark, 1976; Mazursky & Jacoby, 1986) and they concluded that consumers perceive stores on various dimensions leading collectively to the formation of store image (McDougall & Fry, 1974-75).

Based on the previous conclusions, the following was posited:

- H2: There are multi-dimensions of the perception of store image in the home furnishings retail setting.

Berry (1969) claimed that store environment is one of the essential components of store image. According to Bellizzi et al. (1983), retailers have traditionally used color, one of visual aspects of store atmosphere to project an image. They suggested that color has certain perceptual qualities affecting store and merchandise image. Analogously, Smith and Burns (1996) maintained that some environmental cues encountered by consumers have been specifically structured to aid in the development of the store's image. Bell and Ternus (2002) suggested that

effective visual merchandising establishes and maintains the store's physical and mental image in the consumers' mind. Taken together, the following was assumed:

- H3: The importance of visual merchandising influences the perception of store image in the home furnishings retail setting.

The M-R model applied to the store environment research arena by Donovan and Rossiter (1982) is based on the concept that store environmental stimuli have influences on consumer behaviors through emotional responses. On the basis of the concept, Marthur and Smith (1997) reported that a relationship exists between store environment and consumer behaviors measured by three variables: money spent, time spent in the store, and the number of items purchased in the store. Furthermore, Tang and Tan (2003) maintained that the stimuli emitted by the stores, attributes of store atmosphere, are the starting point of the consumer behavioral process. Therefore, the following could be presumed:

- H4: The importance of visual merchandising influences consumer patronage behaviors in the home furnishings retail setting.

Donovan and Rossiter (1982) asserted that store image affects consumer behaviors and the ultimate choice of retail stores to be patronized. Albaum, Best, and Hawkins (1980) claimed that the store patronage of current or potential customers is strongly affected by store image. Similarly, Masursky and Jacoby (1986) suggested that store image attributes can affect consumers' inclination to stores. Store image is very critical to retailers due to the fact that it can ultimately influence patronage behavior (Zimmer & Golden, 1988). In addition, Thang and Tan (2003) identified the attributes of store image and concluded that those attributes influence consumers' preference toward a retail store. In other words, possession of certain strong

attributes of store image increases the ability of the store to attract consumers. The following hypothesis was hence proposed:

- H5: There is a significant relationship between the perception of store image and consumer patronage behaviors in the home furnishings retail setting.

CHAPTER IV

METHODOLOGY

Sample & Population

The population for the current study comprises female residents whose ages range from 25 to 55 and who reside in the Athens and Atlanta metropolitan areas. A convenience sample included female residents participating in the structured questionnaire who have shopped in one or more home furnishings stores at least once within the past two years. Roughly 92 % of the sample (241 out of 263 participants) reported having shopped at least once in the home furnishings stores within the period of time.

Instrument development

The current research required a structured questionnaire to collect data on the variables: the importance of visual merchandising, the perception of store image, and consumer patronage behaviors. Most statements consisting of the questionnaire were created by adopting and modifying existent items employed in the previous research (Baker, Levy & Grewal, 1992; Bell & Ternus, 2002; Hu & Jasper, 2006; Kerfoot et al., 2003; Lea-Greenwood, 1998; Marzursky & Jacoby, 1986; Spies, Hesse, & Loesch, 1997; Tai & Fung, 1997). Modifications were made in the wording of the items to make reference to the specific variables of the present study. In addition, based on the previous research introduced in the literature review section, seven components of visual merchandising were drawn and nine people in the College of Family and Consumer Sciences at The University of Georgia in Athens (faculty and staff members and

graduate students) verified those selected visual components, answering the following questions: “When you enter a home furnishings store, which one(s) of the following visual cues are you immediately aware of...?” and “For each of the visual cues that you selected above, describe in as much detail as possible the specific aspects of those cues that impress you” (See Appendix B). A few statements were elicited from their responses. The structured questionnaire was examined to validate the items by two expert researchers and three graduate students in the same college as above.

The questionnaire consisted of three sections. The first section consisted of two parts. The purpose of the first part was to screen out unqualified respondents who had not shopped in a home furnishings store during the past two years. The second part, composed of 32 items, was designed to identify multi-dimensions of the importance of visual merchandising. Many of the statements were adopted and modified from Spies, Hesse, and Loesch’s research (1997), conducted in two IKEA home furnishings stores. This part specifically concerned an evaluation of the relative importance of visual merchandising based on respondents’ shopping experiences in the home furnishings stores. The respondents were asked to recall their shopping experiences in the home furnishings stores while participating in this survey and then to assess the importance of visual merchandising on a 5-point Likert-type scale, with 1 (not important at all) to 5 (very important). The second section was divided into three parts. The first part was to obtain information on the respondents’ favorite home furnishings stores. Eight home furnishings stores were chosen in the Athens and Atlanta metropolitan areas. Respondents could select one or more home furnishings stores as their favorite store(s); in addition, they had an opportunity to name their other favorite store(s) (other than the presented home furnishings stores) with another option, “Others.” The second part consisted of 15 statements was structured to elicit the

determinants of the perception of store image. Respondents were required to respond as to whether or not they agree with each statement on their favorite stores. A 5-point Likert scale with 1 corresponding to “strongly disagree” to 5 “strongly agree”, was used to measure responses to each statement in the questionnaire. The last part concerned consumer patronage behaviors. Respondents were asked about their store visit frequency, the number of items purchased, and the amount of money spent shopping in the home furnishings stores. In the third section, respondents’ demographic data was collected, such as age, gender, race, annual household income, and the number of people in household (See Appendix C).

A pilot test of the measurement instrument was requisite to validate the items and scales in the questionnaire. For the current study, the pilot test was based on 35 respondents. The 35 respondents were female residents in Athens, GA, whose ages range from 25 to 55 and were asked to not only complete the questionnaire but also point out any wording problems, unclear statements, and confusing instructions. As a result of the pilot test, two statements were deleted in the first section because of confusing wording resulting in 32 items on the importance of visual merchandising. Also was revised two statements in the patronage behavior part of the second section.

Data Analysis

The raw data collected from the finalized questionnaire were coded into a SPSS program. Then, using descriptive statistics option, brief descriptive information on the data were presented such as means, standard deviations, frequencies, percentage, correlations, etc. An exploratory factor analysis with principal component analysis was conducted to identify underlying dimensions of the importance of visual merchandising and the perception of store image.

Missing data were eliminated using the listwise deletion option in the SPSS program. Prior to performing the exploratory factor analysis, skewness and kurtosis were calculated to check the distribution of the data used in the analysis. Moreover, Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA) was performed to test the appropriateness of exploratory factor analysis for the present study. Through the factor analysis, items were factored into each construct and the emerging constructs were utilized as new variables to test the relationship among variables. Aiding in finalizing the number of factors extracted, scree plot, Velicer's Minimum Average Partial (MAP) test, and parallel analysis were conducted. Before the investigation of the predicted relationship between independent and dependent variables, the Pearson's correlations were examined to check multicollinearity problems among the independent variables. Finally, the regression analyses were performed to test the predicted relationships between independent and dependent variables.

CHAPTER V

RESEARCH RESULTS

Return Rate

Six hundred self-administered questionnaires were hand-distributed to female residents in the Athens and Atlanta metropolitan areas with the assistance of three graduate students enrolled at UGA and one staff member who works in the Office of International Education at UGA. The surveys were conducted in various places and occasions, such as the UGA campus, workplaces, some churches, various kinds of gatherings, and so forth. Of the six hundred questionnaires, 263 were returned, indicating a return rate of 43.83 percent. Over half of them were collected by the researcher, and the rest by the four people mentioned above, who then mailed the questionnaires to the researcher. After scrutinizing the returned questionnaires, 70 among 263 questionnaires were discarded: 3 respondents did not provide the demographic information, 2 were male respondents, 22 respondents have not shopped in the home furnishings store(s) within the past two years, and 43 participants returned incompletely answered questionnaires. As a result, only 193 questionnaires were usable and included in the data analysis, yielding a usage rate of 32.17 percent.

Demographic Profile of the Sample

The last section of the questionnaire requested demographic information from the respondents such as age, gender, race, annual income, and number of people in the household.

Based on the information provided by the respondents, the demographic characteristics of the overall sample (193 respondents) are summarized in *Table 5.1*.

Table 5.1
Demographic Profile of Overall Sample

		Frequency	Percentage (%)	Mean	S.D.	Range
Age	25-30	98	50.80	33.67	9.09	25~55
	31-40	52	16.90			
	41-50	25	13.00			
	over 50	18	9.30			
Gender	Female	193	100.00			
Race	Caucasian/White	137	71.00	2.13	1.11	1~5
	Hispanic	9	4.70			
	Asian/Pacific Islander	31	16.10			
	African American	9	4.70			
	American Indian/Aleut	1	0.50			
	Others	6	3.10			
Income	Under \$20,000	56	29.30	2.13	1.11	1~5
	\$20,000 - Under 40,000	35	18.30			
	\$40,000 - Under 60,000	23	12.00			
	\$60,000 - 80,000	33	17.30			
	More than 80,000	44	23.00			
Number of People in Household	1	64	33.30	2.13	1.11	1~5
	2	74	38.50			
	3	26	13.50			
	4	21	10.90			
	5	7	3.60			

With regard to age, slightly over half of respondents were between the ages of 25 to 30 (50.80 %) and this age group encompassed the largest proportion of the respondents, followed by the 31-40 age group (16.90 %). The third largest age group was the 41 to 50 group (13.00 %) and the over-50 age group was at 9.3 %. The mean age of the respondents participating in this study was 33.67. More than half (71.00 %) of the respondents were Caucasian, followed by

Asian/ Pacific islanders (16.10 %) and a total of percentage accounted for by the rest of the race was 13 %. The income frequency revealed that 29.30 % of the respondents reported annual household incomes of less than \$20,000 before taxes, while 23 % reported household incomes over \$80,000 per year. Around 18 % of them had a total of household incomes between \$20,000 and under \$40,000 per year, 17.30 % between \$20,000 and under 40,000, and 12.00 % between \$40,000 and less than 60,000. Lastly, concerning the number of people in the household, over 70.00 % among the 193 respondents had only 1 or 2 persons in the household and 28 % had 3 to 5 in their household. The mean of the number of household people was 2.13.

Table 5.2
Favorite Home Furnishings Stores

		Frequency	Percentage (%)
Favorite Stores	IKEA	106	54.90
	Pottery Barn	93	48.20
	Pier 1 Imports	92	47.70
	Crate & Barrel	75	38.90
	Williams-Sonoma	52	26.90
	Restoration Hardware	39	20.20
	Bombay	31	16.10
	West Elm	14	7.30
	Others	43	22.30

Information, including frequency and percentage, on favorite home furnishings stores of the respondents is shown in *Table 5.2*. The respondents were asked to choose their favorite stores from the eight home furnishings stores, as well as an “others” option, selected for this study. As multiple choices were available in the question, frequency exceeded the total of the

number of the respondents and the total of percentage was over 100 % as well. Of the eight stores, over half of the respondents (54.9 %) especially liked to shop at “IKEA,” followed by “Pottery Barn,” “Pier 1 Imports,” “Crate and Barrel,” “Williams-Sonoma,” “Restoration Hardware,” and “Bombay” at 48.2 %, 47.7 %, 38.9 %, 26.90 %, 20.20 %, and 16.10 %, respectively. Only 7.3 % of the respondents chose “West Elm” as their favorite store and 22.30 % of them chose the option, “others.”

Instrument Reliability

Reliability analysis was conducted for the scale in total as well as for each factor. Baker (1999) and Malhotra (1999) stated that during the development of a measurement scale, researchers emphasize the need for the scale to be reliable, that is, the observations to be stable and coherent. The Cronbach’s alpha is the most widely used indicator of reliability (Peterson, 1994). Cronbach’s alpha coefficients were calculated in order to check the internal consistency aspect of reliability of the multi-item scales measuring the importance of visual merchandising and the perception of store image. Schuessler (1971) suggested that if a scale has an alpha value above 0.6, it is regarded as having good reliability, whereas Hair, Anderson, Tatham, and Black (1998) pointed out that reliability estimates between 0.6 and 0.7 indicate the lower limit of acceptability for reliability estimates. More recently, Malhotra (1999) and Spector (1992) reported that the Cronbach’s alpha coefficient should be at least 0.7 for a scale to be considered as reliable. In the current study, an alpha value higher than 0.7 was used for reliability estimates. The importance of visual merchandising measure, consisting of 32 items, has an alpha value of 0.851, while the perception of store image measure, composed of 15 items, has an alpha value of

0.797. Therefore, the reliability analysis demonstrated that Cronbach's alpha coefficients for both measures were well above the acceptable lower limit (0.70).

Results of Hypothesis Testing

The results of testing of hypotheses proposed in the current study are presented and discussed in this section, based on the responses of the 193 female survey respondents, whose ages ranged from 25 to 55 and who resided in the Athens and Atlanta metropolitan areas. In particular, they have shopped at least once in one or more home furnishings stores within the past two years.

Factor Analysis for Hypotheses 1 and 2

Factor analysis is a statistical procedure used to reduce a large number of variables into smaller more manageable factors and to identify relationships among the variables (Hair et al., 1998). In the current study, an exploratory factor analysis (EFA) was used to identify the underlying dimensions of the importance of visual merchandising and the perception of store image. Prior to conducting factor analysis, Bartlett's test of sphericity and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA) was performed to determine whether the EFA was an appropriate statistical technique for this study. According to Hair et al., KMO scores should be greater than 0.5 and Bartlett's test should be significant. The results, to be discussed later, showed that EFA was appropriate for the data used for this study. Also, skewness and kurtosis were computed to check distribution of the data. As a rule of thumb, if the level of (univariate) skew and kurtosis is $< |0.2|$, the variable is approximately normally distributed. Some researchers allow an even greater level of kurtosis, up to $|0.7|$. The results indicated that

variables for both scales (i.e., the importance of visual merchandising and the perception of store image) were roughly normally distributed.

The form of factor analysis conducted in the present study was principal component analysis (PCA), and factors were rotated employing varimax rotation. PCA accounts for the total variance within variables and is utilized to transform the original information into factors for prediction (Hair et al., 1998). Only components with eigenvalues greater than one were retained, which is the default rule for extracting factors in SPSS. Hair et al. stated that rotated factor loadings greater than ± 0.30 are minimal, those ± 0.40 are more important, and those ± 0.50 or greater are practically significant; therefore, variables with factor loadings less than 0.50, the cut-off value, were deleted. Furthermore, any item loading on more than one factor with a loading score equal to or greater than 0.40 on each factor was discarded to confirm that each factor would have only one dimension and that each attribute would load on only one factor (Chen & Hsu, 2001). Variables with communalities less than 0.40 were also omitted from the further analysis as the communality of a variable refers to the amount of variance accounted for by the variable in the factor solution: Low communalities may mean insufficient contribution to explaining the variance. Only Item 4 in the perception of store image scale was removed according to this criterion pertinent to communality. Lastly, factors consisting of only a single item that has a factor loading greater than 0.50 were discarded as well. As a result, 15 out of 32 items in the importance of visual merchandising scale did not meet the criteria as mentioned above and were dropped for further analysis. After deleting those 15 items, the Cronbach's alpha value was 0.74, indicating good reliability. Relatively many items were removed, most likely for the reason that the present study is new and exploratory, especially in the home furnishings retail setting, resulting in few developed and approved item scales. For the perception of store image

scale, only two items were eliminated and after deleting these two items, the Cronbach's alpha value (0.77) was still considered satisfactory.

Table 5.3

Deleted VM Variables

1	Completely furnished living-rooms, bedrooms, kitchens, or children's rooms are presented.
2	There are many striking signs.
5	Signs guide customers to specific areas of the store.
7	The presentation of merchandise is creative and unique.
9	Objects are arranged according to their function, i.e., furniture, dinnerware, accessories, etc.
11	Entrance area is wide.
12	Merchandise display features the latest home furnishing trends.
14	Light fixtures are positioned in an appropriate place to complement merchandise and draw customers' attention.
17	The store offers and displays a free catalog.
19	Furnishings are grouped according to their function , i.e., furniture, dinnerware, accessories, etc.
23	There are many striking signs in different colors.
25	Accent lighting is appropriately positioned to highlight merchandise.
27	The store offers a window display that shows sale signs and items.
28	Shelving (or any other fixtures used to display merchandise) is conveniently accessible to the customers.
30	Signs give accurate information about items.

Table 5.4

Deleted Store Image Variables

4	The store offers high quality merchandise.
8	The store offers a convenient shopping environment.

The Importance of Visual Merchandising

The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.77 and the Bartlett's test of sphericity was significant ($X^2 = 1982.433, 496, p = 0.000$), indicating the appropriateness of the factor analysis for the data on the importance of visual merchandising. The variables were factored, employing the EFA with principal component analysis.

Before finalizing the number of factor, a few decision methods were additionally employed: scree plot, Velicer's Minimum Average Partial (MAP) test, and parallel analysis. The scree plot shows a graphical representation of the factors that emerge from the analysis and displays an elbow in the amount of variance explained by the factors. The number at the break point (elbow) indicates the number of factors that should be retained. Thus, for this study, five factors were retained as shown in the scree plot (*Figure 5.1*) that were consistent with the number of factors elicited based on criteria previously mentioned. On the other hand, Velicer's MAP test and parallel analysis indicated that 3 factors should be extracted. Nevertheless, the current study retained five factors because all the variables under each factor had communalities higher than 0.5 or shared a substantial amount of total variance with other variables included in the analysis as recommended by Hair, et al. (1998). Altogether, results of the principal component analysis with varimax rotation yielded five underlying factors, accounting for 40.32 % of the total variance.

Factor 1 accounted for 11.59 percent in this construct with a Cronbach's alpha coefficient of 0.79, consisting of four variables. Factor 2 interpreted 9.24 percent of the total variance with a Cronbach's alpha coefficient of 0.73, composed of five variables. Factor 3 consisted of three variables with a Cronbach's alpha coefficient of 0.57, explaining 7.72 percent of the total variance. Factor 4 was composed of two variables with a Cronbach's alpha coefficient of 0.65,

accounting for 6.85 percent of the total variance. Also included in Factor 5 are two variables; Factor 5 interprets 4.92 percent of the total variance with a Cronbach's alpha coefficient of 0.42.

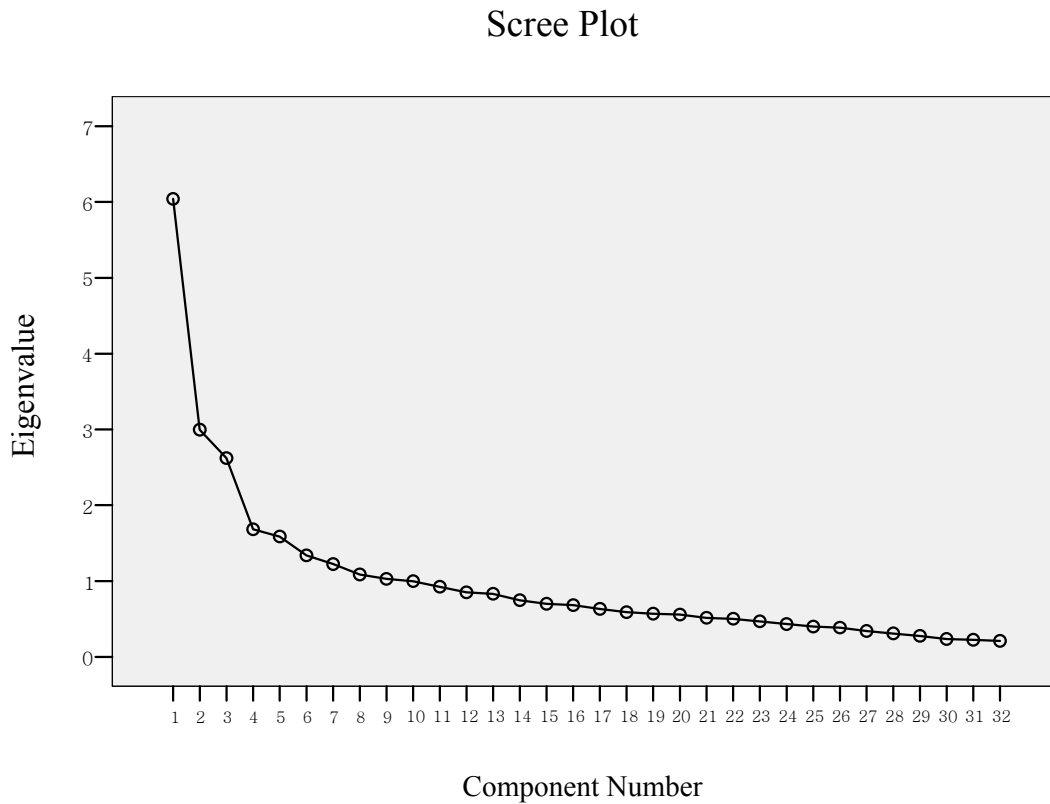


Figure 5.1. Scree Plot of Factor Analysis on the Importance of Visual Merchandising

After the completion of the factor analysis, the five factors were named based on the major characteristics of the measured variables (*Table 5.5*). Factor 1 was named *Window/Merchandise Display*, consisting of the following variables: a seasonal window display (the highest factor loading: 0.79), an eye-catching window display (the highest factor loading: 0.79), new items presented noticeably (factor loading: 0.73), and merchandise display featuring the

latest dining trends (factor loading: 0.50). As all items were clearly related to two kinds of display—window and merchandise display—it could appropriately be named *Window/Merchandise Display*.

Factor 2 was given the name *Layout/Organization* because it referred to variables that have to do with the store layout and its organizing condition. Variables included in this factor were a well structured route through the store (the highest factor loading: 0.72), uncrowded aisles (factor loading: 0.70), not cramped or jumbled merchandise display (factor loading: 0.67), appropriately located fixtures facilitating customer traffic flow (factor loading: 0.60), and proportionately arranged shelf space (factor loading: 0.58).

Factor 3 was named *Price Signage*, consisting of three variables, which were signs clearly identifying items on sale (the highest factor loading: 0.72), discount or clearance items displayed together in a specific area of the store (factor loading: 0.71), and signs giving price ranges (factor loading: 0.52). They were all somewhat connected with the idea of revealing price to customers.

Factor 4, named *Creative/Inspirational Coordination*, included three variables related to coordination giving new ideas: the inspirational presentation of merchandise on how to furnish the home (the highest factor loading: 0.76), creative combinations of color giving new ideas for the home (factor loading: 0.74), and color coordination creating an appealing store (factor loading: 0.65).

Factor 5, *Appealing Color*, was composed of two variables, representing the idea of making merchandise appealing with color. The two variables were appealing color of merchandise (the highest factor loading: 0.79) and wall color compatible with the merchandise displayed (factor loading: 0.56).

Table 5.5

Factor Analysis Results: The Importance of Visual Merchandising Constructs

Factor	No.	Statement	Eigen value	Factor loading	Variance explained (%)	Cronbach's alpha
Factor 1 <i>Window/ Merchandise Display</i>	15	The store offers a seasonal window display.		0.79		
	20	The store offers an eye-catching window display.		0.79		
	22	Merchandise display features the latest dining trends, completed with utensils, napkins and placemats.	3.71	0.50	11.59	0.79
	32	New items are presented noticeably to draw the customers' attention.		0.73		
Factor 2 <i>Layout/ Organization</i>	8	Fixtures are appropriately located to facilitate customer traffic flow.		0.60		
	21	Merchandise display is not cramped or jumbled.		0.67		
	24	The route through the store is well-structured so that consumers have no difficulty finding their way.	2.96	0.72	9.24	0.73
	29	Aisles are uncrowded.		0.70		
	31	Shelf space is appropriately occupied (proportionately arranged).		0.58		
Factor 3 <i>Price Signage</i>	6	Discount or clearance items are displayed together in a specific area of the store.		0.71		
	13	Signs clearly identify items on sale.	2.47	0.72	7.72	0.57
	18	Signs give price ranges.		0.52		
Factor 4 <i>Creative/ Inspirational Coordination</i>	3	The presentation of merchandise gives me inspiration on how to furnish my own home.		0.76		
	4	Color coordination creates an appealing store atmosphere.	2.19	0.74	6.85	0.65
	10	Creative combinations of colors give me new design ideas for home.		0.65		
Factor 5 <i>Appealing Color</i>	16	Walls are painted in colors that are compatible with the merchandise displayed.	1.57	0.79	4.92	0.42
	26	The color of merchandise is appealing.		0.56		

The Perception of Store Image

The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.79, and the Bartlett's test was also significant ($X^2 = 749.121$, 105, $p = 0.000$) for the data on the perception of store image.

The result of those two statistical tests demonstrated that the factor analysis was appropriate for the data in the perception of store image. Principal component analysis was employed to factor the variables. To determine the number of factors, a scree plot, Velicer's MAP, and parallel analysis were performed before fixing the factor number extracted.

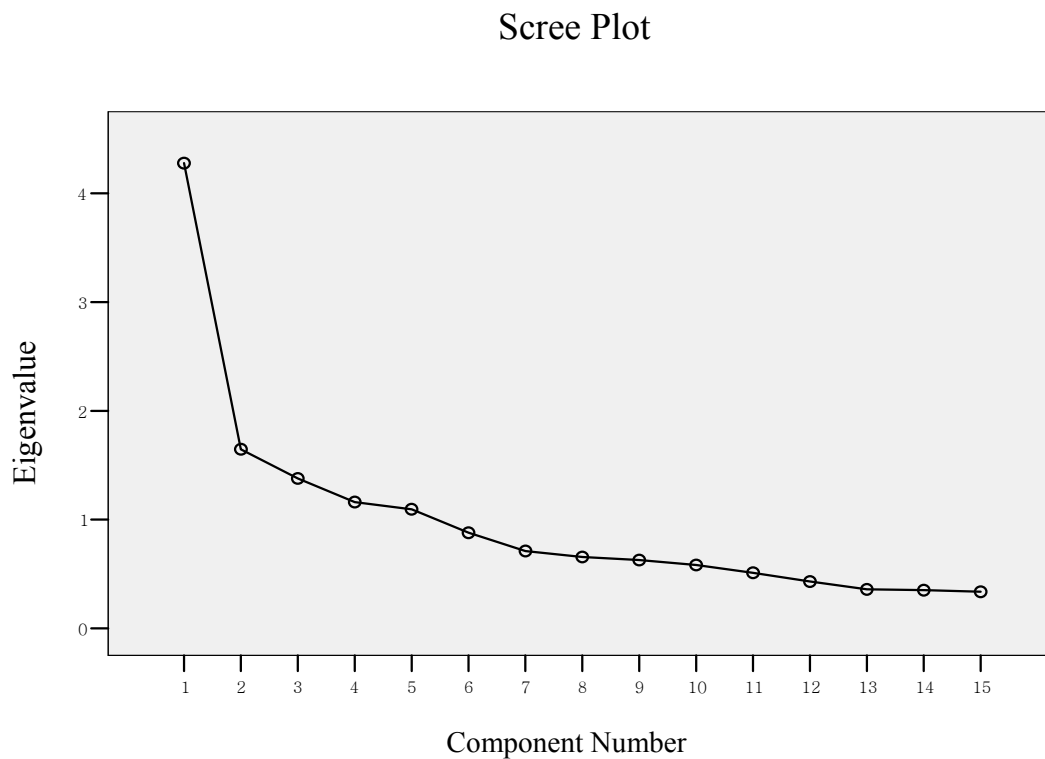


Figure 5.2. Scree Plot of Factor Analysis on the Perception of Store Image

The scree plot depicted in *Figure 5.2* exhibited a relatively clear elbow at the component number of 2 as well as a slight break at 5 indicating the same number of factors as determined based on criteria previously mentioned. In addition, Velicer's MAP test and parallel analysis

suggested that only one factor should be retained. However, according to the recommendation of Hair et al. (1998) explained above, the determination was made that five factors were retained.

The results shown in *Table 5.6* indicated that the principal component analysis rotated with varimax rotation generated five factors with an explanation of 63.73 % of the total variance. Factor 1 was composed of four variables with a Cronbach's alpha coefficient of 0.76, accounting for 18.46 % of the total variance. Factor 2, consisting of three variables had a Cronbach's alpha coefficient of 0.72, explaining 14.08 % of the total variance. Factor 3, comprising two variables, had a Cronbach's alpha coefficient of 0.72, explaining 10.98 % of the total variance. Factor 4 included two variables with a Cronbach's alpha coefficient of 0.63, explaining 10.69 % of the total variance. The last factor, Factor 5, accounted for 9.53 % of the total variance and contained two variables with a Cronbach's alpha coefficient of 0.45.

After the completion of the factor analysis, the five factors spawned from the analysis were named based on the major characteristics of the measured variables (*Table 5.6*). Factor 1 was named *Store Environment*, consisting of four variables: a comfortable shopping environment (the highest factor loading: 0.75), shopping ease (factor loading: 0.73), an enjoyable shopping environment (factor loading: 0.71), and a pleasant shopping environment (factor loading: 0.69). The majority of the variables focused on a store's shopping environment.

Factor 2 was referred to as *Current Trends* because the three variables loaded on this factor had to do with new styles or current trends. Specifically, the variables were the newest styles of home furnishings (the highest factor loading: 0.80), useful and accurate information on current trends and items (factor loading: 0.78), and new ideas for home decorations or furnishings (factor loading: 0.66).

Table 5.6

Factor Analysis Results: The Perception of Store Image Constructs

Factor	No.	Statement	Eigen value	Factor loading	Variance explained (%)	Cronbach's alpha
Factor 1 <i>Store Environment</i>	2	The store offers an enjoyable shopping environment	2.77	0.71	18.46	0.76
	3	The store offers shopping ease.		0.73		
	6	The store offers comfortable shopping environment		0.75		
	10	The store offers a pleasant shopping environment.		0.69		
Factor 2 <i>Current Trends</i>	5	The store offers new idea for my home decoration or furnishing	2.11	0.66	14.08	0.72
	9	The store offers useful and accurate information about current trends and items.		0.78		
	14	The store displays newest styles of home furnishings.		0.80		
Factor 3 <i>Merchandise Variety/ Assortment</i>	1	The store offers good variety of merchandise.	1.65	0.89	10.98	0.72
	7	The store offers good assortment of merchandise.		0.78		
Factor 4 <i>Appealing Exhibition</i>	11	The store makes me active in browsing and exploring the store	1.60	0.76	10.69	0.63
	15	The store offers an appealing exhibition.		0.68		
Factor 5 <i>Rest Area/ Price Range</i>	12	The store offers a rest area.	1.43	0.78	9.53	0.45
	13	The store offers a various price range.		0.72		

Factor 3 was named *Merchandise Variety/Assortment* after its two items, both of which had high factor loadings. The two items were as follows: good variety of merchandise the highest factor loading: 0.89) and good assortment of merchandise (factor loading: 0.78).

The items included in Factor 4 were stimulating browsing and exploring a store (the highest factor loading: 0.76) and appealing exhibition (factor loading: 0.68). Although the two variables were not closely connected with each other, it seemed logical that an appealing store exhibition could facilitate browsing and exploring the store; thus, this factor was named *Appealing Exhibition*.

Factor 5 consisted of two variables, both of which had factor loadings too high to be ignored: rest area (the highest factor loading: 0.78) and various price range (factor loading: 0.72). Due to these high factor loadings, the factor was named *Rest Area/Price Range*.

To summarize, it was found that both the importance of visual merchandising and the perception of store image variables have five underlying dimensions each in the home furnishings retail setting. However, some of the generated factors did not meet the criteria of reliability (Cronbach's alpha of 0.7 in this study), perhaps attributable to the exploratory nature of the current study and the relatively small sample size compared with the number of items in the questionnaire. Nevertheless, those factors were included in this study for further analysis. As mentioned previously, little attention has been paid to visual merchandising, particularly in the home furnishings retail setting; thus, it may be significant and beneficial to investigate the relationships between variables, including all the generated factors that meet most of the criteria for retention, with the exception of good reliability.

Mean Ratings and Standard Deviations of the Variables

The Importance of Visual Merchandising

Table 5.7 exhibits the mean values and standard deviations for five underlying dimensions of the importance of visual merchandising as well as the 17 items of the importance of visual merchandising. A 5-point Likert-type scale, ranging from “not important at all” (1) to “very important” (5), measured the importance of visual merchandising variables. Employing factor analysis, five underlying factors were generated. The first factor, *Window/Merchandise Display*, included four items; the second factor, consisting of five items, was named *Layout/Organization*; the third factor, *Price Signage*, had three; the fourth factor, named

Creative/Inspirational Coordination, also contained three items; and only two items were included in the last factor, *Appealing Color*. The mean values of the factors imply the extent of its importance when consumers shop in the home furnishings store. The factor that had the highest mean value was 4.09 for Factor 3, *Price Signage*, whereas Factor 1, *Window/Merchandise Display*, had the lowest mean value of 3.14. On the basis of the mean values, consumers may tend to consider *Price Signage* to be the most important among the characteristics of visual merchandising drawn from the factor analysis, while shopping in the home furnishings store. On the other hand, they did not care much about *Window and Merchandise display* during their shopping experience in the home furnishings store.

The perception of store image

The perception of store image was measured on a 5-point Likert scale, with 1 corresponding to “strongly disagree” to “strongly agree” (5). Five factors were formed with the factor analysis; Factor 1, named *Store Environment*, with four items; Factor 2, *Current Trends*, consisting of three items; Factor 3, *Merchandise Variety/Assortment*, composed of two items; Factor 4, named *Appealing Exhibition*, with two items; and Factor 5, *Rest Area/Price Range*, including two items.

The mean values and standard deviations of the remaining 13 items of the perception of store image as well as the five factors of the perception of store image (*Table 5.8*). The highest mean values of 4.13 was revealed in Factor 4, named *Appealing Exhibition*, while the lowest mean value of 3.45 was found in Factor 5, *Rest Area/Price Range*. Results indicated that consumers perceived that their favorite stores offered appealing and nice presentations when they shopped in their favorite home furnishings stores. In contrast, they perceived that the stores did

not pay much attention to rest areas for consumers and there was insufficient information on price range, while shopping in their favorite home furnishings store. With regard to the rest of the factors, consumers perceived that the stores provided a relatively nice and comfortable store environment, presented new styles and current trends, and offered various kinds of merchandise, based on their relatively high mean values: Factor 1 (4.08), Factor 2 (3.95), and Factor 3 (4.10).

Table 5.7

Means and Standard Deviation for the Importance of Visual Merchandising Dimensions

Factor	No.	Statement	Mean	S.D.
Factor1		<i>Window/Merchandise Display</i>	3.14	0.80
	15	The store offers a seasonal window display.	2.80	1.11
<i>Window/ Merchandise Display</i>	20	The store offers an eye-catching window display.	3.18	1.10
	22	Merchandise display features the latest dining trends, completed with utensils, napkins and placemats.	3.11	1.00
	32	New items are presented noticeably to draw the customers' attention.	3.47	0.87
Factor2		<i>Layout/Organization</i>	3.89	0.58
	8	Fixtures are appropriately located to facilitate customer traffic flow.	3.85	0.86
	21	Merchandise display is not cramped or jumbled.	4.08	0.83
<i>Layout/ Organization</i>	24	The route through the store is well-structured so that consumers have no difficulty finding their way.	3.98	0.81
	29	Aisles are uncrowded.	4.06	0.84
	31	Shelf space is appropriately occupied (proportionately arranged).	3.46	0.82
Factor3		<i>Price Signage</i>	4.09	0.62
	6	Discount or clearance items are displayed together in a specific area of the store.	3.98	0.90
<i>Price Signage</i>	13	Signs clearly identify items on sale.	4.33	0.67
	18	Signs give price ranges.	3.98	0.95
Factor4		<i>Creative/Inspirational Coordination</i>	3.96	0.67
	3	The presentation of merchandise gives me inspiration on how to furnish my own home.	3.90	0.94
<i>Creative/ Inspirational Coordination</i>	4	Color coordination creates an appealing store atmosphere.	4.17	0.72
	10	Creative combinations of colors give me new design ideas for home.	3.82	0.94
Factor5		<i>Appealing Color</i>	3.77	0.64
	16	Walls are painted in colors that are compatible with the merchandise displayed.	3.47	0.93
<i>Appealing Color</i>	26	The color of merchandise is appealing.	4.08	0.66

Table 5.8

Means and Standard Deviation for the Perception of Store Image Dimensions

Factor	No.	Statement	Mean	S.D.
Factor1		<i>Store Environment</i>	4.08	0.50
<i>Store Environment</i>	2	The store offers an enjoyable shopping environment.	4.19	0.70
	3	The store offers shopping ease.	3.94	0.73
	6	The store offers comfortable shopping environment.	4.05	0.62
	10	The store offers a pleasant shopping environment.	4.06	0.59
Factor2		<i>Current Trends</i>	3.95	0.57
<i>Current Trends</i>	5	The store offers new idea for my home decoration or furnishing.	4.14	0.72
	9	The store offers useful and accurate information about current trends and items.	3.85	0.76
	14	The store displays newest styles of home furnishings.	3.84	0.69
Factor 3		<i>Merchandise Variety/Assortment</i>	4.10	0.54
<i>Merchandise Variety/ Assortment</i>	1	The store offers good variety of merchandise.	4.12	0.58
	7	The store offers good assortment of merchandise.	4.06	0.65
Factor4		<i>Appealing Exhibition</i>	4.13	0.58
<i>Appealing Exhibition</i>	11	The store makes me active in browsing and exploring the store.	4.12	0.66
	15	The store offers an appealing exhibition.	4.12	0.69
Factor5		<i>Rest Area/Price Range</i>	3.45	0.77
<i>Rest Area/ Price Range</i>	12	The store offers a rest area.	3.17	1.07
	13	The store offers a various price range.	3.75	0.81

Pearson Correlations of Measured Variables

Correlation Coefficients for the Importance of Visual Merchandising Constructs

Prior to testing the hypotheses, the Pearson Correlations were examined among the variables of importance of visual merchandising including five constructs: Factor 1 (*Window/Merchandise Display*), Factor 2 (*Layout/Organization*), Factor 3 (*Price Signage*), Factor 4 (*Creative/Inspirational Coordination*), and Factor 5 (*Appealing Color*). Table 5.9 shows the correlation matrix for those five constructs. Factor 1 was significantly correlated with Factors 2, 4, and 5; Factor 2 with Factors 1, 4, and 5; Factor 4 with Factors 1, 2, and 5; and

Factor 5 with Factors 1, 2, and 4. However, none of the factors was significantly correlated with Factor 3.

Table 5.9

Pearson Correlations Analysis for the Importance of Visual Merchandising Constructs

	<i>Window/ Merchandise Display</i>	<i>Layout/ Organization</i>	<i>Price Signage</i>	<i>Creative/Inspirational Coordination</i>	<i>Appealing Color</i>
<i>Window/Merchandise Display</i>	1.000	.177*	.114	.361**	.206**
<i>Layout/ Organization</i>		1.000	.110	.161*	.246**
<i>Price Signage</i>			1.000	.006	-.035
<i>Creative/Inspirational Coordination</i>				1.000	.245**
<i>Appealing Color</i>					1.000

* $p < 0.05$ ** $p < 0.01$

Multicollinearity among the independent variables could be a severe problem in a multiple regression analysis when the variables are highly collinear with each other as the highly correlated variables often account for overlapping pieces of the variability in the dependent variables, in turn leading to overestimation for the predictive power of each independent variable on the dependent (Ott & Longnecker, 2001). The Pearson correlation matrix presented in *Table 5.9*, contained no indication of multicollinearity due to the fact that all the correlation coefficients (r) did not exceed cut-off value of 0.7 (Ott & Longnecker, 2001).

Correlation Coefficients for the Perception of Store Image Constructs

Table 5.10 shows the Pearson Correlations among the five constructs of perception of store image: Factor 1 (*Store Environment*), Factor 2 (*Current Trends*), Factor 3 (*Merchandising Variety/Assortment*), Factor 4 (*Appealing Exhibition*), and Factor 5 (*Rest Area/Price Range*). The results indicated that all five constructs were significantly correlated with two exceptions: neither Factor 2 and 5 nor Factor 3 and 5 were significantly correlated with each other. However, a multicollinearity problem was not found based on the correlation matrix among those five constructs: No correlation coefficient was greater than 0.7.

Table 5.10

Pearson Correlations Analysis for the Perception of Store Image Constructs

	<i>Store Environment</i>	<i>Current Trends</i>	<i>Merchandise Variety/Assortment</i>	<i>Appealing Exhibition</i>	<i>Rest Area/ Price Range</i>
<i>Store Environment</i>	1.000	.306**	.337**	.397**	.196**
<i>Current Trends</i>		1.000	.221**	.403**	.017
<i>Merchandise Variety/Assortment</i>			1.000	.272**	.257**
<i>Appealing Exhibition</i>				1.000	.222**
<i>Rest Area/ Price Range</i>					1.000

* $p < 0.05$ ** $p < 0.01$

▪ ***H1: There are multi-dimensions of the importance of visual merchandising in the home furnishings retail setting.***

Hypothesis 1 concerns the dimensionality of the importance of visual merchandising variables evaluated by consumers in the home furnishings store. Some scholars suggested that visual merchandising has various kinds of attributes (Bell & Ternus, 2002; Mertes, 1949; Pegler, 1998).

Using principal component analysis with varimax rotation, the exploratory factor analysis was conducted to identify the fundamental dimensions of importance of visual merchandising in the home furnishings store and the first nine constructs were extracted. Of the nine constructs, only five factors were retained according to the following criteria: a) eigenvalues greater than one, b) factor loadings above 0.5 (cut-off value), and c) items with no cross-loading on other factors (i.e., factor loading less than 0.4 on others). Accounting for 40.32 % of the total variance, the five factors were named *Window/Merchandise Display*, *Layout/Organization*, *Price Signage*, *Creative/Inspirational Coordination*, and *Appealing Color* (see Table 5.5). Therefore, Hypothesis 1 was supported. It empirically corroborated the assertions by Metes (1949), Pegler (1998), and Bell and Ternus (2002) that visual merchandising has multi-dimensionality.

▪ ***H2: There are multi-dimensions of the perception of store image in the home furnishings retail setting.***

Hypothesis 2 has to do with the dimensions of perception of store image specifically in the home furnishing setting. Since Martineau's pronouncement (1958) on the attributes of store image, plentiful studies have identified the dimensions of store image (e.g., Fisk, 1963; Ghosh, 1990; Kunkel & Berry, 1968; Linquist, 1974; Mazursky & Jacoby, 1986; Mcdougall & Fry, 1974-75; Zimmer & Golden, 1988).

Principal component analysis with varimax rotation was performed to estimate whether the underlying constructs of perception of store image exist in the home furnishing retail setting. After leaching the initial factors emerging from the analysis based on criteria mentioned above, it was determined that five factors remained. The five factors explained 63.73 % of the total variance and were named *Store Environment*, *Current Trends*, *Merchandise Variety/Assortment*, *Appealing Exhibition*, and *Rest Area/Price Range* (See Table 5.6). Hence, Hypothesis 2 was sustained that there are multiple dimensions of perception of store image in the home furnishings store.

To test the rest of the hypotheses, regression analyses were conducted. Table 5.11 shows a summary of variables for hypotheses testing and the relationship between the variables. Prior to hypothesis testing, the Pearson correlation matrix shown previously (see Table 9 & 10), confirmed that there was no multicollinearity problem among the independent variables. In addition, the variance inflation factor (VIF) was calculated to check for multicollinearity. The VIF ranged between 1.0 and 1.4, which were well below the recommended cut-off value of 10 (Neter, Wasserman, & Kunter, 1985).

The significance level is at 0.05 (95 % confident interval, $\alpha = 0.05$). For each hypothesis, *F*-value, R^2 (the determination of coefficient), standardized coefficient (β), and *t*-value were determined via regression analysis. A significant *F*-value indicates that there is good evidence of some degree of predictive value somewhere among the independent variables, but does not provide a direct indication of how strong the relationship between the independent variables and the dependent variable is or which individual independent variables are useful in the regression model. The R^2 gives the proportion of the total variability in the dependent variables that can be

accounted for by the linear relationship between the dependent variables and the independent variables; therefore, the larger the value of R^2 , the better the model fit the data. In addition, the standardized coefficient (β) provides the expected change in the dependent variable for a unit increase in the independent variable, and the t -value presents the additive effect of each independent variable on the dependent variable (Ott & Longnecker, 2001).

Table 5.11
Variables in Multiple Regression Analysis for Hypothesis Testing

Hypotheses	Independent Variables	Dependent Variables
3	Five importance of visual merchandising factors ^a	Five perception of store image factors ^b
4	Five importance of visual merchandising factors	Consumer patronage behaviors ^c
5	Five perception of store image factors	Consumer patronage behaviors

^a Five importance of visual merchandising factors are Window/Merchandise Display, Layout/Organization, Price Signage, Creative/Inspirational Coordination, and Appealing Color.

^b Five perception of store image factors are Store Environment, Current Trends, Merchandise Variety/Assortment, Appealing Exhibition, and Rest Area/Price Range.

^c Consumer patronage behaviors equal to the sum of the three items (item1, item2, and item3 in the patronage behavior variable)

▪ ***H3: The importance of visual merchandising influences on the perception of store image in the home furnishings retail setting.***

Emphasizing the relationship between visual merchandising and store image, Bell and Ternus (2002) suggested that effective visual merchandising establishes and maintains the store's physical and mental image in the consumers' mind. Based on the previous literature, Hypothesis 3 was proposed. As confirmed in Hypotheses 1 and 2, both the importance of visual merchandising and the perception of store image variables have multi-dimensionality. Therefore,

the relationship between the importance of visual merchandising and the perceived store image were investigated by examining the relationships of each dimension of both variables.

Multiple regression analyses were conducted to examine the relationship between five dimensions of importance of visual merchandising and five dimensions of perception of store image. The predictor variables were the five factors of the importance of visual merchandising and the predicted variables were each of the five factors of the perception of store image factors. The results of hypotheses test were shown in *Table 5.12*.

First, the first factor of the perception of store image, *Store Environment* was regressed against five factors of the importance of visual merchandising. Examining their relationship, the multiple regression analysis showed that this regression model was significant to predict the *Store Environment* dimension, with $F(5,186) = 4.132$ and $p = 0.001$. The five importance of visual merchandising accounted for 10 percent of the total variance in the *Store Environment* dimension ($R^2 = 0.100$). The beta coefficients provided a useful comparison of the influences of the relative importance of visual merchandising factors on each factor of the perception of store image. Based on the beta coefficients, *Layout/Organization*, Factor 2 ($\beta = 0.179$, $p = 0.015$) and *Creative/Inspirational Coordination*, Factor 4 ($\beta = 0.175$, $p = 0.023$) were two strongest predictors contributing to inference of the *Store Environment* dimension. However, none of the rest of factors was not significant predictors of the *Store Environment* dimension of the perception of store image in the home furnishings retail setting.

Next, the relationship between the importance of visual merchandising dimensions and *Current Trends*, the second dimension of the perception of store image, was tested with multiple regression analysis. ANOVA test revealed that this model fit the data utilized in this test with $F(5,186) = 7.198$, $p = 0.000$, indicating that five importance of visual merchandising factors

explained 16.2 percent of the total variance in the *Current Trends* dimension ($R^2 = 0.162$).

Creative/Inspirational Coordination, Factor 4 ($\beta = 0.22$, $p = 0.003$), was the strongest predictor, followed by *Appealing Color*, Factor 5 ($\beta = 0.20$, $p = 0.006$), for the *Current Trends* dimension of perception of store image. Other factors of the importance of visual merchandising had little or no influence on *Current Trends*. The results indicated that *Creative/Inspirational Coordination* and *Appealing Color* were the most important factors to predict *Current Trends* in the home furnishings retail setting.

The relationship between the five factors of importance of visual merchandising and *Merchandise Variety/Assortment*, the third dimension of perception of store image was examined. Multiple regression analysis showed that this regression model was significant in explaining the *Merchandise Variety/Assortment* dimension of perception of store image, $F(5,186) = 2.852$, $p = 0.017$). Around seven percent of the variance in the *Merchandise Variety/Assortment* dimension was accounted for by five importance of visual merchandising factors ($R^2 = 0.071$). Only *Creative/Inspirational Coordination*, Factor 4 significantly affected *Merchandise Variety/Assortment* image factor with standardized coefficient (β) of 0.18 and t -value of 2.295 (> 1.96 , $p = 0.023$), indicating that *Creative/Inspiration Coordination* was an important predictor of *Merchandise Variety/Assortment* dimension in the home furnishings retail setting.

Also tested was the relationship between the five importance of visual merchandising factors and *Appealing Exhibition*, the fourth dimension of the perception of store image in the home furnishings retail setting. According to the result of the multiple regression analysis, this regression model was significant in explaining the *Appealing Exhibition* dimension of the perception of store image, with $F(5,186) = 2.961$ and $p = 0.013$. The proportion of the total variation in the *Appealing Exhibition* dimension accounted for by the five importance of visual

merchandising factors was 7.4 % ($R^2 = 0.074$). The ANOVA results indicated that *Appealing Color*, Factor 5 ($\beta = 0.164$, $p = 0.030$), was found to be the only significant determinant of *Appealing Exhibition*, an attribute of the perceived store image in the home furnishing retail setting.

Table 5.12
Multiple Regression Analyses for Hypothesis 3

Variables	Store Environment		Current Trends		Merchandise Variety/ Assortment		Appealing Exhibition		Rest Area/ Price Range	
	β	<i>t</i> -value	β	<i>t</i> -value	β	<i>t</i> -value	β	<i>t</i> -value	β	<i>t</i> -value
Widow/ Merchandise Display	-.08	-1.07	.14	1.86	-.13	-1.68	-.01	-.07	-.17	-2.17*
Layout/ Organization	.18	2.46*	.01	.12	.08	1.13	.11	1.43	.15	2.03*
Price Signage	-.10	-1.42	-.01	-.10	.13	1.75	-.07	-1.04	.04	.59
Creative/ Inspirational Coordination	.18	2.30*	.22	2.99**	.18	2.30*	.11	1.38	.12	1.58
Appealing Color	.11	1.50	.20	2.77**	.10	1.37	.16	2.18*	-.04	-.45
R^2	.10		.16		.07		.07		.05	
$F(p)$	4.132 (.001)		7.198 (.000)		2.852 (.017)		2.961 (.013)		1.946 (.089)	

* $p < .05$ ** $p < .01$

Critical *t*-value is 1.96 for $p < .05$ and 1.65 for $p < .01$.

Lastly, the predicted relationship between the importance of visual merchandising and *Rest Area/ Price Range*, the fifth dimension of perception of store image in the home furnishings store was tested. Multiple regression analysis was conducted to examine the relationship. According to the ANOVA results, the regression model was proven to be not significant in

predicting the *Rest Area/Price Range* dimension of the perception of store image, $F(5,185) = 1.946, p = 0.089$), which signified that attributes of the importance of visual merchandising did not well predict the *Rest Area/Price Range* dimension. Accordingly, the proportion of the total variance in the *Rest Area/Price Range* dimension explained by the five importance of visual merchandising factors was quite low ($R^2 = 0.050$). Nevertheless, the results of regression analysis provided partial support for this predicted relationship in that, interestingly, *Window/Merchandise Display*, Factor 1 ($\beta = -0.171, p = 0.032$) was inversely related to *Rest Area/Price Range*. This finding may be interpreted in the following way: The more important consumers evaluated *Window/Merchandise Display*, the less significantly consumers perceived *Rest Area/Price Range*. Accompanying *Layout/Organization*, Factor 1 of the importance of visual merchandising, Factor 2 ($\beta = 0.153, p = 0.044$), had a significant and positive impact on *Rest Area/Price Range*, the last factor of the perception of store image.

▪ H4: The importance of visual merchandising influences on consumer patronage behaviors in the home furnishings retail setting.

Hypothesis 4 concerned the relationship between the importance of visual merchandising and consumer patronage behaviors specifically in the home furnishing setting. Based on M-R model (Donovan & Rossiter, 1982), a number of scholars reported that store environment has an influence on consumer behavior (e.g., Bellizzi et al., 1983; Buchanan & Simons, 1999; Donovan & Rossiter, 1982; Donnellan, 1996; Kerfoot et al., 2003). In particular, Marthur and Smith (1997) proposed that the store environment could affect consumer behaviors measured especially by three variables: money spent, time spent in the store, and the number of items purchased in the store.

To assess the relative contribution of the importance of visual merchandising on consumer patronage behaviors in the home furnishing setting, multiple regression analysis was carried out. The researcher summated the 3 items consisting of the patronage behavior scale and the summated score in the dependent variable was used in the regression analysis. *Table 5.13* described the result of ANOVA test and provided a partial support for Hypothesis 4. This regression model was significant in explaining consumer patronage behaviors, with $F(5,177) = 3.157$ and $p = 0.009$. The five importance of visual merchandising factors accounted for 8.2 percent of the total variance in the consumer patronage behaviors ($R^2 = 0.082$). The single most important factor out of the five importance of visual merchandising ones was *Price Signage*, Factor 3, contributing to explanation of consumers' patronage behaviors with a standardized coefficient (β) of - 0.224. The t-value for the Factor 3 was significant at 0.05 level ($p = 0.003$). The negative relationship could be interpreted in the subsequent perspective. The more important consumers evaluated *Price Signage* in the home furnishings store, the less consumers' patronage toward the store. In other words, when consumers are less interested in *Price Signage*, consumers tend to more patronize the home furnishing store. However, none of the other factors of the importance of visual merchandising was significant contributors to consumers' patronage behaviors. Hence, H4 was partially supported.

Table 5.13

Multiple Regression Analysis for Hypothesis 4

Variables	Consumer Patronage Behaviors				
	DF	Unstandardized Coefficient (B)	Standardized Coefficient (β)	<i>t</i> -value	<i>p</i> -value
<i>Constant</i>	1	9.658		6.386	.000
<i>Widow/ Merchandise Display</i>	1	-.028	-.012	-.148	.883
<i>Layout/Organization</i>	1	-.427	-.129	-1.700	.091
<i>Price Signage</i>	1	-.685	-.224	-3.067**	.003
<i>Creative/Inspirational Coordination</i>	1	.321	.113	1.427	.155
<i>Appealing Color</i>	1	-.018	-.006	-.076	.940
R^2			.082 (8.2 %)		
$F (p)$			$F (5,177) = 3.157$ (.009 < .05)		

* $p < .05$ ** $p < .01$

Critical *t*-value is 1.96 for $p < .05$ and 1.65 for $p < .01$.

▪ **H5: There is a significant relationship between the perception of store image and consumer patronage behaviors in the home furnishings retail setting.**

Hypothesis 5 concerned the relationship between the five dimensions of the perception of store image and consumer patronage behaviors. Many studies suggested that store image attributes could affect consumers' various patronage behaviors (Donovan & Rossiter, 1982; Masursky & Jacoby, 1986; Zimmer & Golden, 1988; etc.). Specifically, Thang and Tan (2003) asserted that possession of certain strong attributes of store image enhances the ability of the store to attract consumers.

Regression analysis was conducted to estimate the relative contribution of the perception of store image to consumers' patronage behavior. Table 5.14 reported the result of regression for the relationship between the perception of store image and consumer patronage behaviors. The

regression model was not significant in explaining consumer patronage behaviors, with $F(5,176) = 0.660$ and $p = 0.654 (> 0.05)$ and accordingly, the R^2 was quite low (0.018). Surprisingly, no attribute of the perception of store image predicted consumer patronage behaviors and t -values for those five attributes of the perception of store image were not significant at 0.05 level ($p > 0.05$). In the home furnishings retail setting, none of the perception of store image attributes: *Store Environment*, *Current Trends*, *Merchandise Variety/Assortment*, *Appealing Exhibition*, and *Rest Area/Price Range* was found not to be important contributors to predict consumer patronage behaviors. The result was way surprising because many studies claimed that there is an significant relationship between store image and patronage behavior. It was probably because of the unique nature of the home furnishings retail setting. Consequently, there was little or no relationship between the perception of store image and consumer patronage behaviors in the home furnishings retail setting. Thus, Hypothesis 5 was rejected.

Table 5.14
Multiple Regression Analysis for Hypothesis 5

Variables	Consumer Patronage Behavior				
	DF	Unstandardized Coefficient (B)	Standardized Coefficient (β)	t-value	p-value
<i>Constant</i>	1	5.107		3.327	.001
<i>Store Environment</i>	1	.300	.080	.935	.351
<i>Current Trends</i>	1	-.104	-.032	-.377	.707
<i>Merchandise Variety/Assortment</i>	1	-.075	-.021	-.259	.796
<i>Appealing Exhibition</i>	1	.316	.097	1.108	.269
<i>Rest Area/Price Range</i>	1	-.185	-.076	-.955	.341
R^2			.018 (1.8 %)		
$F(p)$			$F(5,176) = .660 (.654 > 0.05)$		

* $p < .05$ ** $p < .01$

Critical t -value is 1.96 for $p < .05$ and 1.65 for $p < .01$.

Table 5.15 summarizes the findings elicited by the current study identifying the multi-dimensionality of both the importance of visual merchandising and the perception of store image variables in addition to examining the influences of the importance of visual merchandising on both the perception of store image and consumer patronage behaviors and the relationship between the perceived store image and consumer patronage behaviors.

Table 5.15

Research Findings by the Current Study

Hypotheses	Findings
1. There are multi-dimensions of the importance of visual merchandising in the home furnishings retail setting.	Supported
2. There are multi-dimensions of the perception of store image in the home furnishings retail setting.	Supported
3. The importance of visual merchandising influences on the perception of store image in the home furnishings store.	Partially supported
4. The importance of visual merchandising influences on consumer patronage behaviors in the home furnishings retail setting.	Partially supported
5. There is a significant relationship between the perception of store image and consumer patronage behaviors in the home furnishings retail setting.	Rejected

CHAPTER VI

CONCLUSIONS

Conclusions and Implications

The current study is based on the Mehrabian and Russell (M-R) model applied to the store environment research arena by Donovan and Rossiter in 1982, while assuming the intervening stage, which is emotions perceived by consumers. Overall, the current study provided partial support for the effects of the importance of visual merchandising as a marketing tool to influence the perception of store image and consumer patronage behaviors even though substantial empirical evidence describes the influences of store environment on consumer various behaviors (Bellizzi et al., 1983; Buchanan & Simons, 1999; Donnellan, 1996; Donovan & Rossiter, 1982; Kerfoot et al., 2003; etc.). However, two characteristics distinguish the current study from prior research on store environment-related topics. First, perhaps most important, is that this study addresses the importance of visual merchandising as the most crucial variable for this study. Although marketing literature is replete with research on store environment in this area, visual merchandising was virtually unexplored in the extant literature. Second, the home furnishings retail setting is of critical concern in the current study. As a result of the consumers' ever-increasing interest in their homes as relaxed places, the home furnishings setting has been becoming one of the most focused areas in both marketing and retailing fields (Forney, Park, & Brandon, 2005). However, the home furnishing retailing setting is still an undiscovered frontier in both fields. Accordingly, tackling both attributes of this study—the visual merchandising and the home furnishings retailing setting—might be not only critical but painstaking task to

accomplish in this study; nevertheless, through various consecutive processes, the current study came to the conclusions that will be addressed in detail later.

Exploratory factor analysis with data adopted and modified from previous research was conducted to identify the underlying dimensions of the importance of visual merchandising. Even though there were assertions by some scholars (Bell & Ternus, 2002; Mertes, 1949; Pegler, 1998) on the dimensions of the visual merchandising, they all were not empirically supported ones and were from a practical perspective rather than an academic point of view. The factor analysis of the importance of visual merchandising discovered five importance of visual merchandising constructs: *Window/Merchandise Display*, *Layout/Organization*, *Price Signage*, *Creative/Inspirational Coordination*, and *Appealing Color*. These five constructs accounted for 40.32 % of the total variance. Given the scarcity of research addressing this topic, those five constructs might provide a relatively comprehensive and complete picture of the importance of visual merchandising in the home furnishings retail setting. The findings indicated that in the home furnishings store, consumers evaluated the five dimensions as the most prominent among all the the importance of visual merchandising attributes presented in this study.

To identify the dimensions of the perception of store image in the home furnishing setting, factor analysis was also performed. Five underlying constructs emerged: *Store Environment*, *Current Trends*, *Merchandise Variety/Assortment*, *Appealing Exhibition*, and *Rest Area/Price Range*, explaining 63.73 % of the total variance. Consumers perceived those five dimensions as key elements of store image, while shopping in their favorite home furnishings store(s). In addition, the results also corroborated those of many other studies indicating the importance of store atmosphere as one of store image attributes (Kunkel & Berry, 1968; Linquist, 1974; Mazursky & Jacoby, 1986; etc.).

Mean values and standard deviations of five importance of visual merchandising constructs identified through the factor analysis indicated the relative importance of visual merchandising to consumers in the home furnishings store. According to the mean values, consumers assessed the price signage cue ($M = 4.09$, $SD = 0.62$) as the most important among the five key attributes of the importance of visual merchandising, followed by coordination providing creative and inspiration idea ($M = 3.96$, $SD = 0.67$). Therefore, the ranked evaluations of the importance of visual merchandising may be worthy of the attention of managers in the home furnishings store as it may convey them what aspects of visual merchandising should be emphasized more in the home furnishings setting to form their desired store image. However, all the five factors may be already worthwhile in operating visual merchandising in the home furnishings store due to the fact that the importance of visual merchandising factors were identified and given priorities as key diagnostic guidelines to improve the competitive edge of the retail store.

Also reported were the mean values and standard deviations for the perception of store image constructs. As the store image descriptors expressed consumers' perceptions of their favorite home furnishings store(s), the results may exhibit the reasons for their selection of priority stores over other home furnishings stores. Based on the mean values, it was found that appealing presentation facilitating consumers' browsing and exploring the store ($M = 4.13$) was the major reason for their predilection toward their favorite stores, followed by good variety and assortment of merchandise ($M = 4.10$). Yet, the rest of the dimensions emerging from the analysis—namely, store environment, imparting current trends and newest style, relaxing place within the store, and various price range—should not be neglected. The reason is that not only the difference in the mean values was comparatively marginal but also they all were valuable

findings, considering a deficiency of attention to the home furnishings retailing setting from retail academics. In fact, despite the importance of being able to establish the store image, the theoretical dimensions of store image has not yet been firmly delineated in the home furnishings retail setting. From the managerial perspective, the dimensions of the perception of store image presented in this study allow managers to determine, with some precision, exactly what attributes of the store are perceived as appealing to customers in the home furnishings retail setting.

Based on the M-R model, many studies have demonstrated the relationship between store environment and consumer behaviors. As pointed out above, the major thrust of the current study is to better understand the effects of the importance of visual merchandising on the perception of store image and patronage behaviors, specifically in the home furnishings retail setting. By providing a conceptual understanding of the effects of store atmosphere on consumer behaviors, the effects of the importance of visual merchandising could be predicted.

The hypothesis was postulated that the relative importance of visual merchandising affects each of dimensions of the perception of store image. The relationships between the five factors of importance of visual merchandising and each dimension of the perception of store image were examined. The results demonstrated that at least one of the five importance of visual merchandising factors could affect each of the five perception of store image dimensions.

Layout/Organization and *Creative/Inspirational Coordination* were positively related to the *Store Environment* dimension. *Creative/Inspirational Coordination* and *Appealing Color* were two strong determinants for the *Current Trends* dimension. Of the five factors of the importance of visual merchandising, only *Creative/Inspirational Coordination* affected the *Merchandise Variety/Assortment* dimension. In addition, the *Appealing Exhibition* attribute of the perception of store image was influenced by the *Appealing Color* cue of the importance of visual

merchandising. Lastly, for the *Rest Area/Price Range* dimension, *Window/Merchandise Display* and *Layout/Organization* were found to have an influence on the dimension. However, *Window/Merchandise Display* had an inverse impact on the *Rest Area/Price Range* image dimension. The importance of visual merchandising was reflected in the aforementioned findings of this study, which suggested that consumers count on different sets of the importance of visual merchandising cues to infer different store image aspects. For instance, managers in the home furnishings setting may have to focus on the *Layout/Organization* and *Creative/Inspirational Coordination* visual merchandising cues in order to create an enjoyable and comfortable store atmosphere impression. Considering the characteristics of each dimension, most of the findings were logical and consistent with those of previous studies, suggesting that the some of store environment cues have an impact on the formation of store image (Bell & Ternus, 2002; Bellizzi et al., 1983; Smith & Burns, 1996; etc.).

Interestingly, out of all the five importance of visual merchandising factors, only *Price Signage* was significantly but negatively related to consumer patronage behaviors estimated by visit frequency, the number of items purchased, and the amount of money spent in the store. As stated in the hypothesis testing section, the finding may be interpreted in the following way. The more important consumers assess *Price Signage* in the home furnishings store, the less consumers' patronage toward the store. In other words, consumers who evaluate *Price Signage* as not an important characteristic of visual merchandising, shopping in the home furnishings store, might somewhat more patronize the store than do consumers who evaluated it as important. One application of the finding to managers in the home furnishings industries is that price may be one of the important antecedents of consumers' patronage toward their stores; therefore, store management should be concerned about the price. More specifically, the finding may imply that

to make consumers who attach more importance to *Price Signage* patronize their stores, managers may need to more clearly display price, especially discounted price and make discount or clearance item zone more distinguishable from other normal-priced item zone in the home furnishings stores. In addition, the result was compatible with the finding that consumers, shopping in the home furnishings store, may be the most interested in *Price Signage* among all the characteristics of visual merchandising addressed in the present study based on the mean values of the relative importance of visual merchandising factors.

The most unexpected result was seen in examining the relationship between store image and consumer patronage behaviors. Even though substantial empirical evidence described the effects of store image on consumers' patronage, the finding revealed that the perception of store image had no or little effect on consumer patronage behaviors in the home furnishings retail setting. The unexpected findings may be attributable to the unique nature of the home furnishings retail setting different from other retail settings, such as consumers more task-oriented or more sensitive to price, shopping in the home furnishings stores. However, the consumer shopping orientation in the home furnishings retail setting has never been addressed and accordingly, never been empirically confirmed in past research; therefore, the topic can be addressed in the further research. Taking into account that the current study is only the beginning of examining how the perception of store image is related to consumer patronage behaviors in the home furnishings retailing setting and the finding, therefore, provided just initial evidence of the relationship between the two variables, the examination of the relationship between both variables in the home furnishings retail setting should be furthered in the future research.

In conclusion, the current study has both managerial and research implications. From a research perspective, the findings emanating from the multidimensional scaling analysis empirically supported the assertions by some scholars that the importance of visual merchandising can be characterized as several core facets. The five major attributes are as follows: *Window/Merchandise Display*, *Layout/Organization*, *Price Signage*, *Creative/Inspirational Coordination*, and *Appealing Color*. Although the vast number of studies confirmed the appropriateness of the Mehranian and Russell's environmental psychology theory for store environment research, the results of the current study, which omitted the intervening stage of the model of the PAD paradigm, indicated that there are direct relationships between stimuli and response variables in the home furnishings retailing setting. That is, the different sets of importance of visual merchandising elicited in the home furnishings setting affected each of the perceptions of store image factors and consumers' patronage as confirmed in past research conducted in other retailing setting. Moreover, time spent shopping in the store and consumers' patronage behaviors were strongly related with each other. Most importantly, the findings provide a basis for the further study on the effects of visual merchandising on various consumers' behaviors along both theoretical and empirical dimensions.

This study has crucial implications for retail management in the home furnishings retail setting. It gives managers in the home furnishings stores, confronting the present ever-dynamic home furnishings retailing atmosphere, a better understanding of the visual merchandising attributes affecting consumer various behaviors. Based on the findings of the present study, management will hence be able to benchmark the cues of the importance of visual merchandising that are best to emphasize in reinforcing their retail strategies. For example, management in the home furnishings setting can stimulate customers to actively browse and explore their stores by

presenting appealing merchandise color with compatible wall color in the store. Retailers in the home furnishings setting need to understand that the importance of visual merchandising reported here may be different from that suggested in other retailing settings. In addition, regrettably, little research has been conducted in the home furnishings setting in academic and practical research. Therefore, the findings may encourage practitioners and scholars to focus more attention on the home furnishings retailing setting.

Limitations and Future Research

Several limitations to this study should be noted. While some are general limitations accompanying most studies conducted by individual researchers, others should be addressed in the future research.

First of all, the current study was conducted in the Athens and Atlanta metropolitan areas of Georgia. Thus, the results presented in this study are quite limited and far from being generalizable to the population across the United States. The current study utilized the convenience sample that was not representative of the population and did not overcome the problem of a limited data base. Specifically, most of the questionnaires were distributed to the residents in the Athens city area, which is a relatively small university town and accordingly over 70 percent of the respondents were between 25 and 30 years of age.

In addition, the current study measured the evaluation of the importance of visual merchandising, with consumers recalling their shopping experiences in the home furnishings stores within the past two years. Taking into account the assumption that consumers might less frequently shop in the home furnishings stores than in other kinds of stores such as a supermarket, a clothing shop, etc., the period of time was determined. However, the evaluation based on their

shopping experience within the past two years may not be accurate. Therefore, researchers may be able to develop an improved measure for the importance of visual merchandising based on consumers' experiences that are more recent.

Although the current study concluded that some of the importance of visual merchandising elements had influence on consumer patronage behaviors, there must be uncontrollable contaminators affecting the results, such as other store environmental attributes (music, scent, crowding, etc.). These extraneous variables should be considered in interpreting the results.

Finally, the current study employed a relatively small sample compared with the number of items in the questionnaire. As pointed out previously, this may affect the reliability of the generated factors in this study as well as some other findings. For example, some of the importance of visual merchandising and the perceived store image factors discussed in the current study were not satisfactorily reliable (Chronbach's alpha less than 0.7). Hence, future research may use a larger sample for more reliable findings.

The fact that there has been little academic research on both visual merchandising and the home furnishings retail setting led the research to explore the visual merchandising especially in the home furnishings retailing setting. Likewise, much more research should be pursued to address the home furnishings retail setting.

Contrary to many previous studies, the current study generated some unexpected findings, for example, that the perception of store image did not have influence on consumer patronage behaviors in the home furnishings retail setting. Future research may replicate the current study and examine the relationship between the perception of store image and consumer patronage behaviors with a different demographic or geographic sample.

The variables taken into account in this study were restricted only to the visual aspects of the store environment. However, considering that consumers' react to a store or merchandise with the holistic perspective and that atmospheric cues interact with each other to produce unexpected effects (Kahn, 1997), it may be important to further investigate the interactive effects of two or more environmental variables including visual cues in the future research. In fact, no research has been conducted on the interactive effects of the cues of visual merchandising with other non-visual retail environmental cues.

In addition, the measurement scale used in this study was adopted and modified from several past studies (Baker, Levy & Grewal, 1992; Bell & Ternus, 2002; Hu & Jasper, 2006; Kerfoot et al., 2003; Lea-Greenwood, 1998; Marzursky & Jacoby, 1986; Spies, Hesse, & Loesch, 1997; Tai & Fung, 1997). However, developing a more accurate and reliable measurement scale is needed for the precise examination of the relationships among variables tested in this study specifically because of the absence of the research on visual merchandising in the home furnishings retail setting.

Finally, although other contaminating variables from uncontrollable forces exist, future studies may benefit from experiments conducted in the actual retail setting. By doing so, the future studies may be able to obtain realistic assessment of the effects of visual merchandising in the home furnishings retail setting.

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APPENDICES

APPENDIX A

HUMAN SUBJECTS APPROVAL

APPROVAL FORM

Date Proposal Received: 2007-11-20

Project Number: 2008-10372-0

Name	Title	Dept/Phone	Address	Email
Ms. Young Eun Lee	PI	Textiles, Merchandising & Interiors 370 Dawson Hall	706-255-3357	younglee@uga.edu
Dr. Yoo-Kyoung Seock	CO	Textiles, Merchandising, and Interiors 352 Dawson Hall 706-542-4892		yseock@fcs.uga.edu

Title of Study: The Influence of the Importance of Visual Merchandising Elements on Store Image, Time Spent Shopping & Patronage Behaviors

45 CFR 46 Category: Administrative 2

Parameters:

None;

Change(s) Required for Approval:

None;

Approved : 2007-12-10 Begin date : 2007-12-10 Expiration date : 2012-12-09

NOTE: Any research conducted before the approval date or after the end data collection date shown above is not covered by IRB approval, and cannot be retroactively approved.

Number Assigned by Sponsored Programs:

Funding Agency:

Your human subjects study has been approved.

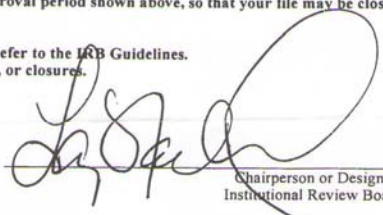
Please be aware that it is your responsibility to inform the IRB:

- .. of any adverse events or unanticipated risks to the subjects or others within 24 to 72 hours;
- .. of any significant changes or additions to your study and obtain approval of them before they are put into effect;
- .. that you need to extend the approval period beyond the expiration date shown above;
- .. that you have completed your data collection as approved, within the approval period shown above, so that your file may be closed.

For additional information regarding your responsibilities as an investigator refer to the IRB Guidelines.

Use the attached Researcher Request Form for requesting renewals, changes, or closures.

Keep this original approval form for your records.


Chairperson or Designee,
Institutional Review Board

APPENDIX B
PRELIMINARY SURVEY

Survey for Thesis on Visual Merchandising

This survey aims to identify visual cues and also specific aspects of each in a home furnishing store, such as Pottery Barn, Pier 1 Imports, Williams & Sonoma, Crate & Barrel, etc.

1. When you enter a home furnishings store, which one(s) of the following visual cues are you immediately aware of? Please mark them. If the visual cue(s) that you are first immediately aware of are not listed below, please add those cues to the list.

Merchandise display
Store layout
Fixtures
Color
Lighting
Window display
Signage

2. For each of the visual cues that you selected above, describe in as much detail as possible the specific aspects of those cues that impress you.

For example, in describing merchandise display, “I don’t like cramped or jumbled displays” or “I like displays that clearly organize items by function”; in describing lighting, “I like warm lighting of Pottery Barn” or “Accent lighting makes me focus on certain items”; in describing fixture, “items displayed on eye-level of shelf are most conspicuous among items displayed on a shelf.”

Please feel free to express your ideas as you prefer; brief or even single-word descriptions are fine like “color of merchandise” for merchandise display; “price display” for signage.

Merchandise display

Store layout

Fixtures

Color

Lighting

Window display

Signage

Cf. Please check on the line next to age range that you are in:

Age - 25-35: _____
36-45: _____
46-55: _____

Thank you for your participation in this survey. Your responses are anonymous and will be used only for the purposes of my thesis.

APPENDIX C

COVER LETTER AND QUESTIONNAIRE

The Survey on the Effects of the Importance of Visual Merchandising on Various Consumer Behaviors

Dear Participant (Female who ages from 25 to 55):

I am a graduate student under the direction of Dr. Yoo-Kyoung Seock in the Department of Textiles, Merchandising, and Interiors at The University of Georgia.

I invite you to participate in a research study entitled “The Influences of the Importance of Visual Merchandising Elements on Store Image, Time Spent Shopping, and Patronage Behavior.” The purpose of this study is to identify the dimensions of visual merchandising, examine the effects of the importance of visual merchandising elements on store image, time spent shopping, and patronage behavior in home furnishings stores. Also, the relationships between store image and patronage behavior and between time spent shopping and patronage behavior will be investigated.

Your participation will involve answering the questionnaire given and probably take about 15 minutes. Your involvement in the study is voluntary, and you may choose not to participate or to stop at any time without penalty or loss of benefits. This survey is anonymous and any follow-up survey will not be conducted. The results of the research study may be published, but your name will not be used. In fact, the published results will be presented in summary form only. Your identity will not be associated with your responses in any published format.

The findings from this project may provide information on the effects of visual merchandising especially in the home furnishings area. Given that there has not been much attention to that topic, retailers in the home furnishings arena will greatly benefit from the findings of this research. There are no known risks or discomforts associated with this research.

If you have any questions about this research project, please feel free to call me at (706)-255-3357 or send an e-mail to younglee@uga.edu. Questions or concerns about your rights as a research participant should be directed to The Chairperson, University of Georgia Institutional Review Board, 612 Boyd GSRC, Athens, Georgia 30602-7411; telephone (706) 542-3199; email address irb@uga.edu.

By completing and returning this questionnaire in the envelope provided, you are agreeing to participate in the above described research project.

Thank you for your consideration! Please keep this letter for your records.

Sincerely,

Young Eun Lee
Textiles, Merchandising & Interiors
372 Dawson Hall, The University of Georgia
Athens, GA 30602
Phone: 706-255-3357
Email: younglee@uga.edu

Questionnaire

SECTION 1

1. In the past two years, I shopped in home furnishing store(s).

_____ Yes

_____ No (If no, please stop participating in this survey.)

2. Please evaluate the importance of each of the following statements recalling of the home furnishings store(s) that you have shopped in the past two years.

Not important at all 1	Not important 2	Neutral 3	Important 4	Very important 5
---------------------------	--------------------	--------------	----------------	---------------------

Visual Merchandising

- | | | | | | |
|---|---|---|---|---|---|
| 1. Completely furnished living-rooms, bedrooms, kitchens, or children's rooms are presented. | 1 | 2 | 3 | 4 | 5 |
| 2. There are many striking signs. | 1 | 2 | 3 | 4 | 5 |
| 3. The presentation of merchandise gives me inspiration on how to furnish my own home. | 1 | 2 | 3 | 4 | 5 |
| 4. Color coordination creates an appealing store atmosphere. | 1 | 2 | 3 | 4 | 5 |
| 5. Signs guide customers to specific areas of the store. | 1 | 2 | 3 | 4 | 5 |
| 6. Discount or clearance items are displayed together in a specific area of the store. | 1 | 2 | 3 | 4 | 5 |
| 7. The presentation of merchandise is creative and unique. | 1 | 2 | 3 | 4 | 5 |
| 8. Fixtures are appropriately located to facilitate customer traffic flow. | 1 | 2 | 3 | 4 | 5 |
| 9. Objects are arranged according to their function, i.e., furniture, dinnerware, accessories, etc. | 1 | 2 | 3 | 4 | 5 |

10. Creative combinations of colors give me new design ideas for home.	1	2	3	4	5
11. Entrance area is wide.	1	2	3	4	5
12. Merchandise display features the latest home furnishing trends.	1	2	3	4	5
13. Signs clearly identify items on sale.	1	2	3	4	5
14. Light fixtures are positioned in an appropriate place to complement merchandise and draw customers' attention.	1	2	3	4	5
15. The store offers a seasonal window display.	1	2	3	4	5
16. Walls are painted in colors that are compatible with the merchandise displayed.	1	2	3	4	5
17. The store offers and displays a free catalog.	1	2	3	4	5
18. Signs give price ranges.	1	2	3	4	5
19. Furnishings are grouped according to their function, i.e., furniture, dinnerware, accessories, etc.	1	2	3	4	5
20. The store offers an eye-catching window display.	1	2	3	4	5
21. Merchandise display is not cramped or jumbled.	1	2	3	4	5
22. Merchandise display features the latest dining trends, completed with utensils, napkins and placemats.	1	2	3	4	5
23. There are many striking signs in different colors.	1	2	3	4	5
24. The route through the store is well-structured so that consumers have no difficulty finding their way.	1	2	3	4	5
25. Accent lighting is appropriately positioned to highlight merchandise.	1	2	3	4	5
26. The color of merchandise is appealing.	1	2	3	4	5
27. The store offers a window display that shows sale signs and items.	1	2	3	4	5

- | | | | | | |
|---|----------|----------|----------|----------|----------|
| 28. Shelving (or any other fixtures used to display merchandise) is conveniently accessible to the customers. | 1 | 2 | 3 | 4 | 5 |
| 29. Aisles are uncrowded. | 1 | 2 | 3 | 4 | 5 |
| 30. Signs give accurate information about items. | 1 | 2 | 3 | 4 | 5 |
| 31. Shelf space is appropriately occupied (proportionately arranged). | 1 | 2 | 3 | 4 | 5 |
| 32. New items are presented noticeably to draw the customers' attention. | 1 | 2 | 3 | 4 | 5 |

SECTION 2

1. Do you have home furnishings store(s) where you especially like to shop? If yes, please choose all the store names that apply.

- ☐ Pottery Barn
- ☐ Williams-Sonoma
- ☐ Crate & Barrel
- ☐ West elm
- ☐ Restoration Hardware
- ☐ Pier 1 Imports
- ☐ IKEA
- ☐ Bombay
- ☐ Others (Please specify) _____.

2. Please evaluate each of the following statements regarding the home furnishings store(s) that you selected in the question 1.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	2	3	4	5

Store Image

- | | | | | | |
|---|----------|----------|----------|----------|----------|
| 1. The store offers good variety of merchandise. | 1 | 2 | 3 | 4 | 5 |
| 2. The store offers an enjoyable shopping environment. | 1 | 2 | 3 | 4 | 5 |
| 3. The store offers shopping ease. | 1 | 2 | 3 | 4 | 5 |
| 4. The store offers high quality merchandise. | 1 | 2 | 3 | 4 | 5 |
| 5. The store offers new idea for my home decoration or furnishing. | 1 | 2 | 3 | 4 | 5 |
| 6. The store offers comfortable shopping environment. | 1 | 2 | 3 | 4 | 5 |
| 7. The store offers good assortment of merchandise. | 1 | 2 | 3 | 4 | 5 |
| 8. The store offers a convenient shopping environment. | 1 | 2 | 3 | 4 | 5 |
| 9. The store offers useful and accurate information about current trends and items. | 1 | 2 | 3 | 4 | 5 |

- | | | | | | |
|--|---|---|---|---|---|
| 10. The store offers a pleasant shopping environment. | 1 | 2 | 3 | 4 | 5 |
| 11. The store makes me active in browsing and exploring the store. | 1 | 2 | 3 | 4 | 5 |
| 12. The store offers a rest area. | 1 | 2 | 3 | 4 | 5 |
| 13. The store offers a various price range. | 1 | 2 | 3 | 4 | 5 |
| 14. The store displays newest styles of home furnishings. | 1 | 2 | 3 | 4 | 5 |
| 15. The store offers an appealing exhibition. | 1 | 2 | 3 | 4 | 5 |

Patronage Behaviors

1. How many times did you shop on average at home furnishings store(s) within the past two years?

- _____ Only 1 times
- _____ 2-3 times
- _____ 4-5 times
- _____ 6-7 times
- _____ Over 7 times

2. How many items did you buy on average at one time shopping at home furnishings store?

- _____ 1-5 items
- _____ 6-10 items
- _____ 11-15 items
- _____ 16-20 items
- _____ Over 20 items

3. How much money did you spend on average at one time shopping at home furnishings store?

SECTION 3

1. Age: _____

2. Gender: _____ Male
 _____ Female

3. Race: _____ Caucasian/White
 _____ Hispanic
 _____ Asian/Pacific Islander
 _____ African American
 _____ American Indian/Aleut
 _____ Others

4. Annual Household Income (before tax): _____ Less than \$20,000
 _____ \$20,000 – less than 40,000
 _____ \$40,000 – less than 60,000
 _____ \$60,000 – 80,000
 _____ More than \$80,000

5. Number of People in Household: _____

Thank you so much for your participation in this survey. Your responses are anonymous and will be used only for the purposes of my thesis.