Dan Cristian Dabija–Monika A. Alt–Ioana N. Abrudan:*

Empirical Considerations Regarding Consumers' Perception on an Emerging Market. A Case Study on Retailers in Romania

Abstract

Both on their home markets, as well as on the emerging ones – the case of Cluj-Napoca, Romania – European retailers face a new situation, by excellence a challenging one. On the one side, the competitive market has been in a continuous and constant expansion for several years and on the other side consumers become more and more sophisticated and choosy. Based on the accumulated experience they not only change their demands towards retailers, but also their perception of them.

The present paper pursues a clear delineation through an empirical research of the elements or the facets of the marketing mix in a retail context. As it is already known, retailers use a specific mix in order to better position themselves on the market. As we shall prove, consumers are also able to ultimately perceive the factors by means of which retailers try to influence them, respectively to act over them.

Introduction

If the production company usually has at its disposal four marketing instruments through which it can influence consumers' perception, a service firm may rely upon five and seven or even nine such elements (Meffert et al. 2008, pp. 399–410). Meanwhile, a retailer can rely upon several specific marketing instruments (Dabija, Abrudan, Alt 2009). From the classical mix, retailers have taken out the price and communication policies, the latter being actually very efficiently exploited. Retailers promote their image both through the "above-the-line" and the "below-the-line instruments" (Esch et al, 2006 pp. 85–102). Besides assortment, retailers promote their image through the private label policy. "Private labels", "private brands" or "private label brands" help them anchor their store names or store brands in consumers' minds. The location policy also plays an important role in retail. Choosing to erect the store inside residential areas or at the periphery may have a crucial role both on quantitative (market share, profit, turnover), and qualitative indicators (satisfaction, loyalty, return, repurchase, increase of the acquisition frequency).

Another instrument relevant to retailers is the in-store-management or the interior design policy. Increasing the comfort, highlighting the beauty or some attractive visual elements, offering a selling space where the consumers feel free are a few of the strategies that may be used by retailers.

Last but not least, personnel service policy represents another very important element in retail. It helps a retailer enter in direct contact with consumers, influence them, advise them, help them and implicitly contribute to the proper establishment of the "retail brand", "store image" or "store personality" (Ailawadi, Keller 2004, pp. 331–342; Martineau 1958, pp. 47–55).

Operationalization

In order to investigate if the described retail marketing mix policies are correctly perceived by consumers we have previously operationalized six instruments based on the literature review. We have joined within the assortment policy the private labels, due to the fact that in similar studies such private brands are not taken into consideration apart from

* Faculty of Economics and Business Administration Babeş-Bolyai University Cluj-Napoca.

the assortment. Furthermore, we argue that consumers may not differentiate very precisely the producers' brands and retailers' own brands. We have not included in our study the perception of the loyalty programs due to the fact that only a few retailers focus on their market development strategy on retailers customer cards (Angst, Cora), on bonus points (from time to time Billa) or on other cooperation programs with several partners such as "Card Avantaj" (see Dabija 2008, pp. 241–245).

Table 1 offers a good overview on the used operationalization for the six retail marketing mix instruments.

Furthermore we must point out that our research has been exclusively conducted on two cash & carry stores (Metro and Selgros), two discounters (Profi and Plus), four hypermarkets (Auchan, Carrefour, Cora, Real), one neighbourhood stores chain (Oncos) as well as several local convenience stores of different sizes) and two supermarkets (Billa and Kaufland). We have considered Kaufland as being a supermarket and not a hypermarket, due to the fact that in the area where we have conducted our research (Cluj-Napoca) the surface and the assortment depth and width are about the same as those of Billa.

***Table 1.* Operationalization of constructs**

Assortment	The assortment at the store X is very good	Good assortment
	At the store X I can find all the products I need very easily	One-stop-shopping
	The products are always available at the store X	Products availability
	The quality of the products sold at X is always very good	Good assortment quality
	The store X offers plenty of own brands	Private labels
In-Store-Management	I like the store layout at X very much	Attractive environment
	I can find my way around easily at my nearest X branch	Easy to shop
	The shopping atmosphere at the X store is very pleasant	Pleasant shopping environment
	The X store is always very clean	Clean shop
	Shopping at store X is nice and convenient	Convenient acquisitions
Price	I think the prices at the X store are always reasonable	Price acceptance
	I find that most products are offered at favourable prices over a long period	Steady prices
	I find the price/performance ratio very good at the X store	Good price / performance ratio
	A buying reason is price reductions at several articles (fresh products)	Price reductions
	I find the special offers by the X store very attractive	Special offers
	Compared to its competitors, the X store has a good price level	Price level compared to competitors
Communication	Store X often sends promotional materials (brochures, newspapers)	Media presence
	The X store has excellent advertising	Good advertising
	I often see advertising coming from store X	Frequent advertising
	Advertising for the X store is very informative	New advertising content
	The way store X communicates has a strong impact on me.	Personal communication
	In addition to typical information, advertising by store X also provides additional information on the firm	Other information
Service	Service is good at store X	Good service
	Store X is open 24 hours a day	Shopping hours
	A reason for shopping at store X is the fact that I do not have to pay for packaging	Packaging of acquisitions
	Shopping baskets are always available and in a good condition	Physical facilities
	Staff is properly trained and qualified	Qualified personnel
	Waiting lines at checkouts are very rare	Rare checkout waiting times
	Staff is friendly and kind	Friendly personnel
	I often shop at store X due to product return facilities	Product return facilities
	It is very attractive to pay with the credit card	Paying facilities
Location	Location of store X is optimum	Optimum location
	I prefer shopping at store X due to the fact that I also find here other shops	Other shops
	At store X I also find a fast-food	Other food units
	Shop X has a branch near my living / working area	Spatial proximity

Sources: Anselmsson 2006, p. 122; Chowdhury et al. 1998, pp. 74–75; Hansen, Deutscher 1977–1978, pp. 64–65; Teas 1994, p. 436; Westbrook 1981, p. 77; Yoo, Donthu 2002, p. 387.

Methodology

The questionnaire made up of six retail marketing instruments was administered in 2008 with the help of about 100 students in a major Romanian city – Cluj-Napoca. Based on a quota sampling on age and sex of the urban consumers according to the Romanian Statistical Yearbook, each interviewer had to approach 30 consumers in various locations (parks, public places, schools/ universities, consumers' homes or in front of the shops).

Quota sampling is specific especially to empirical researches such as personal or telephone interviews. In such cases it is enough to know only little relevant information regarding the investigated population. In fact, when using quota sampling the deviation between the characteristics of the initial population and the obtained sample must be as small as possible (Homburg, Krohmer 2003, p. 228; Pop 2004, pp. 86–88). Using this technique we have not been able to determine any significant deviations between the initial population and the resulted sample.

Table 2. **Location of the interview**

Location	Frequency	Percent (%)
At work	400	18.9
In front of stores	244	11.5
Market/ Public spaces	51	2.4
Parks	219	10.4
Street	466	22.0
Schools/ universities	24	1.1
Consumers' homes	711	33.6
Total	2115	100.0

In total, there have been obtained about 2.500 questionnaires, out of which 2.115 valid ones. Questionnaires with more than 10% missing data have been excluded due to the fact that in cases with missing data the used econometric software may generate inaccurate results. The distribution of answers between the described retailers is shown in *table 2:*

Table 3. **Valid questionnaires on retail formats and retailers**

Format	Retailer	Frequency	Percent
Cash & carry	Metro	135	6,4
	Selgros	60	2,8
Discounter	Plus	113	5,3
	Profi	97	4,6
Hypermarket	Auchan	271	12,8
	Carrefour	143	6,8
	Cora	269	12,7
	Real	176	8,3
Neighbourhood	ABC	191	9,0
	Oncos	101	4,8
Supermarket	Billa	165	7,8
	Kaufland	394	18,6
Total		**2115**	**100,0**

In order to see to what extent Romanian consumers are able to distinguish between the six retail marketing mix instruments an exploratory factor analysis has been made with SPSS 16.0. Therefore we have used the Principal Axis Factoring as well as the Oblimin Rotation Method as recommended by the literature (Walsh, Beatty 2007, pp. 127–143). Each emerged factor has to reflect as much as possible from the variance of the variables. By that, it means that each factor has to explain as accurate as possible the studied phenomenon (Backhaus et al. 2006, pp. 259–274; Plăiaş et al. 2008, pp. 558–560).

Factor analysis is used in order to "identify" in the empirical research a new model structure that can later on be confirmed or rejected with the help of the confirmatory factor analysis. As recommended, confirmatory factor analysis can be run with the special econometric software AMOS or Lisrel (Kuß 2007, pp. 253–256). The proper naming of the extracted factors depends on the one who runs the analysis.

In our case, the items of each of the extracted factors have been written down in the decreasing order of their factor loadings.

Results and discussions

Although operationalized, some of the items did not load well on a certain factor or their loading was unclear. In fact, we have eliminated from the analysis those items which, according to the technical literature (Backhaus et al. 2008, pp. 336–338; Nunnally, Bernstein 1994, p. 139):

- Display values under 0.4: Spatial proximity, Paying facilities, Store cleanliness;
- Load strongly on two or more factors: Private labels, Attractive environment, Price reductions.

Although the remaining items load as expected on six factors for the six operationalized retail marketing instruments, at a first look the factors are a little bit difficult to be interpreted adequately. In our opinion a first concern is given exactly by the items that load on the first extracted factor. Unfortunately the items that build it are characteristic both for assortment ("Very good assortment", "One stop shopping", "Very good quality of the products" or "Product availability") and in-store-management ("Convenient acquisitions", "Pleasant shopping environment" and "Easy to shop").

In this context we wonder whether the results are accurate or not or if the Romanian consumer does really manage to differentiate very clearly between assortment and store's environment. We believe that the present situation could be in fact explained by the fact that due to the novelty of the studied retail formats (hypermarkets, supermarkets, and discounters) the Romanians are not yet able to make a clear distinction between assortment and in-store-management. It might also be possible that this mismatch of perceptions on assortment and store's environment is the retailers' fault. They have not succeeded in all these years in making a clear position through assortment and in-store-management. The second factor that is very clearly shaped is that of the communication policy in retail. As we have stated when theoretically approaching this policy, the new retailers who have entered the Romanian market have focused strongly on the adequate communication with customers as well as on the increase of their awareness among target segments.

Compared to similar researches done in the Anglo-American (Hansen, Deutscher 1977–1978, p. 65) or the European retail (Morschett et al. 2006, pp. 275–287) that have not been successful in revealing the significance of retailers' location in consumers perception, our present research succeeds in separating this retail marketing mix element. We consider the situation as being logical, due to the fact that convenience stores or proximity ones, as well as discounters or hypermarkets are located in the proximity of large residential areas. Furthermore, neither cash & carry stores nor hypermarkets have been built far-away from consumers' households. Some of them, such as the hypermarkets Auchan or Carrefour, are located within two shopping centres (Iulius Mall and Polus Center).

***Table 4.* Structure Matrix of the Exploratory Factor Analysis**

Factors	1	2	3	4	5	6
Convenient acquisitions	0.717					
Pleasant shopping environment	0.691					
Very good assortment	0.663					
One stop shopping	0.638					
Assortment quality	0.615					
Easy to shop	0.603					
Product availability	0.534					
Advertising frequency		0.855				
New advertising content		0.845				
Good advertising		0.820				
Media presence		0.707				
Other information		0.649				
Personal communication		0.643				
Optimal location			0.878			
Other food units			0.800			
Other stores			0.755			
Friendly personnel				0.843		
Good service				0.828		
Qualified and competent personnel				0.716		
Rare checkout waiting times				0.501		
Always acceptable price					0.757	
Good price / performance ratio	0.416				0.750	
Steady prices					0.716	
Price level compared to competitors					0.683	
Special offers					0.632	
Packaging of acquisitions						0.562
Shopping hours						0.547
Physical evidences						0.525
Product return facilities						0.513
Extraction Method: Principal Axis Factoring; Rotation Method: Oblimin with Kaiser Normalization						

In the case of price (factor five) we notice the importance of an acceptable price level, as well as its consistency in time. As expected, the variable that stands for the price/performance ratio loads on two factors. It is more than obvious that this factor depends a lot on both assortment and price. However, the price influence is greater.

It seems to us that the fact that service policy is perceived through its two facets is very interesting. On the one hand consumers distinguish factor four (personnel service), and on the other hand factor six (physical evidences policy). With the policy of physical evidences the retailer manages to get in touch with the target segments. Even though the "product return facilities" might be a service item characteristic to personnel service, we appreciate that its inclusion among physical facilities is much better justified.

Conclusions and limitations

The present research aimed at bordering the way in which Romanian consumers succeed (or not) in perceiving adequately the retail marketing mix instruments. Retail marketing mix is used by retailers in order to influence consumer behaviour. Although we wanted to delineate by exploratory factor analysis the six retail marketing mix instruments highlighted by the technical literature, the results show that at least at the moment our research was carried out the consumers were not able to make a clear distinction between assortment and in-store-management.

However, they were able to distinguish the two facets of the service policy, namely the personnel service through staff and the policy of physical evidences. We consider that the obtained results are very encouraging; still, further research might also be carried out. Such efforts would have to consequently better separate the retail marketing mix elements, respectively to avoid some of the next limitations of our research:

- Disproportionateness of the valid questionnaire number on each store (see table 3) or retail format. This fact is a little bit difficult to pursue, due to the unequal number of stores in each category. In Romania we have only two cash & carry stores, but several supermarkets such as Billa, Kaufland, Carrefour Express, Spar, Mega Image or hypermarkets Auchan, Carrefour, Cora, Real, Pic. Due to the fact that the Cluj-Napoca market is still an emerging one and not all retailers present in Romania managed to open a location in the studied city, further research has to be conducted. As a matter of fact Carrefour Express intends to open a branch here the next month.
- Several local retailers have been put in the category of neighbourhood stores. We deem appropriate to make in upcoming research a more adequate separation of retail chains, especially for those who own at least five branches at regional level or two – three units in one location. All neighbourhood stores have been gathered until present in a general category.

Furthermore we think that another important aspect that shall be pursued in future research regards the influence of shopping centres on retailers that opened in their proximity. Future research should also try to better highlight the way in which retail marketing mix instruments influence the loyalty among consumers or even the success of each retailer. An appropriate outline on retail formats, stores or even years of research (longitudinal study) seems in our opinion to be not only relevant, but also very significant.

References

Ailawadi K. L., Keller K. L. (2004): Understanding Retail Branding: Conceptual Insights and Research Priorities, în Journal of Retailing, Year 80, Nr. 4, pp. 331–342.

Anselmsson J. (2006): Sources of Customer Satisfaction with Shopping Malls: A Comparative Study of Different Customer Segments, in International Review of Retail, Distribution and Consumer Research, Year 16, Nr. 1, pp. 115–138.

Backhaus K., Erichson B., Plinke W., Weiber R. (2008): Multivariate Analysemethoden, 12th Edition, Springer Berlin.

Chowdhury J., Reardon J., Srivastava R. (1998): Alternative Modes of Measuring Store Image: An Empirical Assessment of Structured Versus Unstructured Measures, in Journal of Marketing Theory and Practice, Year 6, Nr. 2, pp. 72–86.
Dabija D. C., Abrudan I. N., Alt Monika Aneta: Retail marketing instruments – An analytic approach in The Young Economists Journal (article under review).
Dabija D. C. (2008): Empirical Insights into the perception of customer cards as a new customer loyalty instrument in Romania Retail Firms, in Brătianu C., Lixăndroiu D., Pop N. A. (Ed.), Business Excellence, Special Issue of Review of Management and Economical Engineering, Year 7, Nr. 6, pp. 241–245.
Esch F. R., Kriger K. H., Strödter K. (2006): Durchbrechen des Gewohnten durch Below-the-Line Maßnahmen, în Bruhn M., Esch F. R., Langner T. (Ed.), Handbuch Kundenkommunikation: Grundlagen – Innovative Ansätze – Praktische Umsetzung, Gabler, pp. 85–102.
Hansen R., Deutscher T. (1977/1978): An Empirical Investigation of Attribute Importance in Retail Store Selection, in Journal of Retailing, Year 53, Nr. 4, pp. 59–74.
Homburg C., Krohmer H. (2003): Marketingmanagement, Gabler, Wiesbaden.
Kuß A. (2007): Marktforschung, Grundlagen der Datenerhebung und Datenanalyse, Ediția a doua, Gabler, Wiesbaden.
Martineau P. (1958): The Personality of the Retail Store, în Harvard Business Review, Year 36, Nr. 1, pp. 47–55.
Meffert H., Burmann C., Kirchgeorg M. (2008): Marketing – Grundlagen Marktorientierter Unternehmensführung, Konzepte – Instrumente – Praxisbeispiele, Ediția a zecea, Gabler, Wiesbaden.
Morschett D., Swoboda B., Schramm-Klein H. (2006): Competitive Strategies in Retailing – An Investigation of the Applicability of Porter's Framework for Food Retailers, in Journal of Retailing and Consumer Services, Year 13, Nr. 4, pp. 275–287.
Nunnally J. C., Bernstein I. H. (1994): Psychometric Theory, McGraw-Hill, New-York.
Plăiaș I. (Ed.) (2008): Cercetări de marketing, Risoprint, Cluj-Napoca.
Pop M. D. (2004): Cercetări de marketing, Alma Mater, Cluj-Napoca.
Teas K. (1994): Retail Services Image Measurement: An Examination of the Stability of a Numerical Comparative Scale, in The International Review of Retailing, Distribution and Consumer Research, Year 4, pp. 427–442.
Walsh G., Beatty S. E. (2007): Customer-Based Corporate Reputation of a Service Firm: Scale Development and Validation, in Journal of the Academy of Marketing Science, Year 35, Nr. 1, pp. 127–143.
Westbrook R. A. (1981): Sources of Consumer Satisfaction with Retail Outlets, in Journal of Retailing, Year 57, Nr. 3, pp. 68–85.
Yoo B., Donthu N. (2002): Testing Cross-Cultural Invariance of The Brand-Equity Creation Process, in Journal of Product and Brand Management, Year 11, Nr. 6, pp. 380–398.