

Thesis
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University of Stirling

Wah-leung Cheung

Department of Marketing

**Positioning Strategy in Retailing:
A Study of Wuhan Wing On Children Shopping
and Amusement Centre Company Limited**

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ABSTRACT

“To position the product in the mind of the prospect,” this statement is very simple and straight forward, but the actual practice is complicated and profound. By adhering to the positioning concept and through the study of a children products store, this thesis investigates how people interpret positioning, studies the impact of positioning strategy on the designated store, reviews the retail market in China, tries to explain the influence of positioning on the customer shopping components, and looks at ways to revitalize the store business.

As a starting point, the background of the positioning concept is studied. By reviewing articles from both marketing and retailing perspectives, the nature of positioning concept is clarified and the conceptual framework for the positioning strategy process is also established.

To make the investigation of the Wuhan Wing On Children Shopping and Amusement Centre Company Limited, an overview of the retail market situation of the People’s Republic of China is done. The China market has good potential but, to get rewards from such a market, foreign retailers should be patient and have long term plans. Wuhan has potential for further growth too, but many foreign retailers might have overlooked such an emerging market. As a joint venture company, Wing On was established in late 1992 by the Hong Kong and China partners. Positioning itself as the most modern and largest children products store in both Wuhan and China, Wing On made breakthroughs in the Wuhan retail industry in terms of open-rack display system, goods return guarantee, service quality, computerisation, etc. Through such right positioning, the sales result was excellent. However, because of

the 'follow the wagon' effect, the store floor area of Wuhan doubled in 1996. Even then such a change did not affect Wing On very much, until the emergence of the new major competitor, Children World, which also positioned itself as the market leader. Then Wing On suffered.

Through the survey research with the customers and Wing On employees, and by analyzing the different groups of respondents, it is found that Wing On is lagging behind Children World in terms of overall attitudes measurement. Even for the fourteen store attribute comparison, Wing On is also at a disadvantageous condition, especially for the store facilities. Multiple regression analysis was used to trace the relationships between the background, shopping criteria, beliefs, and action of the frequent customers.

In view of the adverse situation, it is recommended that Wing On should reposition itself in order to revitalize its business. Under this circumstance, the relevant positioning statement and positioning strategy guidelines are suggested.

Through this study, it is found that the nature of positioning concept is segmentation, target marketing, and differentiation. Moreover, for better market performance, when applying the conceptual framework of the positioning strategy process, both the positioning statement and positioning strategy should be taken into consideration at the corporate management level. Also, there is a close linkage between marketing and positioning. On the whole, it is envisaged that the positioning/repositioning concept will be more important and popular in the days to come.

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CHAPTER ONE

INTRODUCTION

1.1 The New Positioning: The Latest on the World's #1 Business Strategy

In 1996, Trout and Rivkin published their book 'The New Positioning: The Latest on the World's #1 Business Strategy'. In this book, Trout and Rivkin claimed that in 1995 alone, the word 'positioning' was mentioned 16,917 times in U.S. publications. At the same time, they said that they would like to update the positioning concept to show the full scope of the influence that the positioning concept might have in the business world.

Ever since the publication of the book 'Positioning: The Battle for your Mind' by Al Ries and Jack Trout in 1981, there have been different responses from the academic and business fields (Aaker and Shansby, 1982; Ogilvy, 1983; O'Shanghnessy, 1984; Ennis, 1986; Perry, 1986). Five years later, Ries and Trout (1986) claimed that positioning had proven helpful to anyone who wanted to influence other people and that positioning could get a message across and make an impression that lasts. The publication of these two books really raised the status of positioning in the marketing world. However, such is the volume of material which has been published since, it can be difficult to fully grasp the nature and role of positioning.

1.2 *Significance of the Study*

To evaluate the degree of significance of the positioning concept, it is necessary to first understand the role of the positioning concept in the marketing context. Thus this section will first look briefly at the basic principles of marketing and then discuss the relationship between positioning and marketing. By understanding the role of positioning in the marketing context, the significance of this study will thus begin to emerge.

1.2.1 *The Principles of Marketing*

Marketing, according to the American Marketing Association (1985), has been defined as “the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.” With such a definition in mind, the application of marketing can be found in every business. From Kotler’s (1994) point of view, the definition of marketing rests on the following core concepts:

Needs, wants and demands

Product

Value, cost and satisfaction

Exchange, transactions and relationships

Markets

Marketing and marketers

Apart from the above core concepts, Kotler also discussed the company's orientation toward the marketplace. He considered that organizations conduct their marketing activity under the following five competing concepts:

The production concept

The product concept

The selling concept

The marketing concept

The societal marketing concept

It is observed that the production, product, and selling concepts may no longer fit this ever evolving marketplace. However, the marketing concept still counts and the societal marketing concept is gradually coming to play a more and more dominant role.

The marketing concept is the consumer-oriented marketing philosophy and was first introduced by General Electric in the mid-1950s. This concept emphasizes that: to be successful, a company should determine the needs and wants of specific target markets, and through the integration of the marketing mix, deliver the desired satisfactions better than the competition (Berry, 1988). With the application of the marketing concept, organizations are able to pursue profits through customer satisfaction. However, in view of the social and environmental changes, such profit and customer goals are not the only goals the marketers should pursue, they also have to adhere to principles of social responsibility in the marketing of their goods and services. With the emergence of such societal considerations in relation to the

marketing concept, Kotler called on marketers to restructure the definition of the marketing concept by fulfilling the needs of the target audience in ways that improve society as a whole while fulfilling the objectives of the organization – the new marketing philosophy of societal marketing concept.

By applying the marketing concept and the societal marketing concept, it is reasonable that an organization can get its share of pie in the market. However, owing to the relative over supply and under demand of products, especially after World War II, the market itself becomes an arena within which each organization has to struggle for survival. In this competitive marketplace, the way for survival is to serve customers better. Moreover, marketers believe that customer retention should receive even greater priority than new customer solicitation (Engel et al., 1995), thus the idea of relationship marketing emerges. It is hoped that, by giving the customers some kind of personal connection to the business, the customers will be feeling good and that the long-term bonds could be established (Copulsky and Wolf, 1990). With the popularity of computer databases, marketers now can make use of information retrieval for better service delivery. As a result, the concept of micromarketing is gradually adopted (McCarthy, 1991; Deveny, 1991).

It can be seen that, because of the keen competition, customers are much better served than before. However, an organization or a product cannot serve all the needs of each different market segment. Therefore, by considering the competition, the use of the marketing mix, and the target market, an organization should communicate the right perceptual framework to its customers, so that the customers will have the right expectation and thereby better satisfaction will result (Labarbera

and Mazursky, 1983; Churchill Jr. and Suprenant, 1983). To fulfill all the above work, one has made the best use of the marketing management process. Therefore, within the marketing domain, the marketing management process has made lots of contributions.

1.2.2 The Positioning Concept in the Marketing Management Process Context

Positioning, according to Ries and Trout, is defined as “An organized system for finding windows in the mind.” (Ries and Trout, 1981, 19) Or, to put it another way, “Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.” (Ries and Trout, 1981, 2) From Ries and Trout’s point of view, positioning does not confine itself to the product alone, its application may be extended to a company, a service, etc. Moreover, they emphasized that the position that an organization takes into consideration will not only show the organization’s own strengths and weaknesses, but also those of its competitors as well. Apart from that, they were also concerned about the consistency of communication for successful positioning.

During the marketing management process, Kotler (1997) considered that there are four major steps:

Analyzing marketing opportunities

Developing marketing strategies

Planning marketing programs

Managing the marketing effort

Here at the second step, Kotler advised marketers to make use of positioning strategy together with marketing strategies. With the involvement of positioning beginning at the second step of the marketing management process, it goes without saying that the effects of positioning on the third step 'planning marketing programs' and the fourth step 'managing the marketing effort' are highly influential.

In addition to the marketing management process, Kotler also considered that the essence of strategic marketing can be described as STP – namely segmentation, targeting, and positioning. Through this line of thinking, it is found that positioning is part of STP, which in turn is the essence of strategic marketing. Alternatively, strategic marketing is the key issue of the marketing management process. Ultimately, the marketing management process is the dominant force in the marketing domain. As a result, the linkage between positioning and marketing is shown to be in the form of: Marketing – The Marketing Management Process – Strategic Marketing – Positioning.

1.2.3 The Significance of the Positioning Concept

Since Kotler considered that STP is the essence of strategic marketing, therefore the critical influence of STP on marketing mix should not be ignored. As positioning is one of the components of STP, therefore, findings about the positioning concept, from the marketers' point of view, should be very important and influential. Thus, the author would like to, through this study, find out the

nature and application of the positioning concept so as to make a contribution in this aspect.

1.3 The Objectives of the Study

This study has five objectives. The first objective is to investigate how people interpret 'positioning'. Just like the definitions of marketing and management, different people may have different interpretation of such a term. Therefore, this study will take a look from such a perspective, because this term became popular only from the 1970's. Moreover, since this study is more retailing-oriented, the investigation of the term is first from a marketing perspective and is then narrowed down to the retailing perspective. This will ensure that the understanding of the term is more specific and relevant.

The second objective of this study is, from a case study approach, to investigate the impact of positioning strategy on a designated retail store. More precisely, this objective will focus on three issues:

- (1) To find out how the management of the store interpret the positioning concept.
- (2) To find out how the management of the store implement the positioning strategy.
- (3) To find out the effect of the positioning strategy on both employees and customers.

As for the third objective, it is to provide a summary of the retail situation in China, in particular, of Wuhan. This is needed in order to be able to place the positioning evolution of the retailer in question, as described in objective two, into context.

The fourth objective, from the academic point of view, is to sketch a model that will better explain the impact of positioning strategy on the customer shopping components.

The fifth objective is to make conclusive remarks about the positioning concept and to make positioning related recommendations to the store for further improvement.

1.4 The Research Approaches

For this academic study, both primary and secondary data are used. As a starting point, this study begins with literature review on the various dimensions of the positioning concept. Various literature from journals, books, etc. is examined, so as to trace the nature of the positioning concept.

The store involved in this study is the Wuahn Wing On Children Shopping and Amusement Centre Company Limited (hereafter called Wing On), which is situated in Wuhan City of The People's Republic of China. To understand the retail situation in China and Wuhan, data from governmental bodies, articles from newspapers and magazines, condensed findings from professional institutions are also used. In case the secondary data are not ready available, in-depth interviews

with knowledgeable persons, on site observation of the actual environment, etc. are also conducted so as to collect as much information as possible. It goes without saying that the use of interviews and discussion with the personnel of Wing On is indispensable.

If inputs from the personnel of Wing On are quite important, the feedback from the customers is even more critical. In view of the changing buying behavior of consumers (Engel et al., 1995), it is necessary to conduct a survey for investigating customers' perception and shopping patterns. Thus, research design with focus group interviews and customer survey is planned. The results of the survey are then analyzed to measure against the impact of the positioning strategy.

Therefore, for this study, both the qualitative and quantitative approaches are used. This combination of research approaches can fulfil the designated objectives in due course.

1.5 The Structure of the Thesis

For the structure of this thesis, different approaches are used so as to deliver the message precisely and concisely and, at the same time, keeping the thesis as coherent as possible. Generally speaking, the macro perspective will be examined and then followed by the micro perspective. Topics will be discussed from general to specific and observations will be made from outside to inside. The whole structure should be as systematic as possible.

This thesis is divided into twelve chapters. The first chapter is the introduction which aims at explaining the reasons why this positioning study is conducted. First of all, the issue about the positioning concept is raised, and then the significance of the study is highlighted. At the same time, the objectives of the study are stipulated.

In Chapter Two, the literature review is presented, moving from the general to the specific. At the beginning, the general interpretation of positioning concept is sought, then such interpretation is narrowed down to marketing specific and retailing specific issues. Thus the interpretation of the positioning concept from different perspectives can be scrutinized.

Chapter Three is the continuation of Chapter Two. Here in this chapter, all the ideas about positioning as stated in Chapter Two are re-examined. Through comparison and consolidation of all the ideas, the nature of the positioning concept is delineated. Meantime, by further manipulating the ideas, a positioning strategy process model is proposed. Such model, as a system, provides guidelines for the progression of the thesis.

Chapter Four is related to the research methodologies that are applied in this study. The qualitative and quantitative aspects of research are investigated. In terms of survey research, the process for the design and contents of questionnaires are described. Issues about testing of hypotheses, sampling frames, etc. are also discussed.

After the theoretical perspective of the positioning concept is settled, the practical perspective of the concept is examined. Because the store under investigation is situated in China, as a starting point and from the macro perspective, the retailing environment in China is being discussed. Thereafter, by moving down to micro perspective, the retailing environment in Wuhan, where the store is located, is also observed. Apart from the description of the actual retailing environment, the key strategies for success in the Chinese retail market and the future development of the retail trade in China and Wuhan are also discussed. The above are the contents of Chapter Five.

Chapter Six looks specifically into the background of Wing On. The story starts from the joint venture intention of its parent company, the Wing On Department Stores (Hong Kong) Ltd. Systematically, further elaboration on the establishment of the new company, its layout, product mix, organization, etc. are described one after another. A full picture about the company is provided.

As for Chapter Seven, it looks into the positioning strategy that is employed by Wing On. As a starting point, the author inspects how the management of Wing On interprets the positioning concept. Thereafter, an examination of the ways that the positioning concept is planned and implemented is carried out. At the same time, highlights of some promotion activities are elaborated so as to illustrate the application of the positioning concept.

The positioning concept is competition-oriented. Therefore, in Chapter Eight, detailed analysis about the competitive environment is illustrated. With the aid of

the Five Forces Model originated from Michael Porter, the children products market in Wuhan is analyzed. After a general picture is gained, specific investigation about the major competitor, the Children World of Wuhan Plaza is conducted. Thus, the whole competitive environment can be fully understood.

From Chapter Nine to Chapter Eleven, the focus is on the quantitative aspect of the study. By taking into consideration the role of the positioning concept in the marketing management process, and by considering the impact of positioning upon customer shopping behavior, the author has thus proposed a new model to illustrate the impact of positioning on customer shopping behavior. Thus Chapter Nine provides rationales about the background of the model. At the same time, multiple regression analysis is used to verify the relationships among the related components of the model.

In Chapter Ten, further quantitative analysis are also carried out. Apart from investigating the fourteen perceptual differences between the two competing stores by testing of hypotheses, further analysis is also carried out, by making use of the Fishbein Model, to measure the overall attitudes towards the stores. The impact of the positioning strategy on customer perception can thus be measured.

To analyze the customers from another perspective, Chapter Eleven tries to break down all the respondents into different groups and to make observations about the group behavior. By making use of different criteria, seven groups are formed. These groups are: the total respondents, the employees, the customers, the Children World customers, the Wing On customers, the frequent customers, and the

infrequent customers. Each group, in most cases, is examined in terms of their demographic background, perception, shopping behavior, Thus an all-round understanding about the impact of the positioning strategy can be observed.

Ultimately, Chapter Twelve, by giving conclusions and recommendations, is the last chapter of this study. Here in this chapter, the author provides some concluding remarks about the positioning concept. At the same time, the author also makes recommendations to Wing On for further improvement of its business. Limitations of the study are raised and the direction for future research is also discussed.

To observe the various chapters graphically, Figure 1.1 shows the topics and sequence of the twelve chapters.

It is the firm belief that, through this in-depth study, the author can benefit a lot through such an influx of knowledge which will be a valuable asset for further pursuit of academic excellence.

Figure 1.1

Sequence of the Various Chapters

Chapter One Introduction
Chapter Two Literature Review
Chapter Three The Nature of the Positioning Concept and the Process of the Positioning Strategy
Chapter Four Research Methodology
Chapter Five Retailing in China and Wuhan: An Overview
Chapter Six History of Wuhan Wing On Children Shopping and Amusement Centre Company Limited
Chapter Seven Positioning Strategy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited
Chapter Eight An Analysis of the Competitive Environment of Wuhan Wing On Children Shopping and Amusement Centre Company Limited
Chapter Nine Analysis of Findings (1): Modeling of the Role of Positioning with M M Process, Competition & Customer Shopping Components
Chapter Ten Analysis of Findings (2): Testing of Hypotheses and Comparison of Attitudes
Chapter Eleven Analysis of Findings (3): Comparison of Different Groups of Respondents
Chapter Twelve Conclusions and Recommendations

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter first takes a look at the meaning of ‘positioning’ from different perspectives and, thereafter, carries out an in-depth study of the relationship between marketing and retailing. Thus, the various aspects of positioning can be explored and a thorough understanding of the concept can be put forward.

2.2 Market Orientation, Retail Internationalisation, Organisational Change and Positioning

Before turning to positioning itself, it is equally important to understand the derivation of the need for positioning. By far, this may be traced back to the concepts of market orientation, retail internationalisation, and organisational change.

2.2.1 Market Orientation

For market orientation, Kohli and Jaworski (1990) viewed the constructs of market orientation from three perspectives: customer focus, coordinated marketing and profitability. By investigating the construct and managerial implications of market orientation, they claimed that market orientation is likely to be related to business performance in general. In addition, they stated the three elements of market orientation to be intelligence generation, dissemination, and responsiveness. They

also found that such factors are controllable by the senior managers and permit the deliberate engendering of a market orientation within an organization.

Narver and Slater (1990) went further and hypothesized that market orientation is a one-dimensional construct which consists of five components. These components are customer orientation, competitor orientation, interfunctional coordination, a long-run focus, and a profit objective. At the same time, they also assumed that if a business wishes to maximize its long-run profits, it must continuously create superior value for its target customers. In order to create continuous superior value for its customers, it must be customer oriented, competitor oriented, and interfunctionally coordinated. Such findings are further reinforced by Jaworski and Kohli (1993). By searching on the antecedents and consequences of market orientation relationships, they found that the amount of emphasis that top management place on market orientation can affect the generation of market intelligence, its dissemination within the organization and the responsiveness of the organization. They argued that where there is more emphasis on market orientation, there will be better performance.

By investigating the customer orientation of Japanese firms, Deshpande, Farley and Webster, Jr. (1993) found that the marketers' customer orientation is positively related to business performance and also that the customers' perceptions are relatively more important than the marketers' perceptions. Also, by examining the impact of the competitive environment, Slater and Narver (1994) observed that environment moderates the strength of the market orientation-performance relationship and the effectiveness of different relative emphases within a market

orientation. Therefore, it is imperative to be competitive oriented in the market arena. Apart from that, Slater and Narver (1995) also advocated the contribution of organizational learning toward market orientation, as such learning can position the organization to achieve competitive advantage.

By inspecting the performance of small firms, Pelham and Wilson (1996) investigated the role of market environment, corporate strategy and organization structure with market orientation. Through the testing of their 'expanded model of small firm profitability', they argued that perceptions of the market environment are related to organizational structure and that perceptions of competitive intensity are also related with corporate strategy. All three of these elements have an impact on market orientation. Then the market orientation, in turn, can influence the business position variables such as relative product quality, marketing effectiveness and profitability, but not growth or market share.

Market orientation not only can help companies to make profits, but also can enhance channel relationships. Siguaw, Simpson and Baker (1998), found that market orientation can instill and promote trust in channel relationships which ultimately will enhance organizational performance. By inspecting the cosmetics industry of Spain, Bigne et al. (2000) observed that market orientation and competitive positioning are not isolated fields. Lately, through the investigation of the 'influence of a market orientation on firm value' model, McNaughton et al. (2001) postulated that a market oriented firm is able to build market based assets and this can be deployed to create customer value.

2.2.2 *Retail Internationalization*

In terms of retail internationalization, because of the improvements in transportation, communications, etc., the pace of retail internationalisation has been quickened (Corporate Intelligence, 1991). In addition to that, environmental changes also help. For example, Pioch, Davies and Bennison (1992) observed the impact of retail internationalization by British pharmacy firms which expanded into Germany because of the advent of the Single European Market (SEM). Indeed, internationalization of retail operations is a well established strategic option of companies (Burt, 1995). There are many motives behind this option, and Alexander (1995) summarised the motives as 'push and pull' classifications and the 'reactive vs proactive' approaches.

According to retail internationalization studies, the impact of such an action is quite tremendous. Once the new player is in the foreign market, because of the struggle between the international retailers and indigenous retailers, the impact of retail internationalization may cause changes in supply and distribution channels, locational patterns, management techniques, cultures, etc. (Bennison and Gardner, 1995) Under this situation, McGoldrick (1995) considered that even though a retailer is very successful in the home market, it typically is still required to reposition itself in the new market (i.e. foreign market), and McGoldrick and Blair (1995) also called for recognition of the importance of international market positioning.

Thus, an international operation is more complicated because the internationalization of retailing will force a retail organization to move to a level of international integration (Alexander, 1997). International retailers need to be able to manage operations across different market environments using either the same or new images, based on the same or different market orientations. This has many parallels with the debate in the literature about the use of global or multinational investment strategies in retailing (Salmon and Tordjman, 1989).

As such, Burt and Carralero-Encinas (2000) also emphasized that before replicating their image and positioning overseas, retailers should fully understand the importance of image in competitive positioning and the components of store image.

2.2.3 Organisational Change

In order to cope with retail internationalization, organisational change is thus likely to be inevitable. For example, Bennison and Boutsouki (1995) found that the liberalization of the trading environment in Greece called for retail change, and thus organisational change was derived. However, in terms of change, organisations should proceed cautiously. For example, regarding the scope and format of future investment in new stores, Clarke, Bennison and Guy (1994) suggested that retail potential should be defined locally and not just by referring to the quality of competing organizations. Therefore some change is needed but this all depends on the situation, because as McGoldrick (1995) argued some retail formats such as Benetton and Toys 'R' Us are amenable to export while others may not be, thus more or less organizational change will be needed.

From a retailer perspective, by taking into consideration the prerequisite need for market orientation, which is linked with the prevailing degree of retail internationalization and the organisational change that follows, positioning can help considerably to upgrade the level of company performance (McGoldrick and Blair, 1995; Bigne et al., 2000, Burt and Carralero-Encinas, 2000).

After the general understanding for the derivation of positioning through the forces of market orientation, etc., it is time to focus on the positioning issue only.

2.3 The Beginning of the Positioning Era

In the business sense, marketing practitioners have used the term 'market position' for quite some time. However, the term 'positioning' started to gain people's attention only from the nineteen seventies. In 1972, Trout and Ries claimed the forthcoming of the 'positioning era' by introducing the term 'positioning' into the marketplace. From their point of view, they thought that positioning was a great breakthrough because it was when:

“..... people started thinking of positioning not as something the client does before the advertising is prepared, but as the very objective of the advertising itself. External, rather than internal positioning.”

(Trout and Ries, 1972a, 38)

After the first introduction of the idea of positioning in April 1972, Trout and Ries (1972b) provided many examples of how to apply positioning techniques and

marketing companies such as Avis, Goodrich, ACF, etc. were mentioned.

Ultimately, they made the final remarks for the article by saying:

“The name of the marketing game in the seventies is “positioning.”
And only the better players will survive.”

(Trout and Ries, 1972b, 54)

Through these positioning series in Advertising Age, it is observed that, as perceived by Trout and Ries at that period of time, positioning was mostly to do with advertising, the involvement of positioning was imperative and it attached to advertising all the way through.

By looking backward, Trout claimed that he had already proposed the application of positioning concept in the June 1969 edition of Industrial Marketing Journal with an article entitled ‘Positioning is a game people play in today’s me-too marketplace.’ It is observed, therefore, the idea of positioning was already raised before the 1970s, but since people then paid less attention to such issues, the concept was overlooked. The reason for positioning to grip people’s attention in 1972, according to Trout and Ries, was partly contributed by the fact that Mr. David Ogilvy on Wednesday, April 7, 1971 made a remark in the Advertising Age that “The results of your campaign depend less on how we write your advertising than on how your product is positioned.”

In 1981 Ries and Trout’s book entitled ‘Positioning: The Battle for Your Mind’ further expanded the contents of their previous 1972 articles. In the book, they gave more vivid pictures about the reality of positioning. In addition to providing information on the definition, they also gave more details about the various ways of

positioning. Here, the usage of positioning was no longer confined to products or brands, but also to the company, country, etc.

In the introductory chapter of the book, they defined 'positioning' with the following full paragraph:

“Positioning starts with a product. A piece of merchandise, a service, a company, an institution, or even a person. Perhaps yourself. But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect. So it's incorrect to call the concept “product positioning.” As if you were doing something to the product itself. Not that positioning doesn't involve change. It does. But changes made in the name, the price and the package are really not changes in the product at all. They are basically cosmetic changes done for the purpose of securing a worthwhile position in the prospect's mind. Positioning is also the first body of thought that comes to grips with the problems of getting heard in our overcommunicated society.”

(Ries and Trout, 1981, 2-3)

By comparing the 1972 articles and 1981 book, it is observed that the basic skeleton of the positioning idea is almost the same, but with some more examples fully illustrated in the 1981 book. Also, the application is no longer confined to products or brands, but is extended to almost everything in the marketing arena.

In 1996, Jack Trout together with Steve Rivkin published a new book on positioning entitled 'The New Positioning: The Latest on the World's #1 Business Strategy.' In this book, they tried to up-date the concept of positioning, and thus there are three parts in this new book. Part One is divided into six chapters, with further discussion about consumers' 'mind.' As for Part Two, it stresses on 'Repositioning,' within which six cases are quoted about how and why

repositioning are needed. The author is of the impression that Trout and Rivkin emphasised on the forthcoming of 'Repositioning Era' as they stressed that nowadays, the danger of losing market position is especially great because of changing technology, changing consumer attitudes, competing global economy, and competing creative executives (Trout and Rivkin, 1996). For the Part Three, the two authors revisit some mistakes that businessmen should avoid regarding positioning and repositioning. Their spirit mostly still adhered to the 1981 origin for good name and narrow focus. However, they did advise businessmen to implement any difficult positioning strategy slowly, especially if such a strategy involves the nature of 'repositioning.'

2.4 Interpretation of the Positioning Concept

As a starting point of this thesis, it is imperative to have a clear interpretation of the positioning concept. Thus, the interpretation of the positioning concept is from two perspectives: first from the dictionary and second from the various academics. Through such search, it is hoped that the meaning of positioning can be better understood.

2.4.1 Dictionary Interpretations of the Positioning Concept

Among the public in general, people are quite familiar with the word 'position'. According to Webster's New World Dictionary (1991), it interprets 'position' as follows:

POSITION n

- 1 the act of positing, or placing
- 2 a positing of a proposition; affirmation
- 3 the manner in which a person or thing is placed or arranged; attitude; posture; disposition
- 4 one's attitude toward or opinion on a subject; stand
- 5 the place where a person or thing is, esp. in relation to others; location; situation; site
- 6 the usual or proper place of a person or thing; station
- 7 a location or condition in which one has the advantage
- 8 a strategic military site
- 9 a person's relative place, as in society; rank; status
- 10 a place high in society, business, etc.
- 11 a post of employment; office; job
- 12 Finance the long or short commitment of a market trader in securities or commodities
- 13 Music a)

POSITION vt

- 1 to put in a particular position; place or station
- 2 to locate

(Webster's New World Dictionary, 1991, 1053)

Therefore, this word seems little different from other words in the dictionary, it does not seem to be uncommon or unusual in the literal perspective. However, it looks very different when people interpret it from the business perspective.

The word 'positioning' is found in the American Marketing Association's Dictionary of Marketing Terms, but it is referred to as 'product positioning'. By further investigating this phrase, the following citation is found:

"product positioning: (1) How consumers, users, buyers, and others, view competitive brands or types of products. As determined by market research techniques, the various products are plotted onto maps, using product attributes as dimensions. This use of product positioning is perceptual, not necessarily valid as based on measured product attributes. Historically, the competitive product positioning was based on sales rank in the market (rungs on a ladder), but this limited perception has long since given way to the full range of product assessments, including psychological one. (2) For new products, product positioning means how the innovator firm decides to compare the new item to its predecessors. For the new item, the mental slates of persons in the market place are blank; this is the only

chance the innovator will have to make a first impression. Later, after the introduction is over, the earlier definition of positioning will take over, as persons make their own positioning of decisions. (3) For both new and established products, a product's positioning may be combined with a target segment to integrate the marketing tool decisions. Its earlier use exclusively in advertising is no longer appropriate. [CMC]"

(Bennett, 1988, 157)

We can see that, from here, marketing practitioners in this circumstance interpret product positioning as positioning, and that this product positioning has three related explanations.

To continue this investigation from another perspective, The Marketing Dictionary (Hart and Stapleton, 1992) does not have any single word shown as 'positioning', instead it has two related phrases - positioning theory and product positioning - to help explain the idea of positioning. The definitions of positioning theory and product positioning are as follows:

"Positioning theory - Advertising style devoted to owning a part of the consumer's mind, so occupying a position of trust and loyalty for the brand concerned."

"Product positioning - Examining the perception of a product in relation to its competitors in terms of a series of predetermined criteria, i.e., consumer benefits. And then to take such communications actions as are necessary to move it to a stronger or more desirable perception, viz, to change its position in relation to its competitors."

(Hart and Stapleton, 1992, 177; 187)

Thus, by scrutinising these dictionaries, the meaning of positioning is made a little clearer. By further expanding the idea of position and positioning, other related terms or phrases in these two dictionaries are: competitive position, market

positioning, positioning analysis from Dictionary of Marketing Terms and market position from The Marketing Dictionary.

Interpretations from dictionaries are helpful, as they provide a summary of marketing thought. However, in order to understand how to apply the concept, it is now necessary to turn to a wider review of the academic literature.

2.4.2 Academic Interpretations of the Positioning Concept

Even though the response to the positioning ideas of Trout and Ries was encouraging, right from its inception some doubts have been raised about the concept. For instance, Springer argued that: "The concept of positioning is a poor marketing tool unless it is accompanied by an understanding of market segmentation." (Springer, 1972, 31) The underlying reason for raising such a comment was that, Trout and Ries always talked about prospects' minds, but they seldom mentioned which group of prospects - it was difficult to trace whether they already had the idea of market segmentation in mind or not. Certainly, apart from differentiation, the different product attributes should appeal to different market segments. Springer was very concerned with the application of market segmentation to the positioning strategy.

Aaker and Shansby (1982) consolidated the idea that positioning had something to do with segmentation, image and product features. In addition, the ideas of associations, total impression, and competition were mentioned. They illustrated and discussed the six approaches to positioning strategy, namely positioning by (1)

attribute, (2) price-quality, (3) use of applications, (4) product-users, (5) the product class, and (6) the competitors. Apart from that, they also suggested there are six steps for the process of developing a positioning strategy:

1. Identify the competitors
2. Determine how the competitors are perceived and evaluated
3. Determine the competitors' positions
4. Analyze the customers
5. Select the position
6. Monitor the position

On the whole, they expressed their impressions upon positioning as follows:

“The identification and selection of a positioning strategy can draw upon a set of concepts and procedures that have been developed and refined over the last few years.”

“Positioning usually means that an overt decision is being made to concentrate only on certain segments. Such an approach requires commitment and discipline because it's not easy to turn your back on potential buyers.”

(Aaker and Shansby, 1982, 61)

Aaker and Shansby, it is observed, had set very good guidelines for the approaches to positioning strategy and the process of developing positioning strategy.

Other academics have tried to clarify the positioning concept and its relationship to market orientation. Perry (1986), for example, distinguished between position and positioning in such ways:

“Market positioning related to the competitive standing of a product in the marketplace. Product positioning means the position of a product in the consumer's mind. In the marketplace, the market position of a product is measured by the market share. The product position can be determined by a comparison of product attributes. In

the consumer's mind, the reputation of a product describes the market position, the image of a product indicates the product position."

(Perry, 1986, 9)

Doyle (1987) believed that when analyzing marketing problems and developing marketing plans, four concepts played a central role. These four concepts were market segmentation, the differential advantage, positioning strategy and relationship management. To Doyle, positioning was the amalgam of market segmentation and differential advantage. Additionally, he made the following remarks:

"Positioning strategy refers to the choice of target market segment which describes the customers the business will seek to serve, and the choice of differential advantage which defines how it will compete with rivals in the segment..... The appropriateness and effectiveness of the positioning strategy is the major determinant of a business' growth and profit performance."

(Doyle, 1987, 276)

It seems, however, that Doyle treated positioning as a concept which is crucial and fundamental to the success or failure of a business.

To clarify the market-positioning concept, Johnson (1987) considered it to be "the identification of particular customer expectations which provide opportunities to provide a specific retail mix." In addition, the advantages of market-positioning, from Johnson's point of view, were that it:

1. Differentiates the business from competitors;
2. Creates barriers to entry;
3. Provides relative advantages over competitors and suppliers; and
4. Serves as a base for further development of strategy.

(Johnson, 1987, 83)

Johnson considered that there were lots of advantages to be gained from positioning, but there were drawbacks also. He was mostly concerned with such drawbacks as (1) competitor imitation, (2) life-expectancy of a specific positioning, (3) costs involved in research, image-building, etc. and (4) the possible problems of re-positioning.

Hiebing Jr. and Cooper defined positioning as follow: “By positioning, we mean creating an image for your product in the minds of the target market. Within your target market you must establish the desired perception of your product relative to the competition.” (Hiebing Jr. and Cooper, 1990, 117) As such, they considered positioning to be the base for all communications.

As for the different types of positioning, Hiebing Jr. and Cooper classified them in the following ways:

1. Position by product difference
2. Position by key attribute/benefit
3. Position by the user of your product
4. Position by usage
5. Positioning against a category
6. Positioning against a specific competitor(s)
7. Positioning by association
8. Positioning by problem

(Hiebing Jr. and Cooper, 1990, 119-122)

In addition to following Aaker’s ideas, they proposed more ways of handling positioning. Also, they suggested two methods for positioning the products, the first was to position by matching and the second was to position by mapping. They recommended that practitioners use both methods simultaneously. Last but not the least, they advised on how to write the positioning strategy and stated the dos and

don'ts of positioning. Thus they made lots of contribution towards the usage of the positioning concept.

Apart from market position and market positioning, some academics are interested in competitive positioning. According to Hooley and Saunders (1993), whilst they were in accordance with the definition of positioning as suggested by Ries and Trout, they described competitive positioning in this way:

“The competitive positioning of the company is a statement of market targets, i.e. where the company will compete, and differential advantage, or how the company will compete. The positioning is developed to achieve the objectives laid down under the core strategy.”

(Hooley and Saunders, 1993, 36)

From their point of view, competitive positioning involved market targets and differential advantages. In addition, positioning was something (statement, tactics, methods, alternatives, etc.) to be developed for fulfilling the objectives of the core strategy. It seems that, in this case, competitive positioning is not a strategy itself but a way of fulfilling the core strategy or strategies.

In addition to competitive positioning, Hooley and Saunders considered that within the definition of positioning lay the roots of positioning research. They believed that positioning research was multidimensional and psychological in nature and that positioning research should proceed through stages:

1. Determine the competition
- 2a. Determine the competitive dimensions

- 2b. Determine the competitors' positions
- 2c. Determine the customer positions
3. Determine the positioning decision
4. Track the position

For the positioning research, Hooley and Saunders suggested various multidimensional packages such as KYST, PREFMAP, and MDPREF. In addition, they also argued for further investigation into the different positioning alternatives and the nature of evolving positioning.

From Philip Kotler's point of view, positioning was "the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customers' minds." (Kotler, 1997, 295) He advised companies to avoid four major positioning errors: (1) underpositioning, (2) overpositioning, (3) confused positioning and (4) doubtful positioning. He also mentioned seven positioning strategies which were quite close in nature to those suggested by Aaker and Shnasby and Hiebing Jr. and Cooper. Kotler also stressed that only after the positioning strategy was set then the company should take the next step for planning its competitive marketing strategies. Kotler also considered that, the heart of modern strategic marketing could be described as STP marketing - segmenting, targeting, and positioning.

Keller (1998) stated that after defining the target market and competition, then the positioning work could be implemented as part of strategic brand management. To

arrive at the proper positioning of the brand, Keller argued that the point-of-difference and point-of-parity associations should be established.

2.4.3 Summary of the Interpretation

After scrutiny of the interpretations from the various sources, it is found that there are variations among their point of views. However, they come into agreement on some major issues. For example, they consider that the main aim of the concept of positioning is to exert the designated conceptual framework in the minds of consumers. Positioning is highly related with segmentation, target market, and differentiation. The positioning strategy could be planned, implemented and analyzed.

2.5 Positioning - The Marketing Perspective

According to Ries and Trout, the definition of positioning is to “position the product in the mind of the prospect.” (Ries and Trout, 1981, 2) Also, Bennett (1981) and Hart and Stapleton (1992) set definitions on product positioning (see section 2.4.1). It seems that product is highly related with positioning. Since product is a very important component of the marketing mix. Therefore, it is worthwhile to look at positioning from the marketing perspective, beginning with the role of advertising.

2.5.1 Positioning and Advertising

From the marketing perspective, advertising is an element within the promotion component. Since Ries and Trout are both working in the advertising field, the positioning concept was first generated within the domain of advertising. Therefore, it is worthwhile to take a look at the relationship between positioning and advertising first.

Advertising, according to Bovee and Arens (1989), can be defined as nonpersonal communication of information about products, services, or ideas by identified sponsors through various media. As for positioning, Ries and Trout (1981) considered this to be the way to position the product in the mind of the prospect, and positioning can be a means of getting heard in the overcommunicated society. From the above statements, it is observed that advertising is the nonpersonal communication for getting the idea through whereas positioning is to get the specific idea through into the minds of customers with any means.

What Ries and Trout have in mind about positioning is that the customer should have a specific perception of a certain object and the customer can learn about such an object not just through personal or nonpersonal communications but also through various encounters in the market environment. This issue will be further illustrated in section 2.5.3.

In this section, the author would like to examine the opinions of advertising academics towards the positioning concept. In case those academics recommend

the positioning concept highly, then more of the audience will be influenced by the concept and vice-versa. With such an intention in mind, the author tries to scrutinise how the academics who have specialised in advertising have interpreted the positioning concept and to what extent they have put an emphasis on the positioning concept.

As a result of the survey through those popular publications, it is found that the majority of those academics used the word positioning in passing but only a few actually put emphasis on this aspect by writing a section or a paragraph about positioning. For example, Meyers (1984) just discussed image making; whilst Jenkins (1992) talked about corporate identity and image. Brannan (1993) emphasized the role of advertising for building image, and also the importance of corporate advertising. Brierley (1995) stressed the importance of advertising for corporate image. Schultz and Barnes (1995) devoted space to strategic advertising campaigns but mentioned less about positioning, image, or corporate identify. For the above academics, they may be classified as the school with less emphasis on the positioning concept.

On the other hand, even though both Trout, Ries, and Ogilvy are all in the advertising field, they may view 'positioning' differently. In his influential book, Ogilvy (1983) explained that:

“Now consider how you want to ‘position’ your product. This curious verb is in great favor among marketing experts, but no two of them agree what it means. My own definition is ‘what the product does, and who it is for’.”

(Ogilvy, 1983, 12)

Aaker and Myers (1987) treated positioning a bit differently. They are of the opinion that:

“A positioning strategy can provide a focus in the development of an advertising campaign. The strategy can be conceived and implemented in a variety of ways that derive from the object attributes, competition, specific applications, the types of consumers involved, or the characteristics of the product class. Each represents a different approach to developing a positioning strategy, even though all of them have the ultimate objective of either developing or reinforcing an image in the mind of the audience.”

(Aaker and Myers, 1987, 126)

Among all the advertising academics mentioned, Aaker and Myers spent the largest amount of space on a discussion of positioning, which almost accounted for twenty pages.

Ennis (1987), from the advertising practice perspective, considered positioning to be differentiation and perception. He also believed that positioning need not be just communicated by advertising alone. Instead, any element of the marketing mix (such as brand names, packaging, public relations, etc.) to which the consumer was exposed could also carry the positioning idea. From Ennis's point of view, the positioning idea can be permeated through all elements of the marketing mix.

Rossiter and Percy (1987) also accepted the positioning concept, and they preferred the positioning definition used by the various large advertising firms such as Ogilvy & Mather, etc. They were in support of the category 'ladder' concept of brand order

in positioning but they considered that Ries and Trout might overlook brand recognition as a path to purchase action. White (1988) mentioned a little bit about positioning, whereas Wells, Burnett, and Moriarty (1989) also talked about positioning briefly, and they considered positioning to be the way in which a product is perceived by consumers in the marketplace relative to the competition. Bogart (1996) stressed positioning, but he seemed to treat positioning as being highly related with segmentation.

Russell and Lane (1996) described positioning in the following way:

“Positioning is another term for fitting the product into the lifestyle of the buyer. It refers to segmenting a market by either or both of two ways: (1) creating a product to meet the needs of a specialized group; (2) identifying and advertising a feature of an existing product that meet the needs of a specialized group.”

(Russell and Lane, 1996, 112)

Russell and Lane also took segmentation and targeting into consideration, but their idea about creating a product to meet the needs of the target market was seldom mentioned by other advertising academics.

From the other perspective, Corstjens (1996) put more emphasis on positioning in her strategic advertising book. She even claimed that positioning is the other half of marketing strategy. Corstjens interprets positioning in such a way:

“The term ‘positioning’ is almost synonymous with differential or competitive advantage, as the purpose of any positioning is to bestow a differential advantage on a product. The terms image and brand personality are also used to describe positioning strategies of particular types.

The positioning of a product serves as the guiding principle in the whole marketing programme. The clarity of its definition is crucial

to ensure that all elements of the marketing effort are consistent and synergistic.”

(Corstjens, 1990, 44)

Nilson (1998) is quite concerned with competitive branding, he considered positioning as a tool for effective advertising. However, in terms of brand perception, Nilson emphasised the consistency and central role of positioning. He is also in favour of the ladder concept. To a certain extent, both Nilson and Corstjens claimed the important role of positioning in advertising.

From the above observation, it is clear that, among the advertising academics, there are different school of thoughts toward the positioning concept. Some do emphasise such a concept while others do not. Even among those who emphasise such a concept, they also show different degrees of preference towards and different angles of interpretation about the concept. On the whole, for those who emphasise the positioning concept, they do recognize that positioning can work together with advertising. For example, Trout and Ries also made such claims (see section 2.3).

2.5.2 Positioning and Corporate Identity/Image

By reviewing subsection 2.4.2, it is found that many academics interpret positioning in terms of image. Reciprocally, Ries and Trout mentioned ‘the mind of the prospect,’ which also implies ideas about image and perception. In addition, they claimed that the application of positioning is no longer confined to product and brand, but also to the company (see section 2.3), etc. In terms of complexity and

profundity, corporate image can be ranked higher in the hierarchy than product image or brand image. Corporate identity/image is a very important issue for the companies in general, therefore, it is imperative to make investigation about the relationship between positioning and corporate identity/image. Thus the positioning concept that is applicable to corporate identity/image will most properly be useful to the product image or brand image.

In the early twentieth century, the terms of corporate identity or corporate image were quite unfamiliar, instead it was corporate public relations that handled such corporate related issues (Tedlow, 1979). Until the mid nineteen-fifties, issues about corporate identity or corporate image started to spur (Schmidt, 1995) more and more business executives and academics to pay attention to these affairs. In most cases, such a topic was popularly debated in the nineteen-eighties.

2.5.2.1 Corporate Identity and Corporate Image

According to Mazursky and Jacoby (1986) and Wilkie (1986), image represents the stimulus value of an object for an individual and consists of core and peripheral attitudes. Aaker and Myers (1987) assumed that image can be extremely rich or very simple. They also observed that the terms 'position' or 'positioning' have been frequently used to mean 'image' with special reference to competition. Morello (1988) related the image issue to the banking business and considered image assessment to be vital for designing effective marketing strategies. Yavas and Shemwell (1996) considered image to be a total perception of an object which is formed by processing information from various sources, including word-of-mouth,

past experiences, and marketing communications. For image assessment or analysis, Engel, Blackwell, and Miniard (1995) believe that, within the image context, market research should be done so as to uncover the association of the various elements such as symbols, persons, advertising campaigns, slogans, logos, etc.

Interest in corporate image and management of the corporate identity has grown over the last few years. Even though the term corporate identity is used so often, there have still been some different point of views about the definition of corporate identity among the various academics. For example, Dowling (1994) considered corporate identity as 'the symbols an organization used to identify itself with people,' whereas Balmer (1995) emphasised 'What it is.' From another perspective, Van Riel and Balmer (1997) explained such a term from three paradigms, i.e. the graphic paradigm, the integrated communication paradigm, and the interdisciplinary paradigm. On the other hand, Markwick and Fill (1997) claimed that there are a number of components associated with corporate identity, namely: corporate image, reputation, personality and the linkages that exist between them. Also, they considered corporate image to be the totality of a stakeholder's perceptions of the way an organization present itself, either deliberately or accidentally. At the same time, Balmer and Stotvig (1997) argued that to acquire a favorable corporate image, managers should first have to understand and second to manage the organization's corporate identity; they too stated that corporate image is the impression of the overall corporation held by these various publics. From the above findings, it is observed that it would be much better to define the corporate identity in the first instance, and to project the corporate image thereafter.

The stores being laid on corporate identity in the literature re-emphasises the need to identify or establish the organisations' market orientation before proceeding to establish and project a corporate image. It also helps to explain why organisations have to be very careful when undertaking the process of internationalising their operations. Different environmental conditions may mean that either a different market orientation will have to be adopted to meet the organisation's objectives, or a different image and market position may need to be projected in order to maintain the equivalent market orientation.

2.5.2.2 Corporate Image and Corporate Communications Programmes

According to Bernstein (1984), corporate image is powerful because it is the net result of a mass of impressions. Corporate image can only be perceived and that, through consistency of communications, people can recognise corporate identity. The corporate identity helps to position the company and a mission statement should be useful for positioning purposes. In addition, advertising slogans are a substitute for thought and help to form stereotypes. Hence, the relationships between corporate identity, corporate image and corporate communications are made clearer.

Gary Jr. (1986) considered that corporate image is the key for securing and maintaining public trust. However, consumer perceptions of corporate image may take a different slant, thus the goal of corporate image program is to bring perception into line with reality and through such the corporate goals can be achieved. He is of the opinion that copies should promote towards consumers by means of name, logo, and slogan. He also quoted the example of Atlantic

Richfield Corporation (ARCO) as a successful corporate communication case. Because, through communications and public works, ARCO could reverse the public perception of the company's name from negative to positive.

Garbett (1988) was convinced about the benefits of a positive image and he also insisted on the establishment of a corporate mission statement before the formation of corporate strategy, corporate identity, corporate image, etc. At the same time, he advocated the use of corporate advertising for communication purpose.

On the other hand, Olins (1989) considered that corporate identity must be visible, tangible and all-embracing and that it is expressed in the names, symbols, logos, colours and rites of passage which the organisation uses to distinguish itself. Moreover, corporate identity programmes can be used as a change agent to express three separate but interrelated themes - coherence, symbolism, and positioning. Since Olins is a graphic designer by business, it comes as no surprise that he puts more emphasis on the symbolism of corporate identity.

2.5.2.3 Relationships among Identity, Image, and Communications of the Corporate

Ind (1990) distinguished the relationship between corporate identity and corporate image and the function of corporate communication. He claimed that a logo is useful but we should not ascribe too much value to it because of its limited function. He was in favour of determining the organization's position in term of market dynamics and that positioning should act as the guide for all communications both internally and externally. He was of the opinion that corporate identity and

corporate strategy are closely inter-related and that the design system of corporate communications includes the elements of names, graphics, slogans, and language. In terms of slogan, Ind considered it to be helpful and it can act a rallying cry too. Ind even proposed ten key points for a successful corporate identity programme, the first and most important point of which is to take a long-term perspective. Apart from that, Ind (1997) raised the issue about corporate brand, in which he stressed the vision, values and leadership of the corporate brand and differentiated it from corporate identity and corporate image.

Schmidt (1995) designed a conceptual model for holistic corporate identity development, which included five operational dimensions: corporate culture, corporate behavior, market conditions and strategies, products and services, and communications and design. In addition, he also divided the process into four phases:

- “Phase 1: Given tasks and problem statement
- Phase 2: Status quo and strengths and weaknesses analysis
- Phase 3: Positioning strategy and scope of action recommended
- Phase 4: Corporate identity measures”

(Schmidt, 1995, 38)

From Schmidt’s point of view, to apply the holistic corporate identity development model, a corporation should first formulate a problem statement so as to decide on the tasks (phase 1). Then it should analyse the strengths and weaknesses of the corporation in terms of corporate culture, corporate behaviour, market conditions and strategies, products and services, and communication and design (phase 2). Thus through scrutiny of the above factors, the positioning strategy can be defined

and detailed plans can be finalised (phase 3). Finally, after the implementation of the positioning strategy and plans, actions should be taken to measure the relevant corporate identity factors as stated in phase 2 (phase 4). Thus the cycle of the model is completed. Figure 2.1 shows the original model of Schmidt.

From the above literature, it is understandable that, for the company in general, the mission statement should first be set. Then corporate identity should be established and corporate image could be projected. The overwhelming majority of academics considered that positioning or repositioning is needed for the establishment of corporate image. As such, the corporate communication programme is indispensable. The communication programme may include the various elements such as: corporate advertising, graphics, slogans, logos, etc.

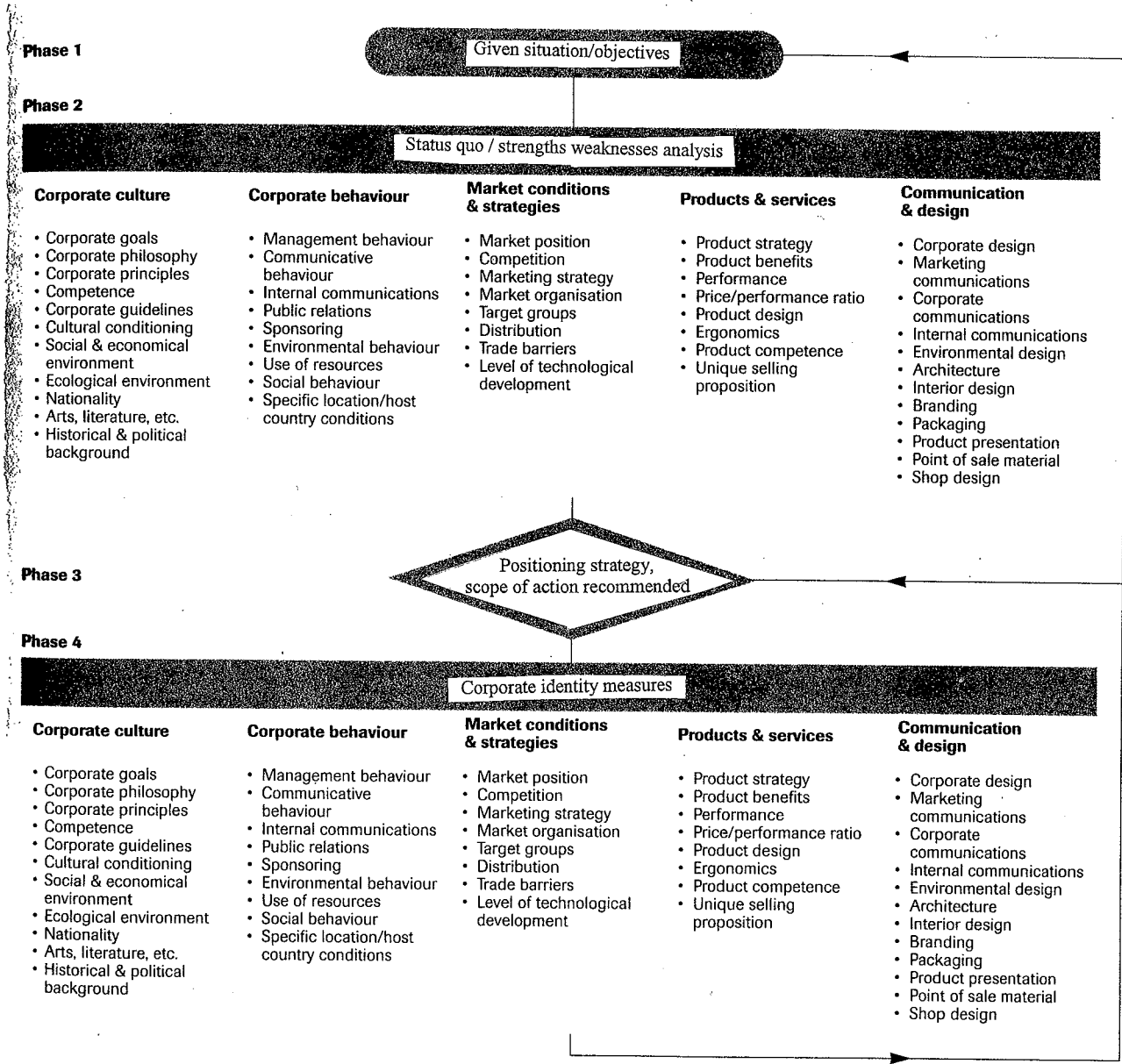
2.5.3 Positioning and Strategic Marketing

For the majority of marketing academics, strategic marketing is considered to be the highest spirit of the marketing concept. Ries and Trout claimed it was then the 'positioning era.' (see section 2.3) Therefore, the author would like to take a look at how the various academics specialising in strategic marketing interpret the concept in this positioning era. Also, to what extent the concept is being emphasised.

There are a number of different definitions of strategic marketing. Cravens (1991) considered strategic marketing to be market-driven, taken into account the changing environment, focused on financial performance. However, Thomas and Gardner

Figure 2.1

Process Model of Holistic Corporation Identity Development



Source: Schmidt, Klaus (ed) (1995) *The Quest for Identity: Corporate Identity, Strategies, Methods and Examples*, London, Cassell, p.39

(1985) looked at strategic marketing in terms of the broad structure of the marketing 'mix' in the context of the long-term competitive position. Lambin (1993) believed that the purpose of strategic marketing was to achieve above normal market performance. On the whole, it is strategic marketing that guides all the marketing operations.

Cafarelli (1980) was keen on new product development and product management. He stressed the importance of a positioning blueprint which tries to connect the end benefit of the product with the proper supporting attributes. At the same time, he also recommended the use of a positioning statement, which incorporates the positioning blueprint and the product blueprint. Above all, he emphasised that the marketing process, which includes the advertising and marketing plan, must follow and be based upon the positioning statement. Thus, we can see that Cafarelli was confident in advocating the positioning concept ahead of many people.

Foxall (1981) talked about the various aspects of strategic marketing, but there was no emphasis on positioning. In contrast to Foxall's view, Wind (1982) introduced various alternative bases for positioning when dealing with product policy. These alternative bases are:

1. Positioning on specific product features
2. Positioning on benefits, problem solution, or needs
3. Positioning for specific usage occasions
4. Positioning for user category

5. Positioning against another product
6. Product class dissociation
7. Hybrid bases

Wind also claimed that positioning provides a conceptual framework for designing and evaluating marketing strategies.

O'Shaughnessy (1984) paid attention to market competition, whilst also stressing market positioning, product positioning, brand positioning, and positioning through advertising. When Ennis (1986) discussed the differential advantage of positioning, he was more concerned about the imitative and innovative nature of the products and he viewed the concept of positioning in five major forms. Notably, these forms were: category positioning, product positioning, consumer positioning, combination concepts, and commercial positioning concepts. In terms of product life cycle and positioning, Fox (1988) suggested to apply the positioning decision at the precommercialization stage of the product career path, thus the product could be positioned differently at each life cycle stage. Such suggestion was made as early as in 1976.

Luck et al. (1989), who are also well versed in marketing strategy and plans, were quite concerned about the positions of the firm and the product; they also insisted on a position statement too. They suggested that the process of positioning has the following eight steps:

1. Create the model to follow
2. Identify the environments and scope
3. Specify information needs

4. Assemble the information
5. Overview its salient features
6. Select most significant developments
7. Study the critical environments
8. Review and integrate these analyses into a composite position statement

Boyd and Walker (1990) discussed market targeting and positioning decisions. They also considered that marketing research is needed for perceptual positioning analyses. The marketing analysis methods such as factor analysis, discriminant analysis, multiattribute compositional model, and multidimensional scaling might be helpful. In addition, they also suggested eight steps in the positioning process as follow:

1. Identify relevant set of competitive products
2. Identify the set of determinant attributes that define the “product space”
3. Collect information from existing and potential customers about perceptions of each product
4. Analyse intensity of a product’s current position in customers’ minds
5. Determine product’s current location in the product space (product positioning)
6. Determine customers’ most preferred combination of determinant attributes

7. Examine the fit between preferences of market segments and current position of product (market positioning)
8. Select positioning or repositioning strategy

Piercy (1991) aimed at consumer satisfaction, at the same time, he also advocated the use of strategic positioning, competitive positioning, brand positioning, and corporate positioning.

McDonald (1992) specializes in strategic marketing planning, and he is quite concerned about brand positioning and market positioning. Moreover, he linked positioning with segmentation, Ansoff's growth vector matrix and Porter's competitive positioning idea. Lambin (1993) concentrated on the product positioning strategies and related such issue with segmentation. Wilson, Gilligan and Pearson (1992) had special interpretation about marketing mix and positioning. They considered that positioning is a fundamental element of the marketing planning process and therefore the marketing mix can be seen as the tactical details of the organization's positioning strategy. They also claimed that the process of positioning involved the following three steps:

1. Identifying the organisation's or brand's possible competitive advantages
2. Deciding on those that are to be emphasised
3. Implementing the positioning concept

Though Wilson et al., Body and Walker, Luck et al. and Wind had different point of views on the positioning process/base. Such views are, as a matter of fact, supplement to each other and can mirror the whole issue.

Cravens (1991) put lots of emphasis on positioning from a strategic marketing perspective. He considered the relationship between positioning and marketing as follows:

“The positioning strategy blends together the product, distribution, price, advertising, and personal selling strategies that focus on meeting the needs of a market target. The result is an integrated strategy to achieve management’s positioning concept objectives while gaining the largest possible competitive advantage.”

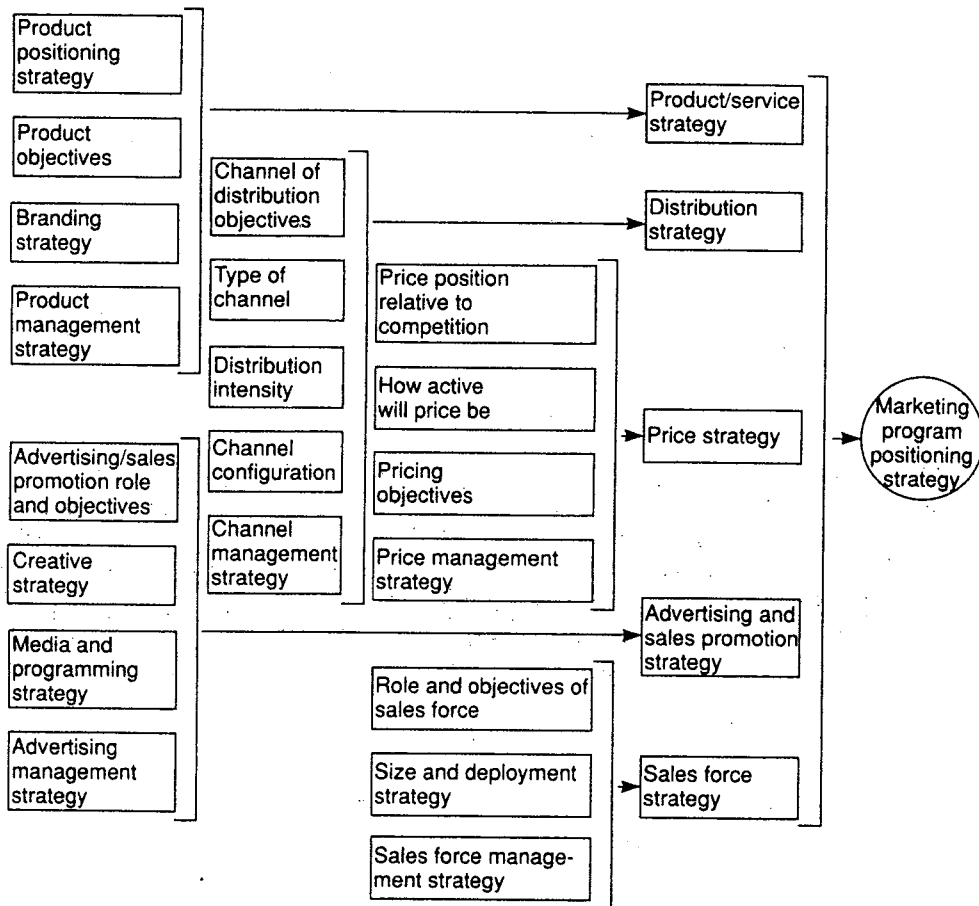
(Cravens, 1991, 287)

Such statement happens to be coincided with those made by Wilson et al. As shown in Figure 2.2, the positioning strategy overview diagram proposed by Cravens can further reinforce his view. According to the diagram, the overall result of the positioning strategy overview is the ‘marketing program positioning strategy.’ Furthermore, Cravens also discussed the components of positioning process, factors influencing the choice of positioning strategy, positioning determination, and measurements of positioning effectiveness.

Myers is very enthusiastic about positioning, arguing that “Positioning is another key strategic concept in modern marketing theory and practice Positioning has become of critical importance to the development of marketing strategy ...” (Myers, 1996, 168) In addition, he raised the issue about effective positioning by emphasising uniqueness, desirability, and believability. Myers also suggested a formula for the positioning statement which should include any unique claim and plausible support. In addition, he also discussed the various methods for conducting positioning research.

Figure 2.2

Positioning Strategy Overview



Source: Cravens, David W. (1991) *Strategic Marketing*, Homewood, Irwin, p.274

From the above literature, it is observed that the overwhelming majority of the academics specialized in strategic marketing are in favour of the positioning concept and most of them put different degrees of emphasis on it. It is the consensus that positioning is the process of designing an image in the mind of the customers. However, it is also interesting to find that the positioning concept they have in mind is always linked with product, target market, segmentation, competition, and differentiation. There are different suggestions for different stages of the positioning process. Research methods are also mentioned for analysing the perceptual frameworks. The most impressive remarks made by Cravens, Myers, Wilson et al. are that positioning strategy blends with other marketing mix strategies for better results. Such remarks also serve to imply that a customer can learn about an object not just through personal or nonpersonal communications (see section 2.5.1) but also all sorts of means they might encounter in the market environment. Because the positioning strategy is already blended with the marketing mix strategy that every effort made by the marketer, to a certain extent, disseminates the positioning idea. Therefore, in the long run, a customer may gradually form specific perception through those encounters.

2.6 Positioning - The Retailing Perspective

The above section (section 2.5) has made a thorough discussion of the relationship between positioning and marketing, with special focus on advertising, corporate identity/image, and strategic marketing. Thus from the marketing perspective, the positioning issue is much clearer.

However, since this thesis will concentrate on the positioning strategy of a retail store, therefore, the relationship between positioning and retailing will also be explored. The findings from the retailing perspective will also be crucial.

2.6.1 Positioning and Store Image

In subsection 2.5.2, discussion was made about the corporate identity/image because of 'the mind' of the prospect. With the same token, from the retailing perspective, the store image should also be investigated because retailers wish to position the 'store' in the mind of prospect. Apart from that, according to Greenley and Shipley (1995), they found that company/store image was cited as the most important marketing mix components followed by such variables as product, price and promotion. This research result in United Kingdom signalled the importance of store image in the minds of the retailer. Some years before that, Davies and Harris had already pointed out that "Image emerged as a major weapon in retail competition in the 1980s." (Davies and Harris, 1990, 30) Generally speaking, an image is how a given retailer is perceived by consumers and others (Berman and Evans, 1995) and retail practitioners in general believe that store image will influence the customer patronage behavior (Davies, 1987).

The research on store image may be traced back to the early 1950s when Martineau (1958) discussed the 'personality' of the retail store. Other academics who worked on such area were Mayers (1960), Weale (1961), Fisk (1961), Rich and Portis (1964), Kunkel and Berry (1968), May (1971), etc. They were the pioneers for the investigation of store image.

Apart from the overall image of one store, academics are also concerned with the image variation of the branch stores. Marcus (1972) did make investigation in this aspect by conducting research in May Company of Los Angeles. After the research, he did support findings of previous research studies that images of retail establishments, and the customers shopping at each, could be differentiated. He added, however, the specific images held by different segments of the establishment's consumers varied considerably especially with multi-unit store establishments. This research raised a number of interesting questions. In the year since, many retailers have tried to balance the ability to tailor some aspects of their stores to local conditions, with their desire that stores should conform to their corporate image and market orientation.

In 1974, Lindquist made a summary of the majority findings of 26 researchers in the field. By summing up in this way, nine 'store image attributes' were delineated. These attributes were: (1) merchandise, (2) service, (3) clientele, (4) physical facilities, (5) convenience, (6) promotion, (7) store atmosphere, (8) institutional factors, and (9) post-transaction satisfaction. Among these nine attributes, merchandise, service, and locational factors were found to be more important than the others, and merchandise was the most prominent factor of all. Ultimately, Lindquist summed up store image in such way:

“In summary, all the writers quoted stress that store image is complex by nature and consists of a combination of tangible or functional factors and intangible or psychological factors that a consumer perceives to be present.”

(Lindquist, 1974, 31)

Up to this moment, the concept of store image is more concrete. Lindquist did lay a very good foundation for the further pursuit of store image study.

In 1980, Pessemier also investigated the store image and positioning with two simple yet powerful predictive models i.e. joint space analysis and cluster and discriminant analysis. In his research, he made investigation both in shopper characteristics and store characteristics. Through the models, he was able to find out customers' images towards stores and also customers' preference over stores. However, he seldom deliberated on the meaning of positioning, It was taken for granted, from Pessemier's point of view, that positioning was how the general customers perceived the store to be.

King and Ring (1980) were also interested in the market positioning of different store types, they tried to find out customers' images towards four retail men's wear 'store type.' By using eleven determinants of retail patronage they worked out the customer profile of each type of store. With the dimensions of fashionability and value for the money, they constructed the two dimensional perceptual space for store positions. From their findings, they concluded that each store type attracted a unique shopper mix consistent with the store type's fashion orientation. However, they also pointed out that within store types, there was much greater disparity, especially within the department store and the midrange fashion specialty chain groups. As such, King and Ring considered that the store's market position was derived from the perceptions of its product/service mix and its aggregate image. Moreover, they remarked that the store's market position might be perceived differently by different consumer segments. In addition, they believed that in case

of change of the store's product/service package, or change of the market positioning strategies of competition, then the store's market position might change too.

The research findings by Pessemier and King and Ring are more in-depth and more delicate. Thus the study of store image has again advanced a lot.

Arnold et al. (1983) were of the opinion that store image was the subjective attitude consumers had toward the store whereas market position was the relationship of a retailer's store image to the store images of all competitors. So the two concepts were highly related.

Apart from investigating the components of image, some academics were also interested in searching for the development of store image. Mazursky and Jacoby (1986) did go further in this aspect by using the modified Latin square research design. They did find that, through the research, subjects relied on different sets of objective cues to infer different image aspects. They also supported the idea that consumers simplified the complex association by accessing items which represented 'chunks' of information. Other findings confirmed that past shopping experience affected the order of information accessing and that store image could be characterized as having several core facets and peripheral facets. All these findings are quite helpful for analyzing the positioning map of consumers.

Davies (1987) considered customers' perception was important because it forms the store image which in turn influences customers' decision about store patronage.

Through the image survey, the store can know its 'position' against its competitors. These researches were done by pair comparison rating of (1) store versus store, (2) store versus concept, and (3) concept versus concept. With the use of Multi-Dimensional Scaling, Davies plotted the Manchester department store diagrams and tables, from which the positions of different department stores could also be observed. These methods are quite useful in understanding the actual position of store in the minds of customers at that moment. The research direction proposed by Mazursky, Jacoby and Davies help people to know more about the development of store image, so that the study of store image can advance a step further.

Davies and Brooks (1989) considered a successful store image to be one which positioned the retailer advantageously among the competing companies, and they expressed the view that advertising alone could not create image but that some other retail mix elements such as design, refurbishment, own label products, etc. are more effective. Also, successful image could bring profitability to the store. They argued that the key factors in an image-led strategy were design, service, and merchandise and that image should be coherent as far as possible in terms of department, store, and chain. In addition, they believed that direct links between advertising and image are less obvious in retailing. Because an image could be limited to a few years, thus measuring image on a regular basis was recommended.

From McGoldrick's (1990) point of view, retail performance could be measured in terms of customers perception of store image and other financial calculations. He described the various image measurement techniques such as scaling techniques, open-ended techniques, and multidimensional scaling, He also took note of image

comparisons between retailer-retailer, clientele-clientele, store-store and department-department. These kinds of in-depth counterpart comparison are considered to be useful and meaningful.

As regards international positioning, McGoldrick and Ho (1992) conducted a survey on the relative positioning of Japanese department stores in Hong Kong. For their survey, they examined the relative positioning of those international department stores, expressed in terms of customer profiles, patronage levels and comparative images. Such elements as customer patronage factors and images, from McGoldrick and Ho's point of view, were indispensable ingredients of positioning.

McGoldrick even went further for investigating the international market positioning by comparing the stores' positions in Hong Kong, England, and France. He even proposed the concept of international image (McGoldrick and Blair, 1995). Thus the image and positioning issues of store are becoming more and more complex. According to McGoldrick's interpretations, it seems that, international positioning and international image will be the focus of store image study in the long run. With the same token, Davies and Brooks also claimed that "Positioning will be the key to success or failure at home and abroad." (Davies and Brooks, 1989, 224)

From the view of point of Berman and Evans (1995), positioning could help a retailer to project its image to the customers relative to the competitors. They treated image as positioning and vice-versa. Furthermore, once the image permeated all goods and service offerings, it would be difficult to change. Thus

Berman and Evans have a strong feeling that positioning is equivalent to store image.

From the above literature, it is noted that store image and positioning are highly related. The measurement of store image becomes far more complex and sophisticated because, on one hand, this involves the scale, branch, merchandise, facilities, etc. on the part of retailer. On the other hand, this involves frequent and in-depth store visits on the part of customer. Above all, it is found that, for the majority of academic specialized in retailing, they consider that positioning is highly related with store image, this phenomena became more dominant since the nineteen eighties.

2.6.2 Positioning and Retail Strategy

From the perspective of marketing, strategic marketing leads all the marketing mix. Reciprocally, from the retailing perspective, retail strategy leads the retail mix. Moreover, retail strategy is the long-term course of action a retailer uses to accomplish future desired goals (Arnold et al., 1983), thus retail strategy is of paramount importance to retailers in general. Here, the author would like to investigate to what extent positioning is related with retail strategy. Again, opinions from academics specialised in retailing are sought.

Arnold et al. (1983) also considered positioning to be useful in the competition dimension. As a result of competition analysis, each retailer could be placed on a perceptual map. Knee and Walters (1985) put lots of emphasis on positioning.

They considered that successful retailers should have clear corporate policies concerning positioning, and the market posture should be the key issue in strategy. Also, once established, they insisted on the consistency of positioning. From their opinion, after product/market opportunities were identified, market positioning strategy should be followed. In comparison, therefore, Knee and Walters put more emphasis on positioning, they also placed positioning at the corporate policy level.

In analyzing the retail strategies in the USA, Berry and Barnes (1987) observed that retailers could survive because they were using one or more of four dimensions of effective position: (1) value retailing, (2) time-efficient retailing, (3) high contact retailing, and (4) sensory retailing.

From the perspective of retail strategy, Wortzel (1987) was also aware of the 'commoditized' retailing. Therefore, he proposed the retail strategic positioning mix for retailers. He viewed strategic positioning in the following ways:

“For a retailer, strategic positioning involves providing unique value. The retailer must first identify a specific consumer segment and then gain a thorough understanding of it - including what kinds of goods these people want to buy, how they want to shop for them, and what augmenting benefits and services they expect.”

(Wortzel, 1987, 47)

As a result, he suggested three basic positioning strategies for retailers: (1) a product differentiation strategy, (2) a service and personality augmentation strategy, and (3) a price leadership strategy. Therefore, different academics had different point of view. However, the most important implications of the work of Berry,

Barnes, and Wortzel were that the retailers should identify the competition and adopt the most appropriate positioning strategies for survival.

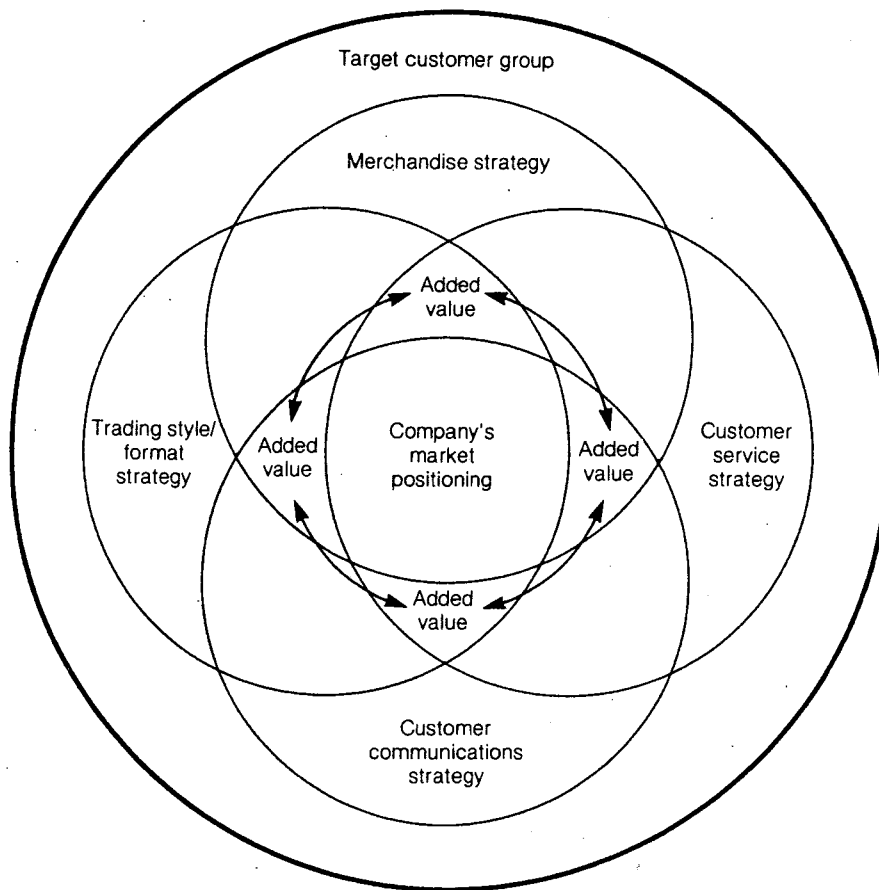
Walters (1989) claimed positioning to be a concept, and he used shopper and store characteristics to identify positioning opportunities. In terms of product-market strategy, he considered repositioning as one of the alternatives. Ultimately, he emphasized on the relationship of market positioning, added value and strategic decision area. His overall idea is illustrated in the diagram as shown in Figure 2.3.

Davies and Brooks (1989) also praised positioning highly, from their point of view, a clear enunciated positioning strategy is central to achieving success in retailing. They proposed that to manage the positioning strategy, the basic alternatives were based on cost or differentiation or segmentation. Then to implement the chosen positioning properly, the store should (1) take a long term perspective, (2) have a clear store image to the customers and inform all employees about the store's positioning strategy and (3) promote the positioning strategy through advertising, etc. They also believed that good positioning strategy would bring about good financial performance. The challenge in the long run should be the application of positioning in the foreign markets.

McGoldrick (1990) also agreed with Ries and Trout about the context of positioning definition. But he pointed out that Ries and Trout were looking from the advertiser's perspective. McGoldrick further supplemented that, if the results are to be credible and sustainable, effective positioning must embrace the total retail marketing effort. For McGoldrick, positioning is one of the major strategic

Figure 2.3

Relationship of Market Positioning, Added Value and Strategic Decision Areas



Source: Walters, David W. (1989) *Strategic Retailing Management: A Case Study Approach*, London, Prentice-Hall, P.119

alternatives available to retailers. Other alternatives available were diversification or specialization, etc. Therefore, it is observed both Davies, Brooks, and McGoldrick recognised positioning as the crucial element for retail strategies.

Cook and Walters (1991) looked at the theoretical and practical sides of retail marketing. They considered that positioning was a major element in retailing strategy. Thus in developing the positioning strategy, positioning statement was needed. From the corporate direction perspective, mission, position, and objectives were the three major issues. At the level of corporate strategy, repositioning was also one of the alternatives. Even for the implementation of the communications strategy, a review of positioning strategy was needed.

Collins (1992) aimed at winning and keeping customers, however, he just acknowledged the presence of positioning. He did concede that to establish fair expectation in the minds of customers, the first and fundamental step was to decide on market positioning and then used advertising to reinforce the positioning situation. He also advocated the measurement of market position, especially from the point of customers. Comparatively speaking, Cook and Walters put more emphasis on positioning than Collins, especially about positioning statement, positioning strategy and repositioning.

From Davies (1993) point of view, in strategic planning, the selection of market position was very important. He advocated that positioning work should be done after segmentation of market. In addition, a retailer should have its own positioning in the competitive market.

After decade of work, Walters (1994) made more devotion to positioning. He considered that positioning strategy was the company's response to the expectations and preferences of the target customer groups and that functional strategies for merchandise, customer service, communications, etc. were focused to create a positioning strategy. He also suggested to make use of shopping missions to identify the attributes and positioning characteristics, so that a better offer could be made. Also, the positioning statement was indispensable within which the market positioning was the core for all activities. Thus far, in the retailing field, both Davies and Walters were found to make the greatest devotion to positioning. They both recognised the leading function of the positioning concept for the operation of the retail business.

It is here observed that, from the majority of the retailing specialists, positioning is a major strategy for the retailers. To them, positioning is at the level of corporate strategy and guiding the store towards future growth and development.

2.7 *Summary*

Through the discussion of 'Positioning Era' and 'Positioning: The Battle for your Mind,' the source and meaning of positioning has been traced. By scrutinising the interpretation from various angles, the major characteristics of the positioning concept are discovered.

On one hand, from the marketing perspective, it is found that the positioning concept can work hand in hand with advertising. Relating to corporate

identity/image, positioning is indispensable in the corporate communication programme. From the view point of strategic marketing, positioning strategy can blend with other marketing mix strategies for better results. On the other hand, from the retailing perspective, positioning is found to be highly related with store image and its application is also at the corporate level for leading retail strategy. Further analysis and consolidation of the above findings will be done in the next chapter.

CHAPTER THREE

THE NATURE OF THE POSITIONING CONCEPT AND THE PROCESS OF POSITIONING STRATEGY

3.1 Introduction

This chapter is the continuation of Chapter Two. Here in this chapter, the author will endeavor to sum up all the positioning related findings from the marketing and retailing perspectives; so that a concrete framework for the positioning concept can be laid. With this framework in mind, the way for investigating the positioning strategy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited will be illustrated.

3.2 Consolidation of the Observations

After making observations of ‘positioning’ from different perspectives, it is time to filter all ideas and to consolidate all the opinions. In the process of doing this, it would be useful and beneficial to review some of the positive highlights about the interpretation of positioning gained from the previous chapter.

3.2.1 General Interpretations

First of all, the general interpretation of positioning from the various academics cited in the previous chapter (subsection 2.4.2) are given in Table 3.1.

Table 3.1
General Interpretation of Positioning

Academic	Observations
Springer	image
Aaker and Shansby	segmentation, image, product features, six step process for the development of a positioning strategy
Perry	market positioning, product positioning, market position, product position
Doyle	market segmentation, differential advantage, base for strategy
Johnson	differentiation, competitive advantage, base for strategy
Hiebing Jr. and Cooper	image, target market, base for all communication, eight types of positioning methods
Hooley and Saunders	competitive positioning through market targets and differential advantage, positioning research
Kotler	strategic marketing includes STP - segmenting, targeting, positioning
Keller	target market, competition, differentiation

From this table, it is found that most academics related positioning with segmentation, target market, differentiation, image. Some of them such as Doyle, Johnson, and Kotler even considered positioning to be useful as a base for strategy.

3.2.2 Positioning and Advertising

Regarding the relationship between positioning and advertising (subsection 2.5.1), the positive view of the academics from advertising field were also tabulated.

Table 3.2 shows some of the observations:

Table 3.2
Positioning and Advertising

Academic	Observations
Ogilvy	what the product does (differentiation) , who it is for (target)
Aaker and Myers	image, focus in the development of an advertising campaign
Ennis	differentiation, perception
Rossiter and Percy	Ogilvy style, brand perception, ladder concept
Russell and Lane	segmentation, differentiation
Corstjens	differentiation, image, base for strategy
Nilson	central role, brand perception, ladder concept

From the viewpoints of the advertising specialists, they treated positioning as differentiation, target, image, segmentation, and a base for strategy/advertising. By comparing the findings from the general interpretations and advertising (Table 3.1 and Table 3.2), three items - notably differentiation, segmentation, and image stand out to be more dominant. Therefore some consensus is formed between the views of the various groups.

3.2.3 Positioning and Corporate Identity/Image

Respecting the relationship among corporate identity, image, and communications, positioning also has its role to play (subsection 2.5.2), Table 3.3 can show in brief the ideas put forward:

Table 3.3
Positioning and Corporate Identity/Image

Academic	Observations
Aaker and Myers	positioning means image
Bernstein	identity helps to position the company
Olins	identity includes coherence, symbolism, and positioning
Ind	positioning guides internal and external communications
Schemidt	positioning guides internal and external communications, identity through positioning strategy

Here it is found that corporate identity/image can be strengthened through positioning. Moreover, some academics even proposed that corporate communications can be guided by positioning strategy. Reciprocally, this also implies that positioning can better help the organisation to establish its identity.

3.2.4 Positioning and Strategic Marketing

In terms of strategic marketing, the various academics also shared opinions in this aspect (subsection 2.5.3), Table 3.4 lists some of the positive opinions:

Table 3.4
Positioning and Strategic Marketing

Academic	Observations
Cafarelli	positioning blueprint, positioning statement, base for advertising and marketing plan
Wind	product positioning, seven alternative bases for positioning
O'Shaughnessy	market positioning, product positioning, brand positioning, and positioning through advertising
Ennis	product positioning, five major forms of positioning
Fox	positioning decision at precommercialization stage of plc
Luck, Ferrell and Lucas	position of the firm, position of the product, position statement, eight steps positioning process
Boyd and Walker	market targeting and positioning, positioning research, eight step positioning process
Piercy	strategic positioning, competitive positioning, brand positioning, corporate positioning
McDonald	brand positioning, market positioning
Lambin	product positioning
Wilson, Gilligan and Pearson	positioning is the fundamental element of the marketing planning process, three step positioning process
Cravens	positioning strategy blends with product, distribution, price, advertising, and personal selling strategies
Myers	key strategic concept, critical importance in development of marketing strategy

From the strategic marketing point of view, most academics considered the concept to be useful in the product positioning or brand positioning aspects. Some also suggested different steps of positioning process. In addition, a few academics such as Cafarelli, Cravens, Wilson et al. even proposed the positioning concept to be used together with the marketing mix elements. Under this circumstance, the role of positioning, from the strategic marketing view, is seen to be very important. It also strengthens our view of the link between positioning and the overall market orientation of the organisation.

3.2.5 Positioning and Store Image

From the retailing perspective, retailers are very concerned about their store images, therefore the relationship between positioning and store image was investigated (subsection 2.6.1). Here in Table 3.5 some general outlines can be delineated:

Table 3.5
Positioning and Store Image

Academic	Observations
Pessemier	perception
King and Ring	market position, perception
Arnold, Capella and Smith	relative image
Mazursky and Jacoby	positioning map
Davies	position against competitors
Davies and Brooks	position against competitors, image formation, image measurement, positioning at home and abroad
McGoldrick	relative image, image measurement, international image
Berman and Evans	image as positioning

From the viewpoints of those retail specialists, image helped to position the store. Some academics were also concerned about the perception of image and the measurement of image.

Since corporate image and store image are both related to the perceptions of the customer, therefore, the author tries to make comparison between these two groups of findings. From Table 3.3 and Table 3.5, some observations are found. First, both corporate identity/image and store image are making use of the positioning concept. Second, from the corporate identity/image perspective, academics are inclined to concern how people identify or recognize the company. Such an identity tends to be independent of the environment, and that communication (blended with positioning) is used to disperse all the relevant information. Third, from the retailing perspective, academics are keen about the relative image, i.e. how the image is perceived by customers relative to that of the competitors. Thus, they are competitive oriented. Moreover, they are also concerned about image measurement because store image is the overall perception of the retail practice.

In a nutshell, the positioning concept can both apply to the corporate identity/image and store image situations. But it functions a bit differently in different situations which, in turn, depends on the intentions of the party concerned. Indeed, as stated in Chapter Two, retail internationalisation can be a spur for an organisation to recognize the importance of the concepts of corporate image and store image. This results from the need to position the organisation in a different retail environment and with customers who have different perceptions of relative image.

3.2.6 Positioning and Retail Strategy

Ultimately, the relationship between positioning and retail strategy was investigated (subsection 2.6.2). Since the store operations are monitored by retail strategy, the role of positioning will be very important if it is used at the corporate level. Thus Table 3.6 shows the observations:

Table 3.6
Positioning and Retail Strategy

Academic	Observations
Arnold, Capella and Smith	competition analysis, perceptual map
Knee and Walters	corporate policy on positioning, market posture, consistency of positioning
Berry and Barnes	positioning strategies
Wortzel	strategic positioning
Walters	positioning opportunities, repositioning, market positioning, position statement, positioning with functional strategies
Davies and Brooks	positioning strategy, international positioning
McGoldrik	positioning with total marketing effort
Cook and Walters	positioning strategy, positioning statement, repositioning
Collins	market positioning
Davies	position in strategic planning

The academics are concerned about market positioning and the overwhelming majority treated positioning as the key factor of corporate strategy. To the retailers in general, positioning really counts.

Since strategic marketing and retail strategy are both considered to be the leading spirit in marketing and retailing respectively, therefore, the author tries to compare these two batches of viewpoints simultaneously. From Table 3.4 and Table 3.6, some observations are detected. First, the positioning concept is applied at the

corporate level of strategic marketing and retail strategy for guiding the direction of the company. Second, academics from the strategic marketing group are more concerned about product positioning, because strategic marketing handles products or brands. Likewise, academics from the retail strategy group are concerned with market positioning, because definition of the market implies the target customers the retailer is cultivating. Third, academics from the strategic marketing group offered many different approaches for handling the positioning process, whereas this does not seem to be the case for the retail strategy counterpart. Fourth, academics from the retail strategy group emphasized positioning heavily and treated it as the core for all retail activities, but this enthusiasm is not fully supported by their strategic marketing counterparts; though Cravens and Wilson et al. did raise these issue too.

On the whole, it is the general observation that, for the degree of emphasis on the positioning concept, it is on a continuum process; some academics are quite enthusiastic about it while others may not be so enamoured. Also, the positioning concept can be applied to different situations, but the scope of its function is dependent on the intention of the party concerned.

3.3 *The Application of the Positioning Concept*

Ries and Trout (1981) explained how their ideas could be used to position a company, a product, a service, a bank, a resort, etc. Therefore, apart from learning about the definition of positioning, the author would like to examine to what extent the positioning concept is being used in different markets. By scrutiny of the various literature, some results are obtained.

For example, in the retailing aspect, Lucas Jr. and Gresham (1988) found that some retail businesses were quite successful because they adopted the service-oriented retail strategy or price-oriented strategy of the value-oriented positioning strategies. Respecting advertising, Jaffe (1991) investigated the impact of positioning and sex-role identity on women's responses to advertising. It was found that the correct positioning strategy could attract the high masculine segments without alienating the low masculine segment. In terms of product positioning, Bellizzi and Milner (1991) investigated gender positioning of a traditionally male-dominant product - auto repair service and suggested that marketers might use the strategies of dual gender positioning, or male-directed positioning or female-directed positioning.

By aiming at the target market, Schewe (1991) considered the ageing population a gold mine which he proposed should be entered with positioning strategy. There were eleven areas for positioning focus, such as: comfort, security, convenience, connectedness, etc. For the market research aspect of positioning, Hibbert (1995) conducted a survey to measure customers perception of the medical charities and, at the same time, investigated the positioning strategies the medical charities were using. The result was that, through positioning, the three types of medical charity did create distinct images among themselves. Also on the base of medical practice, Javalgi, Joseph and Gomebski (1995) conducted a survey on 1,000 physicians to develop a positioning map for various regional medical centers, and the positioning strategy of the various medical centers was also investigated.

The application of positioning in the service sector is also evident, through the survey, Zineldin (1996) found that no bank in Sweden could claim to be good in

every aspect of financial areas to all the customers. In the customer's mind, there were banks good at deposit base, good at loans outstanding base, etc. Thus the positioning of bank services really counted. Davies (1996) also investigated the financial service and he studied customers' evaluation of the financial service before, during, and after the purchase. From this study, he argued that a sound positioning claim was indispensable in such a competitive market environment.

For the development of new product, the positioning concept is also applicable. Solpadol, an analgesic drug, is a good example. According to the case study by Hurrell, Collins, Sykes and Williams (1997), the company conducted market research, segmented the market, detected target needs, investigated purchasing occasion, analyzed competition and then positioned the product. Thus it came out to be a great success.

Other examples are in promotion and service marketing. Kalra and Goodstein (1998) investigated the advertising strategy of various companies and found that some advertisers positioned to differentiate between brands and other positioned to narrow the perceived difference between brands. Therefore, the adoption of different positioning strategies by the marketers depends on the different goals and situations the marketers encounter. Young (1999) in his bank research confirmed that, through the analysis of perceptual mapping, a bank can identify opportunities for differentiation. Also, to develop successful marketing strategy, one should either position at differentiation (superior benefits at competitive cost) or cost leadership (competitive benefits at lower cost).

Thus, we can see that the positioning concept, as claimed by Ries and Trout, is quite versatile and that the above examples are just a corner of the iceberg.

3.4 Positioning - The Author's Perspective

The author is in full support of the definition as laid down by Ries and Trout (1981), i.e. "You position the product in the mind of the prospect." The product referred to by them may mean a service, a company, an institution, etc. In addition, the author is also encouraged by the definitions of Bennett (1988) and Hart and Stapleton (1992), because such definitions as positioning theory and product positioning can really supplement the central ideas of Ries and Trout (see section 2.4.1). By taking these various views into account, it is possible to produce a framework for viewing the positioning strategy process which will be used in this thesis.

3.4.1 The Nature of the Positioning Concept

With the positioning concept, Ries and Trout always emphasize 'focus' and ask people to avoid any 'extension trap.' The major issue involved is to segment the market and then to aim at the target market. Also, they insist on the avoidance of the 'me-too' and 'free-ride' situations and stress that positioning can help to "get heard in our overcommunicated society." Thus, differentiation is indispensable because customers then can see or feel the relative difference. So the characteristics of the positioning concept thus far are segmentation, target marketing, and differentiation. Reciprocally, this also implies that positioning is competition oriented. Likewise, from the marketing perspective, a marketer should first look at

the competitive market; then after segmentation, a target market is identified. Thereafter, differential product can be offered to the target customer with great success. The various academics also acknowledged such issues (see Table 3.1).

Ries and Trout claimed that positioning was a new approach to communication and that the central idea of the positioning concept is to “position the product in the mind of the prospect.” These phrases are simple but the task is quite difficult. It is because to get something into a person’s mind, it then involves the communication and learning processes. On the part of sender, one has to communicate all the designated information through to the receiver (Ind, 1990; Schmidt, 1995). On the part of the receiver, one has to learn those designated information, either deliberately or accidentally (Markwick and Fill, 1997). Through such processes, the conceptual configuration is formed. Such conceptual configuration may or may not be in its original form depending on the receiver’s background, attitude, and other intervening variables (King and Ring, 1980). Therefore, to get the designated information through to the receiver is the function of positioning and such a function involves lots of complicated issues.

From the observations, the author finds that there seems to be an invisible link between image and positioning (Berman and Evans, 1995), which may analogize the two sides of the coin. It is because image is formed by the receiver whereas positioning is set by the sender. Thus with the proper positioning strategy, the sender can implant the designated conceptual framework into the mind of receiver. Therefore positioning, from the author’s point of view, can also be considered as a strongly active form of image formation strategy. As a matter of fact, positioning

can do more than that, and this involves lot of strategic issues. Davies and Brooks (1989) make the following comments:

“We consider a successful image to be one which positions the retailer advantageously among the competing companies. The main challenge to the retailer is, therefore, one of positioning rather than image selection. Hence, this book refers to positioning strategy rather than image, marketing or business strategy.”

(Davies and Brooks, 1989, 3)

Thus, with a clear positioning concept in mind, the marketer can manipulate the marketing mix and other variables so as to guide the consumers to form the designated perceptual framework for patronage behavior, thus the task of the marketer can be successfully completed (Davies and Brooks, 1989). That is also the reason why marketers are very concerned about positioning.

3.4.2 *The Process of the Positioning Strategy*

The review of the literature on positioning set out above has identified that there is a wide variety of material available in this area. In order to make it more manageable, it is possible to develop further the operational procedure for positioning.

As a starting point, Ries and Trout suggested the following steps:

- 1 What position do you own?
- 2 What position do you want to own?
- 3 Whom must you outgun?
- 4 Do you have enough money?
- 5 Can you stick it out?
- 6 Do you match your position?

(Ries and Trout, 1981, 219-226)

In addition to their operational procedures, and by considering the different suggestions made by the academics such as Wind (1982), Luck et al. (1989), Boyd and Walker (1990), and Wilson et al. (1992), the author would like to recommend the positioning strategy process for those positioning oriented companies as follows:

First of all, the application of the positioning concept should be at the corporate strategy level (Kotler, 1994; Corstjens, 1996; Carvens, 1991). The company should set the position statement (Luck, Ferrell and Lucas, 1989; Cook and Walters, 1991), and instill such a statement into the mission statement (Bernstein, 1994). At the same time, positioning strategy should also be taken into consideration (Davies and Brooks, 1989; Cook and Walters, 1991). As a result, the company identity can be set up and the desired company image can be established (Bernstein, 1994; Olins, 1989).

Second, through market segmentation, target marketing, and differentiation processes (Aaker and Shansby, 1982; Doyle, 1987; Johnson, 1987), the company then seeks to position itself in the market. Thus by understanding the competitive situation, identifying the competitors, selecting the customers, the company can make use of its differential advantages and create a unique image to compete in the market (Davies and Brooks, 1989; McGoldrick, 1990). Thus the product/market positioning strategy is formed (Lambin, 1993; McDonald, 1992; Walters, 1994; Collins, 1992).

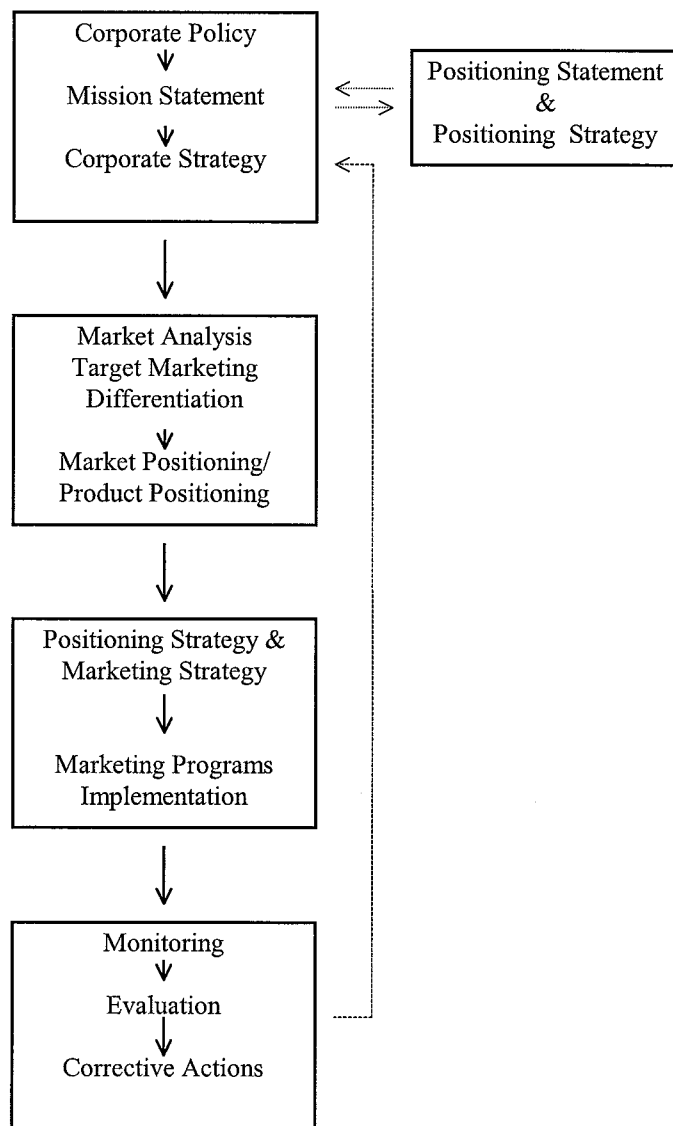
Third, the positioning strategy, together with other marketing mix strategies, will blend and be implemented in the marketplace (Kotler, 1994; Cravens, 1991; Wilson et al., 1992). The management should inform all employees about the position of the company (Davies and Brooks, 1989), together with design, logo, slogan, merchandise, communications, etc. (Berstein, 1994; Olins, 1989), and to work in a consistent and coherent way so as to project the designated image (Davies and Brooks, 1989; Knee and Walters, 1985; Berstein, 1994).

Fourth, the result of the strategy should be monitored and evaluated from time to time (Hooley and Saunders, 1993; McGoldrick, 1990; Davies and Brooks, 1989), so as to detect the possible deficiency and take corrective action. Image can change over time, the competitive environment can also change customers perception toward a store, thus market research is used to trace the possible changes (Davies and Brooks, 1989). To illustrate this process more precisely, a conceptual diagram is shown in Figure 3.1.

As can be seen from the diagram, the concept of positioning is believed to lie in the movement through the four stages. For instance, at the first stage, the positioning statement and positioning strategy are to be considered by top management for the purposes of mission statement and corporate strategy. The second stage is purely positioning dominant. It is because the processes of market analysis, target marketing, and differentiation are already positioning oriented. As a result, the market positioning or product positioning strategy can be formed. At the third stage, the positioning strategy blends with the marketing mix strategies to develop the

Figure 3.1

A Conceptual Framework for the Positioning Strategy Process



various marketing programs. Within such programs, the positioning ideas have already permeated into all activities. Since the programs are quite consistent in nature, and each program supplement the other coherently, the programs could be more successful. Ultimately, at the fourth stage, the result of the positioning strategy should be feedback to the top management for further decision.

3.5 *The Positioning Strategy Process Model and the Progression of the Thesis*

With the model as the basic skeleton and with the intention to study the positioning strategy of Wing On, the author would like to follow the model for conducting the study.

On the whole, there are altogether twelve chapters in this thesis, contents of which are in Table 3.7.

To illustrate this progress graphically, Figure 3.2 gives more hints. As a prerequisite, the research methodology is to be discussed in Chapter Four, so as to illustrate the research methods that are to be employed in this thesis. Then, as a starting point, Chapter Five will deal with the market analysis of China and Wuhan, because market analysis is the basic step for positioning. Here, a bird's eye view of China's retail situation will be discussed and the retail conditions of Wuhan will be given in more detail. Chapter Six will investigate the history of Wing On, so this chapter will give a brief background of the company after the general situation of China and Wuhan is understood. The establishment of Wing On in Wuhan is also related to the policy and strategy of the parent company. To investigate the various

Table 3.7
Table of Contents of the Thesis

1.	Introduction
2.	Literature Review
3.	The Nature of the Positioning Concept and the Process of the Positioning Strategy
4.	Research Methodology
5.	Retailing in China and Wuhan: An Overview
6.	History of Wuhan Wing On Children Shopping and Amusement Centre Co. Ltd.
7.	Positioning Strategy of Wuhan Wing On Children Shopping and Amusement Centre Co. Ltd.
8.	An Analysis of the Competitive Environment of Wuhan Wing On Children Shopping and Amusement Centre Co. Ltd.
9.	Analysis of Findings (1): Modeling of the Role of Positioning with Marketing Management Process, Competition, and Customer Shopping Components
10.	Analysis of Findings (2): Testing of Hypotheses and Comparison of Attitudes
11.	Analysis of Findings (3): Comparison of Different Groups of Respondent
12.	Conclusions and Recommendations

facts about the positioning strategy, market positioning, marketing strategy, and marketing programs of Wing On, Chapter Seven will explore all such issues further by interviewing the related personnel and collecting the company data. In Chapter Eight, an analysis will be done on the competitive market environment of the children shopping and amusing companies so as to scrutinize how the stores involved make use of differential advantages. Chapters Nine to Eleven deal with the survey research findings, these are the monitoring and evaluation aspects of the process. Such analysis involve both the employees and the customers, in order to find out the effect of the positioning strategy. Ultimately, Chapter Twelve will make recommendations to Wing On for further actions. Thus the process is completed.

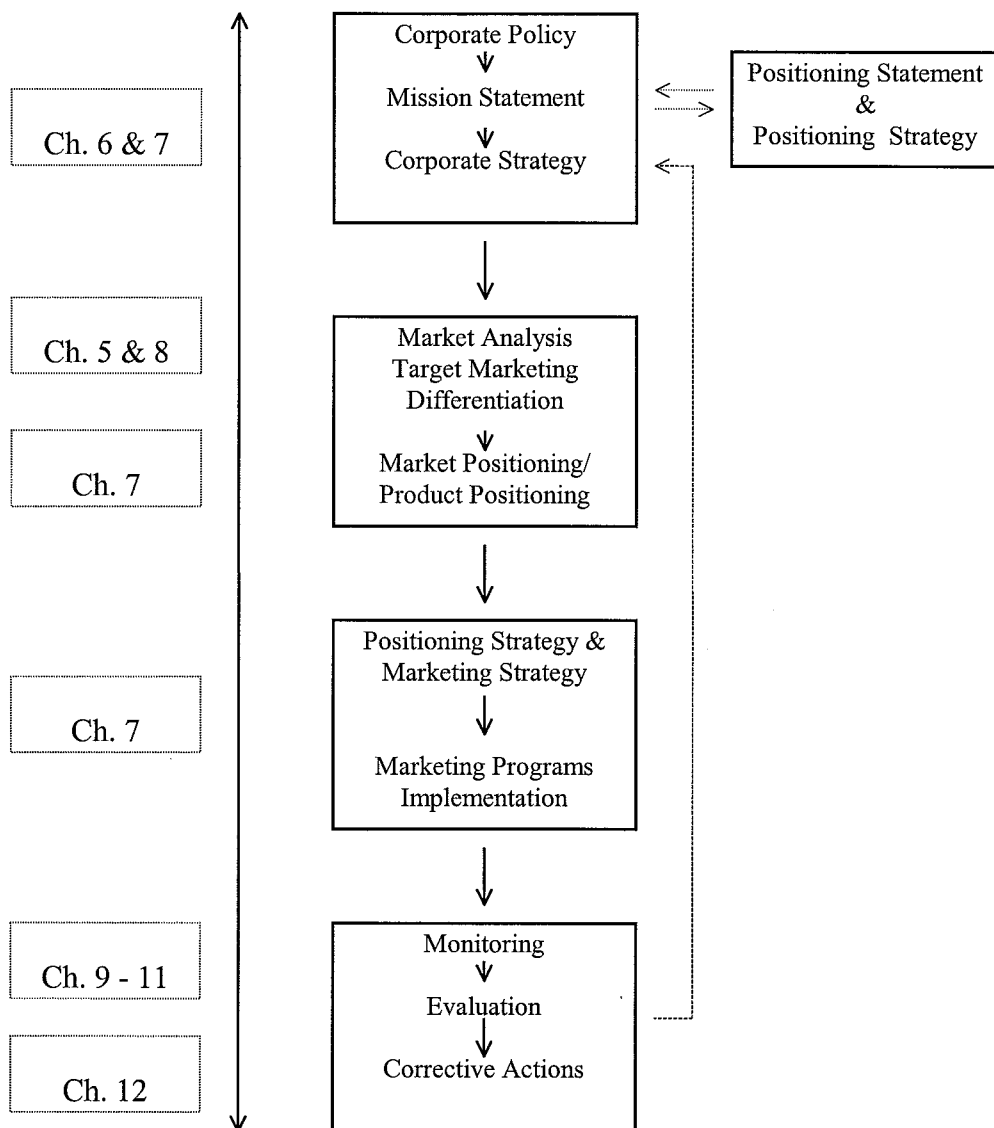
Therefore, by following this model thoroughly, the author will be able to study the positioning strategy of Wing On accordingly.

3.6 *Summary*

By consolidation of all the observations from general interpretation, marketing perspective, and retailing perspective, the nature of the positioning concept is found to include such characteristics as segmentation, target marketing, and differentiation. Positioning is a new approach to communication and can be considered as an active form of image formation strategy to implant the designated conceptual framework into the mind of prospect. Based on all the observations, the author also designs a positioning strategy process model to illustrate the application of the positioning concept. The progression of this thesis will also follow the model.

Figure 3.2

Chapter Sequence and the Positioning Strategy Process



CHAPTER FOUR

RESEARCH METHODOLOGY

4.1 Introduction

This chapter concentrates on the research methodology of this study. Sequentially, it discusses the qualitative and quantitative aspects of this thesis. At the later part, details of the survey research are further examined. This survey research includes the various elements of focus group interviews, questionnaire design, sampling, data collection, etc. Thus the overall research methodology used in this research study can be seen in this chapter.

4.2 Research into the Concept of Positioning

The previous two chapters have shown that there is a considerable body of literature on positioning. Indeed, the main problem has been to select the most typical and influential materials; Trout and Rivkin claimed that in 1995 alone, 'positioning' was mentioned 16,917 times in U.S. publications. The literature review therefore has had to meet the dual purpose of integrative research review and theoretical review as proposed by Cooper (1989).

In Chapter Three, by studying the nature of the positioning concept, a positioning strategy process model was formed. At the second stage of the positioning strategy process model, the component of market analysis was to be found. Therefore, it is

understandable that during such a process, data collection is needed so as to facilitate better decision making at the later stage.

Indeed, academics have stressed the key role of research in the practice of positioning. For example, Aaker and Shansby (1982) mentioned about determining the competitors' positions and analyzing the customers. Mazursky and Jacoby (1986) made use of the modified Latin square research design to map out the image perception. Luck et al. (1989) also mentioned about specifying the information need and assembling the necessary information. Davies and Brooks (1989) even suggested that because an image could be limited to a few years, thus measuring image on a regular basis was to be preferred. In order to understand the positioning situation of the stores, McGoldrick (1990) carried out his research on the basis of store versus store and department versus department. Boyd and Walker (1990) considered that marketing research was needed for perceptual positioning analyses. In addition, Hooley and Saunders (1993) explained that the positioning research was multidimensional and psychological in nature. They even suggested that research should try to find the customers' most preferred combination of determinant attributes. Myers (1996) also discussed the various methods for positioning research such as factor analysis, multidimensional scaling, etc.

Positioning research is thus felt to be indispensable and the functions of the positioning strategy process model are much improved through the collection of qualitative and quantitative data. We can now turn to a discussion of the data which is required for this study and how it will be collected.

4.3 *Qualitative Aspects of the Research Study*

Though the literature review can narrow down the focus of the relevant documents so as to summarize the findings and to come up with theoretical framework, further investigation on the company in question (i.e. Wing On) needs the application of other research methods. Thus the qualitative research methods are to be used.

Qualitative research has its role to play in the social science and psychology field (Flick, 1998). Such a method is considered to be good at providing a depth of understanding, penetrating rationalized responses, and source of ideas for marketing (Gordon and Langmaid, 1988). There are different ways for conducting the qualitative research, and interview is one of the major methods for qualitative research (Seidman, 1998).

Even for individual interview, there are a number of variations such as (1) Mini-depth interviews, (2) Semi-structured interviews, (3) Pair interviewing, (4) Observation, (5) Accompanied shopping (Gordon and Langmaid, 1988). Because of the heavy use of interview, conversation analysis (Heritage, 1997) and content analysis are also counted. Berg (1989) explained that content analysis may be ineffective to test causal relationships between variables, but it is cost effective, can study processes occurring over long periods of time, and allows researchers to conduct analytic studies with newspaper accounts, archives, etc. more effectively. Silverman (1993) pointed out that the observation method can get first-hand information in a 'naturally occurring' context. In addition, Heath (1997) advocated the use of video for face to face interaction analysis for more in-depth investigation.

Thus, in order to understand the history, positioning strategy, competitive environment of Wing On and the retail situations in China and Wuhan, the qualitative research method is used to a large extent. For example, as shown in Chapters Five and Eight, in order to understand the competitive situations of the various stores, on site observation of the stores was made (see sections 5.7, 8.4, 8.5, 8.8 and 8.9). Also, Chapters Six and Seven show that, in order to understand the positioning strategy of Wing On, interviews and discussions were made with the Wing On personnel (see section 7.2). To scrutinize the promotional activities of Wing On and grand opening activities of Wing On and Wuhan Plaza, content analysis of the relevant events was carefully done (see sections 6.6, 7.5, 7.7 and 8.7). Therefore, qualitative research methods are really helpful in this aspect.

4.4 *Quantitative Aspect of the Research Study*

With the help of qualitative research methods, especially the interview and observation methods, the situation of Wing On can be clearly understood. However, through the interviews and observations, there are many new inputs such as the images of the two competing stores, the profiles of the customers, etc. which need further clarification. Therefore the quantitative research methods such as sampling, questionnaire survey, statistical analysis, etc. should be applied. Relatively speaking, quantitative research methods are good at statistical and numerical measurement, sub-group comparison, etc. and that the hybrid methodologies for combining the use of both qualitative and quantitative research methods will produce better result (Gordon and Langmaid, 1988). Therefore, in order to get

better results, the detailed explanation for the application of the quantitative methods is given later in this chapter.

4.5 *Objectives of the Survey Research*

As stated in section 1.3, some of the objectives of this research study (thesis) are to see how people interpret 'positioning', to investigate the impact of positioning strategy, to explain its influence on the customer shopping components, etc. Therefore, as shown in Chapters Six and Seven, interpretation about positioning by the Wing On management has been done and the implementation of the positioning strategy has been investigated. Thereafter, the author should conduct 'research' on the impact of the positioning strategy and, through such research, positioning related recommendations can be made to Wing On.

As such, the objectives of the forthcoming research for Chapters Nine to Eleven are to find out:

1. The perceptions of the customers.
2. The perceptions of the employees.
3. The attitudinal comparison between employees and customers
4. The attitudinal comparison between the customers of two competing stores
5. Overall attitudinal measurement of the various groups.
6. The shopping behavior of the customers.
7. The demographic background of the customers.

Apart from that, the author would endeavor to investigate the possible relationships between the components of background, shopping criteria, attitude, and action of customers through the modeling process (a model of the role of positioning with marketing management process, competition, and customer shopping components), the contents of which are illustrated in Chapter Nine.

For this research study, since it is more qualitative in the first half and more quantitative in the second half, therefore both the exploratory and descriptive research methods are used. Whereas the former method is more emphasized at the front part and the later method at the rear part.

By working in this way, it is hoped that this research study will not only make a contribution to the theoretical aspect of positioning concept in the academic field but also provide practical aspects for improving store operations for the store's further survival and expansion (Fisk, 1974).

4.6 The Research Design of the Customers and Staff Survey Researches

Research design, from Wentz's (1979) point of view, serves as a road map and foundation for research study. In order to observe the perceptions of the customers and staff, the author employs the descriptive research method, because such a method is useful when the intention is to find the accurate description of the relevant variables (Crimp, 1981; Luck and Rubin, 1987; Baker, 1991; Malhotra, 1993). In addition, along the line of descriptive research, the single cross-sectional research method within the domain of cross-sectional design is adopted because

such a survey is a one time survey . The longitudinal design is good for detecting the long term changes through repeated measurements (Green et al., 1988; Chisnall, 1992; Crouch and Housden, 1996) but it is not feasible in this circumstance because of time and financial constraints.

Regarding the data collecting method for the cross-section research, the survey method is to be adopted, though there are three types of data collection methods such as observation, experimentation, and survey (Baker, 1991; Chinsal, 1992; Malhotra, 1993; Churchill, 1995). On the one hand, the observation method is not adopted because the intent of this research is to find out the inner perceptions of the respondents. On the other hand, the experimentation method is not used because the author is not going to manipulate any variable for experimental purposes. The advantages for using a survey are that it can collect a great deal of data and it is versatile (Aaker et al., 1998).

4.7 The Focus Group Interviews

With the research objectives in mind and the survey method determined, it is time to proceed further for the questionnaire design. However, before such an issue is done, it is necessary to generate hypotheses through the focus group interview (Morgan, 1997a) because it can generate ideas, reveal customers perceptions and attitudes (Stevens et al., 1997). What is more, the value of the focus group interview also lies in discovering the unexpected (Kinner and Taylor, 1996).

Therefore, two sessions of customer focus group interviews were conducted on 5th and 6th of April 1997 accordingly. The selection criteria for the focus group respondents were that they should have just finished shopping and made a purchase of children's products at the store. Only by meeting these criteria were they qualified for the interview. In the afternoon of Saturday, 5th April, 1997, eight Wing On customers who met the above criteria were invited to attend the focus group meeting (with their spouses and children if shopping together). Before they were invited, they were told that this was a special customer feedback meeting for explaining their own ideas and that it would last for one to two hours. Before the interview started, each respondent was requested to fill in a form about his or her own demographic data and also about stores he/she usually shopped at and the products brought from those stores.

For the venue of the interview, it would be best to convene the focus group interview in a neutral place where the participants would not be influenced by any environmental or situational factors. Therefore the conference room of Wuhan University was considered to be used. However, since Wuhan University is forty five minutes bus trip time away from the store, and the return journey will also take forty five minutes. Such an arrangement might frighten the potential participants away (Morgan, 1997b). Other alternatives were to have the interviews done at a restaurant or function room of hotel. Owing to the various constraints, all such alternatives were turned down. Ultimately, it was decided to use the conference room of Wing On as the place for interview, with the understanding that the said location might introduce a little bit bias to the participants concerned.

4.7.1 Focus Group Interview of Wing On Customers

By working as a moderator, the author led the group in an open discussion about their own shopping behavior, especially about the attitudes towards Wing On and its competitor, Children World. Even though they were all strangers to one another at the beginning, they were quite exhaustive and outspoken while enjoying their teas and desserts during the interview. It was observed that they preferred to shop in Wing On because of the merchandise quality, merchandise range and friendly service. They made purchase of a great variety of children products especially children clothing.

Respecting the store attributes, the first issue that was raised was their evaluations of the store attributes and each respondent was free to tell his/her views of the importance and unimportance of each store attribute. The author tried to encourage the group members to talk about their own evaluation of the various attributes (without any hints or aids), so as to check against the number of attribute and type of attribute that the group members were concerned. In most cases, respondents mentioned about four to seven attributes; only by pressing harder, they might mention some additional attributes. In terms of types of attributes, respondents concerned about merchandise most, especially the quality aspect of merchandise. Other attributes were location and price. People in Wuhan emphasized specially on store goodwill and reliability, because they claimed that there were too many fake products on the market. Therefore, they relied on stores that were dependable.

Regarding the beliefs towards Wing On, they appreciated the service of Wing On very much. They felt that they were treated so nicely that most other stores in Wuhan could hardly compare with Wing On. Other positive beliefs were convenient location and good merchandise range, they also had good comments on merchandise quality too. They could also recall some great events that were held by Wing On. They were quite loyal to Wing On in that they had patronized Wing On for many years and set Wing On as the destination store for children products. Even though Children World was established for a few months, they still had more preference towards Wing On than Children World. They did concede, however, that the facilities in Wing On should be up-dated.

On the whole, by checking against all the evaluations and beliefs they mentioned, it was apparent that the fourteen store attributes as proposed by McGoldrick (McGoldrick and Ho, 1992) were more than enough in this circumstance. Such framework was very useful for hypothesis testing at the later stage. The interview was completed within one hour and forty minutes. Before they left, each respondent was given a gift as a token of thanks for their participation. By checking the demographic data, it was found that most of the participants were belonging to the middle income class

4.7.2 Focus Group Interview of Children World Customers

On 6th April 1997, another group of eight shoppers, together with their family members, from Children World were invited to participate in the focus group interview. Again, all participants must also meet the sampling requirements of

making purchase of products/services from Children World. The interview was also held at the conference room of Wing On. During the briefing, the author told the participants that he himself was from Hong Kong and that this research was for academic purpose in the hope that this additional brief statement would put them at ease.

For this batch of participants, in addition to asking the questions about image components and shopping behavior, some other topics were discussed about whether they did patronize Wing On before and why did they change? The participants were a bit conservative at the beginning but became more and more open at the end. Such interview lasted for two hours. According to the participants, the reasons for their first patronage to the Children World was because of curiosity, it is because Wuhan Plaza is the most modern and the biggest new department store in Wuhan. From Wuhan Plaza, they did find something suitable for themselves and there were lots of entertainment/catering services for both children and adults in Wuhan Plaza. Apart from shopping, they could also do some other business such as going to the bank or post office in Wuhan Plaza.

In terms of evaluations, they were more concerned about merchandise quality, service quality and store image. However, they also emphasized store reliability and store goodwill. It goes without saying that this is the side effect of the influence of fake products in Wuhan. As regards beliefs of store attributes, they considered the prices of products in Children World to be high, but they appreciated the merchandise quality and high class image of the store.

Through the discussion, it was discovered that this batch of participants were well aware of the high price of Children World products, but that they still could afford these merchandise. About half of them claimed to have made a purchase from Wing On before the opening of Children World, and then they changed their shopping behavior by purchasing different products from both stores. This verified the fact that Wing On did really lose some business to Children World. It was unanimous that the atmosphere in Children World was much better than that in Wing On. They would rather pay more to get the comfort in shopping. The demographic data forms revealed that this batch of customers were mostly in the middle and high income class.

Figure 4.1 highlights the overall findings from these two groups of customers. Through the focus group interviews, it was found out that they were quite concerned about the goodwill and reliability of the store, and it was observed that the fourteen store attributes as suggested by McGoldrick were equally enough for the measurement of customers' perceptions and attitudes in this circumstance. Moreover, there was the signal that some customers were shifting to the competitor, Children World. The English and Chinese topic of questions discussed during the focus group interviews are listed in Appendix 4.1 and 4.2.

Figure 4.1

Summary Findings of the Focus Group Interviews

Subjects	Wing On Customers	Children World Customers
Reasons for patronizing the store	Merchandise quality, merchandise range, good service	Curiosity, merchandise quality
Shopping purpose	Children and infant clothing	Purchase and entertainment
Evaluation criteria	Merchandise quality, location, price, goodwill, reliability	Merchandise quality, service, store image, goodwill, reliability
Beliefs about the store	Good service, good location, good merchandise range, good quality, poor facilities	Good quality, high price, good image
Demographic background	Middle income	Middle to high income
Shifting of store	Still have strong preference over Wing On	Shop in Wing On before, now shop selectively

4.8 *Decision on Methods for Collecting Data*

According to Burns and Bush (1995), there are nine ways to gather data, such methods as in-home interview, mall-intercept interview, mail survey, etc. There are different pros and cons for each method, but the selection of the method is also depended on the other factors such as cost, sampling requirement, accessibility, etc.

For this study, two major surveys were to be conducted. The first one was an in-company employee survey. In this case, the self-administrated drop-off survey was to be chosen because the respondents are all the employees of Wing On store and that they have to report for duty everyday. By means of the self-administrated drop-off method, the management delivered the questionnaire to them. They could

complete the questionnaire by themselves just by filling in the answer and then dropped off the questionnaire into the collection box accordingly. This method was quite efficient and at lower cost.

For the second survey, owing to the difference in sampling requirement, the survey method was changed. Here, in order to identify the customer who had just finished shopping and made purchase of any products/services at Wing On or Children World, the person-administrated mall-intercept interview was needed. The person-administrated survey can have the advantages of feedback, rapport, quality control, and adaptability. By this method, more accurate results could be obtained.

4.9 The Image Components and Attitude Measurement

To measure the perceptions of the store, the elements of store image should be established. To measure the attitudes toward the store, the attitude model must be selected. Thus further discussion about the selection of the store image elements and the function of the attitudinal model are needed.

4.9.1 Components of Store Image under Investigation

As stated in Chapter Three (see subsection 3.4.1), better positioning implementation will lead to the desired image formation as stipulated by the company. The ultimate outcome of positioning is to define the company/product in the minds of customers. By referring back to the elements of store image (see subsection 2.7.1), there are different schools of thought. By taking into

consideration the concerns of the management of Wing On (see section 8.9), the result of the focus group interviews (see section 4.7), and also measurement methodology of store positioning and image across different countries, McGoldrick's fourteen image components are used in this study (McGoldrick and Ho, 1992). It is because McGoldrick's positioning studies are the latest study in this aspect, these components summing up the most useful elements of the various previous image studies. Also, he made use of such study across different places such as Strasbourg, Chester, Hong Kong and it has proved to work very well.

The fourteen components as proposed by McGoldrick are:

- Merchandise quality
- Merchandise range
- Merchandise fashion
- Level of services
- Facilities
- Layout
- Atmosphere
- Location
- Quality of display
- Advertising
- General reputation
- Reliability
- Image
- Prices

By using these fourteen components as basic framework, a meaningful image and positioning study could be conducted.

4.9.2 *The Measurement of Attitudes*

Fishbein's (1963) Attitude-toward-Object model has been quite famous since three decades ago. According to Fishbein, attitude is a person's overall predisposition towards certain object and it is the total summation of evaluations multiplied by the corresponding beliefs. The reason for measuring the attitude is because attitude can influence behavior and that a positive attitude will lead towards positive reinforcement whereas a negative attitude will lead towards negative reinforcement (Walters and Bergiel, 1989). However, the Fishbein model also has its limitations (Williams, 1992; Loudon and Della Bitta, 1993). Nonetheless, in consideration of the various constraints such as the length of the questionnaire, etc., the use of Fishbein model is still a reasonable choice.

Therefore, here in this survey, both the evaluations and beliefs of the employees and customers were measured so as to see the difference in the overall attitude.

4.10 *Model of Role of Positioning with Marketing Management Process, Competition, and Customer Shopping Components*

Apart from measuring the overall attitudes towards the two stores, the author is also interested in finding out the possible influence of store positioning strategy on customers' evaluations, beliefs and shopping behavior. As a result, the author endeavors to sketch the model of role of positioning with marketing management process, competition, and customer shopping components.

Because of the difference in scope of emphasis, this model uses three different models as its theoretical framework. The first one is Kotler's (1997) Marketing Management Process Model, the second one is Monroe and Gultinan's (1975) Sequence of Effect in Store Choice Model, and the third one is the Porter's (1980) Five Forces Model. By combining the ideas of the above three models, this new model first emphasizes on the role of positioning in the marketing management process and, by referring to the possible impact of competition, then tries to relate the effect of all such issues to customers' shopping behavior. Within the model, both the evaluations and beliefs are isolated so as to make calculation of their attitude towards the store. Also customers' shopping behavior in terms of purchase amount and purchase frequency are examined in order to find out the possible relationship between attitude and shopping behavior. The model is shown in Figure 9.4 and more explanation of the model is given in Chapter Nine.

As a result, the various elements of modeling concept are also built into the questionnaire through such questions as purchase frequency, purchase amount and types of products purchased.

4.11 McGoldrick's International Positioning Surveys

As mentioned in the previous section, McGoldrick's fourteen image components are used in this study because of his former successes in conducting surveys in various countries. Through the focus group interviews, it was verified that these fourteen attributes are quite useful and match the aim of this study. As a result, these

fourteen attributes form the basic skeleton of the questionnaire for investigating people's evaluations and beliefs.

However, in view of the unique objectives of this study, there are also some differences between McGoldrick's study and this study. These differences are illustrated as follows:

1. This survey was conducted in China, whereas McGoldrick's surveys were done in Hong Kong, UK, etc.
2. This survey was on specialty store whereas McGoldrick mostly conducted surveys on department store.
3. For this study, both evaluations and beliefs were measured whereas McGoldrick only measured beliefs.
4. The seven point scale measure was used in this study and McGoldrick used ten point scale.
5. Both employees and customers were involved in this survey and McGoldrick only interviewed customers.
6. No quota was set on sex and age of respondents, but this is not the case for McGoldrick.
7. Only two stores were being investigated in this study whereas McGoldrick investigated three stores in the Hong Kong study.
8. Questions related to product purchased were asked in this study and this was not the case for McGoldrick study.
9. No question related to perceived country origin was asked as the survey was done in China, but Hong Kong study by McGoldrick did raise such issue.

10. All respondents must have made purchase of products from either store, so as to make sure that their attitudes are more concrete, and this is not the prerequisite of McGoldrick study.

Therefore, it is self-explanatory that, even though the framework for measuring image and positioning are alike, this study has its uniqueness in terms of focus and methodology.

4.12 Setting up of Hypotheses

For the two rounds of focus group interviews of customers from both Wing On and Children World, many new insights were found. For the fourteen image components, it was found that they were sufficient and really worked in the study. For instance, people were quite concerned about merchandise quality and range. Regarding the level of services, since consumerism is still not that popular in Wuhan, the customers did not expect too much from company service. They appreciated the layout, facilities and atmosphere of Children World and considered that the location of Wing On and Children World were quite convenient. They were of the opinion that advertising were mostly informative but the most important assets for stores should be its general reputation and reliability. The customers were also of the feeling that, in comparison, Children World was modern and Wing On was traditional and also the prices of Wing On were acceptable but those of Children World were on the higher side. By examining and emanating the result of the focus group interviews and also reviewing the interviews of Wing On

management and staff, fourteen hypotheses were set up for future testing. The hypotheses are:

- H1: The merchandise quality of WO is the same as CW
- H2: The merchandise range of WO is the same as CW
- H3: The merchandise fashion of WO is the same as CW
- H4: The merchandise display of WO is the same as CW
- H5: The service quality of WO is the same as CW
- H6: The store layout of WO is the same as CW
- H7: The store atmosphere of WO is the same as CW
- H8: The store facilities of WO is the same as CW
- H9: The convenience of store location of WO is the same as CW
- H10: The store promotion of WO is the same as CW
- H11: The general reputation of WO is the same as CW
- H12: The reliability of WO is the same as CW
- H13: The image of WO is the same as CW
- H14: The price of WO is the same as CW

For the above fourteen hypotheses, WO stands for Wuhan Wing On Children Shopping and Amusement Centre Company Limited of Wuhan Department Store and CW stands for Children World of Wuhan Plaza. When designing the three sets of questionnaires, all the fourteen hypotheses should be taken into consideration.

4.13 *Design of Employee Survey Questionnaire*

After the hypotheses were set up, it was time to design the questionnaire. In view of the two different groups of people, two major surveys would be conducted. The first one was in-company employee survey and the second one was customer survey.

According to Tull and Hawkins (1987), when one is going to draft the questionnaire, there are guidelines to follow. For them, the questionnaire construction decisions involve many stages:

1. Preliminary decisions on information needed
2. Decision about question content
3. Decision concerning question phrasing
4. Decision about the response format
5. Decision concerning the question sequence
6. Decision on the layout of the questionnaire
7. Pretest and revise

Steps for the drafting the questionnaire were followed closely in this aspect, so as to ensure that the questionnaire could meet these strict requirements.

Ideally, it would be much better to collect as much information as possible. Thus the lengthier the questionnaire, the more the information collected. May (1971), Gutman and Mills (1982), and Kopp et al. (1989) did try a lengthy questionnaire for data collection. However, generally speaking, to get a good response rate from

such a lengthy questionnaire survey, the offering of incentives to respondents are unavoidable.

For the in-company employee survey, it is on voluntary base and there will be not incentive. As such, even though the management wished to investigate lots of information, the questionnaire cannot be too lengthy. As a compromise, only the most urgent issues are raised in the questionnaire survey.

In this survey, in order not only to measure the perception of image components of the store but also the overall attitude towards the store, the attitude-toward-object model as proposed by Fishbein was to be used. As such, both the measurement of evaluation and belief of the attributes should be counted. Apart from that, since the Wing On management was eager to know how employees felt towards its competitor, Children World, questions were also designed to work on such measurement. For the purpose of measuring attitude alone, a total of forty two questions were needed. Under this circumstance, the semantic differential scale was used (Kent, 1993) and this was also accompanied with the labeled scaled-response format for more clear indication. For the first batch of fourteen questions, it was related to the evaluation of the importance of the store attributes. The rating scale was on the seven scale categories with "1" being very unimportant and "7" being very important. For another batch of questions related to beliefs of the two stores, the rating scale was also on the seven scale categories with "1" being very poor and "7" being very good. However, for the rating scale of image, "1" being very traditional and "7" being very modern and as for price, "1" being very low and "7" being very high.

When designing the sequences of the questionnaire, consideration was given to the possible use of numerical comparative scale so as to quicken the interview process. However, in order to avoid the rating instability problems which might result from rating context effect as suggested by Teas (1994), the rating of the store attributes for Wing On and its competitor was finally divided into two sections. Another consideration was about the self-perceived image of employees. Oppewal and Timmermans (1997) stressed the importance of retailer self-perceived store image and competitive position by setting a special tailor-made survey questionnaire. However, in view of the need in this study for comparing perceived difference between customers and employees, the same set of forty two store attribute questions must be used. Moreover, according to the will of the Wing On management, to get some information about the competitiveness and position of the store and its competitor, open-ended questions were designed for employees to express their views freely about the strengths and weaknesses of self and the competitor. Employees were also asked to put down the slogan of the company, so as to measure their familiarity with the company slogan, because the slogan is the most fundamental element of the company. Wing On uses the slogan to tell customers its intent and to differentiate itself from the competitors whereas customers use the company slogan to build up their expectation (image) towards Wing On. The rear portion of the questionnaire was related to the demographic background of the employee such as number of year of service at Wing On, present monthly salary, position, etc. Since this questionnaire was on a self-administered basis, a briefing sheet was attached at the front to explain the purpose of the survey. In order to make it easy for employee to fill in the questionnaire, detailed instructions were given whenever necessary. Also, emphasis was put on the

anonymous nature, so that employees should not be afraid of possible conspiracy during the survey. Discussion was made with the Wing On management for further fine-tuning of the draft so as to reflect the actual situation of the company, the questions related to the number of years of employment with Wing On and the different positions within the company were the typical examples. For precaution purposes, both the question content, question phrasing, question sequence were checked before the pilot test took place.

On the whole, the employee survey questionnaire was divided into seven parts:

Part 1 Evaluation of store attributes

Part 2 Belief of store attributes of Wing On

Part 3 Beliefs of store attributes of Children World

Part 4 Strengths and weaknesses of Wing On

Part 5 Strengths and weaknesses of Children World

Part 6 Slogan of Wing On

Part 7 Demographic data of employees

4.14 Pilot Test of Employee Survey Questionnaire

After the draft of the employee survey questionnaire was designed, ten sets of questionnaires were used for pilot test purpose. Four sets of questionnaires were given to Assistant Section Head or above and six sets were given to sales personnel and clerk. After filling in the questionnaire, they were asked to put down their feeling towards the questionnaire in terms of the following criteria:

1. Confusing questions
2. Poorly constructed questions
3. Difficult questions
4. Length of the questionnaire
5. Flow of the questionnaire
6. Physical aspects of the questionnaire
7. Overall reaction and comments

By examining the returned pilot test questionnaires, it was felt that the sequence of the questionnaire needed some change, because the questions were raised about Wing On and then Children World and then Wing On again. Such a sequence confused the respondents. Therefore the new format was to concentrated on Wing On in the first part and then Children World in the second part. Some respondents would like to see the break down of the fourteen attributes to more detailed attributes such as the tidiness of uniform, the way of greeting customers, etc. However, in view of the fact that customers would also be interviewed with those fourteen attributes, such suggestions could not be entertained. Other respondents suggested asking questions about the management aspect of the company, but since this was only a marketing survey, such an opinion was not taken. But the author informed the management of Wing On about the possibility of conducting survey on management aspect of the company in the future. By making the necessary modification, the in-store employee survey questionnaire was completed.

The sequence of the final in-company employee survey questionnaire was in the following order:

- Part 1 Evaluation of store attributes
- Part 2 Belief of store attributes of Wing On
- Part 3 Strengths, weaknesses, and slogan of Wing On
- Part 4 Beliefs of store attributes of Children World
- Part 5 Strengths and weaknesses of Children World
- Part 6 Demographic data of employees

The final draft contained sixty five questions. A total of four pages were used for this employee survey questionnaire, which was printed on both sides of two pieces of paper. Samples of the English and Chinese questionnaires are in Appendix 4.3 and 4.4.

4.15 Design of Customer Survey Questionnaires

For the design of the customer survey questionnaire, since part of the objectives of data collection were different from that of in-company employee survey, another format of questionnaire was to be designed. However, since the customers should also be asked about their belief and evaluation of the various store attributes, therefore, about fifty percent of the questionnaire was the same. The remaining fifty percent were to concentrate, in addition to the demographic data, on their shopping behavior toward the two stores. Since this person-administrated survey was to be conducted at the exit of the stores, so all the questions were in closed-ended categorical format. In order to help the customers to answer the attribute questions more accurately and quickly, the rating scale card listing those answers such as very important, quite important, etc., were shown to customers during the

interview. Under this circumstance, the interview time could be shortened and the data entry work would be easier.

The sequence of the customer survey questionnaire was in the following order:

Part 1 Identification of respondent

Part 2 Evaluations of store attributes

Part 3 Beliefs towards Children World

Part 4 Shopping behavior towards Children World

Part 5 Beliefs towards Wing On

Part 6 Shopping behavior towards Wing On

Part 7 Demographic data

It was necessary to investigate how they felt towards the competing store, only through such investigation could clear difference between stores be detected. Since two batches of customers would be interviewed, therefore, two sets of questionnaires were needed. In order to maintain the same sequence of computer coding, the contents of the two sets of questionnaires were exactly the same but the sequence of questions arrangement was changed through the use of special instructions. The routine procedure for checking questionnaire, as in the case of in-company employee survey, was also done before the pilot test started.

4.16 Pilot Test of Customer Survey Questionnaires

The pilot test was carried out in June, at that time, ten customers from Wing On and ten customers from Children World were interviewed at the exit of the two

stores. Apart from observing the time used for the interview, the facial expression of the respondents were also noted. After the interview, respondents were asked how they felt about the questionnaire in terms of contents, phrase, flow, sequence, etc. It was found that the respondents considered the questionnaire to be acceptable. For the contents of the questionnaire, it was found that the majority of respondents only had one child, therefore the question for another child was canceled. Also, the occupation classification seemed to be not clear enough, so additional improvement was needed in this aspect. Reference was therefore made to the occupation classification of the China Statistical Year Book and some modification was made. When revising the questionnaire with the management, it was considered that the stores that the customers visited or planned to visit should be asked so as to have a general idea about the itinerary of the shopping trip. Moreover the reasons for patronizing the specific store should also be investigated. As a result, all such ideas were instilled into the revised questionnaire. Something special about this revised questionnaire was that, whenever customers were asked about the reasons for patronage, the products they purchased, etc., their sequence of answering those items were also listed down, so that more accurate hierarchy of order of preference could be uncovered.

As a result, the new structure of the revised questionnaire is as follows:

Part 1 Identification of respondent

Part 2 Evaluations of store attributes

Part 3 Beliefs towards Children World

Part 4 Shopping behavior towards Children World

Part 5 Reasons for patronizing Children World

Part 6 Beliefs towards Wing On

Part 7 Shopping behavior towards Wing On

Part 8 Reasons for patronizing Wing On

Part 9 Demographic data

On the whole, the final version of the questionnaire was completed, but it was felt that the questionnaire was a little bit too long. Because there were altogether sixty four questions and it took a total of six pages and printed on both sides of three pieces of paper. But such issue is unavoidable because only by asking for the belief and evaluation of the store attributes, forty two questions had to be used. Only by working in this way, the Fishbein model of attitude measurement could be achieved and positioning chart could be made. Samples of the four English and Chinese questionnaires are in Appendix 4.5 to Appendix 4.8.

4.17 Sampling and Implementation of the In-company Employee Survey

It was originally planned that all the 350 employees of Wing On should be the universe for the in-company employee survey. However, by discussing with the management of Wing On, it was found that about 50 of the employees were working on leased department base that they were not regular Wing On employees. The management considered that this batch of employees were more familiar with their own companies/manufacturers than Wing On and that they might not be able to give constructive opinions and suggestions to Wing On. To include such employees in the survey would ruin the result, therefore, such batch of employees should not be included. Also, the management mentioned about another batch of

junior employees who were low level operation workers such as janitors, store security guards, kitchen cooks, etc. Since they were low in literacy because they only reached the junior middle school level, and that the questionnaire was a self-administered one, this batch of workers might not be able to handle and answer the questionnaire properly. Upon thorough discussion with the management, the author was in support of the judgment of the management to exclude these two batches of employees, approximately 100 person, from the survey. It was because validity and reliability are important components of marketing research (Crask et al., 1995). As a result, the non-probability judgment sampling method was used for the in-company employee survey.

For the remaining 250 employees, they were all sales personnel, clerks, and management personnel. In order to make them aware and prepared for such survey, announcement was made by the management on 8 July that a survey aiming at improving service quality of the store would be conducted next week. It was emphasized that the survey would be on voluntary and anonymous bases. What they had to do was to fill in the questionnaire and return same to the designated collection box. On 15 July, announcement was again made by the management for the commencement of the survey and the questionnaires were distributed to all qualified employees for them to fill in. As the employees in general were much conservative about the practice of questionnaire survey, therefore, a briefing sheet from the Office of the General Manager was attached to the questionnaire to ensure that the survey was aiming at improving service quality and that they should return the questionnaire without written down their name. At the same time, for this special purpose, a survey telephone hotline was established by the Public

Relationships Officer. When the employees encountered any problem in answering the questionnaire, they could ask for help through the hotline. By the end of Sunday, 20 July 1997, a total of 189 questionnaires were collected and the return rate was 75.6 percent. On the 22 July, the management announced the successful completion of the survey and thanked employees for their cooperation.

4.18 Sampling and Implementation of the Customer Surveys

From the Wing On management's point of view, there were many competitors around the town. For example, in the early 1996, three more new stores (i.e. Tian He, Tai Fung Chi, and Hankow) were opened for selling children products. Nevertheless, the sales figures were not affected by the inroad of those competitors because, in terms of merchandise and location, Wing On was still the market leader then. However, ever following the opening of Children World of Wuhan Plaza in September 1996, Wing On suffered immediately. The sales figures indicated strongly the tremendous impact of Children World that Wing On lost a lot of sales to Children World. Thus, from the judgement of Wing On, Children World is the most important competitor that should be handled with first priority. Therefore, by considering the professional opinion of the Wing On management, this survey research is only concentrated on the one and only major competitor, Children World (see sections 8.9 and 8.10).

According to the management, the target markets of Wing On are children from newborns to fourteen and the core market is children between the age of three and six (see subsection 6.5.3). Because children between the age of three and six are so

young that they are, in most cases, unable to make any consumer related decision but that their parents have to make decisions for them (McNeal, 1992). In consideration of this special condition, only the parents (or adults) are to be interviewed instead of the children.

4.18.1 The Sampling Plan

By following Kinner and Taylor's (1996) sample selection steps, the sampling plan was designed. Since the author only aims at investigating the different perceptions held by customers of Wing On and Children World, only those shoppers who had just finished shopping from Wing On and Children World would be the target samples, other customers from Wuhan Department Store and Wuhan Plaza would not be qualified for interview. The reasons that only the customers who had just finished shopping were interviewed was because their purchase action had already demonstrated their concrete perception and experience towards the store and that all such information were quite valid that they were good representation of the store customers.

In terms of sample size, there are many theoretical frameworks for consideration. Some scholars (Luck and Rubin, 1987; Churchill Jr. 1995; Kinner and Taylor, 1996) called for precaution about the possible standard error, precision of the estimate, degree of confidence, etc. In addition, Kinner and Taylor (1996) and Malhotra (1993) also mentioned the time, cost constraints. From Lewison (1997) point of view, for retail research, the sample size between 400 and 500 was in most case considered satisfactory. Crouch (1984) was of the opinion that for quantitative

research, the minimum sample size should be around 300 and 500. Sekaran (1992) made statistical analysis and concluded that with the 1,000,000 population size, a sample size of 384 was considered to be good enough. In consideration of the cost constraints, a maximum of 440 target respondents are set, thus 220 interviews to be conducted for each store (i.e. Wing On and Children World).

As for sampling procedure, the probability sampling technique is used, because by adopting this technique, all respondents can have equal chance to be selected. Thus guarantee the representation of the samples. Within such probability technique, the systematic sampling is chosen. It is because, according to Malhotra (1993), in case if the population elements are arranged in a manner unrelated to the characteristic of interest, systematic sampling will yield result that are quite similar to simple random sampling. In case the ordering of the elements is related to the characteristic of interest, systematic sampling can increase the representativeness of the sample. Thus, systematic sampling not only increase the representation of the sample selected but also safeguard against of any possible sampling faults.

Through such thorough consideration, the sampling plans for the Wing On and Children World surveys are thus tabulated. Tables 4.1 and 4.2 show the details.

4.18.2 Implementation of the Customer Surveys

The survey was planned to be conducted on Saturday and Sunday, because these two days were the shopping days for Wuhan people, people were bound to shop in their favorable stores. Samples thus drawn would have a better representation of

Table 4.1

Sampling Plan for Wing On Customer Survey

<p>Element: Wuhan Wing On Children Shopping and Amusement Centre Company Limited</p> <p>Sampling units: Customers from Wing On</p> <p>Extent: The Wuhan Department Store</p> <p>Time: Late July, 1997 (Saturday and Sunday only)</p> <p>Sampling frame: Customers who have just finished purchasing products/service from Wing On</p> <p>Sampling size: Approximately 220 customers</p> <p>Sampling procedure By means of the probability procedure and using the cluster sampling method, the systematic sample of every fifth customer who has just finished purchasing products/service from the Wing On will be interviewed (irrespective of their sex, age, etc.)</p>
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Table 4.2

Sampling Plan for Children World Customer Survey

<p>Element: Children World of Wuhan Plaza</p> <p>Sampling units: Customers from the Children World</p> <p>Extent: The Wuhan Plaza</p> <p>Time: Late July, 1997 (Saturday and Sunday only)</p> <p>Sampling frame: Customers who have just finished purchasing products/service from the Children World</p> <p>Sampling size: Approximately 220 customers</p> <p>Sampling procedure By means of the probability procedure and using the cluster sampling method, the systematic sample of every fifth customer who has just finished purchasing products/service from the Children World will be interviewed (irrespective of their sex, age, etc.)</p>

the actual customer source in terms of occupation and district, therefore, the possible bias for shoppers from nearby proximity could be reduced to the minimum. The probability systematic sampling method for drawing every fifth customer from Wing On and Children World was used. Under this circumstance, the actual customer mix could be profiled.

For the implementation of the survey, the interviews were conducted on 19, 20, 26 and 27 of July (Saturday and Sunday). One week before the field interview was taken place, a special briefing session was held for the six business students from Wuhan University. During the briefing, they were told about the objectives of the survey, moreover, interview techniques were also taught. Thereafter, they were requested to have the mock interviews with one another so as to familiarize themselves with the questionnaire and they could raise any questions they encountered during the mock interviews.

On the days the field survey carried out, three students were at the exit of Wuhan Department Store and three at the exit of Wuhan Plaza. They then invited customers for interview according to the procedure of systematic sampling method. In case the customer rejected the interview, the follow-up customer who met the sampling requirements would be invited. The interview lasted from 10 am to 9 pm. As a result, they became skillful interviewers gradually. Each of the interviewers was expected to have twenty interviews each day, so as to aim at the target of 220 respondents for each store. It was observed that the length of time for the interview depended on the level of literacy of the respondents, the average time for each interview was approximately twelve to fifteen minutes. For those respondents who

were low in literacy, it might last to twenty minutes or more because detailed explanation was needed before they could give the answer. To backup the team of student interviewers, the Public Relationships Officer of Wing On was also stood by to provide auxiliary service to the students and, at the same time, made random edit on the returned questionnaires. Cases were reported that a few respondents rejected to continue the interviews because they were eager to go home or felt the questionnaire was a bit longer, therefore fatigue effect should also be considered during the process of interview. Within the interview period, the weather was quite fine and the temperature was not very hot, so the survey could be carried out smoothly. As a result, a total of 440 questionnaires were collected with 220 for each store.

4.19 Data Editing and File Formation

According to the instruction, the interviewers should immediately edit the questionnaire in the field when the interview was completed. At the same time, the Public Relationships Officer also helped to randomly check the returned questionnaires for quality control purpose. After the 440 questionnaire were completed and sent back to Hong Kong, before the data entry work started, the editing work was done again. As a result of the editing work, only 217 Children World and 216 Wing On questionnaires were valid and good for data entry. The remained seven questionnaires were discarded because of incomplete information.

For data entry, one file was set up for each set of questionnaire. Therefore, there were three independent data files: (1) Employee data file, (2) Wing On customer

data file, and (3) Children World customer data file. By combining these data file together, another two data files were formed. One was the combined customer data file for both Wing On and Children World and the other was the combined grand data file of all respondents. For the combined customer data file, it was subdivided into frequent customer data file and infrequent customer data file, based on the criterion that any customer who went to both Wing On and Children World at least once every month and vice-versa. As a result, a total of seven files are created:

1. The total respondents
2. The employees
3. The customers
4. The Children World customers
5. The Wing On customers
6. The frequent customers
7. The infrequent customers

With these seven data files, the analysis work could be done more flexibly. The SPSSWIN 7.0 version software package was used for data analysis. The statistical analysis techniques such as frequency count, cross-tabulation, t-test, and multiple regression analysis will be used for further analysis of the relevant data.

4.20 The Time Schedule

For the overall implementation of this survey research, the planning stage started at the end of 1996. In early 1997, the objectives of the survey research were polished

and defined. With all the needed information in mind, the management of Wing On was interviewed and observation of all the competing stores were made. Thereafter, the focus group interviews for Wing On customers and Children World customers were conducted. All such issues were handled in April. With all the relevant data, the questionnaires were designed in May. At the beginning of June, the pilot tests were done and, at the end of the same month, all such questionnaires were refined. The field surveys for both employees and customers were conducted from mid July onward. As a result, the data editing, processing, and analyzing work were done between August and October. Thus the stage for survey research was completed by the end of 1997. Figure 4.2 shows the time schedule graphically.

Figure 4.2

Time Schedule for the Survey Research

	Jan	Fe	Ma	Ap	Ma	Jun	Jul	Au	Se	Oc
Define research objectives	■	■	■							
Focus group interviews				■						
Questionnaire design					■					
Pilot test						■				
Questionnaire refinement						■				
Field survey – employees							■			
Field survey – customers							■			
Data processing & analysis								■	■	■

4.21 Summary

Through the literature review, the integrative research review and theoretical review were done. The qualitative research methods helps to know more about the history, positioning strategy, competitive environment, etc. of Wing On whereas the

quantitative research methods can make more contributions to the survey research. The objective of the survey research is to find out the impact of the positioning strategy, thus descriptive research method and single cross-sectional research method are employed. The focus group interviews do detect the different perceptions and attitudes of the Wing On and Children World customers, and thus the fourteen store attributes under investigation are confirmed and the use of questionnaire for data collection is also decided. Even though the survey is somewhat a replication of McGoldrick's study, but it has its own uniqueness. As a result, the hypothesis are set up and three sets of questionnaires, after testing, are constructed. The survey are carried out through judgement sampling for the employees and systematic sampling for customers. Ultimately, a total of 189 employee questionnaires and 440 customer questionnaires are collected for further processing and analysis. Such survey research process, as the time schedule shows, lasts for about one year.

CHAPTER FIVE

RETAILING IN CHINA AND WUHAN: AN OVERVIEW

5.1 *Introduction*

To study the positioning strategy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited, the first prerequisite is market analysis, so that one can understand the market environment that the store is in. This chapter therefore is devoted to the general understanding of the environmental situations. First of all, an overview of retailing in China is discussed, then the retail trade conditions in Wuhan are explained. Thus the full picture of the market environment can be observed.

5.2 *The Open-door Policy of the People's Republic of China*

Marketing people have long been looking for market opportunities. With more than one billion population in the People's Republic of China (PRC), it is a land that attracts marketers' attention (Davies, 1993a). Just imagine that if a company can get one percent market share from this country, the company can enjoy endless source of sales and profit. It is considered to be the mouth-watering market of 'one billion consumers' (Murray, 1994). However, owing to the practice of the communist system in PRC, this was an untouchable forbidden land until 1979 when the PRC government declared its open-door policy.

During the Third Session of Central Committee of the 11th National Party Congress in December 1978, China changed drastically its strategy of economic development. Thereafter, the open-door policy has been implemented. Because of the new policy, a nationwide market has thus been created (Taylor, 1995). Between 1979 and 1990, even though there were some interference with the open-door policy, the average real economic growth still reached 9 percent per year (Maruya, 1992). For instance, in 1978, the gross domestic product (GDP) was only Renminbi 362.41 billions (US\$43.66 billions), but in 1997, the gross domestic product rose to Renminbi 7,477.24 billions (US\$900.87 billions). With an increase of about 1850 percent (State Statistical Bureau of the People's Republic of China (SSBPRC), 1998, 55).

Regarding the impact of open-door policy on economic development in China, Chen (Chen and Maruya, 1992) stated that improvement was made towards the standard of living of the Chinese people and also the structure and efficiency of the Chinese economy. On the one hand, people in China also endorsed such policy (Xu, 1991). On the other hand, one of the side effects of market economy is that the traditional administrative system of macroeconomic control has become less effective when local authorities have gained greater autonomy to pursue their narrow objectives (Bell et al., 1993).

By considering the role of Hong Kong and China's open-door policy, Sung (1991) described the roles of Hong Kong to be (1) Financier, (2) Trading partner, (3) Middleman, and (4) Facilitator. Joint venture is one of the methods for entering the China market. Thus the Wing On Department Stores (Hong Kong) Limited also performed the above roles and made use of the joint venture method when entering

the Wuhan market. As a matter of reference, Bucknall (1989) discussed the successes and problems with joint ventures in China. Because the Chinese government also declares its desire to continue with its open-door policy, it is therefore worthwhile to do business with China through the various market entry strategies. The map of China in Figure 5.1 is for general reference.

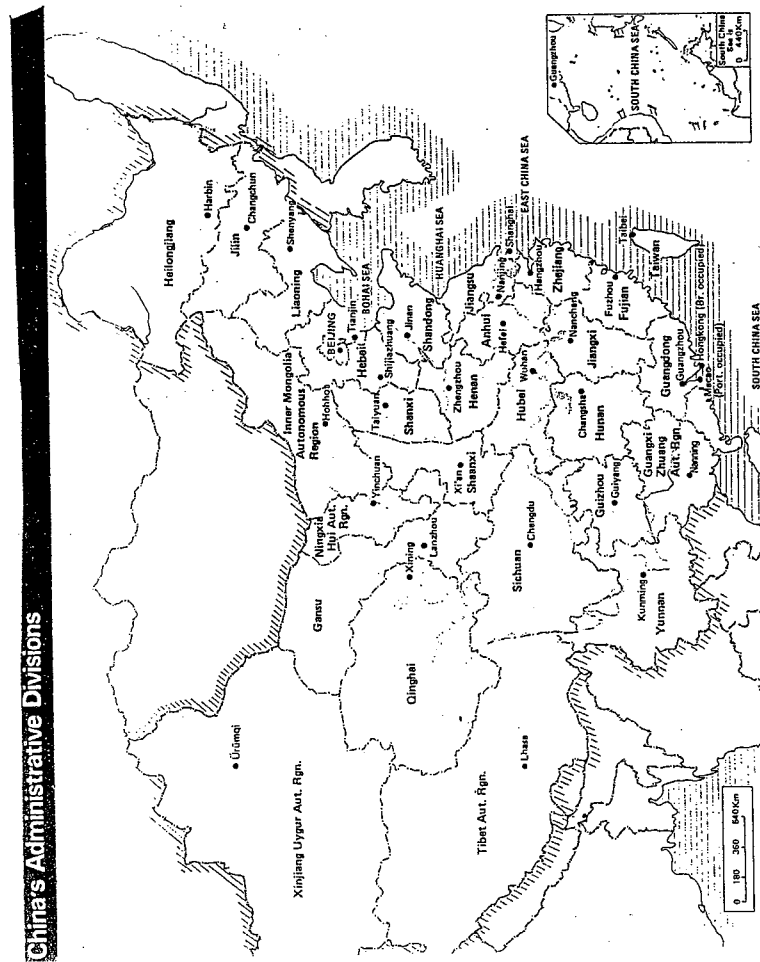
5.3 *China's Consumer Market*

China is a big country. On the whole, it is divided into 31 provinces, municipalities, and autonomous regions (SSBPRC, 1998, 3). In 1997, the total population in the People's Republic of China was 1,236,260,000, which was about one fifth of the world's total. The gross national product (GNP) was Renminbi 7,345.25 billions (US\$884.96 billions) (SSBPRC, 1998, 55).

After introducing the open-door policy, China has gradually abandoned its self-contained and self-sufficient economic development policy and moved towards a market economy. With the implementation of the market economy, the income of the people has grown and thus the expenditure has also risen. In 1978, the average annual salary of urban employees was Renminbi 615 (US\$74), and this rose to Renminbi 2,140 (US\$257) in 1990. As for expenditure, the average expenditure per capita of the whole country in 1978 was Renminbi 179 (US\$21) and this rose to Renminbi 714 (US\$86) in 1990. On the whole, the cities that recorded a faster

Figure 5.1

China's Administrative Divisions



Source: Kuan, P.H. and Kuan, Y.C. (1988) *Magnificent China: A Guide to Its Cultural Treasures*, San Francisco, China Books & Periodicals, Inc.

rate of retail sales increase were mostly the coastal cities such as Shanghai and Guangzhou (Hong Kong Trade Development Council, 1992).

As for the development trend of China's consumer goods market, by giving guidelines to Hong Kong businessmen, Hong Kong Trade Development Council (1992) made the following comments:

First, the food consumption has shifted from quantity to quality. The demand for raw food has decreased while that for processed food has increased. Owing to a change of life style, instant food and delicatessen are quite popular.

Second, the expenditure on clothing has increased significantly, especially in ready-to-wear apparel. People then are also more fashion conscious.

Third, the shifting of demand for daily necessities is the greatest. People in China need TV sets, video tape recorders, washing machines, air-conditioners, etc. instead of those basic durable such as bicycles, radios, etc.

Fourth, housing is another issue. The quality of living is improving and, at the same time, the average living area per person doubled between 1978 and 1990. Thus this brings about the increase in consumption for house-related goods such as furniture, kitchenware, etc.

Apart from the above changes, the Chinese Government in 1992 also designated six coastal cities and five special economic zones as trial cities for foreign participation

in the retail sector. The import tariffs of some consumers goods were also reduced in January 1993. Thus the changes of China consumer market accelerated (Hong Kong Trade Development Council, 1993).

5.3.1 Sources of Retail Statistical Data of China

For the whole of China, the most powerful formal information source is the State Statistical Bureau of Beijing and the China Statistical Yearbook, which is in bilingual format, is the most self-contained one. However, in this book, it contains the whole spectrum of survey in China which may extend to sports, healthcare, social welfare, etc. Thus every aspect is not in-depth enough. Also, the most elementary level of statistical data are on provincial base, other fundamental and lower level statistical data are not available. Other publications from the State Statistical Bureau are: Urban Statistical Yearbook of China, Market Statistical Yearbook of China, Almanac of China's Economy, China Social Statistics, Statistical Year Book for different provinces and cities, etc. The above publications all share the same statistics source, but with emphases in different aspects and are mostly in Chinese only.

5.3.2 National Data on Retailing and Consumption

After a thorough search, the author came across some statistical data which might be of interest to retailers in general. Such data are mostly extracted from the China Statistical Yearbook 1998.

On the national perspective, in 1997, the total population of China was 1,236,260,000. Around thirty percent of the population was classified as living in urban areas (SSBPRC, 1998, 105). The total number of households was 340,256,000 units and the average size of the household was 4.13 persons (SSBPRC, 1998, 108-109). Regarding the gross domestic product, it was Renminbi 451.78 billions (US\$54.43 billions) in 1980 but Renminbi 7,477.20 billions (US\$900.86 billions) in 1997; which is an increase of 1650 percent. Within the gross domestic products, the tertiary industry accounted for Renminbi 96.64 billions (US\$11.64 billions) in 1980 but Renminbi 2,403.33 billions (US\$259.55 billions) in 1997; which shows an increase of 2500 percent over the same period. Here we can observe the great improvement in gross domestic product, especially in the area of tertiary industry (SSBPRC, 1998, 55).

As regards employment, in 1997, there was altogether 705,800,000 employees (economically active population) in China. For the number of employees in the tertiary industry, the total number was 183,750,000 (SSBPRC, 1998, 128). The average wage per year of employees in wholesale and retail trade and catering services was Renminbi 4,248 (US\$512) (SSBPRC, 1998, 160-161).

Regarding livelihood, in 1997, the per capita annual income of urban household was Renminbi 5,188 (US\$625); whereas the per capita annual living expenditure of urban households was Renminbi 4,185 (US\$504) (SSBPRC, 1998, 328).

The State Statistical Bureau also broke down the urban household annual living expenditures per capita and its consumption for 1997 as follows (SSBPRC, 1998, 328):

Food	1942.59 (US\$234.04)
Clothing	520.91 (US\$62.65)
Household facilities, articles and services	316.89 (US\$38.17)
Medicine and medical services	179.68 (US\$21.64)
Transportation and communications	232.90 (US\$28.06)
Recreation, education and cultural services	448.38 (US\$54.02)
Residence	358.64 (US\$53.20)
Miscellaneous commodities	185.65 (US\$22.36)
Total living expenditures	\$4185.64 (US\$504.29)

As for the issue of domestic trade, which are the affairs relating to the wholesale and retail aspects of China, the following figures may serve as reference:

In 1996, the total sales value of domestic trade was Renminbi 4,254.69 billions (US\$ 512.62 billions) within which the total retail sales of consumer goods was Renminbi 2,477.41 billions (US\$298.48 billions) (SSBPRC, 1998, 581). To be more specific, the number of outlets in retail sales trade was 13,963,162 units (SSBPRC, 1998, 588) and the number of personnel in retail trade was 31,892,221 persons (SSBPRC, 1998, 588). All the above figures are on national base.

From all the above information, in order to highlight the important figures that are related to retailing business, Table 5.1 excerpts the data that might be useful for retailers' reference.

From the above statistical data, it is observed that lots of improvements are needed for the statistical data analysis of China. For the time being, we can only have some rough idea about the whole country. The data are mostly up to the provincial level, other lower level data are difficult to find.

Table 5.1
Highlights of Retail Related Data for China, 1997

Total population	1,236,260,000 persons
Number of household	340,256,000 units
Gross domestic product (GDP)	Renminbi 7,477.20 billions (US\$900.86 billions)
GDP for tertiary industry	Renminbi 2,403.33 billions (US\$259.55 billions)
Total employees	705,800,000 persons
Total employees in tertiary industry	183,750,000 persons
Average annual income for employee in wholesaling, retailing and catering service	Renminbi 4,248(US\$512)
Per capita annual income	Renminbi 5,188 (US\$625)
Per capita annual expenditure	Renminbi 4,185 (US\$504)
Total retail outlets	13,963,162 units
Total retailing employees	31,892,221 persons

According to the estimation of Euromonitor (1997), in 1997, there were 100 million consumers with incomes exceeding US\$1,000 per year. By the turn of century, this was expected to rise to 300 million such consumers and thus China will be the world's biggest market for packaged goods, etc. Its potential is really impressive. However, Euromonitor pointed out that marketers should be cautious about the impact of rapid urbanization and also the aggregate data which conceal many

regional variations. de Keljzer also mentioned that even though there were hazards in the China market, it was still worth the risk of entry (de Keljzer, 1992).

5.3.3 Children as Consumers in China

From a children product marketer's point of view, one may be quite interested in the number of children in China. According to the statistics, in 1997, there were 310,404,000 children between the age 0 and 14 (SSBPRC, 1998, 113). From the table of student enrolment, in 1997, there were 25,190,000 kindergarten students, 139,950,000 primary student students and 51,670,000 junior school students (SSBPRC, 1998, 684). This is the general profile of the children age and education distribution.

For such a large market, relatively little is known about how it works. However, McNeal and Yeh conducted surveys in China relating to the consumer behaviour of urban Chinese children, they obtained the following findings: As early as age four, children in China are given money to participate in the consumer role, they are taken to marketplace as co-purchasers. Their huge expenditures on school-related items distinguished them from US children; because Chinese parents place paramount importance on education of children. Also, by the regulation of the country, there is only one child in each family. Chinese parents value their children so much that they consider the decision making for purchase of children products to be important. Therefore children are described as 'little emperors.' Because of culture difference, Chinese children incline to save more money. In most cases, in the households, grandparents are the providers of money to the children (McNeal and Yeh, 1997).

Thus we can observe that the urban Chinese children in general have their distinct characteristics. Retail formats/positions of the children products market should pay special consideration to such issues.

5.4 Retail Structure and Regulative Framework

In China, the retail business is considered as part of the 'tertiary industry'. In the Chinese context, tertiary industries include:

- (1) Telecommunications, wholesale, retail, restaurant, etc.
- (2) Service industries such as banking, insurance, tourism, etc.
- (3) Education, television broadcasting, social welfare, etc.

It is expected by the observers that industries in categories (1) and (2) are gradually opened to international investment, while those in category (3) will remain largely controlled by the Chinese government.

Because of the introduction of the market economy system, great changes have been taken place in the distribution system (Qiang and Harris, 1990). At the same time, these changes also serve as a very valuable lesson from a planned to a market economy in social and market change (Sternquist and Qiao, 1995).

5.4.1 The Evolution of the Distribution System

Before the open-door policy, the consumer goods distribution mechanism was highly centralised and monopolised by state-owned enterprises. The evolution of the distribution system can be divided into three phases.

During phase 1 (1978-1983), the monopoly power of state enterprises over the distribution of consumer goods was scrapped. State-owned industrial enterprises, collectively-owned shops were encouraged to handle the sales of products. At phase 2 (1984-1988), three key issues were implemented. First, price control was relaxed. Second, the contract responsibility system was introduced to large- and medium-sized commercial enterprises. Third, the former wholesale mechanism based on administration was changed. For phase 3 (1989-present), the government encourages the setting up of multi-ownership type, multi-channel and multiple forms of operation. Thus, consumer goods distribution are primarily driven by market forces and are performed by a full range of enterprises, including both domestic and joint-venture enterprises. In 1993, in order to oversee the national distribution of consumer and industrial products, the Ministry of Internal Trade was formed by merging the Ministry of Commerce and Ministry of Materials. Therefore, under the new market economy system, the structure of the retail trade in China is more and more close to the scenario of the western world (Hong Kong Trade Development Council, 1994).

5.4.2 Latest Structural Change

In recent years, four major distribution methods have gained prominence in the China market. These are department stores, specialised shops, chain stores and private and individual retailing outlets. Prior to 1991, foreign participation in China's merchandise distribution was subject to lots of restriction. In 1992, China announced the opening of its retail sector to foreign investors in limited areas. Altogether six cities (Shanghai, Beijing, Guangzhou, Tianjin, Qingdao and Dalian)

and the five special economic zones (Shenzhen, Zhuhai, Shantou, Xiamen and Hainan) were opened for foreign investors on experimental basis. As a result, the foreign investors can participate in the retail business through the following channels:

1. Department store
2. Direct rental of department store counter
3. Renting a shop in a shopping mall
4. Supermarket
5. Formation of domestic joint-venture
6. Granting franchise to local mainland retailers
7. Chain stores
8. Engaging in commercial property development projects

As such, many foreign investors set up their retail establishments in Beijing, Shanghai, and Guangzhou (Hong Kong Trade Development Council, 1994).

5.4.3 Regulative Framework Related to Foreign Retailers

According to the Ministry of Internal Trade, some guidelines are set for the joint-venture in the retail sector. First, the Chinese partner must have at least 51 percent or more of the stake. Second, the maximum length of the joint venture contract cannot exceed 30 years. Third, the foreign party must be a major firm from country

with strong economy. Fourth, the joint venture must balance its foreign exchange and so on, it should also export more than its imports (Asian Retailer, 1996a).

For the investment structure, the joint-venture is divided into two categories. The first one is equity joint venture. Under this circumstance, the Chinese partner and the foreign partner both contribute capital and share profits and losses according to the ratio of their capital contributions. In this case, the equity joint venture is a legal entity. The second one is cooperative joint-venture. The cooperative joint-venture takes one of two forms. The first form does not involve the creation of a legal entity, each party is responsible for making its own contributions to the venture. For the second form, a separate business entity is established and the liabilities of each party is generally limited to its capital contributions. As can be seen from the next chapter, Wing On Department Stores (Hong Kong) Limited adopted the second form (i.e. a separate business entity) for the joint venture business. There are also regulations related to the documentation and registration of the joint-venture (Leigh, 1996; Nyaw, 1993; Beamish and Speiss, 1993).

Once the decision for entering the China market is made, then various other issues related to the retail business in China should be thoroughly scrutinised. These area may involved (1) intellectual property (Borg, 1996), (2) marketing and communications (Liu, 1996), (3) sourcing and distribution of products (Day, 1996), (4) property considerations (Faulkner, 1996), (5) human resources management (Musgrave, 1996), (6) accounting and taxation issues (Shum an Doo, 1996), etc.

According to Davies (1995), there are many reasons for different countries to raise trade and investment barriers, the regulative frameworks in China is a typical example. Regarding the retail trade in China, Davies (1994) considered the general prospects for foreign investment in China's retail sector to be a mix. At the same time, he also identified four areas which were causing concern to foreign retailers in China. These areas were consumer demand, retail price inflation, currency movements, and smuggling and counterfeiting.

From a long term perspective, foreign retailers should know more about the culture, society, family life, politics and law of China (Leppert, 1994). Davies (1994) observed the possibility of creating a larger and powerful economic zone for the increasing levels of integration between People's Republic of China and Republic of China. In addition, Chen and Pan (1993) advised that businessmen who wish to do business in Asia in the 1990's and beyond should also look into the possibility of Greater China (China, Taiwan and Hong Kong) - Japan partnership.

5.5 *Hubei Province*

Since Wuhan is inside Hubei province, therefore after a general understanding of China has been provided, it is time to narrow the focus down to the provincial level of Hubei province.

Hubei province is one of the provinces in China, it is situated in the lower part of the middle reaches of the Yangtze River in central China. As can be seen from Figure 5.1, on one hand, Hubei is geographically bordered by Henan in the north,

Shanxi in the northwest, Sichuan in the west, Jiangxi and Hunan in the south and Anhui in the east (Haring and Kuan, 1988). It is about 740 kilometers from east to west and 470 kilometers from south to north. With a total area of about 180,000 square kilometers, it accounts for 1.95 percent of the total area of China and rates sixteen in terms of area ranking. In 1997, the total population for Hubei province was 59,677,000 (SSBPRC, 1998, 108-109).

Physically, the land of Hubei is high on the east and low on the west. The land is quite fertile and the weather is mostly humid. As for production, the province's Jiangnan Plain is one of China's major production areas of grain, cotton and oil-bearing crops. The province has also been famous for production of steel, automobiles and cotton textiles.

Since the province is in the central part of China, with Yangtze River and Han Shui River pass through the province and the railway of Beijing to Guangzhou also pass this place. Logistically speaking, it is the stopover place for the east and west trade of China. Therefore, from historical perspective, the trading industry is well developed as this province serves as the linkage between east and west regions of China.

Since there are many lakes in this province, Hubei is also known as 'province of thousand lakes.' The major cities of Hubei province are Wuhan, Huangshi, Yichang, Xiangfan and Shashi. The map in Figure 5.2 can better demonstrate the locations of the various cities.

From the statistical perspective, in 1997, the gross domestic product of Hubei was Renminbi 345.0 billions (US\$41.51 billions) and the per capita gross domestic product was Renminbi 5,889 (US\$708) (SSBPRC, 1998, 63-65). The number of employed persons of this province was 27,087,000 and about 8,010,000 of them were in tertiary industry (SSBPRC, 1998, 129) within which 2,685,000 persons were in wholesale and retail trade and catering services (SSBPRC, 1998, 132-133).

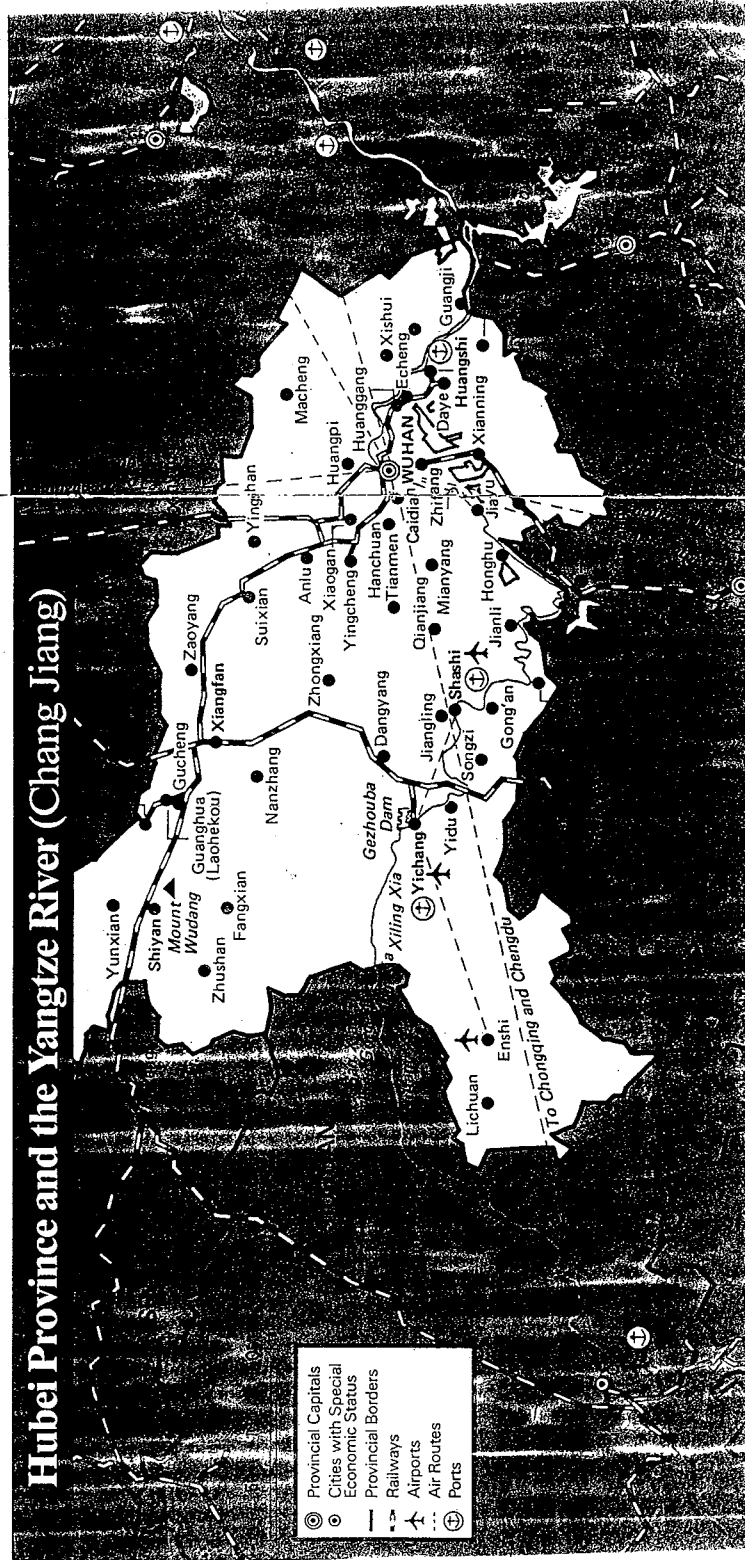
The per capita annual real income of Hubei urban residents was Renminbi 4,693 (US\$564) (SSBPRC, 1998, 332) whereas the per capita annual living expenditure of Hubei urban residents was Renminbi 3,855 (US\$464) (SSBPRC, 1998, 333).

For retail trade in Hubei, the total number of outlets in retail sales trade was 673,204 units (SSBPRC, 1998, 589) and the number of personnel in retail sales trade was 1,560,809 persons (SSBPRC, 1998, 590). On the whole, the total retail sales of consumer good in Hubei in 1997 was Renminbi 134.5 billions (US\$16.18 billions) (SSBPRC, 1998, 594).

In order to have a clearer picture about the retail situations in Hubei province, the author tries to compare the economic data of Beijing, Shanghai, Guangdong, and Hubei. By making such comparison, it is hoped that the audience can detect the subtle differences between the various cities and provinces. As a starting point, it should bear in mind that both Beijing and Shanghai are the leading cities in the whole China. Alternatively, Guangdong is the leading province, with well developed commerce and industry, within which both Guangzhou and Shenzhen cities are situated.

Figure 5.2

The Hubei Province



10

Source: HSBC (1990) *Trade and Investment Guide to Wuhan in Hubei Province, Hong Kong, The Hongkong and Shanghai Banking Corporation*, p.10-11

From Table 5.2, it is observed that the gross domestic product (GDP) per capita in Shanghai is the highest, followed by Beijing, then by Guangdong and finally by Hubei. Thus one can detect the tremendous difference between the regional areas (see subsection 5.3.2). However, in terms of per capita annual income and per capita living expenditure, Guangdong has the highest figures and followed by Shanghai, Beijing, and Hubei. In both cases, Hubei is weak in gross domestic product, real income, and living expenditure. Therefore, the Hubei market is not well developed. In terms of total retail sales of consumer goods, Hubei ranks second after Guangdong. However, by considering the number of population and size of city/province, Hubei is still ranked last in these aspects. So the consumption power in Hubei is really quite low. That may be the reasons why Hubei does not attract the attention of those multinational retailers. Reciprocally, the Hong Kong retailers may find such niche market to be good enough for survival and, at the same time, less fierce in market competition than those well developed markets such as Beijing, Shanghai, and Guangzhou.

5.6 *Wuhan City*

Wuhan is the capital of Hubei province, it is also the political, economic, industrial, scientific and cultural centre. Geographically, it is the collective name for the cities of Hankou, Hanyang and Wuchang. It is situated at the junction of Yangtze River (Chang Jiang) and Han Shui River. Wuhan is the transportation and trading centre for central China and, as such, it is the crossroads for the Beijing to Guangzhou railway. Therefore, the nickname for Wuhan is ‘a conduit for nine provinces’

Table 5.2

Comparison of Economic Data of Different Regions

	Beijing	Shanghai	Guangdong	Hubei
Population	12,850,000	14,913,000	71,580,000	59,677,000
No. of House.	3,992,000	4,864,000	16,843,000	16,172,000
Ave. Fam. Size	3.13	3.06	4.18	3.69
GDP	181.0	336.0	731.5	345.0
GDP per capita	16,735	25,750	10,428	5,899
No. of Emp.	6,008,000	7,702,000	37,843,000	27,087,000
Per. in TI	3,377,000	3,405,000	12,097,000	8,010,000
Per. in WRC	799,000	1,074,000	3,717,000	2,685,000
Annual Inc.	7,861	8,475	8,615	4,693
Annual Exp.	6,531	6,819	6,853	3,855
No. of RO	198,931	138,025	1,023,273	673,204
No. of RP	609,700	714,225	2,595,682	1,560,809
Total RS	105.1	132.5	298.1	134.5

(Explanation of table:

Population	=Population of the City/Province
No. of House.	=Number of Household
Ave. Fam. Size	=Average Family Size
GDP	=Gross Domestic Products in Renminbi One Billion
GDP per capita	=Gross Domestic Products in Renminbi
No. of Emp.	=Number of Employed Persons
Per. in TI	=Number of Persons in Tertiary Industry
Per. in WRC	=Number of Persons in Wholesale, Retail, and Catering Services
Annual Inc.	=Per Capita Annual Real Income of Urban Residents (Rmb)
Annual Exp.	=Per Capita Annual Living Expenditure of Urban Residents (Rmb)
No. of RO	=Number of Establishments in Retail Sale Trades
No. of RP	=Number of Persons Engaged in Retail Sale Trade
Total RS	=Total Retail Sales of Consumer Goods in Renminbi One Billion

(Hong Kong Trade Development Council, 1989). It has also been ranked as one of the tenth largest industrial cities in China.

From historical perspective, Wuchang was the oldest city. For generations, Wuchang was the political and administration centre with good business trading. Hanyang was also an old city and famous for artcraft and industry. Hankou was the last place to be developed, however, owing to its geographical and logistical advantages, its business developed very quickly and superseded both Wuchang and Hanyang in the early nineteen century.

Since Wuhan lies on the Jiangnan Plain, its agricultural products are quite fertile and famous for the production of vegetables, sesame, tea, cotton, etc. For manufacturing, it is famous for vehicle manufacturing, ship-building, scientific instrument production, etc. (HSBC, 1990)

The total area of Wuhan is 8,467 square kilometers and the population is 7,005,000 (China Statistical Bureau, 1998). Historically speaking, it has been a very important import and export centre. By the end of 1980s, Wuhan was designated to be the city for joint venture and cooperation. Thus it lured lots of foreign investment. In 1992, Wuhan was formally authorized to be a city opened for foreign investment. With the establishment of the new export harbor, new airport and the second bridge across the Yangtze River, the business environment was much improved and prospered. It has been nicknamed as 'Chicago of China' then.

The scene of Wuhan is very beautiful, it is thus also called as 'City by Yangtze River.' There are many famous tourist attractions such as Yellow Crane Tower, Sun Yatsen (Zhongshan) Park, Gulyuan Buddhist Temple, Ancient Music Pavilion, Eastern Lake, Yangtze River (Chang Jiang) Bridge, etc.

The weather of Wuhan is also quite distinctive. During the four seasons, the temperatures vary. In the Spring, it is about 20 degree centigrade in general. As for summer, it is about 30 degree centigrade but occasionally it may be as high as 42 degree and is famous as one of the 'Three Furnaces of China.' It is quite cool in Autumn and there is snow in Winter.

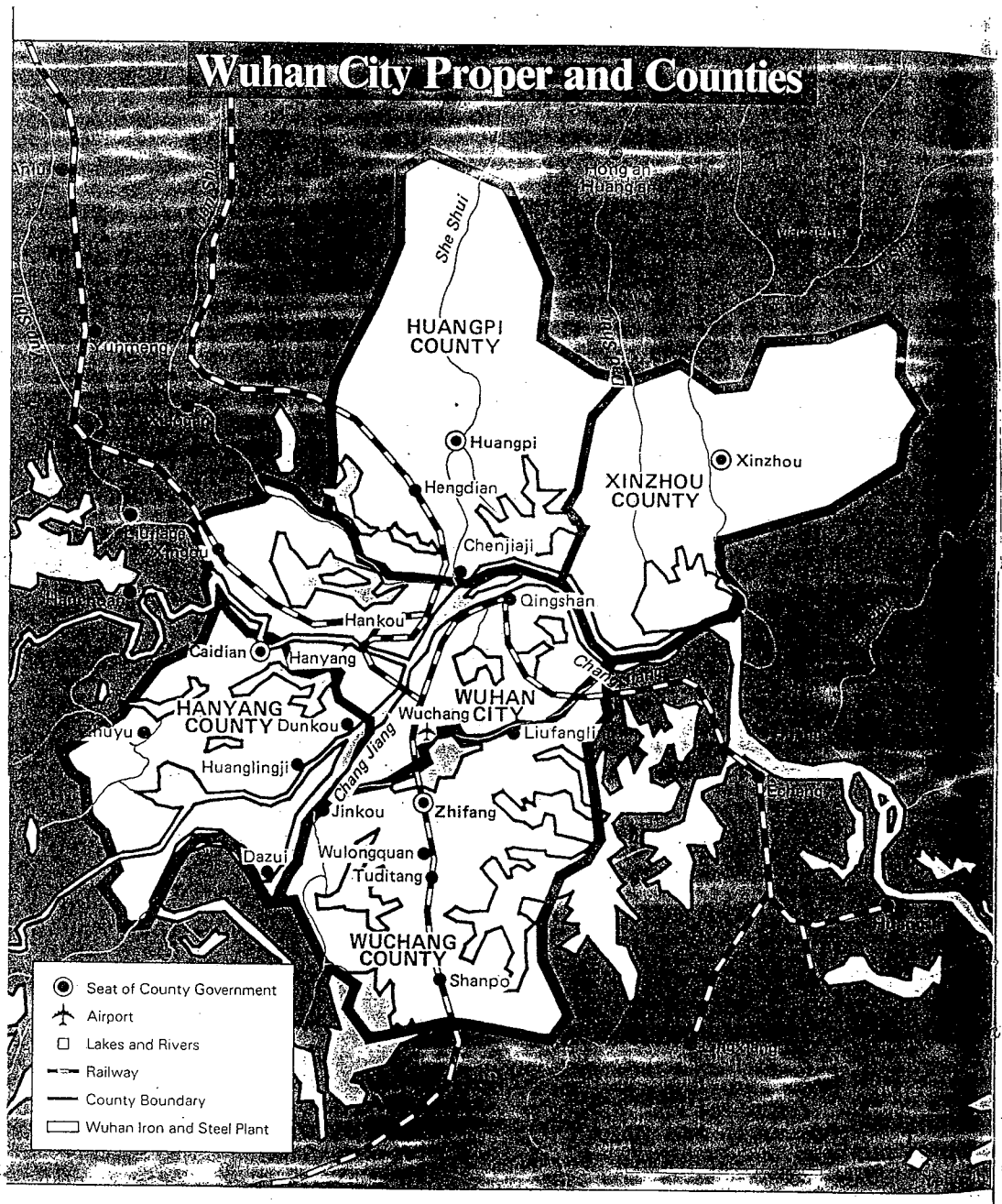
For the time being, the government of Wuhan is to create more favorable environment for business development. Therefore, the slogan of Wuhan city is 'Let the world understand Wuhan and let Wuhan walk towards the world.' The map of Wuhan in Figure 5.3 further illustrates the different districts.

According to the Statistical Yearbook of Wuhan (1998), it was observed that, in 1997, for Wuhan city, the total sales of wholesale and retail services was Renminbi 26.93 billions (US\$3.24 billions). Also, there were 1,646,000 persons engaged in tertiary industry within which 276,109 of them were in whoalsale and retail trade and catering services. The average salary for the above-mentioned persons was Renminbi 4,835 (US\$581) per year.

For the purpose of writing this thesis, the author purposefully went to Wuhan in the hope of collecting some domestic retailing data. To the greatest frustration and

Figure 5.3

Wuhan City Proper and Counties



Source: HSBC (1990) *Trade and Investment Guide to Wuhan in Hubei Province*, Hong Kong, The Hongkong and Shanghai Banking Corporation, p.8

disappointment of the author, it was found that there was no detailed statistics about Wuhan available. Statistical data were not available from the universities either. The Wuhan government may have some figures here and there in different organizations, but all these data are considered to be confidential and not accessible by outsiders. As a result, all search efforts in Wuhan were in vain in this circumstance. Alternatively, the author can only return back to those secondary data published by the State Statistical Bureau. Thus all the above data are extracted from the various statistical publications issued by the State Statistical Bureau.

5.7 Observations of Wuhan Retailing in General

Since the needed secondary data are not available from the Government nor other academic institutions such as Wuhan University, other ways of examining the retailing in Wuhan are general observation and interviewed with knowledgeable persons. The author tried to interview with academics in Wuhan University and business men of retailing business, they also did not have any concrete data neither but just some fragmented and unorganized memory. By consolidating all the interview information, referring to the accessible materials and making on site observation of the retail trade, the author tries to describe the personal impression of Wuhan retail trade. Since such impression are quite subjective and may be superficial in nature, it only serve as basic reference.

5.7.1 Business District and Major Roads

Owing to its strategic geographical location, Wuhan has long been an important city in Hubei province. Wuhan was formed from three different cities, namely Hankou, Hanyang and Wuchang. All these three cities together collectively call as Wuhan. Because of traditional practice, Hankou is the commercial district, Hanyang is the industrial district and Wuchang is the academic district. These three cities are separated by both the Yangtze River and Han Shui River, however, they are connected together by three bridges.

The major road in Wuchang is Wulou Road, that in Hanyang is Hanyang Avenue. As for Hankou, there are two major roads such as Jiefang Avenue (this is the avenue that Wing On locates) and Zhongshan Avenue. These two roads in Hankou are parallel by running from north-west to south-east. Both Jiefang Avenue and Zhongshan Avenue are quite heavy in traffic. The reasons for these various roads in the three cities to be heavily scattered with different shops are because they are all closer to the river sides, extended from the downtown central areas. Also, the railway stations and rural bus terminals are close by. Since Hankou is the major business district, it therefore has two major roads instead of one. Another reason for Hankou to be the busiest district is because all ships from every direction are embarked only on the side of Hankou. Thus this district takes in all merchandise for re-distribution purpose. From the retailing point of view, Hankou owns the advantage of central business district (CBD) whereas both Hanyang and Wuchang are only ranked as secondary business districts according to the shopping, recreation, traffic, and public service facilities.

In Wuchang, the intersection of Wulou Road and Zhongshan Road is the busiest area, because this intersection is close to the famous tourist resorts such as Shouyi Park and Snake Hill. At the same time, there are Wuchang Railway Station and rural bus terminals. Any traffic to Hanyang and Hankou should pass through this intersection. Therefore, the Zhong Nan Department Store is here to stayed. In Hanyang, the intersection of Hanyang Avenue and Ying Wu Avenue is also the key area. Surrounding this site are the Guiyuan Temple, Hanyang Railway Station, Hanyang Workers' Cultural Park, Hanyang Park, Lotus Lake, Turtle Hill, etc. In addition, Ying Wu Avenue is the only way to Hankou via the bridge. As such, its physical environment has created very good shopping condition. Thus the Hanyang Department Stores is situated here.

In Hankou, the two major roads are Jiefang Avenue and Zhongshan Avenue, Zhongshan Avenue is the oldest shopping area because it deploys along the river side. However, Jiefang Avenue is the lately developed shopping area where more new and modern shops are being established here by extending from Zhongshan Avenue. On the whole, starting from Wu Sheng Road on the western side and reaching San Yang Road on the eastern side and by adding the two parallel Jiefang Avenue and Zhongshan Avenue altogether, it forms a rectangular shape of business area which is the heart of Wuhan business district with thousands of shops available for the selling of various merchandise to customers from all walks of life. Figure 5.4 shows the business district and the major roads.

5.7.2 Household Distribution

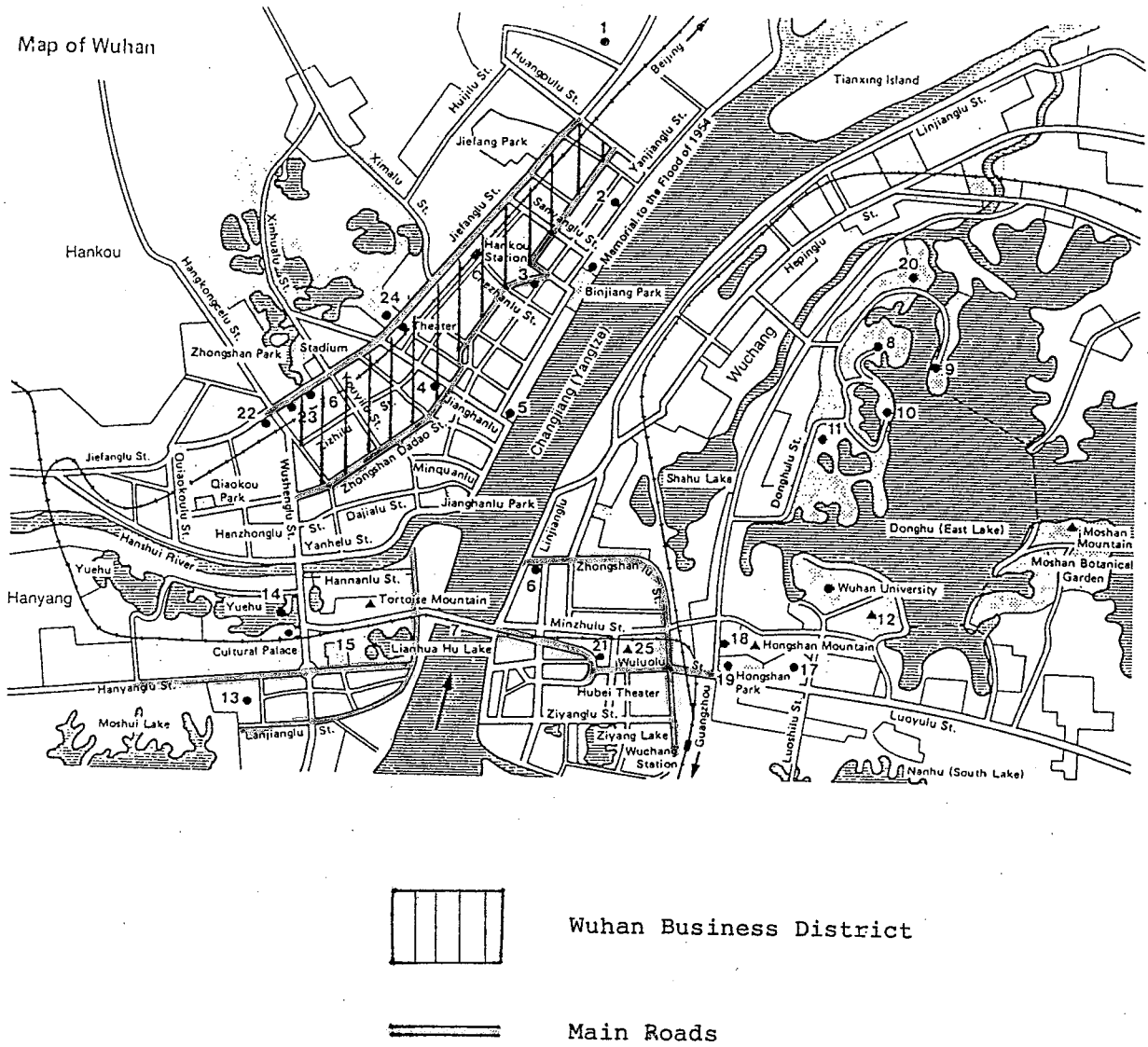
As for household distribution, according to the Statistical Yearbook of Wuhan (1998), in 1997, Wuchang District had the largest household of 238,910 units, followed by Jiangnan District with 195,187 household units. In terms of person per square kilometer, Jiangnan District had the highest density of 13,472 persons per square kilometer, followed by Qiaokou District with 11,446 persons per square kilometer. On the whole, the area with the highest population was Hankou which is comprised of Jiangnan District, Jiangnan District and Qiaokou District. That is also the reason why the sales volume of Hankou is the highest among the three Wuhan cities.

5.7.3 Shopping Habit

For the shopping habit of Wuhan people, they like to make use of Saturday and Sunday as the family shopping day. It is because both Saturday and Sunday are designated as non-working days by the Government, therefore they have two days free to go shopping or enjoying other recreation programs. As a result, the general sales on weekdays are quite low when compared with weekends. Another special feature for shopping habit is that, people dress up very nicely when go shopping. They try to put on the best clothes available on Saturday and Sunday for shopping purpose. According to Wuhan people, they dress up very nicely during shopping trips because, by the nature of the job, they seldom need to dress up nicely during working days. Therefore, weekends are the best time to demonstrate the nice dresses, otherwise there is no way to make use of the dresses. Apart from that, they are also of the belief that if one dresses up nicely during shopping trip, the sales

Figure 5.4

Map of Wuhan City



Source: Kuan, P.H. and Kuan, Y.C. (1988) *Magnificent China: A Guide to Its Cultural Treasures*, San Francisco, China Books & Periodicals, Inc, p.312

personnel will serve that customer better. As for the seasonality of sales, in most case the peak season of the year is the Chinese New Year sales. There is the sales climax during that period, thereafter, the sales drop. From April onward, the sales rise gradually and steadily, and again, with Chinese New Year as the mark for the end of the annual business cycle.

5.7.4 Department Stores, Malls, Supermarkets, and Specialty Stores

In most cases, Wuhan people call the department store as mall. Take Wuhan Department Store as an example, even though it is a department store, people all call it 'mall' in Chinese term. For the people in general, they all mix up the two concepts and think that these two names are interchangeable. All such department stores are quite big and offer a great variety of product. Indeed, Wuhan has three of the one hundred largest department stores in China. In most cases, the department store also has its own supermarket somewhere within the store; thus one-stop shopping can be done. For these department stores, some concessions are for renting purpose while others are operated by the stores themselves. It all depends on the policy of the store concerned.

Even though some department stores operate supermarkets as an extension of business categories, the recent trend is that there are also supermarket chains that operate alone without the back-up of department store. Under this circumstance, these supermarkets scatter everywhere around Wuhan instead of just operating in the busy downtown district. Such a operation was introduced into Wuhan within the last few years. For the time being, people are still not yet fully adapted to this

type of outlet because the supermarkets are mostly selling expensive imported products and the prices are quite high. At present, there are four major players in this field, the first one is Jin Tian Supermarket with seven stores, the second one is Wuhan Department Store Supermarket with four stores, the third one is Liu Bai Supermarket with four stores, it is the subsidiary of Liu Du Qiao Department Store, the fourth one is Xin Da Du Supermarket with one store for the time being. Among these sixteen supermarket stores, thirteen are scattered around Hankou. Therefore the supermarket competition in Hankou is very keen. However, since the business environment is changing, the supermarket operation seems to be promising.

Apart from the department store and supermarket, there are also various specialty stores. However, in terms of size and floor area, the specialty stores are quite small. Since most of the specialty stores are on independent ownership base and they are unable to access the latest technology and know-how from other developed countries, their ways of operations are still very traditional and conservative.

According to the local people at Wuhan, the following department stores/malls are quite famous domestically:

1. Wuhan Department Store

This is the most famous department store in Wuhan for the last few decades. It is also the location where Wing On is situated. Details of Wuhan Department Store can be seen in Chapter Six of this thesis.

2. Zhong Nan Department Store

It is also one of the hundred largest department store in China, however, it is situated in the busiest street of Wuchang. It was established in 1985 and now has 1,600 employees and 26,700 stock keeping units. The store is seven stories in height. Its major business are general merchandise, textiles, hardware, clocks, watches, spectacles, gold and jewels. It also sets up mail order section for overseas direct purchase. Apart from retailing, it also has the wholesale section. In addition, it sets up offices and sales centres at Shanghai, Tianjin, Hainan, etc. In order to cope with the expansion of the business, a new modernized shopping mall was being built by the side of the old mall, the new mall was expected to be in operation by early 1998. In 1994, its total sales was Renminbi 11.2 billions (US\$1.34 billions).

3. Wuhan Central Department Store

One of the hundred largest department stores in China, it is situated at the Jiang Han Road of Hankou. It was formerly the Wuhan branch of China Products Department Store. This store is also operating in wholesaling and retailing business. Apart from general merchandise, it operates transportation companies, maintenance centre, bicycle shops, hardware shops, furniture shops. It has the total of 1,300 employees, with 18,000 stock keeping units. It also acts as sole agents for many electrical appliance companies. Its wholesale business extends to more than twenty provinces of China. In 1994, its sales was Renminbi 3.52 billions (US\$0.42 billions). In April 1997, it also started to go public by offering shares for sales in the stock market.

4. Jiang Han Road Business District

It is one of the busiest business district of Wuhan, it was formed as the designated business street in 1983 by the Wuhan government. With the support of the government, the whole section of the street was renovated. Also, the number of retailer was increased from originally 83 to more than 200. All shops offer the most elegant and splendid products and services. It is therefore nicknamed 'Little Hong Kong' and 'Nanjing Road of Wuhan' (Because Nanjing Road is one of the busiest street in Shanghai). The government intended to use this district to set model for the development of retail establishment of Wuhan. Within the 500 meters distance of the road, the 200 plus specialty stores scatter along with full supply of various merchandise. It is so famous that it is also very crowded and busy at night that this street district is also nicknamed 'street without sleep.'

5. Han Zheng Street Wholesale Centre

In consideration of the strategic geographical location of Wuhan that it is the 'a conduit for nine provinces,' there are many wholesalers who re-distribute the general merchandise to retailers in other provinces. Such type of aggregation of wholesalers forms the Han Zheng Street wholesale centre. As Wuhan is in the middle of China, whereas the coastal parts to the east are a bit well developed than the western parts, Wuhan becomes the heart of transportation between east and west. Therefore the formation of Han Zheng Street wholesale centre is a historical one, it became the genuine wholesale centre in the early nineteen century. In this wholesale market, there are about 2500 companies selling 4200 categories of products. The distribution channel is so powerful that products here allocate to

more than 28 provinces and 520 counties of China (Guide to Investment in Wuhan, 1992).

5.8 *Key Strategies for Success in the China Retail Market*

After understanding the general retail trade environment in China and Wuhan, foreign retailers may be very interested in entering the China market. However, to make investment in foreign country is considered to be a very difficult task, especially in the case of China when it is moving from planned economy to market economy. Here some academics and practitioners offer their advice about the strategies for success in the China retail market.

Kingdon and Zhang (1995) made investigation in the retailing business of China, they offered eleven key tips to retailers who are interested in entering the China market. Such tips are: be patient, starting on the coast and work your way in, etc. Ho and Leigh (1994) observed that the opening up of the China market is a retail revolution in China. During the process, Hong Kong, Japanese and Southeast Asian companies have been early in entering the China retail market and US and European retailers are a bit slower in joining the arena. However, they all encounter such problems as inefficient distribution, communication, transportation systems, etc.

To conquer the typical problems in the China retail market, Beddall (1998) advised that it would take a long time for a foreign firm to become profitable. Therefore, patience and long-term planning are the keys to success in China market. To select

the right Chinese distributor, the retailer should be very careful. Reinganum and Helsell (1994) advised that the retailer must ask for credit references, interview current and past customers and carefully examine past business and investment histories. To gain result from retail business in China, Ma (1995) considered that the retailer should first gain a foothold in the market and look at the long-term rewards with patience. Chew (1995) considered patience to be important too, he also advised retailer to be as specific as possible in joint-venture contract and also be public relationship oriented.

5.9 The Future Development of Retail Trade in China

On the whole, retailing in China was underdeveloped before the 1979 economic reforms, but it did show remarkable progress thereafter (Mun, 1988). Lots of changes occurred within the last two decades, the development of retail trade in China is a breakthrough because, according to the survey conducted by Hong Kong Trade Development Council, Hong Kong companies considered that the Ninth Five-Year-Plan (1996-2000) is good for further development of the Chinese Economy. Moreover, they considered that the opening of China's tertiary sector (i.e. tertiary industry) to foreign participants creates more investment opportunities for various investors (Hong Kong Trade Development Council, 1997)

However, as a progression of change from planned economy to market economy, the retail market situation in China is really diversified. From a survey done by Nielsen SRG, they discovered that according to geographical area, there are wide differences in retailing. There are also differences in comparable market too (see

Table 5.2). In addition, distribution is a challenging problem in the Chinese consumer market because of the different degree of progression in different regions (The Economist, 1995). Some businessmen also observed that only a small minority of the Chinese population can afford western (foreign) goods and that there are also geographical disparities in income, culture, etc. (The Economist, 1994)

Since the result of the experiment on joint-venture for retailing business was fairly satisfied, observers expect that further deregulation in this aspect was expected in China (Asian Retailer, 1996b). Yatsko (1996) observed that, the China market was expanding but was not yet big enough to absorb the massive influx of new players within a short time. Therefore, there are too many retailers that the sales for many stores are growing slowing, some even declining.

Chow (1996) commented that the gradual reform strategy works in China's retail market because such reform introduced the entry of the non-state enterprises. Moreover, gradual reform can encourage enterprises to commit more investment in the business. Chow and Tsang (1994) considered that, because of the relaxation of government policy and change in consumer consumption patterns, the private sector retailers will gain more market share owing to their entrepreneurial spirit.

The retail trade in China is more and more diversified, for example, Brahm and Ran (1996) estimated that the Chinese Government recently focused on the development of chain stores. Therefore, in 1996, just in Shanghai alone, there were 1500 chain stores chalking up sales totaling Renminbi 1.45 billions (US\$0.17

billions) a year. There are four kinds of chain stores in Shanghai, these are: fast food chain stores, supermarket chains, convenience shops, and specialty stores. In addition, franchising operations can also be established in China under different legal regimes (East Asian Executive Reports, 1994). Thus the world's largest McDonald and KFC outlets are in Beijing can verify such issue (Miu and Leung, 1994).

By observing the progress within the last few years, scholars such as Geng (1998) claimed that the retail market in China is really a market in transition and window of opportunity. He expected that retailing in China is coming of age. By scrutinising the above observations, one can imagine that there will be lots of change in the retail market of China. Since China adopts the open-door policy, the possible inroad of foreign retailers are unavoidable. Taking into consideration the competition from both foreign and domestic retailers, and also the changing consumption patterns of consumers, a retailer should be alert at all time. On the whole, the retail market of China is changing rapidly, as the introduction of new retail technology and concepts to the China market is so quick that both the most primitive and modern ways of retailing co-exist in the marketplace. This is a very special phenomenon at this moment. In the long run, owing to its economic system, geographic structure, the retail system in China will be more and more susceptible to the influence of western countries.

5.10 The Future Development of Retail Trade in Wuhan

Owing to the strategic geographic location of Wuhan, it is an important transition point between eastern and western parts of China (a conduit for nine provinces) in terms of trade, communication, and transportation. Moreover, as the central government also plans to accelerate the development of the western part, Wuhan will therefore be a popular spot to perform those facilitating function. Together with its outstanding performance in industrial and agricultural field, Wuhan will continue to prosper. Thus the retail sales will also goes up. However, it is observed that more and more retailers, both domestic and foreign, have discovered the potential of Wuhan and are preparing to step inside for the purpose of sharing the pie of the market. Thus the competition will be keener. In the long run, under the influence of the retail trends in China, the retail market of Wuhan will be susceptible to change. However, since Wuhan is situated in the middle part of China, the impact of retail change will come to this city at a later stage after Shanghai, Beijing and Guangzhou.

As a summing up of the above observations, since there is no any formal record traceable from Wuhan, all the above descriptions are only the general impression of the author by digesting all information available from the various sources such as Chinese newspapers, magazines, yearbooks, journals, discussion with knowledgeable persons, visits, and observations. Owing to the difficulty in getting secondary data, the original plan to follow the format of 'Retailing in Singapore: Coping with Change' (Davies, 1993b) was ultimately impossible. This chapter may not be able to give the full picture of retailing in China and Wuhan owing to the

special situation of China environment, but it is already the best effort the author can spare with.

5.11 Summary

This chapter presents an overview of the retailing situation in China and Wuhan. First of all, the open-door policy of China is introduced. Then information about the consumer market of China are explained. Thereafter, the retail related data of China are illustrated. In addition, the regulative framework in retailing is also discussed. As for Wuhan city, the historical background is introduced. Then further elaboration on business district, household distribution, shopping habit, and the various shop formats are carried out. Ultimately, there are discussions on strategies for success in the China retail market and the future development of retail trade in China and Wuhan.

CHAPTER SIX

HISTORY OF WUHAN WING ON CHILDREN SHOPPING AND AMUSEMENT CENTRE COMPANY LIMITED

6.1 *Introduction*

This chapter tries to give a general description about the historical background of Wuhan Wing On Children Shopping and Amusement Centre Company Limited. As a starting point, this chapter first introduces about the background of Wing On Department Stores (Hong Kong) Limited, the parent company of Wuhan store. Then, stage by stage, descriptions are given on how and why the joint venture was formed with the Wuhan Department Store Group Company Limited. Apart from that, the event of the grand opening of the store was recorded. Moreover, the evolution of the store is highlighted. Ultimately, the existing organization structure is illustrated and the future development of the store is also discussed.

6.2 *Background of Wing On Department Stores (Hong Kong) Limited*

Wuhan Wing On Children Shopping and Amusement Centre Company Limited is one of the subsidiaries of Wing On Department Stores (Hong Kong) Limited. Thus it is necessary to understand the background of the Hong Kong company before detailed history of the Wuhan store is told.

As a matter of fact, Wing On International Holdings Limited is the corporation to look after all the business activities of the Wing On Group world-wide. Thus Wing

On Department Stores (Hong Kong) Limited is one of the subsidiaries under the supervision of Wing On International Holdings Limited.

According to the annual report, in 1995, the total turnover of Wing On International Holdings Limited was HK\$2,827,500,000 (US\$363,431,870) and that the total turnover of Wing On Department Stores (Hong Kong) Limited was HK\$2,176,163,000 (US\$279,712,460). This amount accounted for 76.96 percent of the total business of its parent company (i.e. Wing On International Holdings Limited). In reality, in addition to department store business, the Wing On International Holdings Limited also operates in the fields of general insurance, property investments, restaurants, mortgage servicing, security broking and dealing, etc. However, the department store business is the major component of the total business. Therefore, we can observe that the parent company is heavily committed to the department store business. Details of the principal activities of the parent company are in Table 6.1.

The history of Wing On Department Stores (Hong Kong) Limited can be traced back to 1907, when Wing On Department Store was opened by the Kwok's family in Hong Kong. In 1915, the business scope was expanded to insurance field. In 1917, the Shanghai Wing On Department Store was established in China. In 1921, the company also started the textile business in Shanghai. By 1934, Wing On Bank was also established to serve the banking needs of Hong Kong people. Business in both Hong Kong and China were quite smooth until 1949 when communist took over China and all the businesses in China were lost because the new Chinese government took over all businesses and there was no private business any more.

Table 6.1

Principal Activities of Wing On International Holdings Limited, 1996

	HK\$ '000
Principal activities by operations:	
Department Stores	2,176,163
General insurance and related business	132,122
Property investments	302,248
Restaurants	59,768
Mortgage servicing	37,338
Securities, futures and commodities broking and dealing	59,197
Investments, securities trading and others	60,664

	2,827,500
	=====
Principal activities by geographical locations:	
Hong Kong	2,515,930
The People's Republic of China	69,410
Malaysia and Singapore	103,642
Australia	59,212
Others	79,306

	2,827,500
	=====

Source: Wing On International Holdings Limited (1996) *Annual Report*, p.34

Thereafter, as they have a very painful experience with the Chinese communists, the business development of Wing On was mostly confined to non-communist countries.

In 1995, according to the annual report, the group had 71 principal subsidiaries and 10 principal associated companies. The business territories of Wing On International Holdings Limited had then been expanded to British Virgin Islands, Australia, USA, PRC, New Zealand, Bermuda, Singapore (Wing On International Holdings Limited Annual Report, 1996, 52-58).

It was only forty four years later that the Wing On group re-entered the China market in April 1993. At that time, the open-door policy has already been in place for fifteen years (see section 5.2).

6.3 Background of Wuhan Department Store Group Company Limited

Wuhan Department Store is one of the subsidiaries of Wuhan Department Store Group Company Limited. Wuhan Department Store was established in 1959. At that time, this store was one of the ten largest department stores in China. In 1986, through the approval of the seven authorities in Wuhan, the company was transformed into limited company. Thus the new company, Wuhan Department Store Group Company Limited, was formed. Even Xiaoping Deng, the deceased Communist Chairman, paid a visit to the store for recognition of the business merit of the store.

In 1992, share of Wuhan Department Store Group Company Limited were listed in Shenzhen. The company was also awarded 'Sail Medal' for enterprise innovation in 1988 and 'Gold Horse Medal' for excellent enterprise in 1993. Within the last ten years, the mission of the company is 'A major business with diversified economy.' In 1996, according the annual report, the company had a total capital stock of Renminbi 252 millions (US\$30.31 millions), and value of total assets up to Renminbi 1,548 millions (US\$186.28 millions). Also, the company had 4,500 employees, with business area of 25,000 square metres, and over 100,000 kinds of goods. Under the corporation, there were ten inseparable subordinate enterprises, sixteen half-inseparable subordinate enterprises and thirty three loose subordinate enterprises. The scope of business included retail, wholesale, real estate, property operation, food and drinking, recreation, clothing, import and export trade, etc. The organisation chart of the group is in Figure 6.1. Within the last ten years, the Group has constantly been listed among the top ten best sales department stores in China (State Statistical Bureau, 1997). In 1997, its total sales was also counted as number one in the whole Wuahn city (Wuhan Yearbook, 1998).

For the twenty first century, the mission of the company, according to its Chairman of the Board and General Manager, Mr. Dongsheng Mao, is to 'Come in early' and 'Go out late.' It is because, they want to strengthen their business foundation through joint-venture as early as possible in the China mainland, and then to become a retail conglomerate by extending out into the international marketplace in the long run (Wuhan Department Store Group Company Limited Annual Report, 1996). Thus, it is observed that this company is very aggressive.

6.4 *The Joint Venture*

It is quite understandable that owing to the wound that the Kwok's family suffered some four decades ago, the Wing On Department Stores (Hong Kong) Limited was attracted by the China market but dared not approach it.

In 1992, Mr. Arthur C.S. Kwok, a member of the Kwok's family, went to Wuhan in Hubei province on business. There Mr. Kwok visited his friend, Mr. Baojiang Zhao, who was then the mayor of Wuhan. Through the introduction of Mr. Zhao, Mr. Kwok met Mr. Dongsheng Mao, General Manager of Wuhan Department Store Group Company Limited.

Since Wuhan Department Store was opened in 1959, the group has more than thirty years experience in operating the store. However, in view of the open-door policy, the group considered that it should have to cope with changes of the environment. Therefore, even though the group had lots of experience in operating domestically, it also considered the possibility of absorbing the most up-to-date retailing concepts and technology from overseas through some type of joint venture business (see section 6.3). Through such a mechanism, the group as a whole could further upgrade itself into a modernized syndicate.

According to interpretation of the Hong Kong sources, the Wuhan Department Store Group Company Limited wanted to accept Mr. Arthur Kwok as the partner for a joint venture because:

1. Wing On Department Stores (Hong Kong) Limited is one of the leading department store retailers in Hong Kong and has ample experience in the retailing field.
2. The group wished to learn all the new practices from its partner.
3. The 4th floor of Wuhan Department Store was originally selling children products, but the sales were very disappointing and there were deficits all the time even though the store is situated at the heart of Wuhan.
4. Mr. Mao was familiar with the old fame and history of Shanghai Wing On Department Store, so Mr. Mao was very confident about the joint venture.

The joint venture negotiations started in May 1992. At the same time, the task force led by Mr. Kit-ming Au of Wing On Department Stores (Hong Kong) Limited arrived in Wuhan to make investigation of the domestic market potential, economic conditions, etc. The task force was of the impression that Hankou is designated to be the commercial district of Wuhan and that Jiefang Avenue is within the central business district and there are lots of public transportation stops and terminals nearby. Therefore, this is a prime location for retailing business.

A twenty year joint venture contract was signed on September 1992 between the China Development Incorporated of Hong Kong and Wuhan Department Store Group Company Limited of PRC. The management operation of the new store was contracted to The Wing On Department Stores Management (China) Limited. Thus the soft opening of the new store, Wuhan Wing On Children Shopping and Amusement Centre Company Limited, started in December 1992.

From the Hong Kong partner's point of view, they decided to go ahead with the joint venture because:

1. Wuhan Department Store is situated at the centre of the town, the majority of public transportation all pass through this site.
2. With a history of more than thirty years, citizens of Wuhan are quite familiar with the store.
3. The customer traffic is quite heavy during Saturday, Sunday and public holidays.
4. The store has constantly been listed as the top ten department stores in terms of sales in PRC.
5. It is close to the suburban transportation terminals.
6. The goodwill of Wuhan Department Store is well established.
7. The open-door policy and the potential for further economic growth seemed to be persistent.
8. The Wuhan Department Store is famous for its services.
9. It was worthwhile to use this branch as a testing point for further development in PRC.

For this joint venture, the Hong Kong side owned 49 percent of the share while its Chinese counterpart owned 51 percent. It was stipulated in the contract that all the management practices of the new store should follow the Hong Kong model. As the Wuhan Department Store Group Company Limited would like to learn everything from Hong Kong, the group was happy to reckon on such conditions. The total joint investment was US\$2,230,000.00.

In the hope of testing the market reaction, this was the very first retail store re-opened in China by Wing On Department Stores (Hong Kong) Limited since its retreat from Mainland China to Hong Kong in 1949.

6.5 Retail Strategy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

The task force worked in Wuhan and sketched out the retail strategy before the establishment of the new store. Thus, for setting up the retail strategy, the task force made use of all elements of retail strategy as proposed by Evans and Berman (1992). These elements are: (1) Situation analysis, (2) Objectives, (3) Identification of customers, (4) Overall strategy, (5) Specific activities, and (6) Control.

6.5.1 Situation Analysis

In consideration of the fact this store is a new joint venture business between Hong Kong and Wuhan, the mission of the new store is 'To make contribution, through the Hong Kong experience, to Wuhan children in terms of intelligence development and health growth.' Thus children products of all varieties are offered so as to help them to better develop their intelligence and health.

6.5.2 Objectives

The store hopes to better serve all the Wuhan children, so that they can have a happy childhood. Thus their parents also share the happiness of their children. The store would like to be viewed as a category specialist for children products, together with recreation and catering services. All such products and services are offered in a friendly manner. Apart from customer satisfaction, the sales and profit objectives of the company should also be met.

6.5.3 Identification of Customers

As a children product retailer, the target customers are the children within Wuhan city. Owing to the location of the store and nearby public transportation terminals, children of the neighbouring counties within fringe trading area are also targeted as potential customers. The ages of the children targeted ranged from newborn to fourteen. However, the core target are children between ages of three and six, because children within this age range have heavier consumption. However, since children at such ages cannot make purchase decisions by themselves, their parents will be the major target for marketing communications accordingly.

6.5.4 Overall Strategy

The new store should take advantage of the popularity of the Wuhan Department Store and its prime location in Wuhan city to draw its customers from as far as possible. In consideration of the local income and consumption, the prices of the

various merchandise should be from middle to high, with the majority in the middle price range. The sources of the products should be on an 80/20 base, thus eighty percent of the products are from domestic sources and twenty percent of the products are from foreign sources. In order to let Wuhan people aware that this is the biggest and the very first children product specialty store in the whole PRC, communications of all types should be used so as to establish the number one children product specialty store (category specialist) image. Moreover, computer technology should be used to improve operation efficiency and to impress customers.

6.5.5 Specific Activities

The daily and short-term operations are to be delineated. Factors such as store format, space allocation, personnel management, store maintenance, energy management, inventory management, store security, accounting, budgeting, credit management, and crisis management are to be taken into consideration. However, in view of the fact that things that work in Hong Kong may not completely work in Wuhan, special compromise should be given.

6.5.6 Control

Weekly and monthly meetings are to be held by every level of the management so as to communicate the general information and discuss special issues. Quarterly meetings are needed for senior management. All heads of various departments should submit the department annual plan to their respective superiors for

evaluation and approval. Corrective actions of any types should be taken when deemed necessary. The management should submit annual business review report and new annual operation plan to the Hong Kong office for evaluation and approval.

6.6 Configuration of the New Store

The new store was located at the fourth floor of Wuhan Department Store. This floor, under the management of the Wuhan Department Store Group Company Limited, was originally selling children products but the business was unsuccessful. Therefore, the children products division was cancelled and the new joint venture company was designated to make use of the site.

By referring to the retail strategy (section 6.5), the task force tried to set the format of the new store. By making use of the 3,840 square meters of shopping area, it was contemplated that the new store should be the place that not only sold children products but also created joy and fun for the children. Therefore, for the new store, the product/service offerings are as follows:

1. Infant products
2. Children clothing
3. Shoes
4. Toys
5. Stationery and books
6. Restaurant
7. Amusement playground

For the store format, the new store tried to set the model of the most contemporary children product specialty store for fulfilling both purposes of purchasing and entertainment. With the total area of 5,200 square meters, about 3,840 square meters were selling area. Within the rectangular shape floor, the main escalator was at the rear part. By the sides of the main escalator were children's clothing and infant products. In the middle part was the shoes division. By the two sides of shoes division, there was one escalator on each side. The toys and stationery divisions were on the right side whereas the restaurant was on the left side. At the front, there was the children playground.

With such a store format design, during the shopping trip, whenever customers were hungry or thirsty, they could have their snacks or meals in the restaurant. Whenever they needed joy and fun, they could have a happy family gathering at the amusement playground. To further enhance such kind of harmony, the store layout was deliberately designed in such a way that it looked like a fairy tale land. Throughout the store, there are different fairy tale backgrounds and with cartoon characters scattered around. As a result, while customers were shopping, they seemed to be wandering in the fairy tale land. This was indeed very impressive. All such designs were created by the Hong Kong partner. Figure 6.2 shows the floor plan of the new store.

As for space allocation, since there were lots of space available, it was decided that the variety of each category of product should be up to the maximum. There was about 22,000 stock keeping unit (SKU), about 80 percent was domestic products

whereas 20 percent were imported products. The prices were mostly medium in general with a little bit towards high side. So that, whatever the customer asked for, the product should be available.

By making use of the Hong Kong model, the new Wuhan Wing On Children Shopping and Amusement Centre Company Limited was totally computerized for merchandise purchase, sale, transfer and stock keeping. This was known as the very first store in PRC that made use of computerization for merchandise operation. Moreover, in 1993, the Wing On Children Shopping and Amusement Centre Company Limited, which occupied a total of 3,840 square meters, was the largest specialty store selling children products together with restaurant and amusement facilities in PRC. At that time, Wuhan was not that advanced in store layout and design as those in Beijing and Shanghai. Therefore the overall configuration of the new store could be considered the best in Wuhan at that time. Figure 6.3 shows the pamphlet of the store.

6.7 *The Grand Opening*

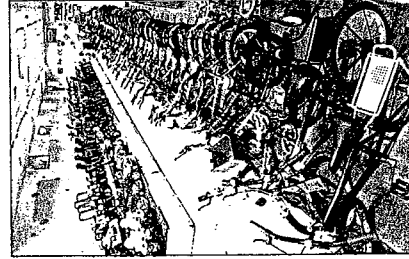
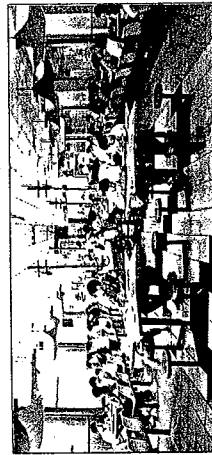
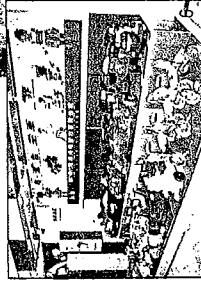
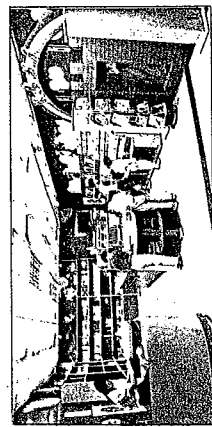
After the soft opening for five months, the result was satisfactory. When all the operations were on the right track, the grand opening of the Wuhan Wing On Children Shopping and Amusement Centre Company Limited launched.

On Sunday, 25 April 1993, this was a great day for Wuhan Wing On Children Shopping and Amusement Centre Company Limited. On that day, the mayor of Wuhan, Mr. Baojiang Zhao was invited as the honorable guest, together with other

Figure 6.3

Pamphlet of Wuhan Wing On Children Shopping and Amusement Centre Co. Ltd.

谁对儿童最亲 · 唯我永安中心 · 谁对儿童最亲 · 唯我永安中心 · 谁对儿童最亲 · 唯我永安中心 · 谁对儿童最亲 · 唯我永安中心 · 谁对儿童最亲



- 1 永安书屋
- 2 文具部
- 3 玩具部
- 4 开心船长餐厅
- 5 玩具部一架
- 6 玩具部童车专柜
- 7 玩具部童车长廊

让每个儿童在欢笑中健康成长,是武汉永安的企业理念。为此,永安公司以中档的商品价格和消费标准为主,高档商品为辅,以适应广大顾客的消费水平。

同时,永安公司为了让顾客买得放心,实行了一系列完善的售后服务,使顾客购物无后顾之忧,倍感温馨。

为了让顾客买得舒心,公司还设立了导购指示、卫生间等配套设施,三部电梯、四部楼梯四通八达,让顾客随心所欲。

为了让顾客买得安心,公司配备了各项安全设施,安全通道畅通无阻,顾客可安心购物。

胸怀万里又心细如丝的永安公司,以满足顾客的需要为己任,她正以谨慎的环境,优质的服务,迎接您的光临,并希望得到您宝贵的意见。

电话:027-5822400

邮编:430022

传真:027-5858847

地址:武汉市汉口解放大道 358 号



武汉永安

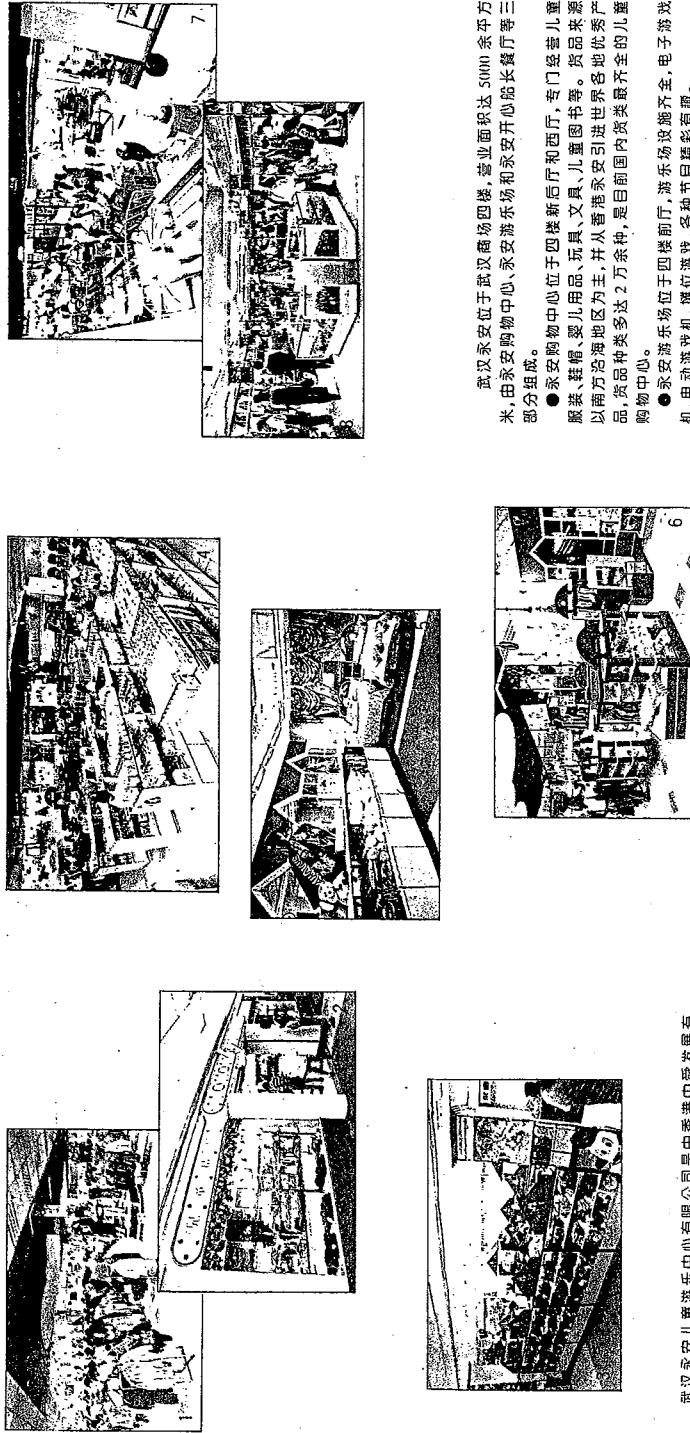


武汉永安



武汉永安

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- 1 童装部
- 2 琪雅 AK 精品店
- 3 米奇专柜
- 4 婴儿用品部
- 5 婴儿部床上用品
- 6 婴儿部专柜
- 7 游乐场
- 8 童鞋部

武汉永安儿童游乐中心有限公司是由香港中舜发展有限公司与武商集团股份合作兴办,由香港永安百货有限公司经营管理的集儿童购物、游乐、餐饮为一体的综合公司。

香港永安百货有限公司具有八十九年的悠久历史,是香港一流的、最大的华资百货公司,拥有十二家分店,员工二千多人,在香港及东南亚地区久负盛名。

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●永安购物中心位于四楼新后厅和西厅,专门经营儿童服装、鞋帽、婴儿用品、玩具、文具、儿童图书等。货品来源以南方沿海地区为主,并从香港永安引进世界各地优秀产品,货品种类多达 2 万余种,是目前国内货类最齐全的儿童购物中心。

●永安游乐场位于四楼前厅,游乐场设施齐全,电子游戏机、电动游戏机、摊位游戏,各种节目精彩纷呈。

●永安开心船长餐厅是一家别有风味的快餐厅,以西餐西式菜肴点心为主,中式为辅,其美味儿童套餐、家庭套餐、船长特餐,首开江船先例,加上优雅的环境、周到的服务,使之成为人们享受生活的佳境。



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

celebrities from both Wuhan and Hong Kong. There were also dragon dancing and ribbon cutting for the celebration.

Apart from that, in order to attract traffic and increase awareness, there was the children fashion show outside the store which was the very first of this type in China. At the same time, the '1992 Most Welcome Consumer Products of the PRC Exhibition' was also held at Wuhan Department Store, with 10,000 stock keeping unit available from 148 companies of 80 cities all over China to be purchased by the consumers. In addition, Wuhan Wing On Children Shopping and Amusement Centre Company Limited also carried out the sales promotion.

During the promotion period between 25 April and 5 June 1993, any customer who made purchase of Renminbi 30 (US\$3.5) or above could get a free premium. In case the purchase was over 130 (US\$15), the customer could have a photograph taken with the cartoon character free. Also, any purchase of Renminbi 50 (US\$6) or above for the designated products/brands, the customer could have one lucky draw. All such promotion activities were attractive to the customers. Since 1 June is the Children Festival in China, in terms of timing, such a promotion campaign could strengthen the climax to the end of the promotion period.

To inform all Wuhan citizens that this was the largest children specialty store in China, with the breakthroughs of total computerization of merchandise operation and open rack display, both the television, radio and newspaper media were used to disseminate this greatest innovation. It went without saying that publicity was also fully utilized. By carrying out several promotional functions at the same time, the

whole Wuhan city was shocked and people came rushing to the store. Thus the name of Wuhan Wing On Children Shopping and Amusement Centre Company Limited was established with great success. Figures 6.4 and 6.5 show the two typical advertisements for the grand opening promotion.

During the grand opening promotion period, it was the intention of the company to impress Wuhan people the following distinguished features of the new establishment:

1. The largest children specialty store in PRC
2. First open-rack display in Wuhan
3. Total computerization of merchandise operation
4. Hong Kong and Wuhan joint venture store

By highlighting and repeating such attributes through the various promotional media, such integrated image was well received by the people of Wuhan.

6.8 *The Evolution of the Company*

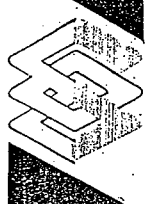
For the operational aspect of the store, the original idea was to make use of Hong Kong model and transplant such a model into the new store. In terms of administration, the new management aimed at 'improving efficiency through management excellence.' However, owing to the environmental differences such as customers' attitudes, standard of living, etc., some modifications were made so as to adapt to the domestic tradition.

Figure 6.5

Typical Advertisement for the Grand Opening (2)

1993年4月23日 星期五 11:11

表 以 目 录



武汉永安

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幸运在永安

在开业期间，凡在本公司购物满100元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满200元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满300元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满400元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满500元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满600元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满700元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满800元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满900元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。凡在本公司购物满1000元以上者，可获赠一份，永不褪色，且可参加抽奖，中奖率高达100%以上。以上各奖项解释权归本公司，详情请见公司公告。

武汉永安 儿童游乐中心有限公司简介

本公司是由香港中舜发展有限公司与武汉永安集团合作兴办，由香港永安百货集团经营管理，是集儿童购物、游乐、餐饮为一体的综合性专业公司，在武汉乃至全国同行业中规模最大、档次最高、环境最美、服务最全、信誉最好、管理最现代、市场潜力最强。本公司秉承“童真、童乐、童美”的经营理念，致力于为儿童幸福健康地成长，致力建立一个充满爱和快乐的乐园。

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

6.8.1 Store Operation

One of the greatest breakthrough that the Hong Kong partner brought to Wuhan was the introduction of the open-rack display system. Such system is not unfamiliar and not unpopular in the developed countries, but for the developing city such as Wuhan, it is something new and strange. When the open-rack idea was brought out for discussion before the opening, the PRC side argued against it. They objected to the new concept of open-rack display as they considered that by doing so would raise the possibility of theft, which was already a very serious problem faced by retailers in PRC. As the Hong Kong management insisted on bringing in the concept, the open-rack display was adopted and the soft opening result indicated that this new method was workable. Because customers, for the very first time, appreciated that they were respected by the company by feeling free to touch and scrutinize the merchandise. Later on, all department stores in Wuhan follow such a concept.

With the adoption of open-rack display practice, the store did earn goodwill for its introducing a new concept to the Wuhan retail trade. However, the store also encountered problems because of this new practice. It was because theft rate was already quite high in the traditional Chinese department stores with closed-rack display. Therefore, the new store had to hire more security guards to look after all the merchandise as those items were on open-rack display. At the same time, some additional sales personnel were needed so as to keep an open eye on the customers. As a result, additional costs on sales personnel and security guards were increased.

However, when other new stores also followed such open-rack practice, the theft rate started to decrease, but still remained at a high level.

6.8.2 Merchandise and Inventory

As a category specialist, the depth of merchandise should be maximised. For merchandise mix, at the beginning, the store was aiming at 30 percent high price merchandise and 70 percent medium price merchandise. However, after one year's operation, it was found that the domestic consumption for high price merchandise was meager. Therefore the merchandise mix was fine tuned to 20 percent high price merchandise and 80 percent medium price merchandise. Moreover, more infant merchandise were introduced as demands for such merchandise were quite high. From time to time, the store would introduce new product items at the request of the customers by sourcing through the Hong Kong purchasing office. In 1996, when the economic climate of PRC was unfavorable, more merchandise were shifted to the medium price range so as to adapt to customers' consumption preference. By sticking to the narrow and deep policy, the merchandise mix were constantly changing by closely monitoring the environmental changes. Apart from that, the company also introduced the 'goods return policy' which also shocked the Wuhan retail business because, before that time, there was no such practice. Thus customers were more satisfied with and loyal to Wuhan Wing On Children Shopping and Amusement Company Limited. The store was proud to be specialized in the niche market of children products and amusement.

As for inventory management, the Hong Kong model was adopted. By making use of the computer, the handling of merchandise in terms of purchase, sale, transfer and stock keeping are much more convenient. Before the introduction of the computer merchandise system, the general practice of all the department stores in Wuhan requested customers to take the invoice to a specific pay-in counter for settlement of payment. After the payment was settled, the customer should come back to the counter with the receipt for collection of the product. With the introduction of the computerization, customers then could select their preferred products from the open-rack and then the saleslady would handle all the packaging, billing, and change work while the customer just stood and waited there comfortably. Occasionally, when some stocks were not on the shelf, the saleslady could immediately check the computer for inventory information and advised the customer right away. Wuhan customers were amazed by such 'brand new' transaction method.

6.8.3 Personnel Management and Training

For personnel management, at the very beginning, there were 114 employees from the China side who were originally workers of the old children's products department. Another 96 new employees were recruited from outside. A five person management team from Hong Kong also stationed in the new store. For the five person team, Mr. Kit-ming Au was the General Manager, with two Assistant General Managers, one Merchandising Manager and one Personnel Manager. The organization chart was therefore designed by the Hong Kong management. After the organization chart was designed, then the job description of each post was

delineated. The new concept that was brought into the new store was the emphasis on the management mechanism which carefully specified each person's authority and responsibility. Thereafter, some new staff were recruited to cope with business expansion. Gradually there were about 340 employees. The diagram of the organisation chart is displayed in Figure 6.6. Because the original organisation chart is in Chinese, for the purpose of better illustration, the author tries to divide the original chart into three divisions as shown in Figure 6.7. Therefore, fuller explanations about the various divisions can be done in Figures 6.8, 6.9 and 6.10.

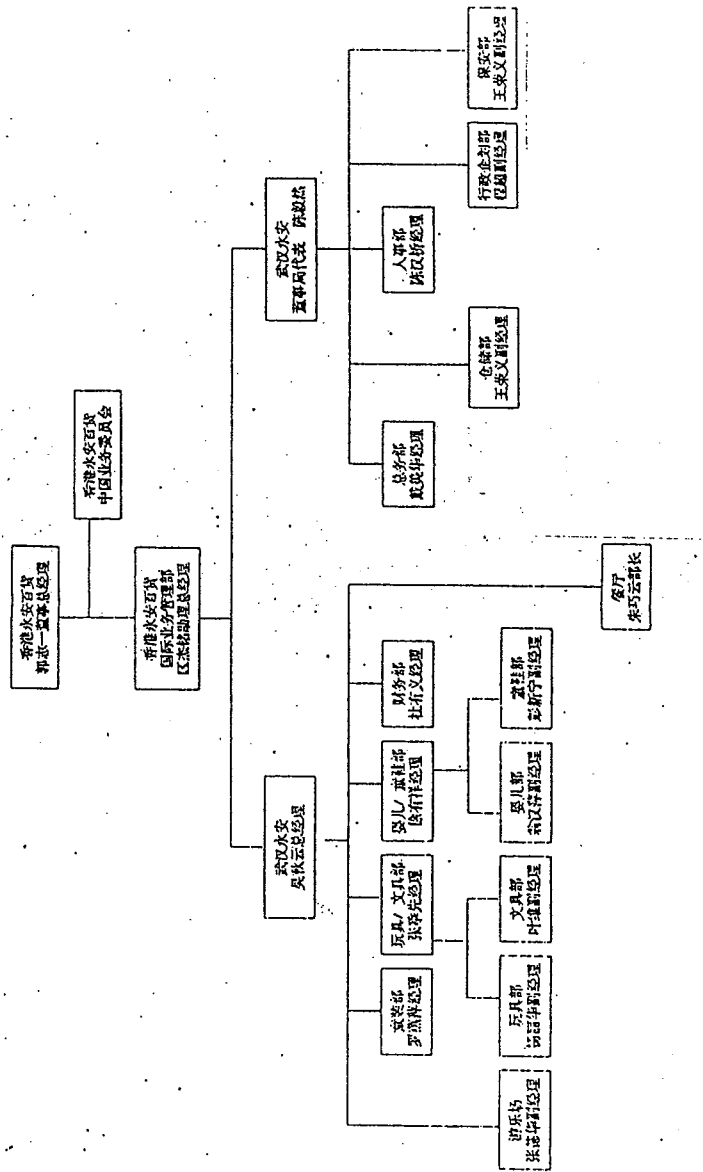
To achieve the goal of staff localization, by 1996, the Hong Kong staff were gradually returned back to Hong Kong with only one person remained stayed as Representative of the Hong Kong Board of Directors to monitor the business.

As for the sales personnel's service training, the Hong Kong model was adopted. China has long been the seller's market because of its rational system. At that time, no salesmanship was needed because customers had no choice. Therefore the majority of the sales personnel, especially those working for the stated-owned enterprises, paid no attention to service at all. In order to try to outperform the local retailers, the new store paid more attention on training of the sales personnel. Even the former employees from the Wuhan Department Store had to be re-trained so as to adopt to the 'customer oriented' salesmanship concept. Through such Hong Kong training, the service of the sales personnel were well received by the Wuhan people. Customers had never been so well-treated before, they were very impressed and amazed.

Figure 6.6

Organization Chart of the New Store

武汉永安儿童游乐中心有限公司行政报告图

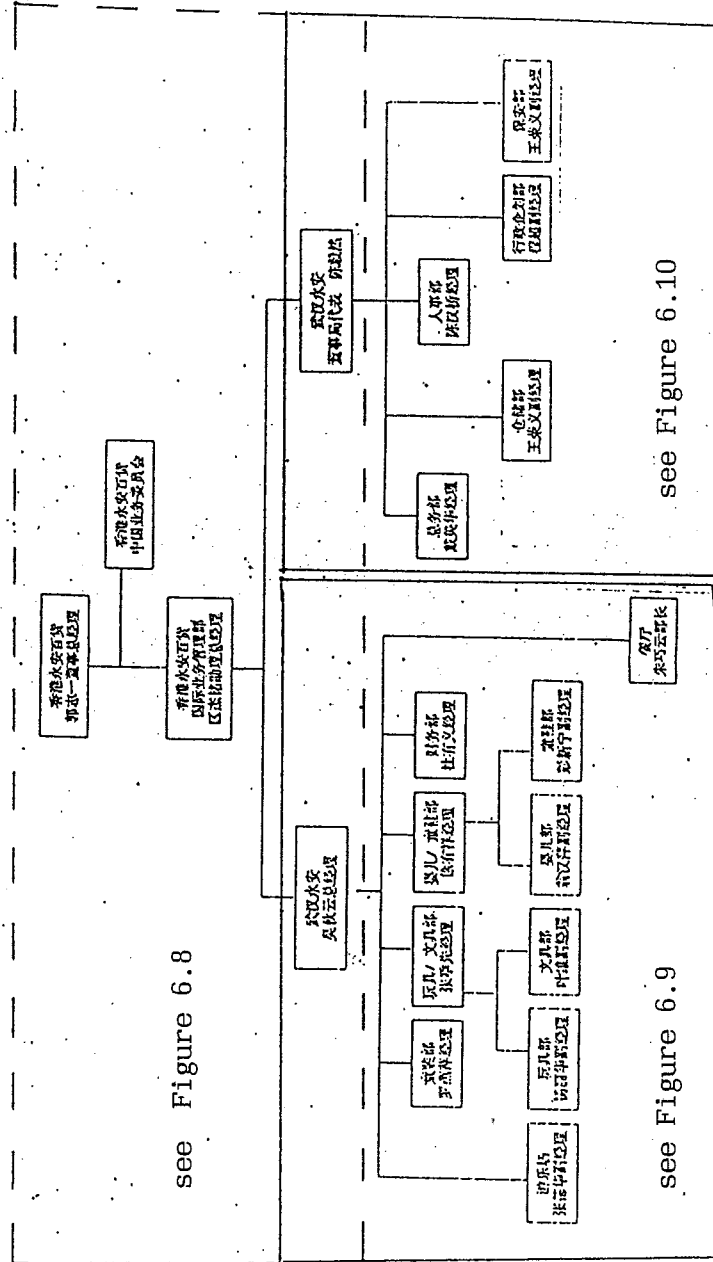


Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 6.7

Organization Chart of the New Store (Divisional Illustration)

武汉永安儿童游乐中心有限公司行政报告图



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Other operational dimensions such as credit management, crisis management, etc. were also introduced into the new store. The Chinese partner did learn a lot within the last few years, this also matched their direction for 'come in early' (see section 6.3).

6.9 *Latest Organizational Structure of the Store*

Through the evolution process, the store has gradually changed and expanded. As of August 1997, there were 350 employees.

In terms of corporate administration, as can be seen from Figure 6.8, the Wuhan store is directly under the control of International Business Division of Hong Kong Wing On Department Store. Above the division, there is the China Business Committee to monitor the progress and to provide advice. The Representative of Hong Kong Board of Directors, Mr. Chan is to supervise the overall operation and, at the same time, help to work on the staff functions. The General Manager of Wuhan Wing On is the representative from the Chinese side and is in charge of line functions, but she still has to follow the instructions from the Hong Kong management - as such guidelines were stipulated in the joint venture contract.

From Figure 6.9, it can be seen that the General Manager is mainly in charge of all line functions for sales operations. All the managers/assistant managers should

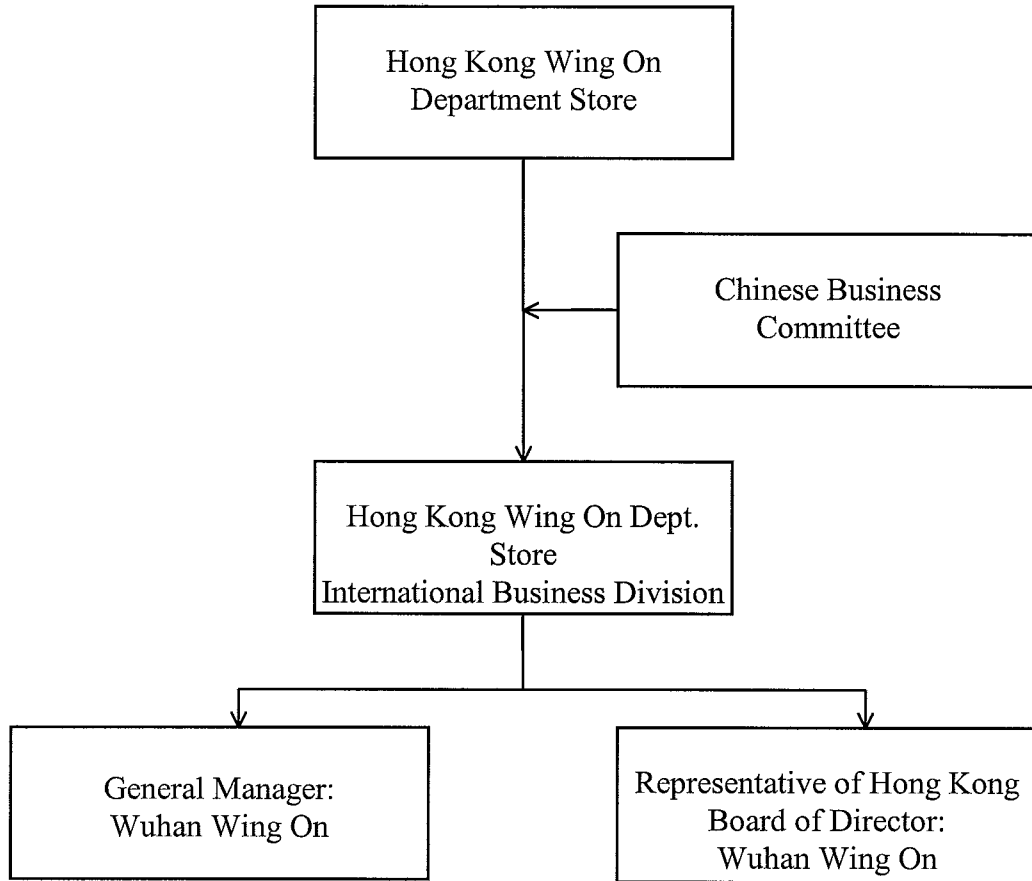
have to report to her. However, she is also in charge of Finance Department. Such structure is similar to the Mazur organization pattern that each manager/assistant manager is responsible for the merchandising affair of that department.

As for the representative from Hong Kong, he is mainly in charge of staff functions. Under him are the General Administration Department, Personnel Department, Sales and Promotion Department, Warehousing Department and Security Department. Even though he is mostly responsible for internal affairs, as the representative of Hong Kong Board of Directors, he also has to monitor the progress of Wuhan Wing On and liaison between Wuhan and Hong Kong about all the store affairs. Figure 6.10 can help to have more explanation graphically.

To communicate more effectively, all persons concerned are requested to signed on the circulars/documents as soon as they finish reading those materials. Therefore, there will be no excuse for ignoring any issues. In order to better monitor the store, weekly and monthly meetings are held all the year around for better coordination. At senior level, there are also quarterly meeting so as to set detailed operation schedule for all store activities within the coming three months. Once every year, the annual business review report should be compiled by the management of Wuhan Wing On Children Shopping and Amusement Centre Company Limited and submitted to Hong Kong office for scrutiny. The management in Wuhan will also form a committee to draft the new annual operation plan for the coming financial year, and submit the plan to Hong Kong office for their final approval.

Figure 6.8

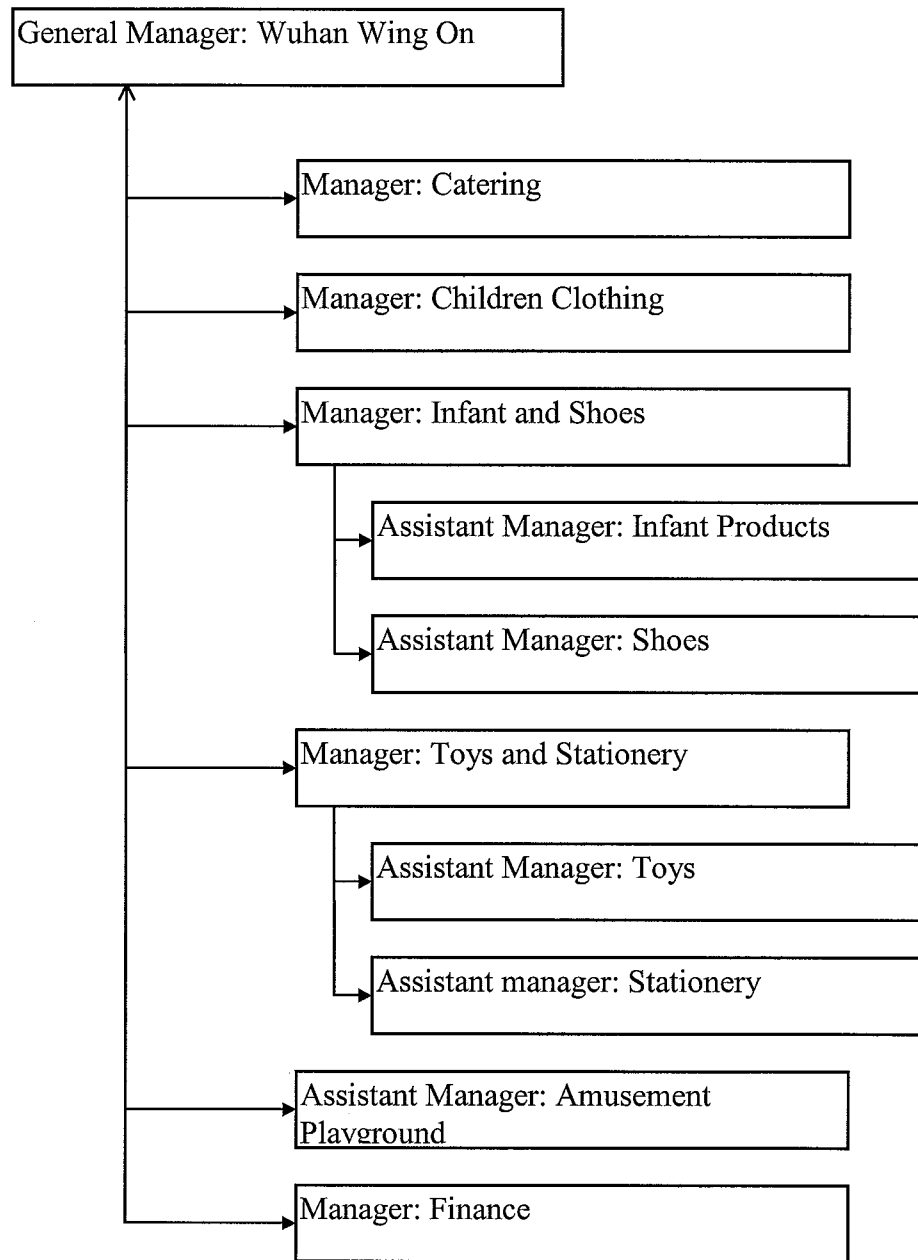
The Relationships between Hong Kong and Wuhan Store



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 6.9

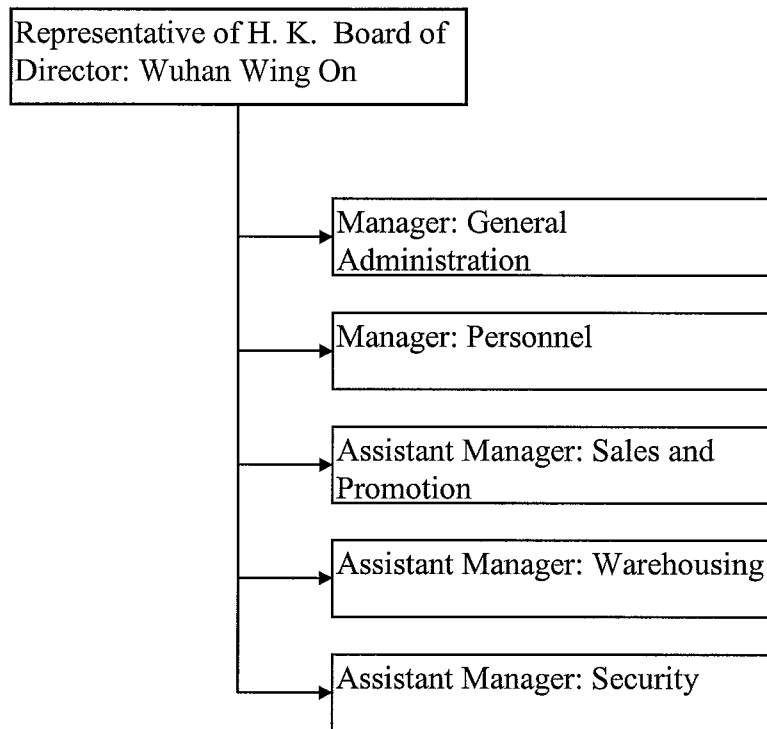
Operations of the General Manager



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 6.10

Operations of Representative of Hong Kong Board of Director



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Thus, it is again proved that, the organisational change here in Wuhan Wing On Children Shopping and Amusement Centre Company Limited is because of retail internationalisation process by the parent company there in Hong Kong. At the same time, the market orientation concept is working as an invisible hand to accelerate such process. Within the whole spectrum, the positioning concept is being utilised.

6.10 Future Development

As one of the leading department store in Hong Kong, the management of Wing On Department Stores (Hong Kong) Limited has accumulated lots of experience. The soft opening of Wuhan Wing On Children Shopping and Amusement Centre Company Limited could be accomplished within a few months' time did prove the effectiveness and efficiency of the Hong Kong management.

The store was formally opened on 25 April 1993, for the first year, it achieved the total sales of Renminbi 34 millions (US\$4.1 millions). At the second year, the total sales was 63 millions (US\$7.5 millions) which outperformed the previous year by 80 percent. For the third year, the total sales was 75 millions (US\$9.1 millions). Such success can be attributed to the following reasons:

- The right positioning
- The right store location
- Meeting domestic market needs
- Medium price products for the general shoppers

- Quality guarantee
- Merchandise variety (category specialist)
- Good services
- Heavy traffic

Between 1993 and early 1996, the market situation was favourable to Wuhan Wing On Children and Amusement Centre Company Limited as it was enjoying increasing sales and profit. However, in late 1996, lots of new department stores joined the arena. The most striking impact is from the neighbouring Wuhan Plaza, which is also operated by the Wuhan Department Store Group Company Limited. On the 4th floor of Wuhan Plaza, there is a Children World, which is also a specialty store offering children products and entertainment. Thus the future seems to be quite uncertain as the customer traffic has gradually been diverted to the new Children World of Wuhan Plaza. Therefore, special measures must be articulated in order to struggle for survival.

6.11 Summary

The Wing On Department Stores (Hong Kong) Limited is well versed in retailing but just made a trial test of operating retail store business in China market because of its past political painful experience. The Wuhan Department Store Group Company Limited is also having retailing experience domestically, but would like to absorb new know-how and technology from foreign companies. Thus Wuhan Wing On Children Shopping and Amusement Centre Company Limited was formed because of the mutual benefits that are involved with both parties.

With the Hong Kong retail strategy transplanted into China, the new store made many breakthroughs and was well-received by the Wuhan customers. The grand opening did impress people of Wuhan a lot. The transplanted strategies such as good positioning, category specialist, open-rack display, goods return guarantee, service quality, computerisation, etc. shock the whole market. Such practice also brought about the modernization of Wuhan retailing.

Evolution of the store operation was quite smooth and the sales performance was quite satisfactory. However, because of the changing competitive environment, Wuhan Wing On Children Shopping and Amusement Centre Company Limited is on alert.

CHAPTER SEVEN

POSITIONING STRATEGY OF WUHAN WING ON CHILDREN SHOPPING AND AMUSEMENT CENTRE COMPANY LIMITED

7.1 *Introduction*

As a starting point for the positioning strategy investigation, interviews with personnel of Wing On were conducted in order to understand how they perceived positioning. Thereafter, further investigation about the positioning setting and the structure of the sales and promotion department were done. To examine the issue more intensively, promotional programs were also scrutinised. Ultimately, an evaluation of the positioning strategy of Wing On was conducted.

7.2 *How the Wing On People Perceive Positioning*

It is well understood that people in the key positions can have paramount influence on the operation of the business. Thus, in order to understand how Wing On operated along the positioning strategy, in-depth interviews with three key persons were conducted. The three persons were Mr. Ngai-yin Chan, Hong Kong Representative of Board of Directors, Miss Qiu-yun Wu, General Manager of Wing On and Mr. Chao Cheng, Vice-manager of Manager Office.

7.2.1 *Mr. Ngai-yin Chan*

Mr. Chan was the representative from Hong Kong, actually he was in charge of the overall business of Wuhan Wing On. Mr. Chan had been with the Hong Kong Wing On Department Store for more than fifteen years and he was also the person involved in starting the Wing On business here in Wuhan. I was informed by Mr. Chan that he set up the mission statement of Wuhan Wing On as follows:

‘Wuhan Wing On Children Shopping and Amusement Centre Company Limited targets at children as the major customers by offering the full range of children products. Within the product mix, the majority are middle price and the rest are high price. By situating in the Wuhan Department Store, it is hoped to attract more customers and maintain their loyalty through value-added product offerings. To make contribution to the Wuhan society, the store offers the integrative shopping, recreation and catering services. Promotional emphasis is placed on the caring of children about their intelligence development and health growth, so as to enhance the customer relationships.’ As regarding the company slogan, Mr. Chan said that the company slogan is ‘Who cares about children most? Wing On cares about children most.’

From Mr. Chan’s point of view, the store name itself was already a good positioning tactic. According to his explanation, the name of the store ‘Wuhan Wing On Children Shopping and Amusement Centre Company Limited’ was selected because there were many rationales. This can be illustrated by taking each of the element of the name in turn. First of all, Wuhan is the location where the company was opened

and operated. By using the name 'Wuhan', local people are more familiar with and have the intimate feelings. To use the name 'Wing On' because the company was really a joint venture of the Wing On group. In addition to that, the name of 'Wing On' could imply its fame in Shanghai in the early nineteenth century and modernisation in Hong Kong in terms of management and technology. Such goodwill could reinforce customers confidence. 'Children Shopping and Amusement Centre' could explicitly indicate to the target customers what type of business the company was in and what types of offerings were available for meeting their needs. Moreover, such a name would differentiate itself from the Wuhan Department Store, even though Wing On is operating inside the store, because such a name implies the independent identity of Wing On. Apart from that, the same Hong Kong Wing On Department Store logo was also used in Wuhan, this could also imply consistency in terms of company identity (i.e. We are not Wuhan Department Store, we are Wuhan Wing On Children Shopping and Amusement Centre Company Limited). Mr. Chan revealed that, during the training period of the new employees, they were told about the mission statement and company slogan, so that all employees were well aware of the direction the company was heading at. Mr. Chan also stated that, because the name of the store is a bit long, whenever the situation allowed, they would shorten the name to 'Wing On' as far as possible. The short-form name used in the slogan is a typical example.

As for positioning, Mr. Chan hoped that Wing On and children products could be linked closely together in the minds of consumers. Whenever people think of children's products, they will associate with Wing On (i.e. Wing On is equivalent to children products, and children products are equivalent to Wing On). In addition, he

would like to set up the hospitable and friendly image for Wing On. All such intentions were presented in the mission statement. He was well aware of the target market and product differentiation, but conceded lacking some information about the competitive situation. Whenever he drafts any plans, the mission statement will be used as guidelines.

7.2.2 Miss Qiu-yun Wu

The General Manager, Miss Qiu -yun Wu had more than twenty years experience in the retail field of Wuhan. Miss Wu was formerly working in Wuhan Department Store in charge of the children products section. When Wing On started to operate, she was therefore transferred from Wuhan Department Store to Wing On. For the last five years, she was in charge of administration and was promoted to the General Manager position recently. From her understanding, positioning involved image creation and target market. She also hoped Wing On could link with children products together in the minds of consumers, she was also aware of the specific target market the company was aiming at. As for differentiation, competition and marketing information system, she thought that such issues were quite important in the planning process.

7.2.3 Mr. Chao Cheng

As for Mr. Chao Cheng, his title was Vice-manager of Manager Office, he was indeed in charge of all marketing activities. Under him was a special department for carrying out marketing and administrative work. The detailed job description of the

department will be illustrated later (see section 7.4). Mr. Cheng was in the retail business for only a few years, and his undergraduate study was not in the business field either. His working experience was accumulated through the retail work here in Wing On and also he had been just promoted to this position. From Mr. Cheng's point of view, positioning was related to the target market. He pointed out that the target market of Wing On was children between newborn and fourteen and that they should preferably be from the middle income families. He was also aware that Wing On would like to link together with children products for image formation. He followed the mission statement strictly when planning for marketing activities.

7.2.4 Interviews with Staff Members

Later on, the author had the opportunity of having a brief meeting with all personnel under Mr. Cheng. Through the discussion, it was observed that, on the whole, they were all well aware of the image (perception) issue and were familiar with the company mission and slogan. They also had heard about positioning, but did not have a clear idea what it was all about. However, they claimed to work by following the mission statement as the major guideline. Once in a while, they conducted small scale market research to collect customers opinion about different issues and to use those feedback for future planning. However, they did not have the precise customer profile in their minds.

Thereafter, the author also had the chance to talk with some counter sales personnel, they all knew that their responsibilities were to care about children through their services. They also hoped that customers would link Wing On with

children products. They had no idea what positioning was all about, but they could recite the slogan well and they did try their best to care about the children customers. Also, they had the feedback from customers that whenever people thought of children products, they thought about Wing On. The customers kept coming back because they appreciated the hospitality and service from the Wing On sales personnel.

7.3 *The Positioning Setting of Wing On*

Regarding the positioning setting of Wing On, it is to be discussed from three dimensions: (1) Segmentation, (2) Target marketing, and (3) Differentiation (see subsection 3.4.1).

Marketing is the exchange of business that serves the needs of all walks of lives. However for the case of Wing On, the customer group can be subdivided, according to age, into children and adults. Thus far, according to segmentation, the market is then delineated. As a children products retailer, it is without doubt that Wing On should take the children segment.

For the case of target marketing, the target market of Wing On is Wuhan children between the age of newborn and fourteen. The core of the target market is children between the ages of three and six. They should preferably come from the middle income family within Wuhan city and neighbouring counties and can afford middle to high price products. Their parents are concerned about their health and

intelligence and can afford to buy the necessary children related products/services to satisfy the needs of their children.

In terms of differentiation, it covers merchandise and other related issues. From the perspective of merchandise, all children related products should be included, the assortments should be as deep as possible so that whenever people ask for it, it should be available. The products should be of reliable quality and at the middle to high price levels. The majority of the products are domestically produced with some products from joint-venture manufacturers of PRC. Whenever possible, the sole distributorship of certain products should be sought. With plenty of offerings from the store, people will think of Wing On whenever they are in need of children products. Other issues that are to be differentiated are the fame of the old Shanghai Wing On Department Store, the modern management and technology of the new Hong Kong Wing On Department Store, together with the open-rack system, goods return system, hospitable personal service, computerisation, and the integrative merchandise, catering, and amusement facilities.

Positioning is competition-oriented, by the time Wing On was established in 1992, it was the most modern and biggest children specialty store in both Wuhan and China. At that time, no other children specialty store could fight against Wing On. Wing On was the leader then.

The above descriptions are the positioning setting of Wing On in late 1992.

7.4 *The Structure of the Sales and Promotion Department*

Even though the setting is right, how can the retailer inform the target market that the setting is for them? Moreover, how to show people that the company 'cares' about its customers? To convey all such kinds of invisible intention, promotional activities are needed to keep the consumers informed.

As can be seen from the organisation chart in Figure 7.1, the Sales and Promotion Department was under the supervision of Mr. Chan, whereas Mr. Cheng was in charge of the department. Under Mr. Cheng, there were five functional areas: (1) Promotion planning, (2) Public relationships, (3) Display, (4) Store management, and (5) Administration. Detailed terms of reference for the various functional areas were as follows:

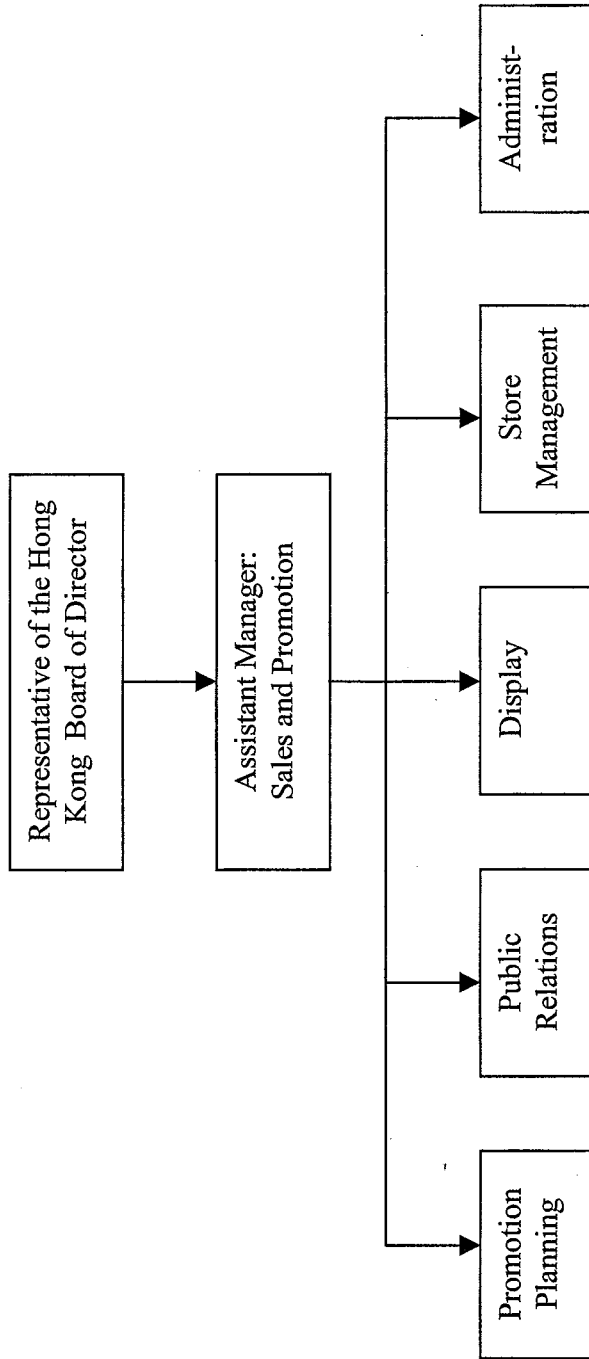
1. Promotion Planning
 - a. The planning, implementation and control of the promotion activities
 - b. Sales promotion plan
 - c. Premium plan
 - d. Advertising plan
 - e. Budget estimation

2. Public Relationships
 - a. Contacting governmental bodies, handling company licences
 - b. Liaison with mass media
 - c. News release

- d. Building customer relationships
 - e. Visitor reception
-
- 3. Display
 - a. Window display and scenic spot display
 - b. Upgrading mall environment
 - c. Advertising design
 - d. Co-ordination of promotion
-
- 4. Store Management
 - a. Handling complaints
 - b. Maintaining mall discipline
 - c. Supervising sales personnel discipline
 - d. Improving mall facilities
-
- 5. Administration
 - a. Data collection and compilation
 - b. Meeting arrangement and recording
 - c. Shop management
 - d. Filing
 - e. Notice dissemination
 - f. Handling incoming and outgoing mails, fax, etc.
 - g. Liaison with Hong Kong head-quarter

Figure 7.1

Organisation Chart of the Sales and Promotion Department



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Ltd.

From the above organisation structure of the department, especially the three functional areas in terms of promotion planning, public relationships and display, it seems not to be much difference from other retailers in general. Therefore, it is important to see whether the positioning concept was instilled into the various marketing activities or not, apart from the fact that the concept was disseminated through other retail operations. Thus a brief look at the various promotional activities for the previous few years is needed.

7.5 *Promotional Activities between 1995 and 1997*

According to the interview with Mr. Chan, he considered the company image to be very important, Greenley and Shipley's (1995) findings also reinforced such issue. Because the store offers a great variety of products, and there are lots of factors that may count in building up the store image; therefore a very vivid store image to differentiate itself from the competitors is of paramount importance. As a result, he set up the mission statement and slogan so as to erect the proper company image through the implementation of the mission statement. Whenever he started to plan on any activities, he would use the mission statement as the guideline. After two years of observation and trial and error between 1993 and 1994, he re-ensured that to serve the children of Wuhan and lead them to grow up intelligently and healthily is the fundamental business base of Wing On, it is also the company image that Wing On would like to build on. By bearing this prerequisite in mind, his promotional activities were based on the policy of 'To erect company image in the long run and to push sales in the short run.'

To push sales in the short run, therefore Wing On should plan lots of sales promotion activities such as advertising, sales promotion, etc., so as to push up sales and raise company awareness. To erect company image in the long run, Wing On should instill the positioning ingredients into the promotional activities and other company related activities such as corporate advertising, improving product quality, improving service, improving shopping environment, etc. Only through such practice, the long term company identity (image) could be established.

For the management of Wing On, the time interval of promotional activities was divided into four quarters. From January onward, each quarter lasted for three months. For the promotional programme, whenever the new promotional programme was decided, the detailed plan should be drafted by using the mission statement as basic guideline. Generally speaking, the contents of the plan were divided into several categories. Such categories were: program name, duration, slogan, media, display, sales promotion, premium. Figure 7.2 displays all the promotional activities between the 1995 and 1997 period.

Apart from those quarterly promotional activities, Wing On also has consistently promoted itself in two newspaper media within the last three years:

1. Wing On Column: Information Newspaper (weekly column)

This column concentrated on the explanation of the mission, direction, policy, and practice of Wing On. Discussion was also held for children education, children affairs, social issues.

Figure 7.2 Promotional Activities between 1995 and 1997

Promotion Plan for First Quarter of 1995

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Lantern Puzzle	31/1 -15/2	Lantern Happiness		Lantern Display	Participate Puzzle with Purchase	Win Price with Correct Answer
Spring Bedding Promotion	15/3 -15/5	Good Bedding, Good Sleep	TV Commercials	POP Display	Discount for Bedding	
Children Blessing	15/3 - 15/5	Blessing Baby	Catalogue		Discount for Baby Product	

Promotion Plan for Second Quarter of 1995

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Grow Up Together (A)	24/4 -5/6	Happy Grow Up	Newspaper Advertisement	Banners	Birthday Children under 12 Years Old get VIP Card	Lucky Draw on TV Show
Grow Up Together (B)	24/4 -5/6	Dear Wing On	TV Commercials	POP Display	Ticket Redemption for TV Show	Children Festival TV Live Show

Promotion Plan for Third Quarter of 1995

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Summer Activities (A)	15/6 - 15/9	Child Inventor	Newspaper	Banners & Hangers	Contest	Prizes for Winners
Summer Activities (B)	15/6 - 15/9	Child Designer	Newspaper	Banners & Hangers	Contest	Prizes for Winners
Summer Activities (C)	15/6 - 15/9	Child Musician	Newspaper	Banners & Hangers	Contest	Prizes for Winners

Promotion Plan for Fourth Quarter of 1995

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Winter Dressing	15/10 - 15/11	Winter Breeze	In-store Promotion	Banners and Hangers	Discount for Clothing, Toys, Baby Products	
Christmas Party	15/11 - 24/12	Christmas Greeting	TV Commercials and Radio Spots	Banners and Hangers	Sales Receipt Exchange Party Ticket	Christmas Party Gathering

Promotion Plan for First Quarter of 1996

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Chinese New Year	8/1 -21/2	New Dress, Happy New Year	Newspaper Spots	Window & Atmosphere		Chinese Red-packet
Chines Valentine	5/2 -14/4	Thousand Hairdressing Acc.		POP Display	Discount for Hairdressing Acc.	Key Chain & Hand Bag
Lantern Festival	24/2 - 4/3	Lantern Puzzle	Newspaper Spots	Puzzle Display		Gift Bag & Ruler
Book Special	1/3 - 1/6	Time to Enrich Knowledge	Magazine Spots		Discount for Books	Books & Stationery
Spring Display	15/3 -15/6			Atmosphere		

Promotion Plan for Second Quarter of 1996

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Radio Song Dedication	1/4- 31/12	Never Ending Songs	Radio Sponsorship			
Children Festival	25/4 -1/6	The Innocent	Newspaper Spots & TV Comm.	Atmosphere		Free Gift & Stationery on 25/4
Spring Promotion	5/4/ - 4/5	Spring in Wing On		POP Display		
Summer Promotion	15/6 - 15/9	The Legend of Green Beauty		Atmosphere		

Promotion Plan for Third Quarter of 1996

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Company Introduction	1/7 - 30/7	Wing On Slogan		Handbills		
Summer Special	1/7 - 20/8			POP Display	Discount for Clothing & Shoes	
Breeze Party	20/7 - 5/8	Happy Navigator	TV Commercials		Discount for Toys	Cool Drinks
Model Toy Competition	15/7 - 15/8		TV Comm. & Newspaper Adv.			
Stationery Promotion	20/8 - 15/9	Back to School	Radio Spots		Discount for Stationery	
Autumn Display	10/9 - 20/11	The Golden Breeze		Atmosphere		

Promotion Plan for Fourth Quarter of 1996

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Jacket Promotioin	1/10 - 20/11	Beautiful Autumn	Newspaper Adv.			
Winter Display	20/11 - 31/12	Delightful Winter		Atmosphere		
Winter Special	20/11 - 31/12	Christmas Bell		POP Display		
Christmas Festival	1/12 - 25/12	Dance with Snow	TV Comm. & Newspaper Adv.	Atmosphere	Discount for All Departments	Gift upon Purchase

Promotion Plan for First Quarter of 1997

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Spring Festival	20/1 - 10/2	Lucky New Year		Atmosphere	Some Products 20-40% Disc. or Buy 10 Get 1 Free	Spring Golden Labels
Valentine	15/2 - 21/2	Puzzle Fever		Puzzle	Puzzle Party	Lantern
Spring Promotion	1/3 - 30/4	Warm Spring	Newspaper Advertisement	Atmosphere	Spring Fashion Show	Wing On Umbrella
Wing On Paradise	Jan-Mar (Saturday Only)		TV Sponsorship			Purse & Animal Toy
Wing On Children	Jan-Mar (Daily)		Radio Sponsorship			Purse & Animal Toy

Promotion Plan for Second Quarter of 1997

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
1/6 Children Festival	1/5 - 1/6	Golden Childhood	Newspaper Adv. & TV Comm.		Departmental Competition	Purse & Daily
Summer Promotion	15/6 - 15/9	Summer Focus	Newspaper Adv.	Atmosphere	Discount for Swim Wears	Purse
Wing On Paradise	April - June (Saturday Only)		TV Sponsorship			Purse & Animal Toy
Wing On Children	April - June (Daily)		Radio Sponsorship			Purse & Animal Toy

Promotion Plan for Third Quarter of 1997

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Children Reading Competition	June & July	The Joy of Studying		Banners & Hangers		Books
Autumn Promotion	August and September	Delightful Autumn	Newspaper Advertisement	Atmosphere	Lucky Draw	Purse & Wing On Umbrella
Stationery Promotion	20/8 - 3/9	Back to School		Stationery Exhibition		Books
Mid-Autumn Festival	10-16/9	Full Moon in Wing On		Banners		Purse, Dolls, & Umbrella
Wing On Paradise	July - September (Saturday Only)		TV Sponsorship			Purse, Dolls, & Umbrella
Wing On Children	July - September (Daily)		Radio Sponsorship			Purse, Dolls, & Umbrella

Promotion Plan for Fourth Quarter of 1997

Program Name	Duration	Slogan	Media	Display	Sales Promotion	Premium
Winter Promotion	November-December		Newspaper Advertisement	Atmosphere	Discount for Clothing	New Year Card
Christmas	1/12 - 24/12	Dance with Snow	Newspaper Adv. & TV Comm.	Banners & Hangers	Discount for All Departments	Santa Claus Doll & Card
Wing On Children	October - December (Daily)		Radio Sponsorship			

Source: Courtesy Wuhan Wing On Children Shopping and Amusement Centre Company Limited

2. Wing On Mall: Market Guideline Newspaper (weekly column)

This column was more commercial oriented, it emphasised on children product, product usage, new arrivals, special bargain, etc. of Wing On.

In all the promotional materials, whenever possible, the slogan 'Who cares about children most? Wing On cares about children most' was used. With this slogan used for many years, the people of Wuhan are quite familiar with Wing On and associated this name with children products.

7.6 *Highlights of Some Promotional Programmes*

For the last few years, lots of promotional programs were completed. This paragraph highlights some promotional programs to show how the company tried to build up image and, at the same time, push sales.

1. Christmas Party

In December 1993, the company launched the grand promotion of a Christmas party. At that time, people of Wuhan knew nothing about Christmas at all. According to the campaign regulation, any customer with a total purchase of Renminbi 300 (US\$36) or above on the same day was entitled to a ticket for the party. The party was held on 24 December 1993 (Christmas Eve), within which there were free gifts, free vending machines, free banquet, and a lucky draw. Through such party activities, children began to know more about 'Christmas' and the foreign culture. At the same time, special a product display from all divisions was held. Therefore, while

children were enjoying the fun and pleasure of Christmas, they could also make additional purchases. During the party, the venue was full with children and there were lots of sales too. Figure 7.3 shows a copy of the promotion announcement.

2. Wing On Culture Night Television Special

In 1994, upon the one year anniversary of Wing On, special promotional programs were held. The headline of the advertisement was 'Let's grow hand in hand together.' Down there with the subheadline, it emphasised on 'Sharing the pleasure of anniversary with children of Wuhan city by offering a series of intellectual activities.' Such activities included children drawing competition, children intelligence quiz competition, infant health consultation session, and Wing On Culture Night Television Special. It went without saying that there were product promotion during the above period. Among the above programs, the most impressive one was the television special, because of the reach of the television media, it could disseminate the message to all people of Wuhan. Therefore, on the night of 31 May 1994, every children stayed at home to watch the television special. Within the television special, the theme of the slogan repeated again and again and people were aware that 'Wing On cares.' Figure 7.4 shows a copy of the anniversary advertisement.

3. Colour Filling Contest

In November 1994, the colour filling contest was held. This contest was aiming at primary school students between the ages of six and twelve. For this contest, no purchase of product was required. As such, the contest was overwhelmingly welcome by the children. Apart from the grand prizes for the outstanding winners,

all other children who participated in the contest could also receive a souvenir. Again, the purpose for children enlightenment were fulfilled and, at the same time, parents' recognition of Wing On was reinforced. After the campaign, the sales still maintained at higher level and the returning customers kept mentioning about the gorgeous colour filling contest. Thus this campaign was also quite successful. Figure 7.5 shows the colour filling contest advertisement.

4. Special Infant Health Consultation

In May 1997, in order to strengthen the promotional effect of Children Festival, the special infant health consultation programme was held. On the 2, 3 and 4 of May, which were the holiday for Wuhan, four medical doctors who were famous for infant health were invited to Wing On for special consultation to the customers. Such consultation was free of charge, but the condition was that the parents should take the infant with them. After the consultation, the parents could join the free lucky draw (without any purchase). The customers could gain dual benefits without any purchase, therefore lots of customers queued up for the consultation. Even though no purchase was needed for the consultation but, according to the sales record, the sales still soared. Thus, we can see the way good image was built and the effects on sales.

7.7 *Analysis of the Positioning Strategy of Wing On*

After the general observation of the positioning strategy of Wing On is done, it is time to conduct evaluation on the strategy. The bases of evaluation are on the ground of Ries and Trout's positioning principles, and also the nature of the

Figure 7.3

Copy of Christmas Party Advertisement



与飘雪季节共舞 ——永安圣诞狂欢晚会

★晚会形式：
活动全部免费，任您和您的孩子尽情狂欢

★晚会内容：
圣诞假面舞会——免费提供面具，任您热情奔放。
圣诞游乐场——免费开放游乐设施，任您尽情游玩。
圣诞狂想宴会——优惠供应圣诞大餐，任您随意品尝。
圣诞开心果——各种免费游戏节目，任您尽兴狂欢。
圣诞幸运大抽奖——奖券收入反馈游客，看谁最幸运。

★晚会时间：
十二月二十四日晚4：30分至8：30分。

★晚会地点：
武汉永安儿童购物游乐中心(武汉商场四楼)

★晚会参加办法：

您只需在武汉永安公司购物消费当日累计达300元，即可获得晚会入场券一张，另再奉送新年月历一份，面具一个，尺一把，礼品袋一个。

★意想不到的圣诞礼品：
当您购物、消费当日累计达100元时，您可获得新年月历一份。达200元时，您即可获得新年月历一份、尺一把、礼品袋一个和假面具一个。

★丰盛的圣诞、新年货品：
童装部：儿童羽绒服，父子母女套装，睡衣睡袍系列大会展。
玩具部：电动、遥控、积木、绒毛娃娃、拼装玩具展。
婴儿部：儿童室内用品，纸尿裤，婴儿服饰系列会展。
童鞋部：防寒保暖系列用品展(包括：帽子、围巾、手套、全棉拖鞋、雪地鞋)。
文具部：圣诞新年礼品、饰品、贺卡系列大会展。



武汉永安儿童购物游乐中心举办
邀您参加免费的狂欢晚会。地点：武汉商场四楼

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 7.4

Copy of Anniversary Advertisement

市场指南报

湖北日报社主办

出版日期：1994年4月26日 星期二

国内统一刊号 CN42-0102 第10期

全国发行 邮发代号 37-78



武汉永安 周年志庆



策划创意：楚汉徐森

万物成长的心路

——武汉永安儿童购物游乐中心成立一周年生日献礼

91年4月25日是武汉永安儿童购物游乐中心有限公司成立1周年纪念日。值此生日喜庆之日，武汉永安公司要将满怀的喜悦与江城的每个孩子分享，而精心策划了一系列精彩的充满爱心的大型活动。

★永安生日购物大献礼（4月25日——6月5日）

★儿童绘画比赛（4月25日——6月5日）

★永安周年庆典仪式（4月24日上午9：00）

★儿童奖学金智力赛（5月2日——6月5日）

★“永安之夜”电视文艺联欢晚会（5月31日晚8：30）

★婴儿保健咨询（4月24日——6月5日）

2802798 发报部：5868817 本报武汉办事处：5811595 传真：6813989 本期零售价：0.30元

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 7.5

Copy of the Color Filling Contest Advertisement

听说在海的那一边,有一个永安乐园,那里有服装新奇的小天使,有古里古怪的海哥淘气;那里的草莓酸酸的、甜甜的,长满了整个乐园……

轻风万浪帆犹在,你看,开心船长亲自掌舵,永安乐园就在眼前。一想到即将与天使共享成功的欢乐,与淘哥共尝草莓的滋味,我真是太激动啦!

小朋友们,多么让人神往的故事啊!拿起你的画笔,用最奇妙的想象、最斑斓的色彩,描绘出开心船长的风采,到永安乐园去领取意想不到的礼品!

一、参赛办法

以“开心船长和永安乐园”为主题,发挥想象,任意填色

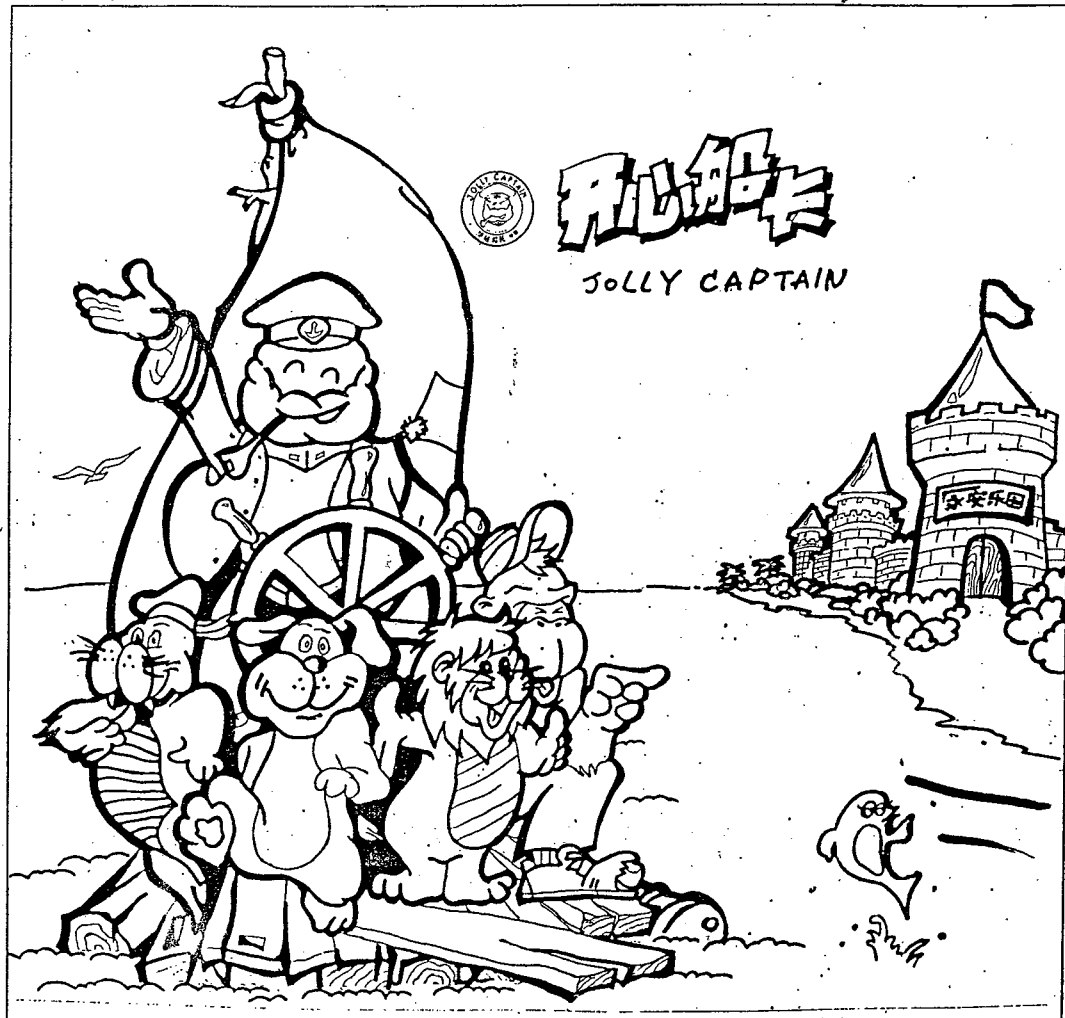
凡我市初中以下小朋友均可参加,截稿日期为11月15日。小朋友们在报纸上直接填色(复印也可),并沿虚线剪下,寄至:武汉永安儿童游乐中心有限公司卡通画填色比赛组委会(地址:解放大道358号武汉商场四楼,邮政编码430022)

获奖名单刊登在11月21日《现代少年报》上。

二、奖励办法

由《现代少年报》报社和武汉永安儿童游乐中心共同组成评委会,评出一等奖三名,证书一份,300元奖品,并授予“开心船长卡通画王”称号;二等奖五名,证书一份,200元奖品;三等奖十名,证书一份,100元奖品。以上十八名获奖小朋友将特邀至武汉永安公司开心船长餐厅参加颁奖仪式。另设纪念奖50名,各奖玩具一个,游乐代币十枚,获纪念奖的小朋友直接到永安公司总服务台领取奖品。

请沿线剪下



姓名:	性别	出生:	年 月 日	联系电话:
学校		家庭住址:		

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

positioning concept and the process of the positioning strategy as suggested by the author in Chapter Three (see subsections 3.4.1 and 3.4.2).

7.7.1 General Perceptions about Positioning of the Wing On Personnel

As mentioned in Chapter Three, the nature of the positioning concept includes segmentation, target marketing, and differentiation (see subsection 3.4.1). From the discussion with the various personnel of Wing On, it is noted that Mr. Chan understood positioning well and knew how to make the best use of such concept, the only minor defect was that less attention was paid to a competitive marketing information system owing to labour shortage and cost consideration. Regarding Miss Wu, Mr. Cheng and other persons, it is found that they had different understanding about positioning. However, it is a general observation that persons in higher position and with more marketing exposure know more about positioning and vice-versa.

7.7.2 The Positioning Strategy of Wing On

For the name of Wing On Children Shopping and Amusement Centre Company Limited, it is considered to be an application of the positioning concept. Apart from the reasons stated by Mr. Chan (see subsection 7.2.1), 'Shopping and Amusement' is considered to be a generic term. Also, it is wise to use the short-form name 'Wing On' when necessary. Ries and Trout stated that "A strong, generic-like, descriptive name will block your me-too competitors from muscling their way into

your territory. A good name is the best insurance for long-term success.” (Ries and Trout, 1981, 91)

When positioning a company named Monsanto, Ries and Trout emphasised the importance of “A clear, concise definition of what a company is” (Ries and Trout, 1981, 164) and also the objectives of the company. Thus the Wing On mission statement also included such elements. So, Wing On is on the right track to implement its positioning strategy.

By segmenting the market, targeting at the children customers and differentiated in terms of merchandise, service, etc. (see section 7.3), Wing On made use of the basic ingredients of positioning (i.e. segmentation, target marketing, and differentiation), therefore its positioning setting was well organized. Being the first and biggest children specialty store in Wuhan and China, together with many new breakthroughs (in the sense of China market) such as open-rack system, etc., Wing On could claim to be the leader in this industry then. Ries and Trout also claimed that to be a leader, “You just get there firstest with the mostest.” (Ries and Trout, 1981, 51)

At the time that Wing On was established in 1992, it understood very well the position it owned and the position it wanted to own. To get into the Wuhan market, it stuck to the leadership role of being the first and biggest children specialty store, together with lots of innovative features, in both Wuhan and China. Collectively the whole store worked towards such a position. As such, the idea of category

specialist (Lusch et al., 1993) was the right direction. Moreover, offering something new and unique to the Wuhan retail market (such offerings were not uncommon in Hong Kong or other developed countries) also supplemented the success of the positioning strategy. Davies and Sanghavi (1995) also recommended such a practice. Thereafter, tremendous promotions and company operations were done to strengthen their position. Such procedures are also in compliance with the six steps as suggested by Ries and Trout (see subsection 3.4.2).

For those highlighted activities, the case of Christmas party is full of enlightenment by introducing the foreign culture into China. The innovative idea of 'Christmas' is a breakthrough for the Wuhan people. The introduction of such a festival impressed Wuhan people a lot. As the first company to introduce such a concept, the leadership status can be kept. For the Culture Night Television Special, this was the very first time such a gala performance was shown through television broadcast only for children audience, every child stayed at home to watch the television special. All the programmes were children oriented that children learned a lot and enjoyed a happy night. Thus the objectives of intelligence development and health growth can be met. The purpose of colour filling contest was for the intelligence development of children and that the special infant health consultation was for the health growth of children. So all such promotional activities meet the mission statement criteria. Through all those promotional activities, Wing On could fulfil the policy 'To erect company image in the long run and to push sales in the short run.'

Within the last few years, there were countless promotional programmes that used different tactics. However, the most important criteria were to adhere to the mission statement guidelines all the time, so that the right company image could be built. As a result, through the aggressive promotion, repetition of slogan, together with the supplement of consistent store operation management, the linkage between 'Wing On' and children products is reinforced.

Therefore, from the ways the Wing On management handled promotion and operations, one can observe that they bore the mission statement in mind at the very beginning, and during the process of planning, implementation and control. They tried to adhere to such guidelines all the way. Through such a method, they tried their very best to position the company in the minds of Wuhan customers. From Ries and Trout's point of view, such an action is equivalent to "You position the product in the mind of the prospect." (Ries and Trout, 1981, 3)

However, by considering the process of the positioning strategy (see subsection 3.4.2) as proposed by the author, positioning statement and positioning strategy should be set at the corporate level (see Figure 3.1), so as to guide the corporate policy, mission statement, and corporate strategy. For the case of Wing On, it has a very good mission statement, but the positioning statement and the positioning strategy were not explicitly spelled out. Thus such a mission statement is essential but not sufficient. In case Wing On could spell out the positioning statement and positioning strategy more explicitly, the result should be much better.

Nevertheless, even under this circumstance, it is interesting to observe that both the mission statement and company slogan still serve to reinforce the desired perceptual framework in the minds of both employees and customers (see subsection 7.2.4). These were also the reasons why Wing On could surpass its target performance between 1993 and 1996 (see section 6.10).

On the whole, it is observed that, under the leadership of Mr. Chan, the positioning strategy was correctly applied by the management of Wing On, though there were still some minor defects.

7.8 *Summary*

Through the interview, it seems that people in higher positions and with more marketing involvement know positioning better. By following the positioning guidelines of segmentation, target marketing, and differentiation, the positioning setting of Wing On is well organised. Through different promotional programs, the sales and promotion department was able to carry out the positioning work more effectively. By reviewing the positioning strategy, it is found that the use of mission statement and slogan may help a lot for the establishment of position or image in the minds of both employees and customers. However, the impact would be more powerful if positioning statement and positioning strategy are applied at the very beginning of the corporate planning process.

CHAPTER EIGHT

AN ANALYSIS OF THE COMPETITIVE ENVIRONMENT OF WUHAN WING ON CHILDREN SHOPPING AND AMUSEMENT CENTERE COMPANY LIMITED

8.1 *Introduction*

This chapter starts with the theoretical concepts of competition analysis. Then, by making use of Porter's model, an analysis of the competitive environment of children products industry in Wuhan is conducted. Thereafter, an analysis of the competitors of Wing On is done. To have thorough understanding of the most powerful competitor, detailed comparison of Wuhan Department Store against Wuhan Plaza and Wing On against Children World are explained respectively. Thus the full picture of the whole competitive environment can be viewed.

8.2 *Theoretical Concepts of Competition Analysis*

To the marketers, competition is considered to be basic in the free enterprise system (Jain, 1997). Moreover, in order to create effective marketing strategies it is necessary to understand competition. Kelley (1972) considered that the nature of competition was an important economic force and that such force linked closely with opportunity. Henderson (1983) viewed competition as a system of relationships and that persistent and successful competitors possessed distinct advantages over each other. Oster (1990) investigated rivalry among firms and found that there were three factors, namely environment, history, and industry structure which determined the intensity of competition. Czepiel (1992) looked at

competition from both the economists' perspective and industrial organization perspective. He also highlighted about the relationships between competition and supranormal profits. Cressman Jr. (1995) viewed that the competition could be at four levels. These four levels were: (1) In the market between industries, (2) Within the industry, (3) Between strategic groups within a specific level of the industry, and (4) Within a strategic group.

Apart from the general view about the nature of competition, to proceed one step further, it is necessary to understand more about competition analysis. Again, Henderson (1984) called on marketers not to forget about competitors, because he considered competitive survival was a process which matched organizational capability and market characteristics. Francis (1994) suggested a series of questions for analysing competitors, questions such as: the history of the competitor, the market segments of the competitors, etc. Guiltinan, Paul and Madden (1997) thought that four steps were basic when examining competitive market forces: (1) Creating a market profile, (2) Perceptual mapping, (3) Creating perceptual spaces, and (4) Ideal point. Within the scope of market profile, they also mentioned about the components of industry characteristics and competitor profiles. From Cravens' (1991) point of view, certain steps should be followed in analysing competition: (1) Defining the competitive arena, (2) Strategic group analysis, (3) Competitor analysis, and (4) Competitor intelligence systems. Here, Cravens is a little bit different from Guiltinan et al. on making use of the strategic group analysis and intelligence systems. In analysing competition, Jain (1997) discussed about: (1) Classifying competitors, (2) Intensity, or degree, of competition, (3) Competitive intelligence, (4) Seeking competitive advantage, and (5) Sustaining competitive

advantage. Therefore, in addition to competitive intelligence, the function of competitive advantage is also taken into consideration. From Kotler's (1997) point of view, in analysing industries and competitors, he preferred the following steps: (1) Identifying competitors, (2) Identifying competitors' strategies, (3) Determining competitors' objectives, (4) Assessing competitor's strengths and weaknesses, (5) Designing the competitive intelligence system, and (6) Selecting competitors to attack and avoid. Kotler seems to be quite concerned about competitors' objectives, strengths and weaknesses, intelligence system, etc.

However, for in-depth analysis of industries and competitors, Porter (1980) introduced different analytical techniques. In addition to industries and competitors analysis, Porter (1985) also emphasised the role of competitive advantage. By taking into consideration the different perspectives of industry and competitors analysis, Porter's Five Forces Model and Competitor Analysis Model are used to analyze the competitive environment. Because by comparing with other literature as mentioned above, Porter's models seem to be more versatile, practical, and convincing.

8.3 Michael Porter's Model of Industry Competition

From the conceptual model of Michael Porter, the competition analysis of an industry should deploy along five factors. Only through such analysis, a company can understand the strengths and weaknesses of itself. By considering the opportunities and threats, the company can then plan for strategic moves.

The first factor to be considered is the degree of rivalry. In most cases, when there are many competitors, it will be more competitive. The second factor is about the threat of new entrants, in case there are many new and potential entrants, the competition will be more fierce. The threat of substitute is the third factor, unless there is some technological breakthrough, the threat of substitute may not be that urgent. Regarding the bargaining power of customers, in most case it depends on the switching costs involved. The lower the switching cost on the side of customers, the more fierce the competition will be on the side of business firms. Ultimately, the last factor is the bargaining power of suppliers. If there are more suppliers in the industry, the business firm can negotiate for more favourable terms because of the over-supply situation. Figure 8.1 shows the conceptual framework of Porter's model of industry competition.

8.4 Application of Porter's Five Forces Model

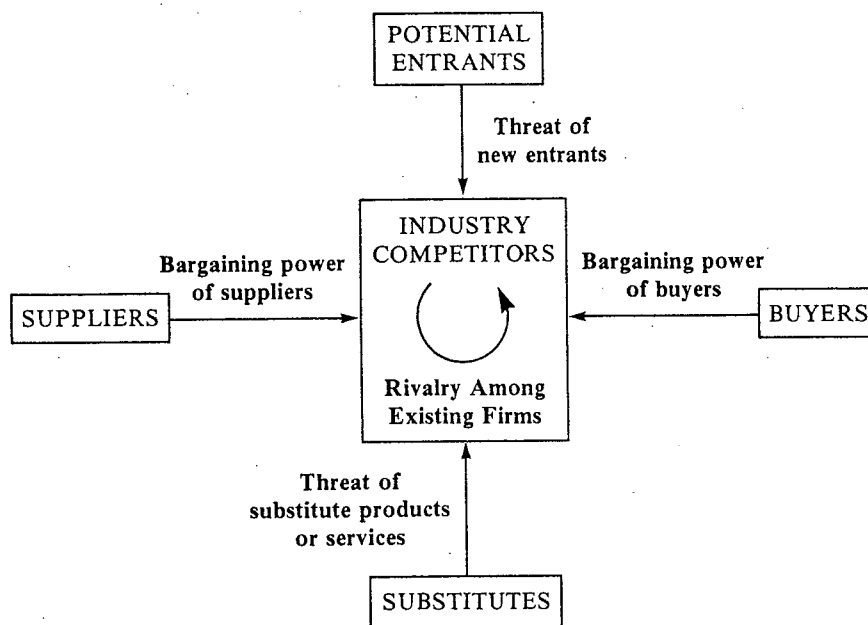
To analyse the children products retail industry in Wuhan, Michael E. Porter's Five Forces Model is used. Below are the analysis of the actual competitive environment.

8.4.1 Degree of Rivalry

According to Porter, the degree of rivalry will depend on the number of competitors, industry growth, product differentiation, strategic stakes, exit barrier, etc. Figure 8.2 shows the total number of department stores/shopping malls with children related products that are operating in Wuhan before 1996.

Figure 8.1

Michael Porter's Five Forces Model



Source: Porter, Michael E. (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, New York, The Free Press, p.4

As can be seen from Figure 8.2, the competition for children products before 1996 was quite keen. For the whole Wuhan region, there were nine large stores with children products as a special division or department. The total floor area for these nine stores was 259,000 square meters. Among those nine stores, six were located in Hankou, two in Wuchang and one in Hanyang. There were six stores in Hankou because this district has long been the commercial district for the whole Wuhan. By further scrutiny, one may find that Liu Du Qiao Department Store was the greatest mall with a total area of 40,000 square meters and the second was the Wuhan Department Store with a total area of 35,000 square meters. However, by comparing the total area for children products division, Wuhan Department Store (i.e. the site which Wing On was located) was the largest with a total area of 3,840 square meters and Liu Du Qiao Department Store and Hangyang Department Store were both second with the area of 2,500 square meters each. Therefore, in terms of product variety and facilities, Wing On was the leader then. Other stores were mostly allocated 1,000 to 2,000 square meters for children products, some might even allocate only 500 square meters. The total floor area allocated for children products among these nine stores was 17,340 square meters. Thus, in comparison, the total floor area for children products accounted for 6.65 percent of the overall department store floor area. This variation will depend on the business focus and retailing strategy of the companies concerned.

Among the various stores, there are product differentiation but mostly in terms of brand, price and quality. For the department stores, they are mostly selling medium price branded products, whereas other small independent stores in Wuhan

Figure 8.2

Major Department Stores in Wuhan before 1996

Name	Address	Floor Area – Total (Sq. M)	Floor Area – Chd. Prods. (Sq. M)
Zhong Nan Department Store	200 Zhong Nan Avenue, Wuchang	32,000	2,000
Huang He Department Store	242 Zhongshan Avenue, Wuchang	31,000	1,500
Wuhan Department Store*	358 Jiefang Avenue, Hankou	35,000	3,840
CN Chung Nan Department Store	1458 Zhongshan Avenue, Hankou	14,000	1,000
Liu Du Qiao Department Store	799 Zhongshan Avenue, Hankou	40,000	2,500
Wuhan Central Department Store	129 Jiang Han Road, Hankou	32,000	2,000
New World Department Store	297 Xin Hua Hou Road, Hankou	25,000	500
Wuhan Artistic Department Store	744 Zhongshan Avenue, Hankou	20,000	1,500
Hanyany Department Store	143 Hanyang Avenue, Hanyang	30,000	2,500
Total		259,000	17,340

* The store where Wing On is located

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

are selling low price products. Therefore, within such children products industry, the price itself has segmented the market. However, for those small independent stores, parallel imported products and counterfeit products are found occasionally. It is not an uncommon practice in the China market.

In the case of investment, it needs Renminbi 10 millions (US\$1.2 millions) as the basic investment for a speciality store with the size of Wing On. Such a huge investment may serve as an exit barrier as the loss is huge and irrevocable in case of failure. Therefore, the competition among both department stores/shopping malls and children products are equally fierce. However, since Wing On is the category specialist with the greatest floor area, it takes the lead in such market then.

8.4.2 Threat of New Entrants

For the threat of new entrants, Porter considers that the barriers to entry are economics of scale, product differentiation, capital requirements, government policy, etc.

For the case of children products industry in Wuhan, the economics of scale really counted. The bigger the company, the more economics of scale the company could earn. However, the product differentiation among them was less apparent, because only a few brands could establish differentiation through intensive promotion and aggressive marketing. Capital requirements were big issues, but people could still settle it. As for the government policy, it was the most unstable one. Because, foreign investors in China found that domestic businessmen always 'follow the

wagon' blindly. Whenever any regulation was released, domestic businessmen would rush in without any in-depth thought. They just thought about doing big business without considering about the sales potential and the actual market share. On one hand, they were less concerned about the absolute cost advantage and brand identity. On the other hand, they were very concerned about government policy, because the policy was changed from time to time whenever problems were encountered. Therefore, the new entrants kept rushing in until the government changed its mind by prohibiting the opening of new stores.

By taking such issue into consideration, it would not be surprised to see that lots of new entrants surged into the Wuhan market all of a sudden. Figure 8.3 shows the total number of department stores/shopping malls with children related products that were opened only in 1996. By observing the data, it is found that Wuhan Plaza has the largest floor area (80,000 square meters), followed by Asia Trade Plaza (50,000 square meters). In terms of floor area for children products, Tai Fung Chi Children Paradise has the largest (10,000 square meters), followed by Asia Trade Plaza (5,200 square meters) and Wuhan Plaza (4,000 square meters). By calculating the floor area, the total floor area for all the new stores opened in 1996 alone is 226,000 square meters, which is almost equivalent to the existing floor area (in operation before 1996). To make the situation worse, the total new floor area for children products (25,700 square meters) accounts for 11.37 percent of the overall new floor area in 1996 (i.e. 226,000 square meters). Just by calculating the total floor area for children products, one can image about the keen competition that lies ahead.

Figure 8.3

New Department Stores Opened in 1996

Name	Address	Opening Day	Floor Area — Total (Sq. M)	Floor Area — Chd. Prods. (Sq. M)
Tian He Department Store	232 Peng Liu Yang Road, Wuchang	96-03-15	15,000	1,500
Tai Fung Chi Children Paradise	242 Zhongshan Avenue, Hankou	96-08-10	10,000	10,000
Hankou Department	Jiang Han Road, Hankou	96-08-28	33,000	2,000
Shanghai Department Store	Zhongshan Avenue, Hankou	96-09-26	27,000	1,500
Wuhan Plaza *	358 Jiefang Avenue, Hankou	96-09-28	80,000	4,000
Hui Shang Department Store	491 Jiefang Avenue, Hankou	96-10-26	11,000	1,500
Asia Trade Plaza	340 Wulou Road, Wuchang	96-12-28	50,000	52,000
Total			226,000	25,700

* The store where Children World is located

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Such phenomenon also explains why the total floor area of shopping mall in Wuhan doubled just in 1996 alone. Such type of 'rush in' scenario is not unique in China. In late 1997, many big department stores in Beijing were closed down because of fierce competition and limited customer sources resulting from the blindly opening of too many stores within a short time. It will not be surprised that such phenomenon may be seen again in Shanghai, Guangzhou, and Wuhan later.

8.4.3 Substitutes

For the children products, there is not much concerned about the threat of substitute products or services, because there is not much thing that can replace the children products. However, the improvement of children products towards the electronic or high-tech orientation is itself an evolution. Children are more and more interested in the new electronic products instead of the traditional products. Because of the complex nature of the electronic products, such products are aiming at the older age children.

Nevertheless, since the electronic products at the moment are only a small portion of the children products, and the target market is a bit different from the traditional children products retailers. The impact of such potential substitutes does not affect Wing On and the like very much. As a result, the children products market is still in existence but the contents are changing within itself. At the same time, the retailing business in Wuhan is evolving, it just follows the patterns of Shanghai and Beijing. There is also some institutional evolution, but the general trend is towards specialisation.

8.4.4 Bargaining Power of Buyers

Respecting the bargaining power of buyers, Porter is quite concerned about the switching costs and the standard or undifferentiated nature of the products. In the case of Wuhan, only a few manufacturers/suppliers can afford the huge expenses of advertising to establish their identities (brands), thus from the consumers point of view, the majority of the products are undifferentiated. As for switching costs, by referring to the above section (subsection 8.4.2) that the floor area for children products has been increased more than double, but the population remains the same, one can image the keen competition on the part of retailers, and the low cost for switching on the part of consumers. Moreover, consumers have lots of choices for different brands and quality, so the bargain power of the buyers is very strong, especially in the late 1996.

As a result, to gain competitive advantage, many retailers are now thinking about the possibility of backward integration or reinforcing the linkage with suppliers or manufacturers, but all these issues are only at the primitive stage.

8.4.5 Bargaining Power of Suppliers

Porter considers that the bargaining power of the suppliers depends mostly on the number of suppliers, the differentiation of the products, etc. In the case of Wuhan, only a few manufacturers/suppliers can differentiated their products through the marketing mix, thus the majority of the suppliers can hardly make any differentiation at all. Moreover, there are a great number of suppliers too. Thus the

suppliers are at a disadvantageous position. At the same time, since there are many suppliers, the switching cost of retailers to buy from different suppliers is quite low. For example, the shoes department of Wing On has forty suppliers for different brands of shoes. As retailers are the final contact agent in the channel, they can get hold of the customers. Because suppliers are competing among themselves, the retailers can ask for more bargain at their discretion. Therefore, the bargain power of suppliers is very weak.

To sum up, with the help of Porter's Five Forces Model, it is observed that owing to limited demand of customers but the over saturation of retailers, the competition within the children products industry is quite keen. Such situation intensifies after 1996. Comparatively speaking, however, customers have the greatest say, whereas retailers are competing fiercely and the suppliers are in a much weaker position because they are numerous in number.

8.5 Children as Consumers – A Basic Understanding

To understand the bargain power of buyer is a prerequisite, to understand the consumer behavior of children will be more beneficial. Therefore, to be more competitive, a basic understanding of the consumer behavior of children is indispensable.

The children's market is a very big market, its potential is tremendous. However, such a market is often overlooked by the businessmen in general (McNeal, 1969). After McNeal's reminder, scholars thereafter started to focus on children issues.

Between 1970 and 1980, many scholars made investigation in this aspect. For example, Ward and Wackman (1973) investigated mother-child interactions, Hempel (1974) examined the decision stage and child participation. In 1977, Szybillo and Sosanie (1977) questioned children and parents interaction along the whole stages of the decision-making process, at the same time, Mehotra and Torges (1977) tried to isolate factors in studying mothers' yielding to children's purchase request. Jenkins (1979) found that children have minimal influence in the choice of household durable and Nelson (1979) studied children's role as information sources for pizza restaurant. Filiatrault and Ritchie (1980) studied on the relative influence of husband and wife in family with and without children. In 1984, a seminar was held in Nuremberg of Federal Republic of Germany on the theme of marketing to children and young consumers (Esomar, 1984). Thus, more and more are known about children's behaviour and such issues draw more people's attention.

In the late nineties, McNeal (1987) emphasised the paramount role of children as consumers. From McNeal's point of view, he considered that children can learn to be consumers through the socialisation process. According to the observation of McNeal, for the children between the ages of four and twelve, they get less money when young and are saving proportionally more, whereas they get more money when older but save proportionally less. Also, the higher the age, the more independent shopping trips they will make. By the age of ten, one hundred percent of them are having independent shopping trips already. Retrospectively, by the age of seven, children will have made independent purchases while shopping with parents. As a result, McNeal considered the children's market to be a big market

awaiting for cultivation. At the same time, McNeal also pointed out that, childhood patronage may pave the way for adulthood patronage preference. Thus for some retailers aiming at different segments of children and adult products, they should pay more attention to 'socialise' children in a certain way.

In 1992, McNeal further directed his focus to children as customers by investigating the consumer behaviour of children. Through the investigation, McNeal discovered that children mostly purchase such products as snacks/sweets, toys, games, and crafts. Also, their preference for store changes as age increases, the pattern of change is evident from their patronage among the various convenience store, supermarket, discount store, speciality store, etc. During the purchase process, children can influence parental purchase decision to a certain extent. McNeal advised that retailers should train store personnel to better prepare to assist children who are new customers, moreover, children stores should institute more ethical practices (McNeal, 1992).

Apart from McNeal's point of treating children as consumers and customers, Guber and Berry (1993) looked at those kids from a marketing perspective. Guber and Berry stated that, while accompanying their parents for shopping, children aged between six and fourteen can influence their parents' product and brand selection. Children are quite impressed by television advertisements which have simple and clear story line. Moreover, magazine advertisement is good for children because they read every word. For the promotion, they recommended the participatory

programs such as marketing products through school, educational gathering, club membership, collectible, etc. In addition, Guber and Berry also mentioned eight kid trends for the nineties which will be very helpful for the marketers (see subsection 12.4.2.1).

In 1998, Gunter and Furnham took a look at children consumers from a psychological analysis point of view. They summarised many children related research findings such as product categories, socialisation, communications, etc. They were also quite concerned with the ethical issue as those mentioned by McNeal (1992). In addition, they considered that marketers should also exert some effort of consumer education on parents because parents could instil beliefs and habits into their children's minds (Gunter and Furnham, 1998). Dwek (1998) also discussed about the do's and don'ts of marketing to British children.

For McNeal, apart from those researches dealt with children as consumers in general, he also made investigation about children in Asian regions. For instance, he conducted a study for the Taiwanese children (McNeal and Yeh, 1990a) about their income, savings, expenditures, etc. Also, McNeal conducted several studies in People's Republic of China and Hong Kong (McNeal and Yeh, 1989; McNeal and Yeh, 1990b; McNeal and Yeh, 1997; McNeal, Herndon and Yeh, 1998). All such China oriented researches are quite helpful in understanding the consumer behaviour of Chinese children. The condensed summary of the consumer behavior of Chinese children was explained in subsection 5.3.3.

8.6 *An Analysis of the Competitors of Wing On*

After the setting of children products industry in Wuhan is understood, it is time to further narrow down the focus to the competitors of Wing On.

From the Wing On management's point of view, they define the primary competitors as any companies which are selling children related products, with a floor area of at least 1,000 square meters or above and located at nearby sites. As for secondary competitors, these are the companies which are selling children related products, with a floor area of at least 1,000 square meters or above and doing business in Wuhan.

From Figures 8.2 and 8.3, we can observe that, for the sixteen department stores in Wuhan, eleven of them are in Hankou, four in Wuchang, and one in Hanyang. Thus from the retailing perspective, the Hanyang Department Store enjoys its monopoly in Hanyang district. The four other department stores (i.e. Zhong Nan, Huang He, Tian He, Asia Trade) share the market pie in Wuchang district. The remaining eleven stores all situated in Hankou. Since Hankou has traditionally been the central business district for Wuhan, therefore the sources of customers are from Hankou as well as those from Hanyang, Wuchang and the neighboring counties.

In Hankou, the center of the downtown area is surrounded by Jiefang Avenue and Zhongshan Avenue (see subsection 5.7.1). Altogether there are eleven department stores in the Hankou district, but eight of them are situated along Zhongshan Avenue or Jiefang Avenue. Among those eight department stores, as shown in

Figure 8.4, five are deployed along Zhongshan Avenue (Liu Du Qiao, Wuhan Artistic, Tai Fung Chi, Shanghai, CN Chung Nan) and three along Jiefang Avenue (Wuhan, Wuhan Plaza, Hui Shang). Therefore, stores within close proximity will struggle for the customer traffic within the same trading area. Under this circumstance, since Wing On is situated in the Jiefang Avenue, an understanding of the competitive situation would be much beneficial. Therefore, a general profile of the various primary competitors of Wing On is given below:

1. CN Chung Nan Department Store

This shop is located at No. 1458 of Zhongshan Avenue. Even though it is on Zhongshan Avenue, but it has already shifted to the rear side of Hankou district. Its total floor area is 14,000 square meters with 1,000 square meters devoted to children products. In terms of floor area, it can only be considered to be a small-sized department store with limited categories and assortments. Even though it is situated on Zhongshan Avenue, since it is already away from the central business district, it can only serve the needs of the neighbouring communities. Children products are not the major focus here. The general promotional activities such as advertising, seasonal sales, sweepstakes, demonstration, special events, etc. are used.

2. Liu Du Qiao Department Store

This store is situated at Zhongshan Avenue, however, it is a little bit closer to the central business district. The special characteristic of this store is that it is subdivided into four smaller stores each at the end of the footbridge and called as East Store, South Store, West Store and North Store. Whenever people want to cross the road, they should have to walk up the footbridge and can go inside the

store very easily. After crossing the road, before people walk down to the pedestrian pavement, they can also go inside another store again. The store has taken full advantage of linking footbridge and stores. Moreover, the three roads namely Zhongshan Avenue, Manchu Road and Jianchan Road are the main thoroughfares for this region. It thus becomes the community shopping centre of this district. The building is a little bit old. It has a total floor area of 40,000 square meters, with 2,500 square meters for children products. The store sells mostly general merchandise. There are a great variety of children products and also with one small children amusement playground. The children products here are mostly at middle and low prices. The management seems to be quite loose and the store atmosphere is quite traditional. General promotional methods are used.

3. Wuhan Artistic Department Store

This mall is not far away from Liu Du Qiao Department Store. However, its main emphasis is on artistic products and the whole store and its interior decorations look like a palace. It is small in size with 20,000 square meters floor area and 1,500 square meters for children products. Because its focus is on artistic products, the supply of other merchandise are only supplementary in nature and cannot appeal to the general public. The prices are middle to high. General promotional methods are used.

4. Tai Fung Chi Children Paradise

This paradise is situated at the junction of Zhongshan Avenue and Wusheng Road and it claims to be the biggest children products centre and amusement playground completely for children only. With a total floor area of 10,000, it was opened in

August 1996. The original idea was to have half the store for amusement and half for selling products and to be the largest specialty store for children products in Wuhan. However, upon physical inspection of the paradise on a Sunday in 1997, it was found that the majority of the booths were still empty and there were seldom any children playing in the paradise. The overall impression was that there was no business at all and the author also believed that the paradise was suffering from deficit then. By thorough investigation, the key problem was found to be its location. Even though the paradise is located at the junction of Zhongshan Avenue and Wusheng Road, but it is only at the starting point of the busy Zhongshan Avenue. To make the situation worse, the public transportation all pass through this site but without stopping because this site is a non-stop restricted area. Therefore, all buses, taxies, and private vehicles have to stop at the second street block of Zhongshan Avenue. Moreover, there is no convenient pedestrian crossing that can help potential customers to cross the road easily and such condition cannot be changed in the foreseeable future. Therefore, this Zhongshan Avenue location is helpless. However, the author did notice that this paradise adopts the membership system and that there are many innovative games and vending machines. All such special advantages are copied by the Baby Paradise of Wuhan Plaza (see section 8.10). Overall, this paradise cannot have any impact on the competition of other children products and amusement store because of its weak location.

5. Shanghai Department Store

This store is also located at Zhongshan Avenue, it is just at the opposite side of Tai Fung Chi. It is a little bit fortunate because it is closer to the first street block of Zhongshan Avenue. However, it is still quite far away from the busy district. This

store was established in August 1996, with a total floor area of 27,000 square meters and 1,500 square meters for children products. It also encounters the same problem that all cars pass the site but can never stop. But relatively speaking, it is not so isolated as Tai Fung Chi as it still can share some customer traffic flow from the Zhongshan Avenue. The major focus of this store is to sell Shanghai and foreign products, therefore it aims at the middle and high price market. The interior designs are quite elegant. As for the children products division, it is unfortunate to observe that the division is shrinking, with less variety available. The location of the children products division is hard to find. General promotional methods are used.

6. Hui Shang Department Store

This store is a few street block from Wuhan Department Store. Since its area is 11,000 square meters, which is only one third of Wuhan Department Store, it therefore concentrates on the selling of fashion and clothing, with other categories as supplements. The children products division is about 1,500 square meters and limited in variety. The whole store aims at middle and high income customers, Since it is quite small and some distance away from Wuhan Department Store, its attraction to customers is lessened. General promotional methods are used.

From the view point of the Wing On management, the two batches of competitors are competing along the two avenues. Since Zhongshan Avenue is a few blocks from Jiefang Avenue, the five competitors along Zhongshan Avenue might have some influence but do not have serious impact on the sales of Wing On. On the

contrary, the five competitors are competing among one another fiercely (along the same Zhongshan Avenue). In the case of Jiefang Avenue, even though Hui Shang Department Store is along the same avenue (Jiefang Avenue), but since it is relatively quite small that it is not in a position to compete with Wing On.

To highlight the competitive situations of the various department stores, Figure 8.4 shows the locations of the various competitors. At the same time, Figure 8.5 summaries the relevant data.

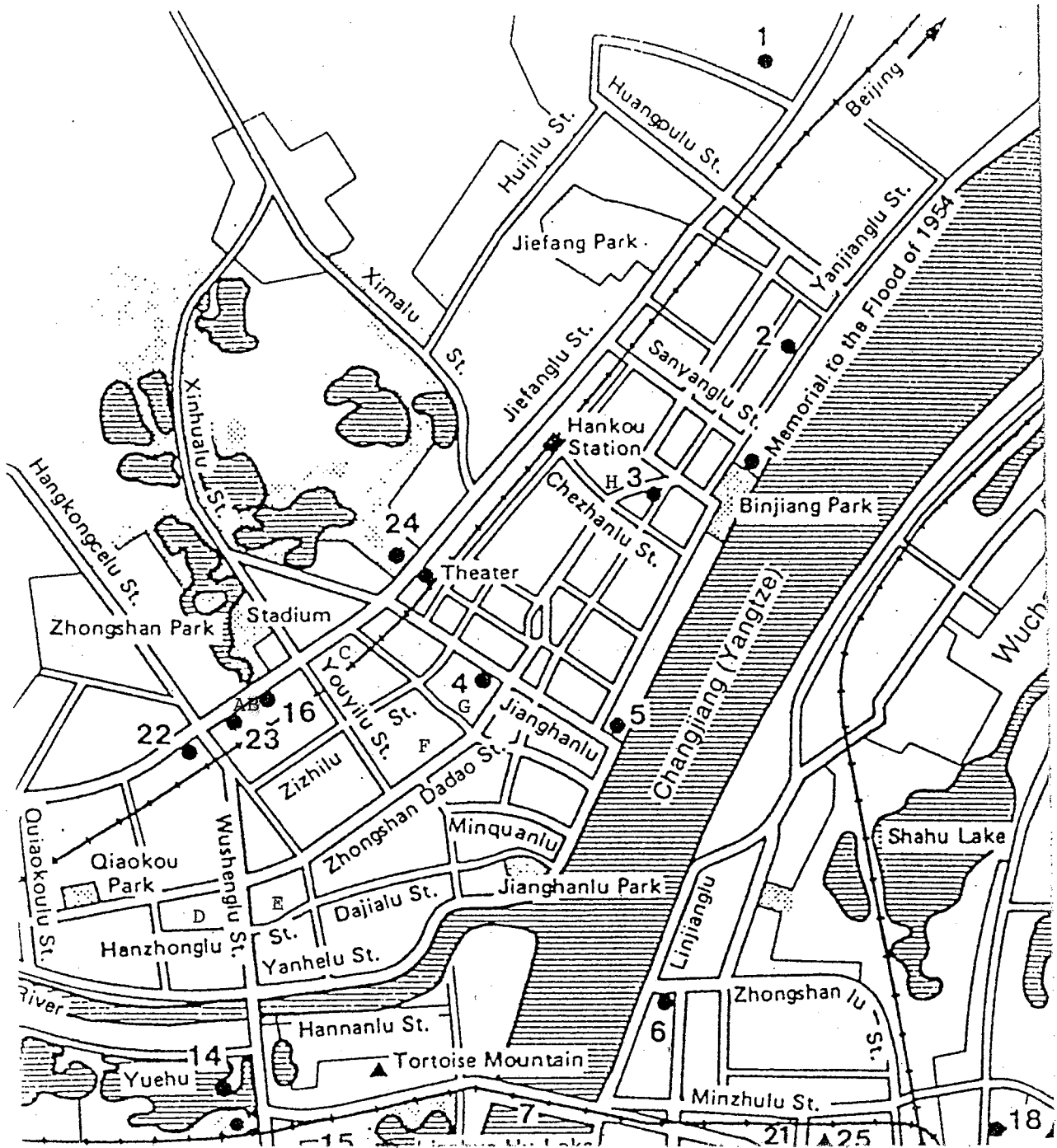
According to the observation of Wing On management, the opening of the various department stores (Tian He, Tai Fung Chi, Hankou, Shanghai) before September 1996 did not affect the sales of Wing On, because those stores were unable to challenge Wing On's leadership position for children products. However, ever since the grand opening of Wuhan Plaza and Children World, the sales volume of Wing On dropped drastically. Therefore Wing On has classified Children World as major competitor. Thus the following paragraphs are devoted to the analysis between Wuhan Department Store and Wuhan Plaza, and also between Wing On and Children World.

8.7 *Business Strategy of Wuhan Plaza*

The major competitor of Wing On is the Children World of Wuhan Plaza. In terms of store base, Wuhan Plaza is competing with Wuhan Department Store. In terms of product base, Children World is competing with Wing On. According to Kotler (1997), one should understand competitor's strategies, strengths and

Figure 8.4

Location Map of the Wing On Competitors



- A = Wuhan Plaza B = Wuhan Department Store C = Hui Shang Department Store
 D = Tai Fung Chi Children Paradise E = Shanghia Department Store
 F = Wuhan Artistic Department Store G = Liu Du Qiao Department Store
 H = CN Chung Nan Department Store

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 8.5

Highlights of the Major Competitors

CN Chung Nan Department Store (Zhongshan Avenue)
Total Store Floor Area: 14,000 Square Meters
Total Floor Area for Children Products: 1,000 Square Meters
Observation: Small size department store Limited in varieties Serving the neighboring areas Children products not a major focus General promotion

Liu Du Qiao Department Store (Zhongshan Avenue)
Total Store Floor Area: 40,000 Square Meters
Total Floor Area for Children Products: 2,500 Square Meters
Observation: Four blocks of buildings at the cross-road Serving community area Fairly good children product varieties Children amusement playground available Loose management

Wuhan Artistic Department Store (Zhongshan Avenue)
Total Store Floor Area: 20,000 Square Meters
Total Floor Area for Children Products: 1,500 Square Meters
Observation: Mostly artistic products Middle to high price Fairly collection of children products General promotion Struggling for traffic with Liu Du Qiao Department Store

Tai Fung Chi Children Paradise (Zhongshan Avenue)
Total Store Floor Area: 10,000 Square Meters
Total Floor Area for Children Products: 10,000 Square Meters
Observation: One hundred percent children shopping and amusement store Membership system Some new innovative games Limited in product varieties Extremely poor location

Shanghai Department Store (Zhongshan Avenue)
Total Store Floor Area: 27,000 Square Meters
Total Floor Area for Children Products: 1,500 Square Meters
Observation: Unfavorable location No much shopper traffic because of isolation Shrinking children product division General promotion

Hui Shang Department Store (Jiefang Avenue)
Total Store Floor Area: 11,000 Square Meters
Total Floor Area for Children Products: 1,500 Square Meters
Observation: A bit close to Wuhan Department Store Middle to high price General promotion Hard to fight against Wing On

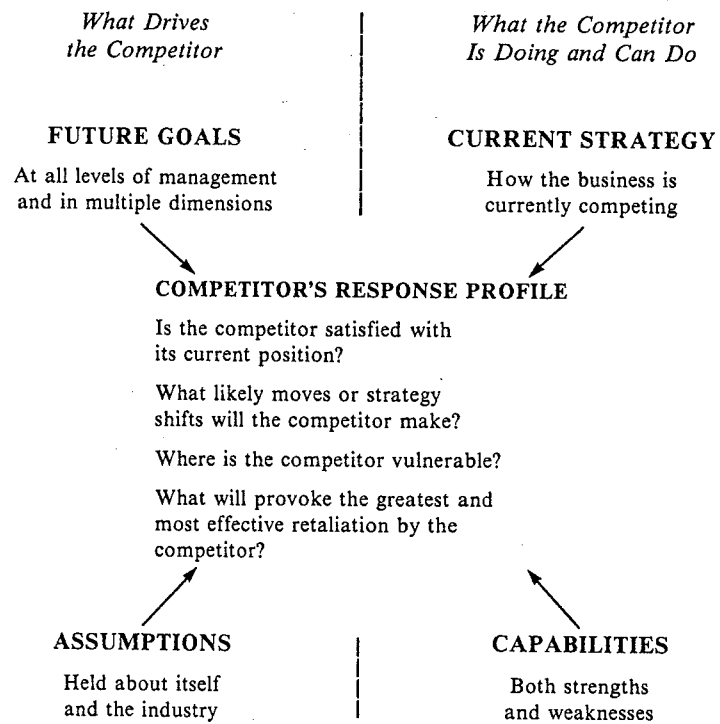
weaknesses, etc. Therefore it is necessary to understand the related issues of these two pairs of competitors.

Wuhan Plaza was built by Wuhan Huaxin Real Estate Development Co., Ltd. which is a joint-venture company. The two partners of the company are Wuhan Department Store Group Company Limited and Hongkong Zhongdian Dexin Company. Wuhan Plaza is the first super-high comprehensive building for commerce and residence in Wuhan. It has two storeys for underground car park. The first eight storeys are used for shopping mall (i.e. 80,000 square meters). Above the shopping mall, there are 40 storeys office building with a helicopter parking site at the top. At the rear portion, there are two 25 storeys residential flats. The mall is deliberately built with the Japanese exquisite bright style and the European romantic elegant atmosphere so as to create the luxurious style and elegant taste. For the time being, the mall is the most high-class mall in Wuhan and the building is the tallest skyscraper in Wuhan, Huebi province, and also central China district.

To analyze the competitor's situation, Porter's Components of a Competitor Analysis Model (Figure 8.6) is used. According to Porter, there are five factors to be considered. These factors are goals, assumptions, strategies, capabilities and response. Since personal interview was not granted by the management of Wuhan Plaza, such analysis is based on the observation of company's activities through the various secondary data such as pamphlets, newspapers, discussion with Wing On personnel, etc.

Figure 8.6

Michael Porter's Components of a Competitor Analysis Model



Source: Porter, Michael E. (1980) *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, New York, The Free Press, p.49

In a nutshell, the goals of Wuhan Plaza are to be the number one department store here in Wuhan and to be leader in the domestic retail industry. The management of Wuhan Plaza assumes that the retail industry in Wuhan will keep on growing with an average rate and that, through the strong backup of the two parent companies, the store can be the market leader in Wuhan district. The strategy Wuhan Plaza uses is to position itself as the most modern, luxurious, and elegant one-stop shopping department store for merchandise, catering, and recreation in Wuhan. In the case of capabilities, Wuhan Plaza is the largest department store, with strong financial backup, latest technology application, Hong Kong management experience, and an excellent store site. In terms of response, Wuhan Plaza will try to defend its leadership position by any mean and at any cost whenever other competitors attack.

8.8 *Promotional Activities during the Grand Opening Period of Wuhan Plaza*

To establish its leadership position, Wuhan Plaza uses different strategies to strengthen its status. During the grand opening period, it used different promotional methods to diffuse awareness and to project image.

For the grand opening of Wuhan Plaza, it had also done a good job. On the day of 28 September 1996, apart from lion dancing, ribbon cutting, celebrities from Wuhan and Hong Kong, etc., there were also promotion on television, radios and newspapers. It just tried to inform all Wuhan people about the new shopping focus of Wuhan city. The advertisements kept telling customers the modern, luxurious, elegant, and one-stop shopping nature of the store.

Even though the advertisement emphasized the grand opening of Wuhan Plaza, it also mentioned that by aggregating the total floor areas of the two shopping malls altogether (i.e. Wuhan Plaza and Wuhan Department Store), it formed the greatest shopping area of more than 100,000 square meters in the whole Wuhan. Such appeal, by emphasizing the large shopping area, was to extend the fringe trading areas of the two stores.

There were many promotional activities for creating customer awareness and inducing customer traffic. First of all, there was the colour-filling contest. Any customer who filled up the colour of the simple newspaper advertisement (even with photocopy) and came to Wuhan Plaza between 28 and 30 of September 1996 could exchange for special gift, while stock lasted. No purchase was needed in this circumstance.

Second, between 28 September and 2 October 1996, with the cost of Renminbi 10 (US\$1.20), any customer could take instant picture with the cartoon character of a mini bear. No purchase was needed.

Third, colour ball lucky draw was held. Whenever customers with the purchase over Renminbi 100 between 28 September and 6 October, 1996, they were entitled to pick up 10 lucky draw balls. With one colour ball being picked up, they were entitled to 3% discount coupon for the amount purchased. With two colour balls being picked up, 5% discount coupon, etc. With 10 colour balls being picked up, 100% discount. Such lucky draw could drive the customer crazy and proved very popular.

Fourth, special discount of television sets on the fifth floor was held. This was claimed to be Renminbi 300,000 (US\$36,100) special bargain by offering limited sets of television at special prices. These included 180 sets of National television, 140 sets Sony, 130 sets Toshiba, and 50 sets Samsung. Therefore, customers interested in such deal must go to the fifth floor.

Fifth, 'Free Purchase Day' for electrical appliance was held by the electrical appliance division. Between 28 September and 28 October, any customer with purchase made on the fifth floor for electrical appliance was eligible for participation. On 29 October, the 'Free Purchase Day' was drawn and any customer who made the purchase on the 'drawn' day could get refund of all the amount purchased. This was a new breakthrough gimmick in Wuhan.

Sixth, at the main entrance of Wuhan Plaza, there was a 'interactive' shopping directory enquiry computer. While computer is still not common in Wuhan, this enquiry computer added lots of excitement to the curious customers.

Seventh, during the grand opening period, lots of fashion show, beauty demonstration, exhibitions were held on the fourth floor. These activities further enhanced people's curiosity for coming to take a look at Wuhan Plaza.

By reviewing the promotional activities during the grand opening of Wuhan Plaza, it was mainly to create awareness and attract customer traffic. The colour-filling contest and instant photo taking were to attract customer traffic. The special bargain

of television sets and 'Free Purchase Day' were to induce trial. The 'interactive' shopping directory enquiry computer was to impress customers of its modernisation. Since the promotion period lasted for one month and the Chinese New Year was also approaching, Wuhan Plaza tried to catch the peak season of the year.

By taking turn, Wuhan Plaza makes use of the leadership role of "firstest with the mostest" (Ries and Trout, 1981, 51) by emphasizing the tallest building, the biggest shopping mall, the most modern management, the most luxurious decoration, and the most elegant atmosphere.

8.9 *Competition between Wuhan Department Store and Wuhan Plaza*

Jiefang Avenue is one of the busiest avenue in Wuhan. Along the portion of Jiefang Avenue between Wu Sheng Road and San Yang Road, the pedestrian traffic is heavy, lots of public transportation stop here. There are lots of commercial and residential buildings, shops, restaurants, entertainment places and also social facilities. As a result, this is the central business district of Wuhan (see subsection 5.7.1). Both Wuhan Department Store and Wuhan Plaza are situated along the avenue and, moreover, they are just side by side with each other. Even though both stores are the subsidiaries of Wuhan Department Store Group Company Limited, the two stores also have to struggle for the same customer traffic along the same avenue.

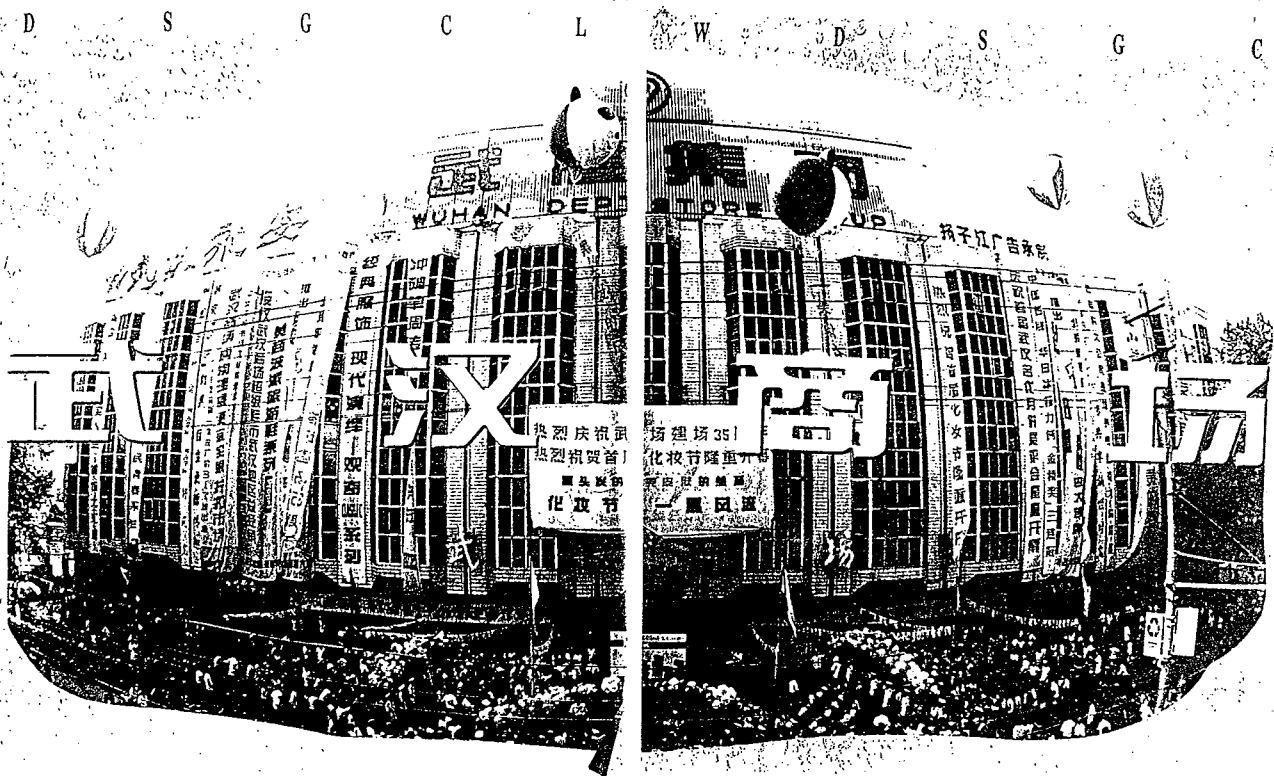
It is understandable that the heavier the flow of traffic of a store, the more will be the customer visits to the various departments of the same store. Because Wing On is situated in Wuhan Department Store and Children World in Wuhan Plaza, the flow of traffic that are drawn by Wuhan Department Store will subsequently influence the number of customer visits in Wing On. The same case is applied to Wuhan Plaza and Children World. Thus detailed comparison of these two competing stores is a must. Historical background of these two stores can be traced back at sections 6.4, 6.5 and 8.6.

8.9.1 Exteriors of the Two Stores

Wuhan Department Store was built in the late 1950s, it only has seven storeys and is rectangle in shape; with its long side deploys alone Jiefang Avenue. Many renovations were done within the last four decades. However, owing to its original configurations, nothing can be done with its exterior decoration. Forty years ago, it was the tallest, greatest, and magnificent store, but now that people may just pass by without paying any particular attention at all. As for Wuhan Plaza, it is the tallest skyscraper in Wuhan, with a total of 48 storeys. Elegant and magnificent in every aspect. By seeing the splendid appearance of Wuhan Plaza, customers suddenly are aware of the mediocrity of Wuhan Department Store. Such contrast analogous the difference between the dwarf and Snow White. Audience may tell the differences between the exterior of these two stores from Figures 8.7 and 8.8.

Figure 8.7

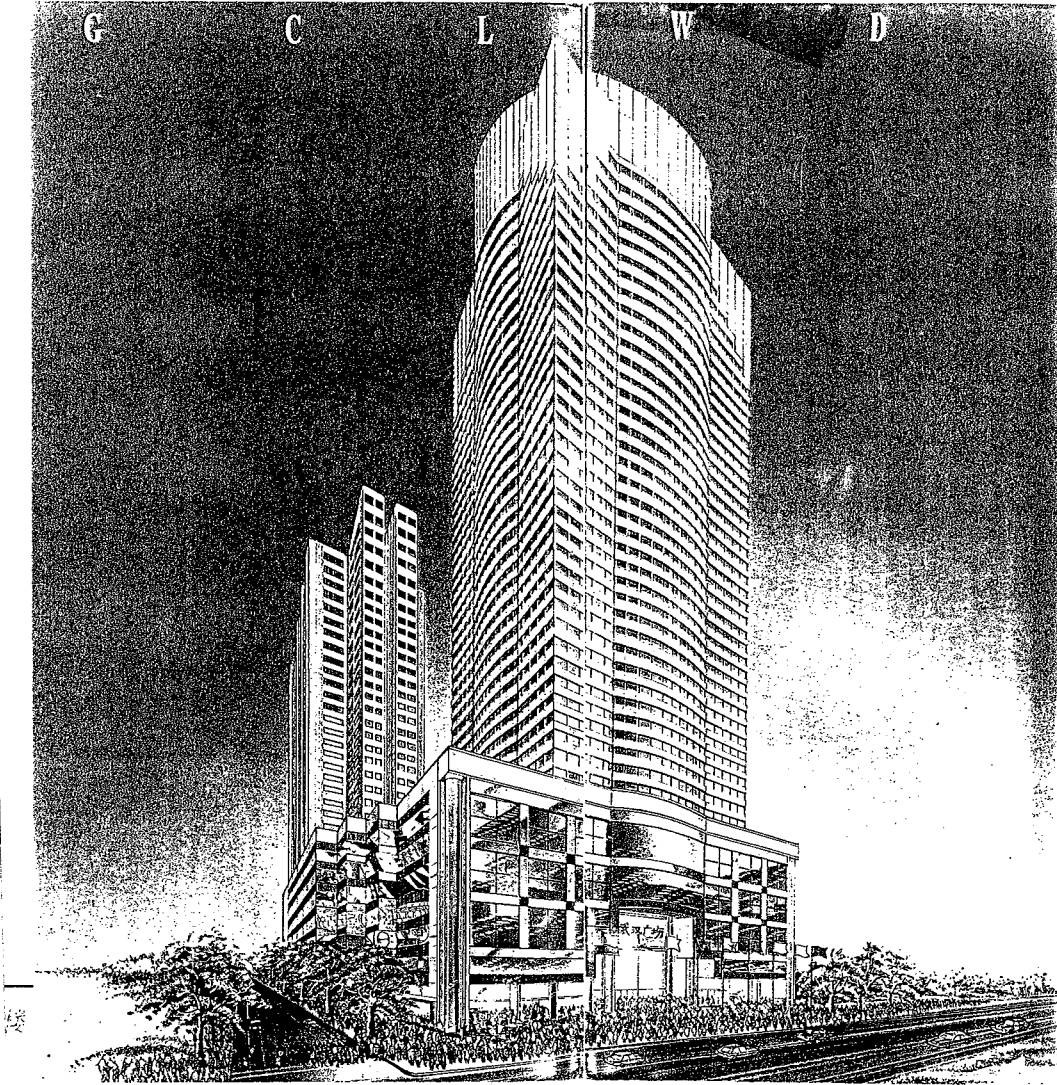
Photo of Wuhan Department Store



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Figure 8.8

Photo of Wuahn Plaza



Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre
Company Limited

8.9.2 *The Floor Plan*

On the whole, the total floor area for Wuhan Plaza is 80,000 square meters and that for Wuhan Department Store is 35,000 square meters. Therefore, the floor area of Wuhan Plaza doubles that of Wuhan Department Store. By comparing the floor directory of the two stores in Figure 8.9, one can observe the following differences:

First of all, there is not car park available for Wuhan Department Store, but there are 300 car park space available on the basements of Wuhan Plaza. Second, in terms of business areas, Wuhan Plaza has eight storeys but Wuhan Department Store only has seven storeys. Third, because of ample space, the product variety of Wuhan Plaza outweighs Wuhan Department in most aspects. The extra offerings of Wuhan Plaza are as follows:

1. Watches, 2. Kentucky Fried Chicken, 3. Bank, 4. Liquors, 5. Bridal Saloon, 6. Hair dressing, 7. Coffee Shop, 8. Performance platform, 9. Office appliance, 10. Athletic products, 11. Musical instruments, 12. Cultural products, 13. Photographic products, 14. Video exhibition, 15. Cake shop, 16. Barbecue restaurant, 17. Arts and crafts, 18. Herbal medicine, 19. Mobile phone center, 20. Post office, 21. Art gallery, 22. Air ticket booking office, 23. Business center, 24. Electronic vending machine amusement park, 25. Variety catering, 26. Entertainment hall.

The reasons that there are a great variety of products to be offered in Wuhan Plaza are because, on one hand, Wuhan Plaza can fill up the ample area with more offerings, on the other hand, such facilities as bank, post office, air ticket booking

Figure 8.9

Floor Directory Comparison between the Two Stores

Floor	Wuhan Department Store	Wuhan Plaza
B1- B2	Nil	300 car parking spaces
1	Jewellery, cosmetics, electrical appliance, supermarket	Cosmetics, jewellery, watches, leather goods, Kentucky Fried Chicken, supermarket, bank, liquors
2	Ladies wears, fashion, dresses	Ladies wears, casual wears, ladies underwear's, shoes, bridal saloon, hair dressing
3	Shoes, leather goods, electronic products, stationery	Men's wears, men's casual wears, jeans, jacket, suite, men's underwear's, pants, coffee shop
4	Wuhan Wing On Children Shopping and Amusement Centre	Children World, lady sweaters, men sweaters, bedding, exhibition hall and performance platform
5	Casual wears, accessories	Electronic products, electrical appliance, lighting, furniture, office appliance, athletic products, musical instrument, cultural products, photographic products, video exhibition
6	Furniture, lighting	Hong Kong Chun Yee Store, restaurant, cake shop, barbecue restaurant, arts and crafts, herbals medicine, mobile phone centre, post office, art gallery, air ticket booking office, business centre
7	Exhibition hall, wholesale units	Electronic vending machine amusement park, variety catering
8	Nil	Entertainment hall

office, business center, hair dressing, entertainment hall, etc. can meet the needs of those who are working in the 40 storey offices above and who are residing in the 25 storey residential flats at the rear portion of the building. Moreover, the seventh and eighth floors are for entertainment and catering purposes. Some customers may just come for the purposes of entertainment and catering. Thus such facilities can further enhance the customers traffic through cumulative attraction and, at the same time, satisfying the multiple needs of shopping, entertainment, catering and even business. Some people even view this plaza as a tourist spot because, above all, this building is the highest one in both Wuhan, Hubei province, and central China district.

8.9.3 Interiors of the Two Stores

In terms of the interiors of the two stores, the contrast is almost the same. In early 1996, by observing the possible inroad of Wuhan Plaza, Wuhan Department Store did make some renovation in store. For example, a Roman fountain was deliberately built just at the entrance of the store so as to upgrade its image. There were also some minor decoration changes at the different storeys too. The whole store looks a bit better. However, when comparing with Wuhan Plaza, even after the renovation, Wuhan Department Store is still lagged far behind because the Plaza is really modern, luxurious, and elegant. The facilities in Wuhan Department Store are so old that contrast feeling of old and new can be detected readily.

8.10 Competition between Wing On and Children World

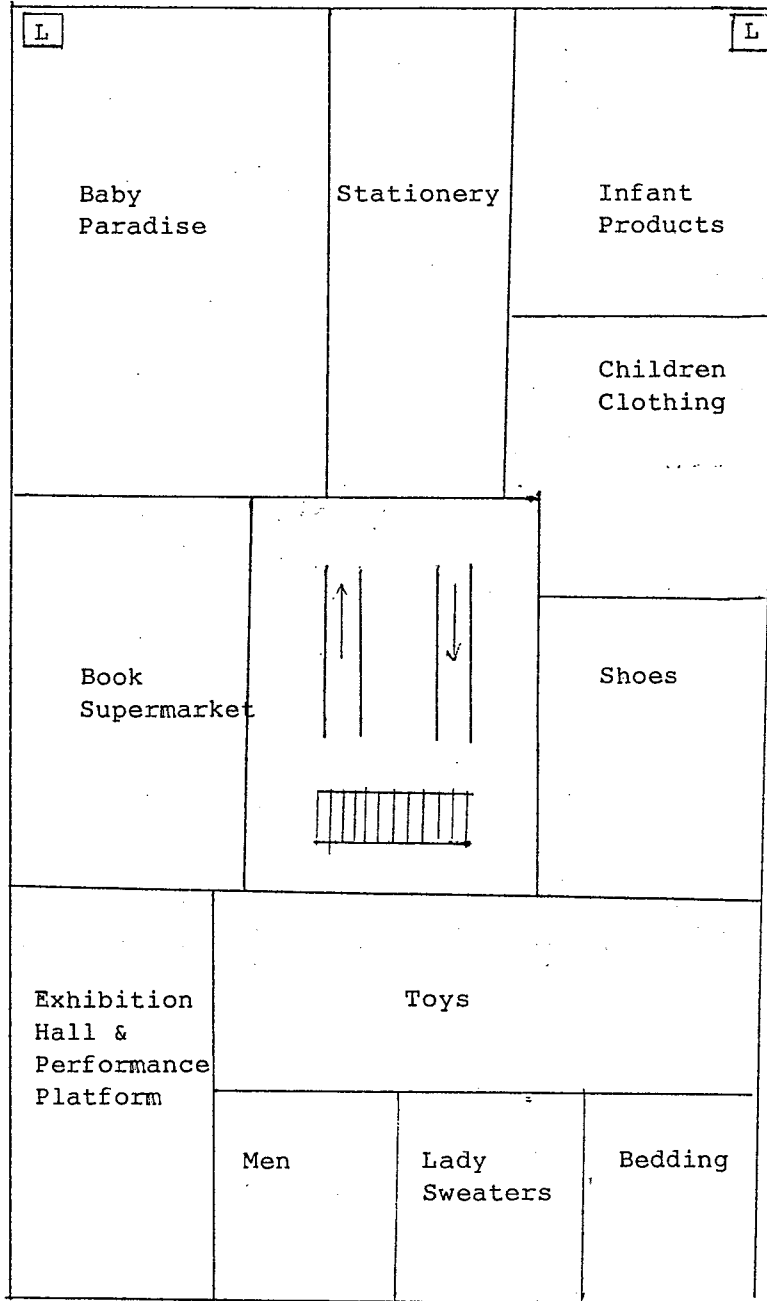
Up to this point, we have the conceptual ideas about the comparison of the two malls in general. To be specific, the author is going to make comparison between Wing On of Wuhan Department Store and Children World of Wuhan Plaza.

As was seen in Chapter 6 (see section 6.6), the offerings of Wing On are infant products, children clothing, shoes, toys, stationery and books, restaurant, and amusement playground. Here on the fourth floor of Wuhan Plaza, the offerings are Children World, lady sweaters, men sweaters, beddings, exhibition hall and performance platform. The reason for having sweaters, beddings, exhibition hall and performance platform on fourth floor is because of too big floor area but without enough children offerings at the moment. Thus the original idea for having children products alone on fourth floor is a little bit hurt that this floor is a mixed place for both children and adult customers. Figure 8.10 shows the floor plan of Children World. The floor plan for Wing On can be found from Figure 6.2 of Chapter Six.

However, in the Children World, it also offers infant products, children clothing, shoes, toys, stationery, snack corner, Baby Paradise and book supermarket. Baby Paradise offers lots of games, vending machines and entertainment for baby and children whereas book supermarket offers books to both children and youths. On the whole, the product categories are almost the same, but with higher price products for up-market customers. Because Children World has to match the overall position of Wuhan Plaza for up-market image.

Figure 8.10

Floor Plan of Children World



JIEFANG AVENUE

Source: Courtesy of Wuhan Wing On Children Shopping and Amusement Centre Company Limited

Through observation, the author detects the differences between Children World and Wing On as follows:

1. The environment of Children World is much brighter, spacious, and comfortable than Wing On.
2. There are chairs and tables in Children World, so parents can stay there and wait for their children to play in the Baby Paradise.
3. In the Baby Paradise, there are lots of new games and vending machines which are not available in Wing On.
4. The Baby Paradise is another new tactic. Children can play in the paradise on hourly rate basis. This paradise is in the form of membership activity that children with membership can play at a regular fee and other children can play at higher rate. There are also other fringe benefits for members too. Thus children who are fond of those activities will come more frequently and then make purchase of other children products. Such type of paradise is not available in Wing On.
5. The toys division is facing the upcoming escalator, whenever children come to the fourth floor, they will first be attracted by those toys. This is not the case for Wing On.
6. The book supermarket offers a great variety of books suitable for children from newborn to sixteen, this is the strong strength that Wing On can hardly match. In addition, the books are well classified and tidily displayed.
7. In terms of product variety, Wing On is in a better position to offer more variety for infant products, children clothing, and shoes. The majority of these products are in the middle price range.

Both Wuhan Department Store and Wuhan Plaza are operated by Wuhan Department Store Group Company Limited, however, owing to close proximity and duplication of merchandise categories, the struggle for customer traffic is unavoidable. At the moment, the actual market segments of the two stores are not yet clearly delineated and there are many customers who are stranded in the middle of purchasing from either store. Thus the two stores are actually fighting and cannibalising with each other while the market potential as a whole keeps constant. According to the management of Wing On, the sales figures of Wuhan Department Store and Wing On both dropped after the opening of Wuhan Plaza and Children World (see section 8.6). Therefore, it is the tough war that is waiting ahead and the consideration for repositioning is urgent.

8.11 Summary

By making use of Porter's Model of Industry Competition, it is found that the competition of children products industry in Wuhan is much more fierce because of the entrance of the various new competitors in 1996. On the whole, for this kind of industry, the customers have the greatest say whereas the retailers are competing fiercely and the suppliers are in the most disadvantageous position.

For Wing On, there are seven competitors around, each has its own strengths and weaknesses. However, the most powerful competitor is Children World of Wuhan Plaza. In comparison, on one hand, Wuhan Department Store is in not way to compete with Wuhan Plaza because of its old facilities and limited space. On the other hand, Wing On is being beaten by Children World very seriously because

Children World positions itself as the market leader for children products. Thus, facing the changing market environment, Wing On needs to reposition itself in the near future.

CHAPTER NINE

ANALYSIS OF FINDINGS (1): MODELING OF THE ROLE OF POSITIONING WITH MARKETING MANAGEMENT PROCESS, COMPETITION, AND CUSTOMER SHOPPING COMPONENTS

9.1 Introduction

This chapter discusses the reasons the model is needed for explaining the role of positioning within the context of marketing management process, competition, and the customer shopping behavior. Many models are combined to form the new model. There are six components in this model and multiple regression analysis is used to explore the possible relationships of the relevant components. In most case, it is hoped to find out, through the use of the model, to what extent the precedent variables may influence the succeeding variables.

9.2 Reasons for the Need of Modeling

Generally speaking, a model, in its simplest form, is a representation (Smith and Swinyard, 1988). Engel, Blackwell and Miniard (1990) considered that a model is just a replica of the phenomena it is designed to represent. They also considered that a model is useful for explanations and provides a frame of reference. However, from Jain's (1997) point of view, he defined a model as an instrument which is used as an aid in searching, screening, analyzing, selecting and implementing a course of action. According to Williams (1992), he also contemplated a model to be a simplified representation of a real phenomenon but added that it is possible to have a number of totally different models of the same phenomenon. Apart from that,

Williams mentioned the characteristics of model, the classes of variables, etc. Lilien et al. (1992) were also on the side of Williams and stated that even though it is the same phenomenon, the representation can be in the form of verbal model, graphical/conceptual model and mathematical model. Ehrenberg and Goodhardt (1976) claimed that even a descriptive model could have decision-making implications. Many typical example of models can be found in the book 'Marketing Decision Making: A Model Building Approach' (Lilien and Kotler, 1983). Mahajan and Wing (1986), after examining many models, considered that models such as BCG, ASSESSOR, and Bass have endured because of their success in theory, observation, and simplicity.

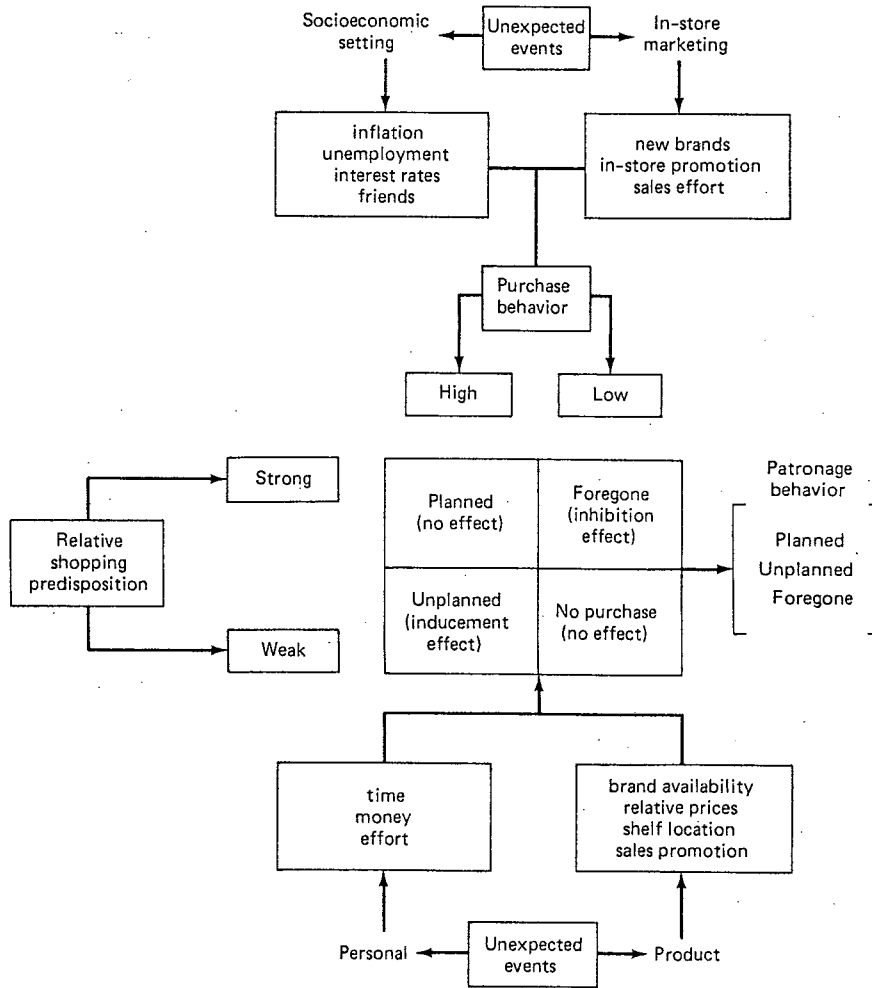
As stated in Chapter One (see section 1.3), the author wishes to sketch a model that will better explain the impact of positioning strategy on the customer shopping components. Therefore, it is time to work in this aspect.

9.3 The Configurations of the Model

In order to examine the casual relationships of a certain phenomenon, it is important to include the stimulus variables, the response variables and the intervening variables in the model (Williams, 1992). Sheth (1983) had a model of an integrative theory of patronage behavior (Figure 9.1) and Monroe and Gultinan (1975) had a model of the sequence of effects in store choice (Figure 9.2), both models are discussing about the ways how shoppers behave. By considering the nature of this research study, especially the impact of positioning on shopper perception and behavior, the latter model (the sequence of effects in store choice model) was used

Figure 9.1

An Integrative Theory of Patronage Behavior



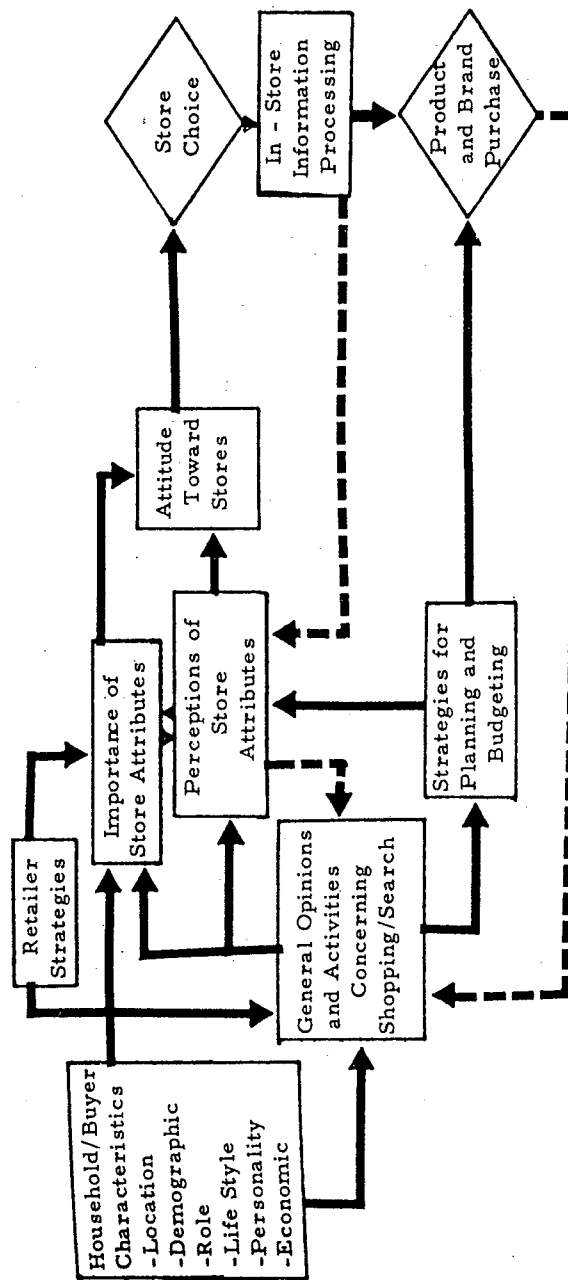
Source: Sheth, Jagdish N. (1983) 'An Integrative Theory of patronage Preference and Behavior' 9-28 in Darden, W.R. and Lusch, R.F. (eds) *Patronage Behavior and Retail Management*, New York, North-Holland, p.26

as the basic framework. It is because, on one hand, Monroe and Gultinan had some more discussion on the retailing strategies and, on the other hand, the flow of their model is also quite sequential. Thus by using their model as framework, the new model would be more in line with Monroe and Gultinan's model and the author should be able to measure the possible perceptions and behavior of the shoppers.

According to Monroe and Gultinan, the retailer itself is also partially responsible for guiding the customers to set their own criteria on shopping/search. This is because the implementation of retailer strategy will indirectly guide the customers to make a decision on choosing the best shopping alternative available to themselves. As can be seen from Figure 9.2, on one hand, a retailer can inform customers about the various store attributes, on the other hand, a retailer can influence customers' general opinions and activities concerning shopping/search through its strategies. From the customers' perspective, how they perceive the store attributes depend on their strategies for planning and budgeting and also their general opinions and activities concerning shopping/search. Therefore, whilst how customers perceive the different attributes of the store is important, how a retailer shows its attributes to the target customers is also important; the latter is the task of positioning. This is a two way process. For example, if a retailer has constantly positioned itself for offering upmarket luxurious products and excellent services, the majority of customers will be impressed by the upmarket perception. Whenever the customers are going to shop, they will evaluate whether that store is the right one for a certain shopping trip. Ultimately, the attitude is formed and an appropriate store is being patronized.

Figure 9.2

Sequence of Effects in Store Choice



Source: Monroe, Kent B. and Gultinan, Joseph P. (1975) 'A Path-analytic Exploration of Retail Patronage Influences'. *Journal of Consumer Research*, 2, June, p.21

Apart from that, the marketing management process model (Figure 9.3) as proposed by Philip Kotler (1997) is also used, so as to pinpoint the important role of positioning in the marketing management process. According to Kotler, during the marketing management process, there are several stages:

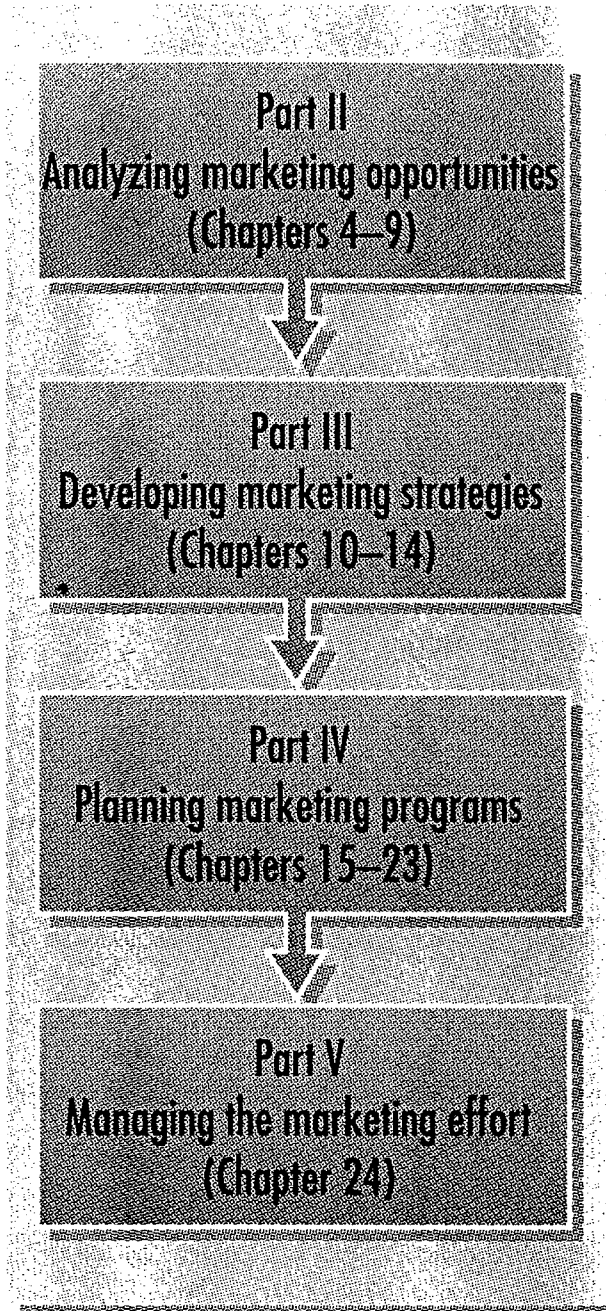
1. Analyzing marketing opportunities
2. Developing marketing strategies
3. Planning marketing programs, and
4. Managing the marketing effort

The author is of the opinion that, at the stage when marketing strategies are being designed, the positioning decision should also be taken into consideration. Because such a decision will influence the company/product image in the long run and the positioning decision will coordinate with the marketing mix elements thereafter. Also, with the positioning decision in mind, it would be nice to have the well-defined policy and mission to guide the whole corporation to work along the designated direction effectively and efficiently (see subsection 3.4.2).

The concept of competition, as stated by Porter (1980), is also introduced in this model; because a company does not work alone, it is working in a very competitive environment (see Chapter Eight). Any change in the market or any moves of the competitor will influence the decision factors such as evaluations and beliefs of the general customers. However, in Monroe and Gultinan's model, the competition element was not considered. As a result, it is necessary to use Porter's model to supplement Monroe and Gultinan's concept.

Figure 9.3

The Marketing Management Process



Source: Kotler, Philip (1997) *Marketing Management : Analysis, Planning, Implementation, and Control*, 9th ed., Englewood Cliffs, Prentice-Hall, p.90

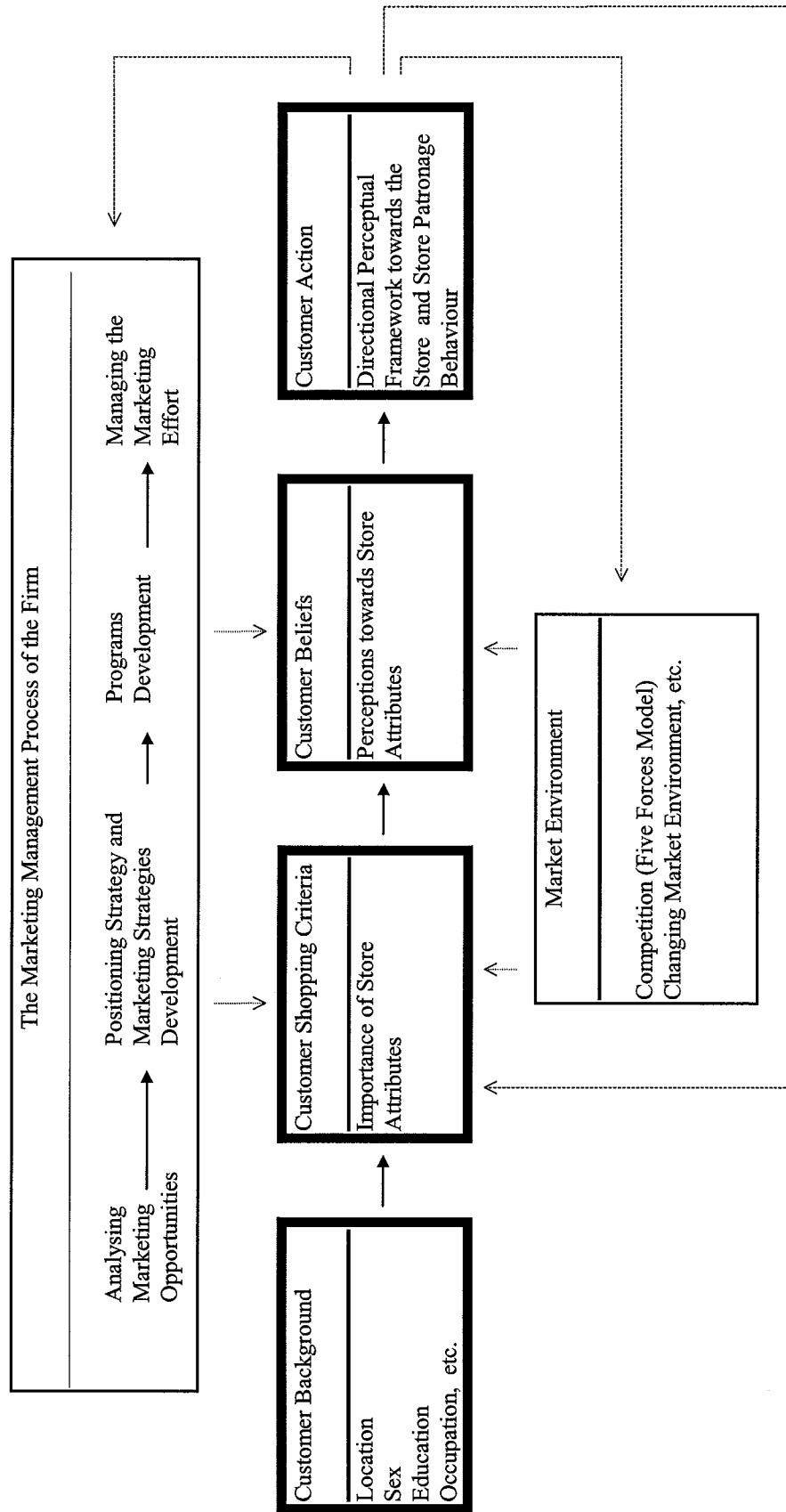
The use of the Fishbein (1963) attitude-toward-object model is to identify customers evaluations and beliefs respectively. Then Fishbein model is further used to verify the effect of attitude on shopping behavior such as purchase amount and frequency of store visit and also the possible perceptual framework of the various attributes. Such detailed investigation of evaluation and belief elements are not fully discussed in Monroe and Gultinan's model.

On the whole, this new model (the role of positioning with marketing management process, competition, and customer shopping components model) makes use of the strengths of many models to offset the drawbacks of other models. By combining the various modeling concepts altogether, it is hoped to better explain how the role of positioning interacts with the marketing management process and the customer shopping component within the competitive environment. The whole model is depicted in Figure 9.4.

By comparing Monroe and Gultinan's sequence of effects in store choice model and the role of positioning with marketing management process, competition, and customer shopping components model as devised by the author, many differences are found. First of all, the part plays by the marketing management process of the firm is quite dominated, because the firm takes an active role in making use of the positioning strategy together with other marketing strategies. Such effect will be more influential. Second, the effect of competition is also quite eminent, because it influences customers shopping criteria and attitude. Third, the four blocks of customer components are sequentially linked, forming a continuous process. Finally, the directional perceptual frameworks towards the store in the customer

Figure 9.4

Model of the Role of Positioning with Marketing Management Process, Competition, and Customer Shopping Components



action component is emphasized because this is the result of positioning, which shall have tremendous impact on future patronage behavior.

9.4 Interrelationships of the Model Components

In this new model, customer background is the stimulus variable, customer action is the response variable. Therefore, the marketing management process of the firm, competition, customer shopping criteria, and customer beliefs are all intervening variables. Altogether there are six components in this model.

As a starting point of the model, customer demographic background such as sex, age, education, etc. are used to illustrate the customer profile. Because of the difference in background, customers may have different shopping criteria. Such criteria are in most cases the evaluations towards store attributes. In this case, the evaluation elements are merchandise, price, display, facilities, service, etc. By combining the evaluations and beliefs, the customer may form certain attitudes towards certain stores. However, this type of attitude formation is not just influenced by the customer background, but also by the market environment and the retailers' activities. Through the actual shopping experience, customer then displays his/her patronage behavior and renew or upgrade his/her perceptual framework towards the store. It is therefore emphasized by the author that, within the model, positioning counts very much by first working together with marketing strategies and then exerting influence on customer attitude, patronage behavior and perceptual framework.

9.5 *Multiple Regression Analysis of the Various Components*

Multiple regression analysis is an important tool for social scientists in the analysis of nonexperimental data (Berry and Feldman, 1985), and that it is suitable for measuring the collective and separate effects of two or more independent variables on a dependent variable (Pedhazur, 1973). Since the relationships between many independent variables and dependent variables of the model are to be analyzed, the multiple regression analysis is thus used.

For the application of multiple regression analysis to this new model, the major concentration will be on the four customer related components. For the marketing management process component and the competition component, no multiple regression analysis is applied. It is because, traditionally, both Michael Porter and Philip Kotler have demonstrated their models conceptually (see, for examples, Figure 8.1 and Figure 9.3) and they are the only persons eligible to make further refinements to their own models. Moreover, the usefulness of these two conceptual models are well received by scholars and businessmen all over the world, it is therefore also the will of the author to make use of these two models conceptually so as to help explaining the author's model more clearly. As a matter of fact, the points which they raised in their models have been covered in subsections 3.2.1 and 3.4.2 and also sections 8.4 and 8.7.

By the same token, the model of Monroe and Gultinan (1975) also had ten components, but their mathematical analysis was only confined to four components (i.e. general opinions, planning & budgeting, importance of store attributes, and

perceptions of store attributes), with the remaining six components purely conceptual. The result of their research explanation also proved to be very successful. The author thus takes such idea for reference.

In view of the foregoing, the multiple regression analysis will only be concentrated on the four customer related components so as to find out the causal effect relationships of the various components.

9.5.1 Selection of Respondents

Among all the 619 respondents, 186 of them are Wing On employees. As the author is going to analyze the perceptions of customers only, therefore these 186 employees' measurements are not taken into consideration because their perception may be from the retailer's point of view (Salmi and Lincoln, 1987). In addition, the author is looking for some customers who are familiarized with the two stores and have vivid impression of the two stores. It is the belief of the author that those customers who have frequently patronized the two competing stores at least once every month will have a better perceptual framework of the stores, therefore, only the data of those active customers who meet such criterion are qualified for further analysis. The author holds such viewpoint because Myers (1997) also made such strong suggestion as follows:

“In general, positioning should be done within some target segment whenever this is possible. In this way, the relative importance of attributes, as well as perceptions of performance, can be measured more accurately among the people who matter most.”

(James H. Myers, 1997, 177)

As a result, among the remaining 433 customers only 252 customers can meet such criterion (i.e. frequent customers). Within these 252 customers, 107 of them are Wing On customers and 145 of them are Children World customers.

9.5.2 Relationships between Customer Background and Customer Shopping Criteria

As a starting point, the author would like to see how the demographic background as independent variables can influence customers evaluations, the dependent variables. So the discussion at this moment is to be concentrated on the customer background and customer shopping criteria components of the new model.

First of all, the forward method of multiple regression analysis is used to test the strength of association between the various demographic variables and evaluations. For the customer background component, all the eleven demographic elements such as sex, marital status, number of family member, age of the youngest child at home, sex of the youngest child at home, age of respondent, residential district, education level, occupation, personal income, and family income are tested against the fourteen evaluations, one by one. Through fourteen rounds of test run, it is found that only six independent variables can enter into the various equations, these variables are: family income, age, sex, sex of youngest child at home, personal income and number of family members.

As a continuous process, the author uses the enter method of multiple regression analysis to test the relationships between the six demographic variables and the fourteen evaluations. It is observed that only four evaluation variables show

relationship in multiple regression correlation with those six demographic independents variables. These four evaluation variables are merchandise quality (evmq), merchandise range (evmr), store location (evlo), and service quality (evse). An additional two variables of store facilities (evfa) and store atmosphere (evat) are just outside the $p \leq 0.05$ border. Table 9.1 shows the abbreviations of the criteria and Table 9.2 shows the related resulting figures.

Table 9.1
Explanation of Customer Shopping Criteria Component Abbreviations

Dependent Var	Explanation
Evmq	Evaluation of merchandise quality
Evmr	Evaluation of merchandise range
Evmf	Evaluation of merchandise fashion
Evmd	Evaluation of merchandise display
Evse	Evaluation of service quality
Evla	Evaluation of store layout
Evat	Evaluation of store atmosphere
Evfa	Evaluation of store facilities
Evlo	Evaluation of store location
Evad	Evaluation of store promotion
Evgo	Evaluation of store goodwill
Evre	Evaluation of store reliability
Evim	Evaluation of store image
Evpr	Evaluation of price

Table 9.2
Multiple Regression Analysis Results of
Customer Background and Customer Shopping Criteria Components

Dependent Var	Multiple R	R Square	F	Sig F
Evmq	.24	.05	2.20	.0442
Evmr	.27	.07	2.93	.0089
Evse	.25	.06	2.41	.0282
Evlo	.35	.12	4.98	.0001
Evfa*	.23	.05	2.11	.0529
Evat*	.23	.05	2.10	.0537

(* = marginally significant)

In the hope of getting some new insight from another perspective, the author then tried to first compress the fourteen evaluation variables into factors by means of the exploratory factor analysis with varimax rotation. As a result, a total of five factors are extracted. By using these five factors as dependent variables and re-running the multiple regression analysis again with the eleven demographic variables, only five demographic variables enter into the equation. These five variables are: personal income, family income, marital status, sex of youngest child at home, and number of family member. By running the enter method with all these five variables, the results are still disappointing, the R values for these five new factors are ranging from .15 to .33. Therefore, the original multiple regression analysis of the eleven demographic variables without factor compression is a bit superior.

From the results of both the forward and enter methods, the multiple regression equations are thus created. The equations are as follows:

$$\text{Predicted evmq} = 6.02 + .10 \times \text{famember} * \quad *(\text{Sig T} = .0784)$$

$$\text{Predicted evmr} = 7.89 + .10 \times \text{peincome} - .12 \times \text{age} - .11 \times \text{faincome}$$

$$\text{Predicted evse} = 7.62 - .29 \times \text{childsex}$$

$$\text{Predicted evlo} = 8.68 - .18 \times \text{faincome}$$

For explanation, we would like to take the predicted equation for evaluation of merchandise range (evmr) as an example, the equation is:

$$\text{Predicted evmr} = 7.89 + .10 \times \text{peincome} - .12 \times \text{age} - .11 \times \text{faincome}$$

The possible explanation of this equation is that, to predict the possible evaluation rating of merchandise range (evmr), it will partially depend on a person's age (age), family income (faincome) and personal income (peincome). When a person's personal income is high, he will place more importance on rating of the merchandise range. However, if he is older and with higher family income, he will place less importance on rating of merchandise range. The plus and minus signs in the equation imply the positive and negative correlation among the various variables.

Let's take the very first respondent (case number 3005) in our data file for testing purpose. His actual evaluation on merchandise range is 6 (i.e. quite important). By examining the data, we find that his personal income is in category 15 (i.e. \$600-799 per month), family income in category 18 (i.e. \$1500-1999 per month), and age in category 13 (i.e. 25-29). By making the calculation on the equation, the result is 5.85 which is approaching 6 and with a residual of .15. It is therefore evident that this equation works.

By reviewing the relationships between demographic variables and evaluations, the author is of the opinion that, out of the eleven demographic variables, nine of them are applicable to the general surveys. Because the purpose is to investigate about children products, the variables on sex of youngest child at home and age of the youngest child at home are the special variables to be added for this survey. The coverage of these demographic variables are fair enough. However, through this

analysis, only six demographic variables and four evaluations form interactions. It is because, on the one hand, children products are specialty products, evaluative criteria for such type of product may be a bit different from other general merchandise. On the other hand, people's evaluation are not just from demographic background alone, various other elements such as role, economy, situation, life style, personality, etc. also influence the formation of evaluations. In view of the foregoing, it is a good demonstration of the reality.

9.5.3 Relationships between Customer Shopping Criteria and Customer Beliefs

After the relationship between customer background component and customer shopping criteria component is clarified. It is time to take a step further to investigate the relationship between the customer shopping criteria component and customer beliefs component.

This time, with evaluations as independent variables and beliefs toward Children World as dependent variables, by using the forward method, a total of eleven evaluation variables are found to enter into the multiple regression equation. The variables that are not included are merchandise quality, store atmosphere, and store promotion. Then with the enter method of multiple regression analysis, the equations are formed. As a result, all the fourteen Children World beliefs have shown good multiple regression correlation with the various evaluations. Table 9.3 shows the abbreviation explanation and Table 9.4 shows the result of multiple regression analysis.

Table 9.3
Explanation of Children World Abbreviations

Dependent Var	Explanation
Plmq	Merchandise quality of Children World
Plmr	Merchandise range of Children World
Plmf	Merchandise fashion of Children World
Plmd	Merchandise display of Children World
Plse	Service quality of Children World
Plla	Store layout of Children World
Plat	Store atmosphere of Children World
Plfa	Store facilities of Children World
Pllo	Store location of Children World
Plad	Store promotion of Children World
Plgo	Store goodwill of Children World
Pre	Store reliability of Children World
Plim	Store Image of Children World
Plpr	Price of Children World

Table 9.4
Children World Multiple Regression Analysis Results of
Customer Shopping Criteria and Customer Belief Components

Dependent Var	Multiple R	R Square	F	Sig F
Plmq	.44	.19	5.12	.0000
Plmr	.31	.09	2.29	.0109
Plmf	.42	.17	4.55	.0000
Plmd	.37	.14	3.52	.0001
Plse	.47	.23	6.28	.0000
Plla	.39	.15	3.82	.0000
Plat	.32	.10	2.55	.0046
Plfa	.32	.10	2.50	.0055
Pllo	.57	.32	10.40	.0000
Plad	.50	.25	7.29	.0000
Plgo	.37	.13	3.42	.0002
Pre	.45	.20	5.33	.0000
Plim	.49	.24	6.94	.0000
Plpr	.35	.12	3.06	.0007

Therefore, the multiple regression equations are listed as follows:

$$\text{Predicted plmq} = 4.50 + .11 \times \text{evlo} + .26 \times \text{evmd}$$

$$\text{Predicted plmr} = 5.42 + .12 \times \text{evmd}$$

$$\text{Predicted plmf} = 4.62 + .17 \times \text{evlo}$$

$$\text{Predicted plmd} = 4.12 - .16 \times \text{evim} + .17 \times \text{evlo} + .13 \times \text{evmd}$$

$$\text{Predicted plse} = 3.14 + .35 \times \text{evlo}$$

$$\text{Predicted plla} = 4.70 + .25 \times \text{evlo}$$

$$\text{Predicted plat} = 4.31 + .24 \times \text{evre} + .22 \times \text{evgo} + .14 \times \text{evlo}$$

$$\text{Predicted plfa} = 4.68 + .28 \times \text{evre} - .23 \times \text{evgo} + .11 \times \text{evlo}$$

$$\text{Predicted pllo} = 3.91 + .45 \times \text{evlo} - .21 \times \text{evla}$$

$$\text{Predicted plad} = 1.83 + .12 \times \text{evpr} + .27 \times \text{evlo} - .19 \times \text{evmf}$$

$$\text{Predicted plgo} = 3.64 - .17 \times \text{evfa} + .18 \times \text{evmd}$$

$$\text{Predicted plre} = 3.26 + .10 \times \text{evpr} + .09 \times \text{evlo} - .22 \times \text{evfa} + .12 \times \text{evmd}$$

$$\text{Predicted plim} = 4.62 + .11 \times \text{evpr} + .20 \times \text{evlo} - .13 \times \text{evse} - .05 \times \text{evmf}$$

$$\text{Predicted plpr} = 6.09 + .17 \times \text{evpr} - .17 \times \text{evim} - .23 \times \text{evmf}$$

For the explanation of the multiple regression analysis, the equation about belief of merchandise quality of Children World (plmq) is explained as an example:

$$\text{Predicted plmq} = 4.50 + .11 \times \text{evlo} + .26 \times \text{evmd}$$

From the above equation, it is assumed that a person's belief towards the merchandise quality of Children World (plmq) is comprised of his evaluations towards the location of the store (evlo) and merchandise display (evmd). In case his evaluations of importance for both the location and merchandise display are

above average, then the merchandise quality should also be considered as being above average. There are positive correlation among the various variables.

Take the second customer (case number 3006) in the data file as an example, the customer's evaluations toward store location is 7 (i.e. very important) and merchandise display is 6 (i.e. quite important). By calculating the equation, the outcome is 6.83. The customer's recorded belief toward the merchandise quality of Children World is 7 (i.e. very good). Thus the prediction is quite close to the actual answer with a residual of .17 in due course

As for the case of Wing On, the same procedures are also held by first using the forward method and later by enter method. It is found that, among the fourteen evaluation variables, thirteen of them can enter into the equation; with the exception of evaluation of service quality. By running the multiple regression analysis with all the fourteen dependent belief variables, the predicted equations are formed. Table 9.5 shows the explanation of the various abbreviations and Table 9.6 shows the multiple correlation coefficients, etc. of all the fourteen variables.

Table 9.5
Explanation of Wing On Abbreviations

Dependent Var	Explanation
Womq	Merchandise quality of Wing On
Womr	Merchandise range of Wing On
Womf	Merchandise fashion of Wing On
Womd	Merchandise display of Wing On
Wose	Service quality of Wing On
Wola	Store layout of Wing On
Woat	Store atmosphere of Wing On
Wofa	Store facilities of Wing On
Wolo	Store location of Wing On
Woad	Store promotion of Wing On
Wogo	Store goodwill of Wing On
Wore	Store reliability of Wing On
Woim	Store Image of Wing On
Wopr	Price of Wing On

Table 9.6
Wing On Multiple Regression Analysis Results of
Customer Shopping Criteria and Customer Belief Components

Dependent Var	Multiple R	R Square	F	Sig F
Womq	.49	.24	5.88	.0000
Womr	.44	.19	4.36	.0000
Womf	.48	.23	5.39	.0000
Womd	.52	.27	6.78	.0000
Wose	.47	.22	5.14	.0000
Wola	.52	.27	6.91	.0000
Woat	.49	.24	5.90	.0000
Wofa	.47	.22	5.18	.0000
Wolo	.61	.38	10.93	.0000
Woad	.39	.15	3.38	.0001
Wogo	.51	.26	6.30	.0000
Wore	.43	.18	4.07	.0000
Woim	.60	.36	10.02	.0000
Wopr	.43	.18	4.08	.0000

At the same time, the fourteen predicted equations for the beliefs of Wing On are as follows:

$$\text{Predicted womq} = 3.52 + .11 \times \text{evpr} + .20 \times \text{evlo} - .17 \times \text{evfa} - .20 \times \text{evla}$$

$$\text{Predicted womr} = 3.75 + .3 \times \text{evpr} + .16 \times \text{evlo} - .21 \times \text{evfa} + .18 \times \text{evmd}$$

$$\text{Predicted womf} = 4.03 + .14 \times \text{evpr} + .24 \times \text{evmd}$$

$$\text{Predicted womd} = 4.73 + .11 \times \text{evpr} + .20 \times \text{evlo} - .29 \times \text{evfa} + .28 \times \text{evmd} - .20 \times \text{evmq}$$

$$\text{Predicted wose} = 5.67 + .14 \times \text{evpr} + .28 \times \text{evlo} - .22 \times \text{evmq}$$

$$\text{Predicted wola} = 3.76 + .14 \times \text{evpr} + .26 \times \text{evlo} + .16 \times \text{evmd}$$

$$\text{Predicted woat} = 4.13 + .10 \times \text{evpr} + .22 \times \text{evlo} + .17 \times \text{evmd} - .22 \times \text{evmq}$$

$$\text{Predicted wofa} = 4.69 + .16 \times \text{evpr} - .18 \times \text{evim} + .21 \times \text{evlo} - .21 \times \text{evmq}$$

$$\text{Predicted wolo} = 4.06 + .50 \times \text{evlo} + .23 \times \text{evmf}$$

$$\text{Predicted woad} = 4.55 + .13 \times \text{evpr} - .32 \times \text{evgo} + .17 \times \text{evmd} + .20 \times \text{evmr}$$

$$\text{Predicted wogo} = 2.52 + .11 \times \text{evpr} + .10 \times \text{evlo} + .16 \times \text{evmr}$$

$$\text{Predicted wore} = 4.20 + .08 \times \text{evpr} + .11 \times \text{evlo}$$

$$\text{Predicted woim} = 4.51 + .18 \times \text{evpr} + .19 \times \text{evlo} - .19 \times \text{evfa} + .21 \times \text{evla} - .31 \times \text{evmq}$$

$$\text{Predicted wopr} = 4.28 + .14 \times \text{evpr} - .20 \times \text{evmq}$$

Take the belief towards the merchandise quality of Wing On (womq) as an example, the equation is as follows:

$$\text{Predicted womq} = 3.52 + .11 \times \text{evpr} + .20 \times \text{evlo} - .17 \times \text{evfa} - .20 \times \text{evla}$$

To predict the possible degree of belief a customer might have on the merchandise quality of Wing On (womq), it is found to be directly related with the evaluations

of price (evpr) and location (evlo). If the customer places importance on the evaluations of price and location, he may consider that merchandise quality of Wing On is good. However, if the customer places importance on evaluations of store facilities (evfa) and store layout (evla), he may consider the merchandise quality of Wing On is not that good. Here in this equation, two evaluations are positively related and other two are negatively related.

To illustrate the above equation, the data of the third customer (case number 3007) in the data file is used. According to the file, the customer's evaluations on price, store location, store facilities, and store layout are 6, 7, 5, 5 respectively. By calculation, his belief towards the merchandise quality of Wing On should be 5.73. The actual answer is 6, with a residual of .27. Therefore, the answer is quite acceptable.

By reviewing the multiple R and R square of the beliefs of the two stores, it is found that the highest and lowest multiple R for Children World are .57 and .31, whereas Wing On are .61 and .39. As for R square, the highest and lowest for Children World are .32 and .09 and that for Wing On are .38 and .15. Therefore, the relationships between evaluations and beliefs are more coherent than that of demographic background and evaluations. This also demonstrates that evaluations have more direct impact on beliefs.

By inspecting the various belief equations for both Children World and Wing On, it is found that they are quite accurate in prediction of individual scores, even though the residuals may vary.

Up to this point, the model works quite well. However, one should bear in mind that both evaluations and beliefs are constantly under the bombardment of outside influence and that these elements may be changed when market environment and retail strategy change.

9.5.4 Relationships between Attitudes and Customer Action

When the relationships among the three components, namely customer background, customer shopping criteria, and customer beliefs are clarified, it is time to make further investigate about the fourth component, customer action. As can be seen from the previous analyses, the precedent variables can influence the succeeding variables. It goes without saying that customer belief component should have influence on customer action component. The author hereby would like to trace to what extent the customer action component is being influenced.

According to Fishbein (1963), the attitude toward a certain object should be the summation of all the products for the corresponding evaluation times belief. The author tries to do the same procedure but finds that the ultimate results are only the 252 total attitude scores for each store, totaling to 504 attitude scores for the two stores. Such scores, because of its aggregated value, conceal all the secret of the interrelationship between the cause and effect. It is because when the evaluation multiply the correspondent belief, the product is formed. This product can still show the strength or weakness of the attitudinal element. However, when all the

fourteen products are added up together, only one total lump sum is formed. Such lump sum is in the aggregated form and can only show the overall attitude of one object over the other with only limited indication.

As a result, the author can only find that, through the paired t-test, the means for the overall attitude towards Children World is 455.32 and that for Wing On is 443.00, with 2-tail significance at .000 level. According to such result, it may be stated that the overall attitude towards Children World is a bit better than Wing On, and that some difference can be detected. However, this answer cannot satisfy the author's quest for the various sources of the difference.

In view of the foregoing, the author returned back to the fourteen evaluation and belief patterns in order to investigate the relationship between attitude and patronage behavior.

First of all, among all the fourteen evaluations and beliefs, calculate the product of each belief times its corresponding evaluation. Therefore, a total of twenty eight attitudinal elements are formed, which include fourteen attitudinal elements towards Children World and fourteen attitudinal elements towards Wing On. It is the desire of the author to find out how such attitudinal elements may influence the patronage behavior such as purchase amount and frequency of store visit, therefore, the multiple regression analysis is used to trace the relationship. In this case, the fourteen attitudinal elements of Wing On are used as independent variables and tested against the patronage behavior of Wing On. As a rule of thumb, the forward method is used. The result comes out that only four attitudinal elements can enter

into the equation for purchase amount; these elements are service quality, store goodwill, store image and price. Also, three elements can enter into the equation for frequency of store visit, these elements are: merchandise range, store image, and store promotion. As for Children World, the results of the enter method show that the three elements, namely merchandise quality, service quality, and price can enter the purchase amount equation and another three elements such as merchandise display, service quality, and store facilities can enter the frequency of store visit equation. Thereafter, the four dependent variables are tested against the selected attitudinal elements, and four equations are formed. Ultimately, with the abbreviation explanation in Table 9.7, the results of the analysis are tabulated in Table 9.8 and the formation of equations are as follows:

Table 9.7
Explanation of Purchase Amount and Frequency of Store Visit

Dependent Var	Explanation
Plexpend	General amount of purchase in Children World
Plfreque	General frequency of store visit of Children World
Woexpend	General amount of purchase in Wing On
Wofreque	General frequency of store visit of Wing On

Table 9.8
Multiple Regression Analysis Results of
Purchase Amount and Frequency of Store Visit

Dependent Var	Multiple R	R Square	F	Sig F
Plexpend	.33	.10	9.80	.0000
Plfreque	.35	.12	11.59	.0000
Woexpend	.36	.13	9.20	.0000
Wofreque	.30	.09	8.41	.0000

$$\text{Predicted plexpend} = 13.57 - .03 \times \text{appr} - .03 \times \text{apse} + .06 \times \text{apmq}$$

$$\text{Predicted plfreque} = 5.85 + .03 \times \text{apfa} - .01 \times \text{apse} - .04 \times \text{apmd}$$

$$\text{Predicted woexpend} = 12.06 - .02 \times \text{awpr} - .04 \times \text{awim} + .05 \times \text{awgo} + .04 \times \text{awse}$$

$$\text{Predicted wofreque} = 5.28 + .02 \times \text{awim} - .01 \times \text{awad} - .03 \times \text{awmr}$$

By using the predicted purchase amount to explain the phenomenon, the following equation is used:

$$\text{Predicted plexpend} = 13.57 - .03 \times \text{appr} - .03 \times \text{apse} + .06 \times \text{apmq}$$

This equation states that, to predict the possible purchase amount of the Children World customer (plexpend), the customer will spend more if he is looking for good quality products (apmq). However, he may spend less if he is looking for better service (apse) and high price products (appr).

To take the fourth customer (case number 3010) in the data file as an example, the customer's attitudinal elements for price, service quality and merchandise quality are 30, 42 and 36 respectively. By calculating the equation, the outcome is 13.57 and the customer's purchase amount is in category 14 (spending Renminbi 150-199 each trip). Therefore, the residual is .43. The result of this equation is also acceptable.

Apart from using the multiple regression analysis to trace the relationship between attitudinal elements and patronage behavior, the author is also interested in taking a

look about the possible perceptual framework of the customers. The perceptual map is useful for marketer to understand the 'position' the marketer is in and there are different methods such as factor analysis, multidimensional scaling, etc. that help to draw such map (Myers, 1996). In consideration of the fact that, for this research study, only two companies are involved and the ratings are in the bipolar form of very unimportant (i.e. 1) and very important (i.e.7) and very poor (i.e.1) and very good (i.e.7), thus the two-dimensional quadrant analysis perceptual map is more suitable for this instance. By using the twenty eight attributes as base and with the scatter plot technique of Excel, the conceptual map can therefore be constructed.

From the map, it is found that most store attributes of the two stores are in close proximity from the frequent customers point of view. This further verifies the fact that the competition between the two stores is very fierce, such finding is quite satisfactory. Figure 9.5 shows the details of the perceptual map. Thus the aim to grasp the perceptual framework of customers is accomplished.

In addition, the author would like to investigate the possible underlying pattern of relationships existed among the attitudinal elements. Then the exploratory factor analysis method is used. With the principal component analysis method together with varimax rotation, four factors are extracted from the fourteen attitudinal elements of Children World and three factors from Wing On, the cumulative percent of variation explained are 67.4 and 64.4 respectively. Tables 9.9 and 9.10 show the abbreviations of the attitudinal elements and Tables 9.11 and 9.12 give more details about the components of the various factors.

Figure 9.5 Perceptual Map of Frequent Customers towards the Two Stores

◆ PLMQ ▲ PLMR ◆ PLMF + PLMD ✕ PLSE ● PLLA ✕ PLAT ◆ PLFA □ PLLO △ PLAD :: PLGO ✕ PLRE ○ PLIM ✕ PLPR ◆ WOMQ □ WOMR ▲ WOMF
 + WMD ✕ WOSE ● WOLA ✕ WOAT ○ WOFA □ WOLO △ WOAD + WOGO ✕ WORE ○ WOIM X WOPR

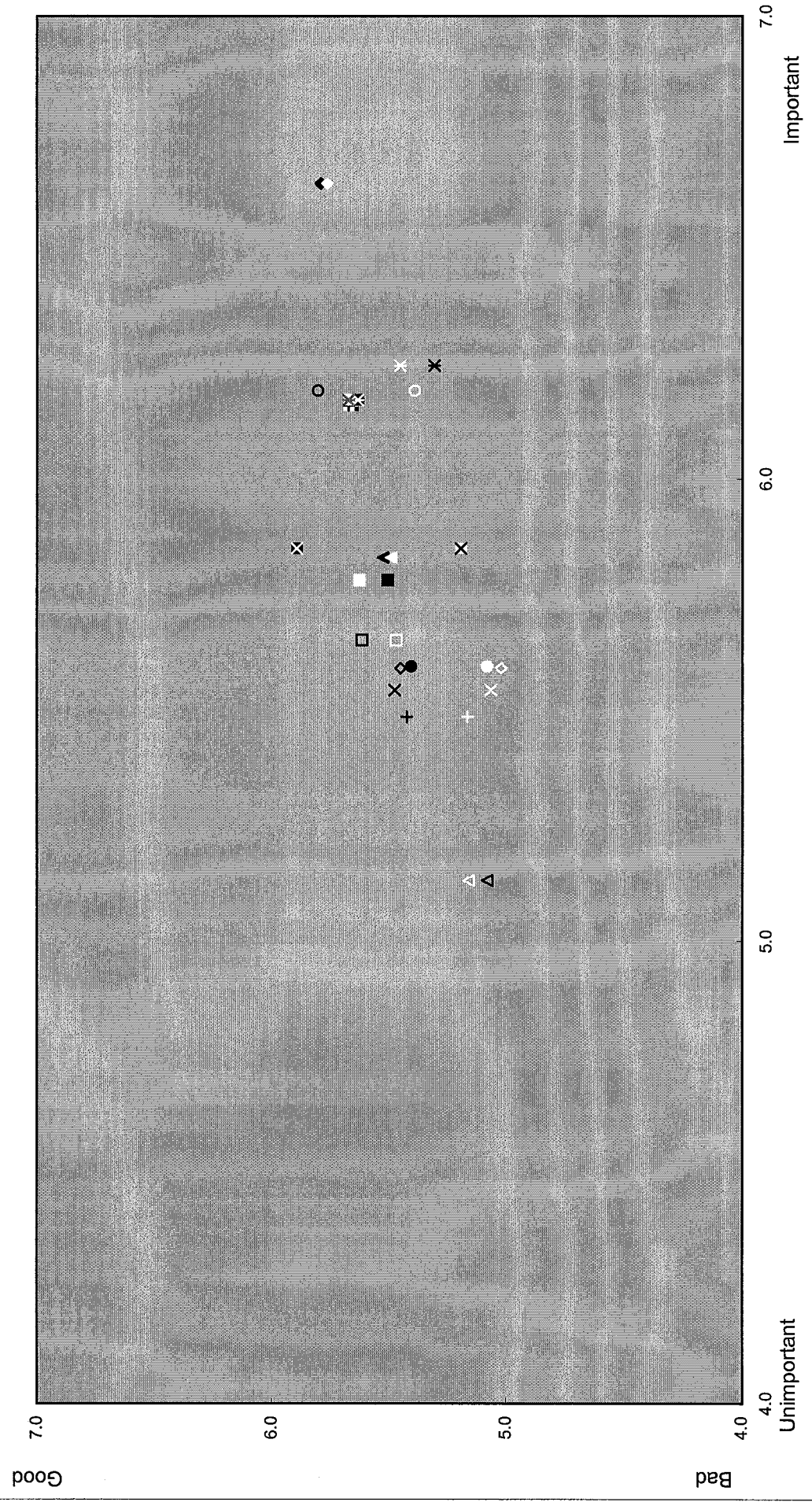


Table 9.9
Explanation of Attitudes towards Children World Abbreviations

Dependent Var	Explanation
Apmq	Attitude towards merchandise quality of Children World
Apmr	Attitude towards merchandise range of Children World
Apmf	Attitude towards merchandise fashion of Children World
Apmd	Attitude towards merchandise display of Children World
Apse	Attitude towards service quality of Children World
Apla	Attitude towards store layout of Children World
Apat	Attitude towards store atmosphere of Children World
Apfa	Attitude towards store facilities of Children World
Aplo	Attitude towards store location of Children World
Apad	Attitude towards store promotion of Children World
Apgo	Attitude towards store goodwill of Children World
Apre	Attitude towards store reliability of Children World
Apim	Attitude towards store image of Children World
Aprr	Attitude towards price of Children World

Table 9.10
Explanation of Attitudes towards Wing On Abbreviations

Dependent Var	Explanation
Awmq	Attitude towards merchandise quality of Wing On
Awmr	Attitude towards merchandise range of Wing On
Awmf	Attitude towards merchandise fashion of Wing On
Awmd	Attitude towards merchandise display of Wing On
Awse	Attitude towards service quality of Wing On
Awla	Attitude towards store layout of Wing On
Awat	Attitude towards store atmosphere of Wing On
Awfa	Attitude towards store facilities of Wing On
Awlo	Attitude towards store location of Wing On
Awad	Attitude towards store promotion of Wing On
Awgo	Attitude towards store goodwill of Wing On
Awre	Attitude towards store reliability of Wing On
Awim	Attitude towards store image of Wing On
Awpr	Attitude towards price of Wing On

Table 9.11
Factor Analysis for Children World

FACTOR	LABEL	ELEMENTS
1	Merchandise	apmq, apmr, apmf, apmd
2	Store environment	apla, apat, apfa
3	Intangible elements and others	apse, aplo, apad, apim, appr
4	Dependability	apgo, apre

Table 9.12
Factor Analysis for Wing On

FACTOR	LABEL	ELEMENTS
1	Store environment, intangible elements and others	awse, awla, awat, awfa, awlo, awad, awim, awpr
2	Merchandise	awmq, awmr, awmf, awmd
3	Dependability	awgo, awre

From the above two tables, it is observed that the store environment of Children World stands out quite vividly from customers' perception, thus Children World is having some differential advantage over Wing On in terms of store environment. It is because whenever frequent customers are planning for shopping, they might recall the dependability, merchandise, and other intangible elements of Wing On and they can also recall the dependability, merchandise, intangible elements, and store environment of Children World. In case the three elements are treated identical by the customers, store environment of Children World stands out as an additional reason for favorable impression. That is also the reason why the overall attitude towards Children World is a little bit higher than that towards Wing On. Therefore, factor analysis and multiple regression analysis supplement each other for better explanation of the scenario.

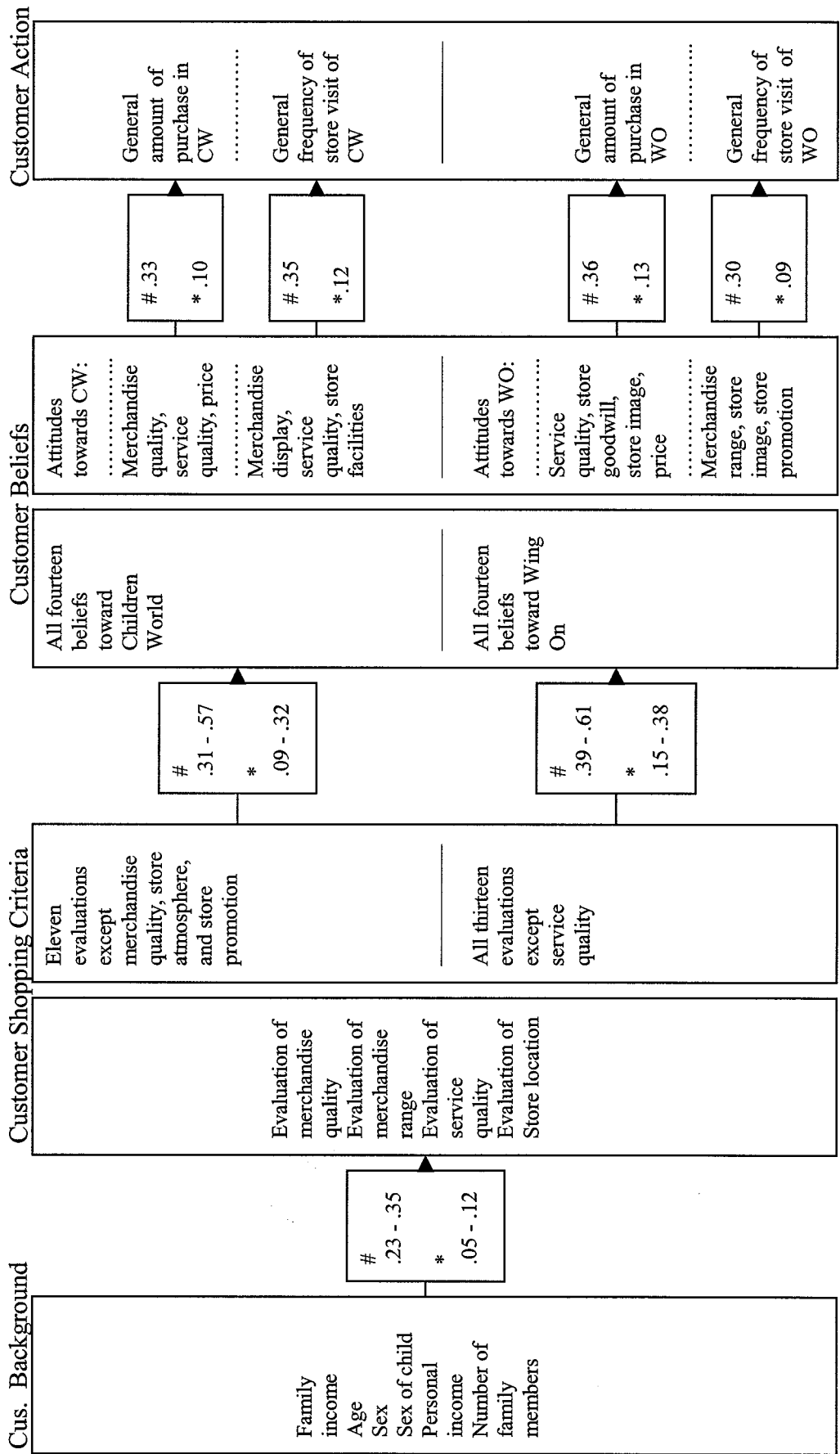
9.6 *Overview of the Model*

After examining the applicability of the model, the author is satisfied with the way the model works. This model is simple in nature with only six components, but it has already inherited the merits of various models such as sequence of store choice model, the marketing management process model, etc. This model, based on the retailer positioning strategy concept, illustrates the ways customers perceive and behave towards the store.

Through the use of the multiple regression analysis method, Figure 9.6 summarizes the relationships of the various model components. For the relationship between customer background and shopping criteria, the minimum and maximum values of multiple R are .23-.35 and that for R square are .05-.12. It is also found that the interaction between the variables are also quite limited with only six demographic variables interact with four evaluation variables. However, by consideration of the fact that demographic background is only one of the elements in the environmental setting and that there are dozens of other elements which may influence customer's evaluation. Such a result tells the fact about the actual situation (see Table 9.2).

As regarding the relationship between customer shopping criteria and beliefs, the multiple R values are quite high (.31-.57 for Children World and .39-.61 for Wing On) and the R squares values are also acceptable (.09-.32 for Children World and .15-.38 for Wing On). This is partly because the fourteen evaluations and beliefs are quite consistent in nature and partly because such attributes fit the needs of this survey (see Tables 9.4 and 9.6).

Figure 9.6
 Summary of the Relationships of the Various Model Components
 (# = Multiple R * = R Square)



Respecting the relationship between attitudes and customer action, by thinking about the fact that there are hundred of reasons why customers should or should not buy something, the results of the moderately low values for amount of purchase (multiple R ranging from .33 to .36 and R square ranging form .10 to .13 for Children World and Wing On respectively) and frequency of store visit (multiple R between .35 and .30 and R square between .12 and .09 for Children World and Wing On respectively) are not surprising (see Table 9.8). Here, only a few attitudinal variables (in most cases three attitudinal variables) interact with each of the four customer action variables. This also indicates that, through experience, customers know when and where to shop and how much to shop for.

Moreover, the extracted factors (Table 9.12) from the exploratory factor analysis method and the actual scatter plot of the perceptual map (Figure 9.5) can help to further explain the situation more clearly.

Blattberg once commented that even Stochastic Brand Choice and Purchase Incidence models failed to relate marketing tactics (e.g. advertising, dealing, etc.) to purchase behavior; Zoltners (1982) considered marketing phenomena tend to be complex, ill-structured and difficult to formulate, and Davies and Brooks (1989) also stated that no single approach (model) thus far could claim to describe all consumer behavior, By taking such comments into consideration and by considering the fact that there are lots of variables intervening in the shopper behavior, the author's model can still explain the relevant role clearly because it

only focuses on the impact of positioning. Even though this model is a bit simplified in nature, but at least it can show conceptually the relationships among the various complicated components and fulfil the needs of this positioning study.

9.7 *Summary*

In order to briefly explain the possible impact of positioning on consumer attitude and patronage behavior, this model is thus created by making use of the sequence of effects in store choice model, the marketing management process model, etc. In this model, there are altogether six components. These components are the marketing management process of the firm, competitive environment, customer background, customer shopping criteria, customer beliefs, and customer action. Within the context of marketing management process, positioning strategy and marketing strategy work hand-in-hand, so as to exert its influence at the very beginning. With the use of multiple regression analysis, it is found that the relationship between demographic variables and evaluations is a bit low, but that for evaluations and beliefs is much higher. However, relationship between attitudes and patronage behavior is low again. In consideration of the fact that there are lots of intervening variables between the process, such phenomenon is therefore not unusual. On the whole, from a positioning perspective, this model can explain the relationship of the various customer components adequately.

CHAPTER TEN

ANALYSIS OF FINDINGS (2): TESTING OF HYPOTHESES AND COMPARISON OF ATTITUDES

10.1 *Introduction*

After discussing modeling of the role of positioning with marketing management process, competition, and customer shopping components, it is time to further examine the attitudinal differences towards the two stores by the frequent customers. Here the attitudinal measurements are formed by multiplying the evaluation with the corresponding belief. Then with the use of the various t-tests, the store attributes are compared one by one so as to detect the possible difference. Moreover, comparison of attitudes between groups are made in order to observe the overall attitudinal situations.

10.2 *The Hypotheses*

An hypothesis is a logically conjectured relationship between two or more variables expressed in the form of testable statements (Sekaran, 1992). As mentioned in Chapter Four, after the discussion with the Wing On management and also through the two rounds of focus group interview, fourteen hypotheses are set up (see section 4.12). The null hypotheses are as follows:

- H1: The merchandise quality of WO is the same as CW
- H2: The merchandise range of WO is the same as CW
- H3: The merchandise fashion of WO is the same as CW

- H4: The merchandise display of WO is the same as CW
- H5: The service quality of WO is the same as CW
- H6: The store layout of WO is the same as CW
- H7: The store atmosphere of WO is the same as CW
- H8: The store facilities of WO is the same as CW
- H9: The convenience of store location of WO is the same as CW
- H10: The store promotion of WO is the same as CW
- H11: The general reputation of WO is the same as CW
- H12: The reliability of WO is the same as CW
- H13: The image of WO is the same as CW
- H14: The price of WO is the same as CW

For the above fourteen hypotheses, WO stands for Wuhan Wing On Children Shopping and Amusement Centre Company Limited and CW stands for Children World. After collecting the questionnaires from the respondents, the author would like to test the above hypotheses one by one, so as to find out the actual situations of the related issues.

10.3 Base of Measurement

In the surveys, both the ratings of evaluations and beliefs of the fourteen store attributes from the respondents were collected. As a result, there are three sets of measurement; first is the measurement of evaluation, second belief towards Children World, and third belief towards Wing On.

In order to test the hypotheses, the base of measurement must be established. Since attitude is formed by evaluation and belief (Fishbein, 1963), the answers from all respondents about their evaluation and belief are equally important. In addition, Fishbein attitude-toward-object model is aiming at the measurement of attitude, therefore, it is decided that the base of measurement for these tests should be the attitudinal element (i.e. the product resulting from the multiplication of evaluation with the corresponding belief). For instance, the evaluation towards merchandise quality should multiply belief towards Wing On merchandise quality, so as to arrive at the attitudinal measurement towards the merchandise quality of Wing On, etc. The same calculation is also made for Children World measurement. Under this circumstance, both evaluation and belief have equal weight in the product. Moreover, since the rating scale is on ascending base, which means '1' is very unimportant or very poor and '7' is very important or very good. Therefore, the bigger the measurement, the more favourable the attitudinal element will be.

Through the procedure of multiplication of the correspondent evaluation and belief, two sets of attitudinal elements are generated, one is the attitudinal elements towards Children World and the other is the attitudinal elements towards Wing On.

10.4 Group Selection and Testing Method

From the author's viewpoint, the perceptions of customers are of paramount importance because consumers are kings. Therefore, it is important to find out how they perceive the two stores. After thorough consideration about the different combination and group of respondents, it is decided to use the measurements of the

frequent customers to test against the hypotheses. Because only this group of customers pay visit to both stores at least once a month, therefore they are very familiar with both stores. At the same time, their consumption in the stores counts very much. These groups of customers are also the first priority target market for the stores in future. Therefore, the findings from this group of customers will be very meaningful and determinant (Myers, 1996). However, from the author's perspective, it might be useful to also explore the measurements of other groups for comparison purpose, if necessary.

For the testing method, since there is only one group of customer (i.e. frequent customer), and the author is going to compare how they feel about the same attribute of the two different stores simultaneously, the most appropriate method therefore is the paired t-test (Freund and Simon, 1995; Mendenhall et al., 1996; McClave et al., 1998).

10.5 Results of Testing

By running the paired t-test method of SPSS program, analysis are carried out about the response of the 252 frequent customers against their views towards the same fourteen attributes of both Wing On and Children World. Simplified result of the paired t-test calculation is as follows:

From Table 10.1, it is found that, from the frequent customers' point of view, nine out of the fourteen store attributes show to be significant (with p value equals to or smaller than 0.05). This means that the frequent customers have detected nine store

attributes that Children World are different from Wing On. The author would like to examine the fourteen hypotheses one by one.

Table 10.1
Paired t-test Result of Frequent Customers

	C W	W O	Diff.	Sig.	Hypoth.
Merchandise quality	38.42	38.23	.1840	.553	Not Rej.
Merchandise range	31.99	32.70	-.7131	.036	Rejected
Merchandise fashion	32.29	32.11	.1753	.585	Not Rej.
Merchandise display	29.85	28.55	1.3454	.000	Rejected
Service quality	33.14	33.96	-.8238	.044	Rejected
Store layout	30.32	28.50	1.8160	.000	Rejected
Store atmosphere	30.41	28.13	2.2840	.000	Rejected
Store facilities	30.54	28.12	2.4160	.000	Rejected
Store location	32.12	31.39	.7339	.003	Rejected
Store promotion	26.29	26.60	-.3117	.399	Not Rej.
Store goodwill	34.89	35.03	-.1371	.620	Not Rej.
Store reliability	34.76	35.00	-.2429	.381	Not Rej.
Store image	35.92	33.46	2.4634	.000	Rejected
Price	34.68	30.64	4.0363	.000	Rejected

The first hypothesis is about the merchandise quality of the two store, the difference between the two means is .1840 and the p value is .553. Therefore, it indicates that the customers consider the merchandise quality are nearly the same. Thus the hypothesis cannot not be rejected.

For the second hypothesis, it is related to merchandise range, the p value is .036 indicating the significant difference between the two stores. The difference of the means is -.7131 showing that Wing On is outperforming Children World in this aspect. Therefore, this hypothesis is rejected because Wing On is doing better.

About merchandise fashion, both stores have the means of 32 and the difference of the means is only .1753, with the p value up to .585. Therefore, the third hypothesis is not rejected, indicating that the merchandise fashion of the two stores are almost the same.

For merchandise display, Children World outperforms Wing On by 1.3454 difference in mean. Also the p value is at .000, so there is difference in merchandise display and children World is doing a better job. The fourth hypothesis is rejected.

For service quality, the difference of the means is -.8238. This indicates that Wing On is just a little bit better than Children World in serving the customers. The p value is .044, so the fifth hypothesis is rejected.

For store layout, customers detect the difference and they consider that Children World is better than Wing On, with the difference of the means at 1.8160 and p value at .000. This also indicates that the store layout of Wing On needs some improvement. Therefore, the six hypothesis is rejected.

Respecting the store atmosphere, the p value is at .000 and the difference in mean is 2.2840, showing that the store atmosphere in Children World is much better than that in Wing On. This is because Wuhan Plaza is the greatest and most elegant shopping mall in Wuahn. So the seven hypothesis is rejected.

Because Children World is a brand new store and Wing On is an old store, so the facilities in Wing On is not in a position to compare with Children World. As a

result, the difference in mean is 2.4160 and p value at .000. The eighth hypothesis on store facilities is again rejected.

Even though the two stores are just side by side, but the customers still find Children World to be a little bit convenient, with the difference in mean at .7339 and p value at .003. This might be due to the fact that there are more facilities (e.g. bank, post office, etc.) in Wuhan Plaza. Therefore, the ninth hypothesis on convenient of store location is rejected.

Regarding store promotion, the p value is .399, indicating that the performance of the two stores are almost the same, so the tenth hypothesis is not rejected.

For store goodwill and store reliability, both stores are working very hard on these issue, thus the p values for these two store attributes are .630 and .381 respectively. So the two stores are doing quite well in these aspects and the eleventh and twelfth hypotheses can not be rejected.

Regarding store image, Children World has constantly considered to be modern, so the difference in mean is 2.4635 and p value at .000 confirming that Children World is more modern than Wing On (see section 8.9). Thus the thirteen hypothesis is rejected.

Finally, regarding the pricing aspect of the two stores, the p value is .000. At the same time, the difference in mean is 4.0363, which is the greatest difference among all the fourteen attributes. It is very certain that the price in Children World is much higher than that in Wing On, so the fourteen hypothesis is rejected.

From the above analysis, it is found that the five store attributes that are almost the same for both Children World and Wing On are: merchandise quality, merchandise fashion, store promotion, store goodwill, and store reliability. For the nine attributes that are different between the two stores, Wing On outperforms Children World in merchandise range and service quality, then Children World outperforms Wing On for the rest seven attributes. It is also noted that the greatest difference in mean is 4.0363 and the smallest difference in mean is -.7131. So, even though there are differences, the extent may vary a lot.

Figure 10.1
General Findings from Testing of Hypotheses

Performance	Attributes
Both Wing On and Children World are alike	Merchandise quality, merchandise fashion, store promotion, store goodwill, store reliability
Wing On outperforms Children World	Merchandise range, service quality
Children World outperforms Wing On	Store layout, store atmosphere, store facilities, store location, store image, price, merchandise display

From Figure 10.1, frequent customers' perception and expectation towards the two stores can more clearly delineated.

10.6 Attitudinal Comparison between Employees and Frequent Customers

Even though the orientation of Wing On employees are different from the customers, it is worthwhile to see how they view the two stores too. Therefore, another round of paired t-test is done with the attitudinal elements of Wing On employees. The result is tabulated in Table 10.2. Here, instead of detecting nine differences (by the frequent customers), the employees detect ten differences in store attributes between the two stores. For those attributes that are found to be significant, the greatest and smallest difference in means are 8.8908 and -1.3757. This also implies that the employees can discern the difference more clearly because they are retailing practitioners.

Table 10.2
Paired t-test Result of Wing On Employees

	C W	W O	Difference	Sig.
Merchandise quality	34.46	32.85	1.5876	.004
Merchandise range	30.92	32.30	-1.3757	.035
Merchandise fashion	33.55	32.62	.9253	.086
Merchandise display	32.68	28.25	4.4229	.000
Service quality	35.04	34.57	.4682	.476
Store layout	34.38	28.46	5.9244	.000
Store atmosphere	33.41	26.87	6.5424	.000
Store facilities	35.35	26.45	8.8908	.000
Store location	37.12	36.46	.6552	.234
Store promotion	32.72	28.44	4.2841	.000
Store goodwill	36.17	37.43	-1.2601	.039
Store reliability	36.00	37.16	-1.1657	.067
Store image	39.47	31.28	8.1938	.000
Price	36.76	33.84	2.9188	.000

By comparing the two paired t-test tables of the frequent customers and the employees (i.e. Table 10.1 and table 10.2), it is found that, relating to the store attributes that are considered to be significant and insignificant to the two groups, there are also some deviation between their perceptions. Altogether, there are five store attributes that are seen differently (in terms of significant/insignificant) by the two groups. These store attributes are: merchandise quality, service quality, store location, store promotion, and store goodwill.

Apart from making investigation about how the frequent customers and the Wing On employees view the two competing stores individually, it would be interested to see how the two groups of respondents perceive things differently when compare side-by side together. Since there are two groups of respondents and aiming at one store at each time, the independent t-test test is thus more suitable (Freund and Simon, 1995; Mendenhall et al., 1996; McClave et al., 1998). The results of the independent test comparison against the two stores are in Tables 10.3 and 10.4.

Here in these two tables, P stands for the probability of Levene's test for equality of variances and Sig. stands for the significant level of t-test for equality of means. From the independent t-test result towards Children World, ten store attributes are found to be different from the employees and frequent customers point of view. For the independent t-test towards Wing On, seven store attributes are found to be different. Thus, it is evident that, even though the stores are implementing their own strategies vigorously, different groups still perceive the same attributes differently (Samli and Lincoln, 1989). The reason that there are only seven

Table 10.3
Independent t-test Result towards Children World
between Employees and Frequent Customers

	Employ	Custom	Diff	P	Sig.
Merchandise quality	34.41	38.43	-4.0153	.000	.000
Merchandise range	31.05	31.96	-.9168	.000	.272
Merchandise fashion	33.46	32.30	1.1607	.000	.116
Merchandise display	32.56	29.92	2.6474	.000	.002
Service quality	34.97	33.16	1.8114	.434	.026
Store layout	34.30	30.31	3.9859	.000	.000
Store atmosphere	33.33	30.41	2.9227	.000	.000
Store facilities	35.21	30.53	4.6726	.000	.000
Store location	37.13	32.20	4.9317	.170	.000
Store promotion	32.85	26.33	6.5241	.006	.000
Store goodwill	36.32	34.90	1.4140	.000	.067
Store reliability	36.01	34.82	1.1936	.000	.121
Store image	39.02	35.90	3.1219	.000	.000
Price	36.61	34.65	1.9648	.146	.023

Table 10.4
Independent t-test Result towards Wing On
between Employees and Frequent Customers

	Employ	Custom	Diff	P	Sig.
Merchandise quality	32.92	38.22	-5.2941	.000	.000
Merchandise range	32.26	32.70	-.4481	.285	.564
Merchandise fashion	32.62	32.11	.5053	.024	.475
Merchandise display	28.27	28.58	-.3327	.918	.678
Service quality	34.79	34.06	.7291	.205	.351
Store layout	28.36	28.51	-.1453	.011	.849
Store atmosphere	26.99	28.13	-1.1449	.004	.134
Store facilities	26.66	28.12	-1.4613	.000	.056
Store location	36.45	31.39	5.5099	.149	.000
Store promotion	28.43	26.53	1.9045	.002	.030
Store goodwill	37.43	35.01	2.4173	.000	.002
Store reliability	37.18	34.98	2.1933	.000	.004
Store image	31.25	33.44	-2.1933	.000	.011
Price	33.53	30.64	2.8989	.044	.001

differences for Wing On perception and ten differences for Children World perception might be due to the fact that the employees are from Wing On. Since the employees are more familiar with their own store (i.e. Wing On) that there are more consensus with the customers. It is therefore evident that clear mission statement and logo are important to employees for shaping their image towards to the firm (Olins, 1989; Ind, 1990) .

However, one should bear in mind that even though the message is very clear, but people may still perceive it a bit differently owing to the differences in orientation, role, demographic background, etc. (King and Ring, 1980)

10.7 Attitudinal Comparison between the Children World and Wing On Customers

Apart from investigation on employees and frequent customers, the author also like to probe about the possible difference in perceptions between the two groups of store customers. Thus by making use of independent t-test to analyse the perceptions of both Wing On and Children World customers towards the two stores, some new findings are observed. By examining the result, it is found that, for both stores, thirteen out of the fourteen attributes are viewed differently. This may imply that, while evaluating the store attributes, the customers might have some predisposition in mind. By examining the difference in measurements, it is

observed that, for all the twenty-eight attitudinal elements, Wing On customers have higher ratings than Children World customers. This also indicates that Wing On customers have more favourable perceptions towards the two store than Children World customers. In this case, it is further proved that demographic background such as income, education, etc. really count. Tables 10.5 and 10.6 have more data for illustration.

Table 10.5
Independent t-test Result towards Children World
between Children World and Wing On Customers

	CW Cus	WO Cus	Diff	P	Sig.
Merchandise quality	37.12	37.29	-.1196	.012	.841
Merchandise ran	29.23	33.33	-4.0972	.027	.000
Merchandise fashion	29.49	34.13	-4.6481	.001	.000
Merchandise display	25.38	33.26	-7.8791	.112	.000
Service quality	29.72	36.50	-6.7796	.004	.000
Store layout	26.87	33.69	-6.8172	.424	.000
Store atmosphere	27.99	33.07	-5.0883	.462	.000
Store facilities	28.43	33.07	-4.6348	.093	.000
Store location	26.46	38.05	-11.591	.330	.000
Store promotion	22.34	32.19	-9.8514	.114	.000
Store goodwill	32.42	35.62	-3.2002	.000	.000
Store reliability	32.74	35.61	-2.8615	.002	.000
Store image	33.53	36.91	-3.3808	.000	.000
Price	33.33	36.32	-2.9813	.041	.000

Table 10.6
Independent t-test Result towards Wing On
between Children World and Wing On Customers

	CW Cus	WO Cus	Diff	P	Sig.
Merchandise quality	36.25	37.44	-1.1921	.000	.059
Merchandise range	28.39	35.07	-6.6354	.166	.000
Merchandise fashion	28.58	34.39	-5.8140	.013	.000
Merchandise display	22.81	33.67	-10.861	.663	.000
Service quality	30.51	36.45	-5.9415	.008	.000
Store layout	24.16	33.40	-9.2391	.106	.000
Store atmosphere	24.32	32.75	-8.4326	.019	.000
Store facilities	24.61	31.98	-7.3674	.000	.000
Store location	25.16	37.95	-12.794	.003	.000
Store promotion	23.52	30.38	-6.8569	.001	.000
Store goodwill	32.10	35.59	-3.4921	.000	.000
Store reliability	32.32	35.33	-3.0109	.004	.000
Store image	30.13	35.36	-5.227	.000	.000
Price	28.22	34.54	-6.3229	.432	.000

10.8 Attitudinal Comparison between the Frequent and Infrequent Customers

From another perspective, instead of examining the attitudinal elements from the company base point of view (i.e. Wing On customers and Children World customers), the author would also like to examine those elements from the frequency of patronage point of view. In this case, any customers who patronise both stores at least once a month are classified as frequent customers and those who do not meet such condition are classified as infrequent customers. Thus among the 433 customers, 252 of them are classified as frequent customers and 181 are classified as infrequent customers. By running the independent t-test with these two groups of customers against the two stores, the results are found in Tables 10.7 and 10.8.

Table 10.7
Independent t-test Result towards Children World
between Frequent and Infrequent Customers

	Fre Cus	Infr Cus	Diff	P	Sig.
Merchandise quality	38.43	35.55	2.8787	.170	.000
Merchandise range	31.96	30.27	1.6405	.344	.014
Merchandise fashion	32.30	31.12	1.1778	.950	.048
Merchandise display	29.92	28.5	1.4200	.281	.044
Service quality	33.16	33.08	.0761	.325	.921
Store layout	30.31	30.21	.1052	.534	.871
Store atmosphere	30.41	30.68	-.2745	.046	.663
Store facilities	30.53	31.08	-.5502	.114	.380
Store location	32.20	32.30	-.0937	.005	.916
Store promotion	26.33	28.54	-2.2168	.001	.010
Store goodwill	34.90	32.77	2.1358	.421	.000
Store reliability	34.82	33.26	1.5551	.019	.011
Store image	35.90	34.28	1.6239	.005	.012
Price	34.65	35.10	-.4553	.691	.578

Table 10.8
Independent t-test Result towards Wing On
between Frequent and Infrequent Customers

	Fre Cus	Infr Cus	Diff	P	Sig.
Merchandise quality	38.22	34.92	3.29	.235	.000
Merchandise range	32.70	30.32	2.3889	.033	.001
Merchandise fashion	32.11	30.69	1.5066	.374	.002
Merchandise display	28.58	27.80	.7755	.411	.327
Service quality	34.06	32.77	1.2844	.390	.074
Store layout	28.51	29.15	.6417	.258	.365
Store atmosphere	28.13	29.10	-.9667	.362	.155
Store facilities	28.12	28.55	-.3971	.656	.550
Store location	31.39	31.71	-.3239	.002	.723
Store promotion	26.53	27.52	-.9934	.008	.230
Store goodwill	35.01	32.19	2.8194	.010	.000
Store reliability	34.98	32.20	2.7813	.000	.000
Store image	33.44	31.76	1.6837	.304	.012
Price	30.64	32.46	-1.8229	.589	.018

It is observed that, towards Children World, eight perceptual differences are detected between these two groups. In the case of Wing On, seven perceptual differences are detected. The differences are mostly related to merchandise and dependability of store. Moreover, frequent customers are more favourable towards such attitudinal elements than the infrequent customer. From another point of view, infrequent customers have more favourable perception towards the store atmosphere, store facilities, store location and store promotion of the two stores than the frequent customers. From such figures, it may be assumed that the frequent customer group is in pursuit of merchandise and dependability whereas the infrequent group is in pursuit of environmental comfort. By looking in the demographic background of these two groups, it is found that that frequent customers are mostly residing nearby whereas those infrequent customers are mostly from neighbouring districts.

10.9 Overall Attitudinal Measurements of the Various Groups

According to Fishbein (1963), the ultimate attitude is the summation of the evaluation multiplied by the corresponding belief towards the object. By working in this way, the author gets more than six hundred attitudes towards Children World and another six hundred attitudes towards Wing On. With such huge figures, the author can only extract the mean of the attitudes for further investigation. With the means towards both Children World and Wing On being calculated, and with the seven groups of respondents as bases of calculation, the paired t-test is used. The result is shown in Table 10.9.

Table 10.9
Paired t-test Result of Overall Attitude by the Various Groups

	C W	W O	Difference	Sig.
All respondents	462.76	441.77	20.98	.000
The employee group	492.71	450.39	42.32	.000
The customer group	452.21	438.73	13.47	.000
The Children World cus group	416.41	392.40	24.01	.000
The Wing On customer group	487.82	484.83	2.98	.178
The frequent customer group	455.31	443.00	12.31	.000
The infrequent customer group	447.99	432.94	15.04	.000

From the table, it is observed that all seven groups have, in consensus, more favourable attitudes towards Children World than towards Wing On. Among the attitudes towards Children World, the highest and lowest attitudes are 492.71 and 416.41 respectively; and that for Wing On are 484.83 and 392.40 respectively. However, it is interesting to note that, among the seven groups of respondents, only the Wing On customer group view the two stores alike, the rest six groups all find the two stores different attitudinally. This might be due to the fact that the Wing On customers are quite loyal to Wing On that even if they are aware of the strengths of Children World but they still deliberately consider (or wise) that Wing On is still as good as Children World.

From the above table, the author does observe that, the overall attitudinal measurement can only show whether the object (i.e. the store) is being perceived relatively favourably or unfavourably or not. In case one wants to have more detailed information about the attitude toward a certain object (e.g. a store attribute), the various attitudinal elements must be inspected individually instead.

10.10 Summary

In this chapter, the testing of hypotheses of the fourteen attitudinal elements are done and it is verified that Children World outperforms Wing On on several issues. In addition to hypotheses testing, the author also tries to observe the possible attitudinal differences between the various groups. By comparing the attitudinal elements of frequent customers against employees, Children World customers against Wing On customers, and frequent customers against infrequent customers, different perceptions towards the two stores are discovered. The underlying reasons are mostly resulting from the differences in their demographic background and preference. It would be beneficial to analyse customer/employee feedback from different perspectives, so as to collect more in-depth information for strategic decision making. As a concluding remark, the overall attitudes of the all the different groups are evaluated, and Children World still takes the lead a little bit.

CHAPTER ELEVEN

ANALYSIS OF FINDINGS (3) : ANALYSIS OF DIFFERENT GROUPS OF RESPONDENTS

11.1 Introduction

Following the discussion on modeling and testing of hypotheses, this chapter will discuss the results of the surveys. In view of the different background of the various respondents, the analysis of data will be done on a group basis. Altogether there are seven groups. For each group, the demographic background will be described and the perceptual framework will be investigated. Thereafter, other related issues such as products purchased, reasons for the purchase, frequency of purchase, etc. of the relevant group will be examined.

11.2 Reliability and Validity of the Collected Data

Three sets of questionnaires are used in the surveys and there are altogether 619 valid responses. Among the 619 respondents, 186 are Wing On employees, 216 are Wing On customers and 217 are Children World customers. For different purposes the questionnaires are divided into these three sets, but the essential contents such as evaluation and belief measurements are the same in all these questionnaires whereas the other parts may be different. Detailed explanation about the design of the questionnaires can be found in Chapter Four.

Since the essential measurements of evaluation and belief are the same for the three groups of people, such data as a whole can be tested against the degree of reliability

and validity. By making use of the alpha method of reliability test, it is found that the standardised item alpha for the fourteen evaluation attributes is .8423 whereas the alpha for belief towards Wing On is .9105 and that for Children World is .9013. Since all the Cronbach alphas (Cronbach, 1946) are exceeding the minimum requirement of .70, it is therefore convinced that the above data can meet the reliability requirement. As for validity test, factor analysis method is used. By investigating the Kaiser-Meyer-Olkin measure of sampling adequacy, Bartlett test of sphericity, significance, factor extraction and cumulated percent of variation explained of the above three sets of data, Table 11.1 is obtained. Again the result is quite satisfactory that these data meet the requirement for validity test.

Table 11.1
Factor Analysis for Validity Test of the Variables

	Evaluations	C W beliefs	W O beliefs
K-M-O measure	.843	.910	.915
Bartlett test	2849.452	3894.785	4140337
Significance	.00000	.00000	.00000
Number of factor	3	3	3
% var. explained	55.5	62.1	62.3

11.3 Grouping of Respondents

The original plan of the surveys was to have 220 customer respondents from each store and 250 employee respondents from Wing On. However, owing to some deficit in the returned questionnaires such as the whole blank page, only 217 usable questionnaires were collected for the Children World survey and 216 for the Wing On survey. Regarding the in-company survey of Wing On, as the participation of survey was on voluntary and anonymous bases, the total number of returned

questionnaires was 189 and the number of usable questionnaires was 186 (see sections 4.17 and 4.18).

Basically, according to the background, there are two groups of respondents in the surveys, namely employees and customers. However, in order to get more detailed analysis about respondents' perception, preference, etc. according to different characteristics, the whole batch of respondents are divided into seven groups. These groups are:

1. The total respondents (619 respondents)
2. The employees (186 respondents)
3. The customers (433 respondents)
4. The Children World customers (217 respondents)
5. The Wing On customers (216 respondents)
6. The frequent customers (252 respondents)
7. The infrequent customers (181 respondents)

As can be seen from the above grouping, altogether there are 619 respondents which include 186 employees and 433 customers. According to the characteristics of the customers, the total 433 customers can be subdivided into 217 Children World customers and 216 Wing On customers. Alternatively, the total 433 customers can also be subdivided into 252 frequent customers and 181 infrequent customers. Therefore, by analysing all these groups one by one, it is hoped to find out the impact of positioning upon those respondents and how they perceive or act differently when paired with certain characteristics.

11.4 The Total Respondents in General

Among these 619 respondents, some are employees and some are customers, it is really a pool of different personnel. However, here we just take a look at the basic perceptions and background of the general respondents before we proceed further for detailed analysis.

11.4.1. The Demographic Background of the General Respondents

Regarding the demographic background, because of the configuration of the three sets of questionnaires, there are only four variables that are common to all the general respondents. These four variables are sex, marital status, age and education level. According to the data, the general respondents are mostly female (71.6%), married (81.2%), between the age of 25-34 (62.2%) and having education standard between senior secondary and college graduate levels (78.4%). Therefore, it is observed that this is a typical group of people related to children product retailing. Tables 11.2 gives the highlights of the demographic information.

Table 11.2
Highlights of Demographic Data of the General Respondents

	Frequency	Percent
Sex		
Female	433	71.6
Marital status		
Married	502	81.4
Age of respondents		
25-29	198	32.3
Education level		
Senior secondary	226	36.5

11.4.2 Perceptions of the General Respondents

About the evaluations and beliefs, as shows in Table 11.3, the respondents consider merchandise quality, service quality and store goodwill to be most important and store atmosphere, store promotion, and merchandise display to be least important. Regarding their beliefs toward Children World (CW), they are of the opinion that Children World has high price products, convenient location, and modern image; and that the drawbacks of Children World are not so good at store promotion, service quality and merchandise range. On the other hand, they consider Wing On (WO) to be reliable, having store goodwill and convenient location, but to be poor at store environment such as facilities, layout, etc.

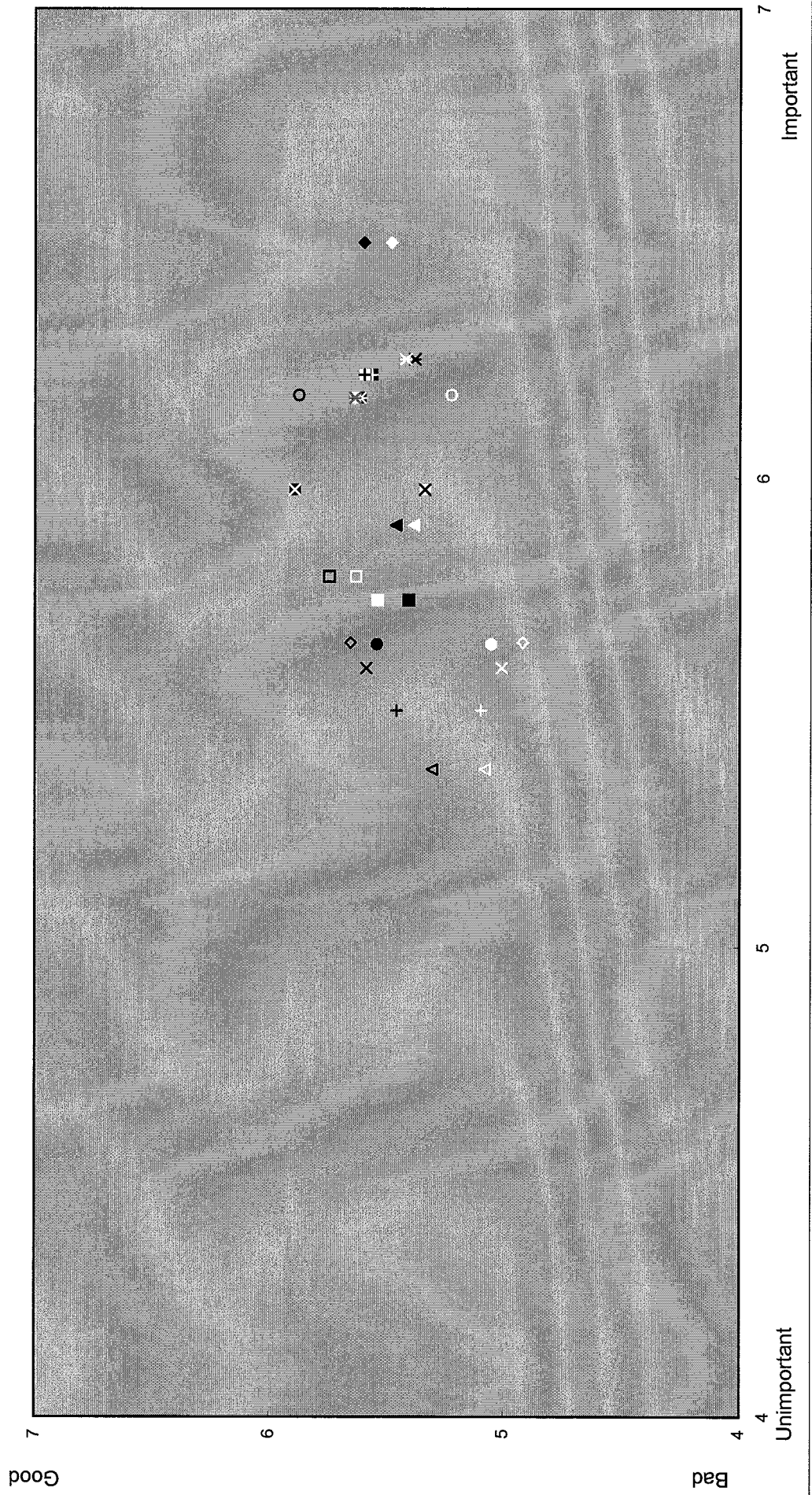
Table 11.3
Means of Evaluations and Beliefs of the General Respondents

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.50	1	5.59	6	5.48	5
Merchandise range MR	5.74	9	5.40	12	5.54	4
Merchandise fashion MF	5.90	7	5.46	10	5.38	7
Merchandise display MD	5.51	13	5.46	11	5.09	10
Service quality SE	6.25	2	5.38	13	5.42	6
Store layout LA	5.65	11	5.54	9	5.05	12
Store atmosphere AT	5.60	12	5.58	7	5.01	13
Store facilities FA	5.65	10	5.65	4	4.92	14
Store location LO	5.79	8	5.74	3	5.63	2
Store promotion AD	5.38	14	5.30	14	5.08	11
Store goodwill GO	6.22	3	5.56	8	5.59	3
Store reliability RE	6.17	5	5.61	5	5.63	1
Store image IM	6.18	4	5.87	2	5.22	9
Price PR	5.98	6	5.89	1	5.34	8

To view the general respondents' perception graphically, the quadrant analysis chart as shown in Figure 11.1 is created. Here in this figure, the vertical axis represents the different rating of belief on good and bad of the store attributes; with 1 being very poor and 7 being very good. The horizontal axis represents the different rating of evaluation on importance of the store attributes; with 1 being very unimportant and 7 being very important. For clarity purpose, the symbols of Children World are in black whereas that for Wing On are in white. The detailed explanation of the abbreviations are in Figure 11.9. Through this two-dimensional chart, it is observed that in terms of store reliability, store goodwill, and service quality, the two stores are almost identical. Respondents consider merchandise quality to be very important and store promotion to be least important. An additional observation is that the two stores differentiate widely in terms of store image and facilities.

Figure 11.1 Perceptual Map of the General Respondents towards the Two Stores

- ◆ PLMQ ▲ PLMR + PLMD + PLMF ● PLSE × PLLA × PLAT ◆ PLFA ◆ PLLO □ PLAD ◆ PLGO × PLRE ○ PLIM × PLPR ◆ WOMQ □ WOMR ▲ WOMF
- + WOMB × WOSE ● WOLA × WOAT ◆ WOFA □ WOLO △ WOAD + WOGO × WORE ○ WOIM × WOPR



For the general respondents, because only a few variables are common to them all, the above analysis is only fundamental. However, for the other groups, more detailed analysis will be made.

11.5 The Employee Group

After having some observation of the general respondents, the author would like to take a look at the smaller sub-groups. The first one is the employee group. For the analysis of the Wing On employee group, it is divided into three parts. First of all, their demographic background will be inspected. Then their evaluations and beliefs will be examined. On the third part, discussion will be made on the perception of the strengths and weaknesses of the two competing stores.

11.5.1 The Demographic Background of the Wing On Employees

Owing to the purpose of the survey, the design of the employee questionnaire is somewhat different from that of the customer questionnaire (see sections 4.13 and 4.14). The demographic background in this questionnaire are mostly job related. From the data, it is found that that majority of the respondents are female (74.7%), it comes at no surprise that most retailing business have more female staff. Among the employees, about half (50.0%) of them are married. The age of the employees are mostly between 20-24 (38.9%), then followed by 25-29 (30.8%), and by 35-39 (12.4%). Regarding education level, the majority are senior secondary (53.8%), some are secondary technical (20.4%) and some are college graduate (18.3%). From these figures, the hierarchy of education level is clear. For the year of

employment with Wing On, some (27.0%) have been with the company for four years or more, the rest are evenly distributed among one, two, and three years. Respecting the position of the employee, the majority (69.1%) are sale personnel, then followed by clerical personnel (16.0%). In terms of salary, the majority

Table 11.4
Highlights of Demographic Data of the Employees

	Frequency	Percent
Sex		
Female	139	74.7
Marital status		
Married	93	50.0
Age of respondents		
20-24	72	38.9
Education level		
Senior secondary	100	53.8
Year of employment in Wing On		
Four years or more	50	27.0
Position in Wing On		
Sales personnel	125	69.1
Salary per month in Wing On		
Rmb400-599	93	50.8

(50.8%) are earning Renminbi 400-599 (US\$48-72) per month. By observing the demographic background of the employee, it is in most case hierarchical in nature and conformed to the structure of the company. Therefore even though there are only 186 respondents, but it may reflect the opinions of the 250 employees instead. Table 11.4 shows the highlights of the demographic background.

11.5.2 Perceptions of the Employees

The means of the evaluations and beliefs of the employees are shown in Table 11.5. On the whole, the employees seem to be quite demanding on evaluations because the highest average is 6.64 and the lowest average is 5.74 within the 7 point scale. At the same time, they seem to rate Wing On consistently low on beliefs when compared with Children World, because the highest and lowest ratings for Children World are 6.06 and 5.23 whereas those for Wing On are 5.94 and 4.61.

In terms of evaluations, the employees seem to rate store goodwill, merchandise quality, and service quality highly whereas they rate store atmosphere, merchandise display, and store facilities low. They consider Wing On's reliability, store goodwill and location are good; they also think that Children World has a more modern image, convenient location and good store facilities. Therefore, they have very clear ideas about Wing On itself and the competitor.

Table 11.5
Means of Evaluations and Beliefs of the Employees

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.53	2	5.26	13	5.02	8
Merchandise range MR	5.89	9	5.23	14	5.48	5
Merchandise fashion MF	6.21	6	5.35	12	5.24	7
Merchandise display MD	5.77	13	5.59	8	4.88	9
Service quality SE	6.51	3	5.38	11	5.34	6
Store layout LA	5.87	10	5.80	5	4.82	11
Store atmosphere AT	5.74	14	5.78	6	4.70	13
Store facilities FA	5.79	12	6.04	2	4.61	14
Store location LO	6.11	8	6.04	3	5.94	1
Store promotion AD	5.82	11	5.60	7	4.88	10
Store goodwill GO	6.64	1	5.44	10	5.62	3
Store reliability RE	6.45	4	5.56	9	5.74	2
Store image IM	6.43	5	6.06	1	4.81	12
Price PR	6.12	7	5.96	4	5.50	4

From Figure 11.2, it is observed that the employees have a wider range of evaluation and belief rating. They consider the service quality of Children World to be very competitive, almost identical with Wing On. At the same time, Wing On is lagging far behind in terms of store image and store facilities. From their point of view, Wing On is always a little bit inferior to their competitor for most attributes because the Wing On signs are almost always on the lower horizon of the map.

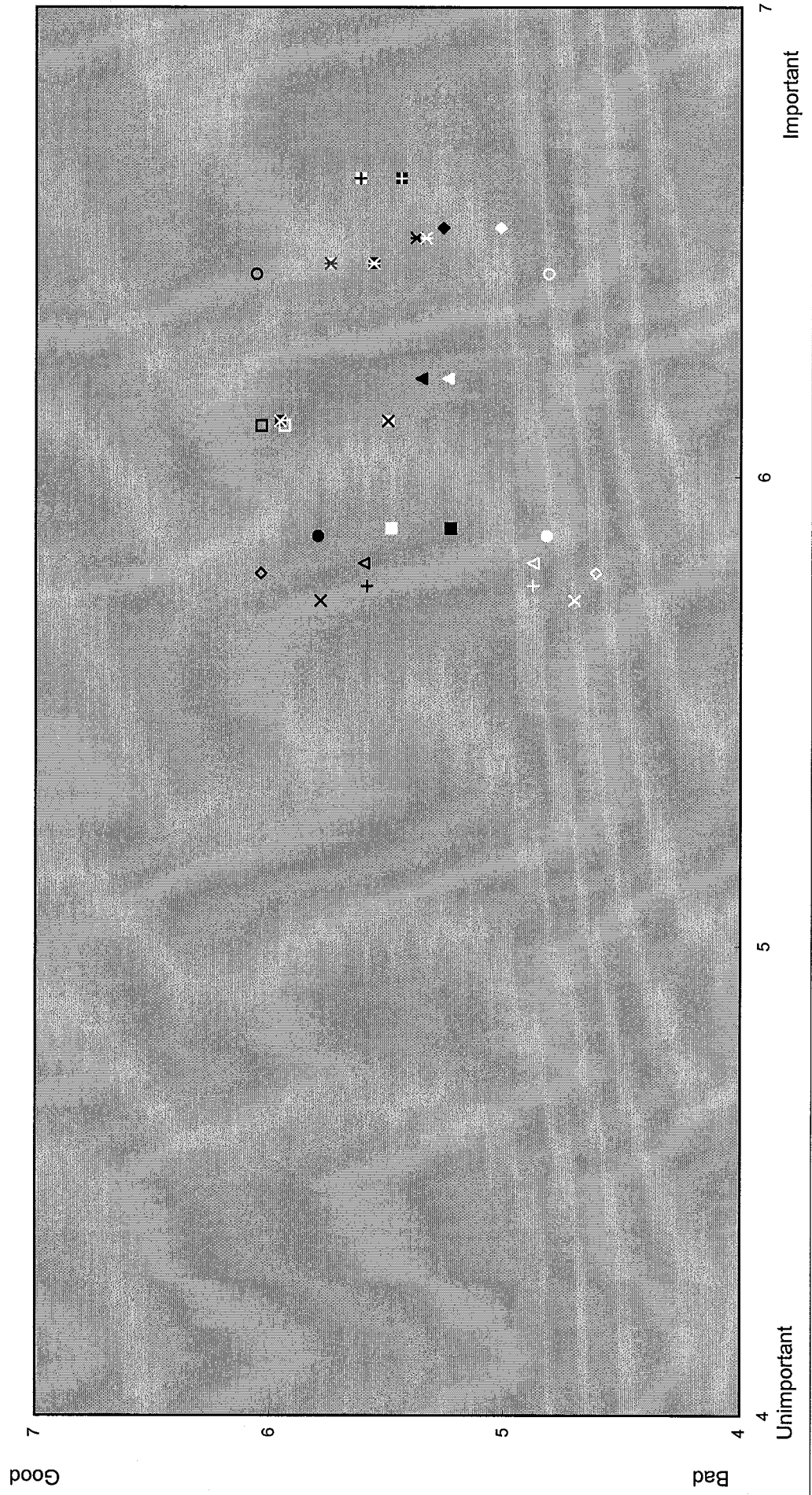
In the questionnaire, one of the questions asked the employees to write down the slogan of the company, and 173 (93%) of the respondents got it right. Therefore, they appear to understand the company slogan and mission very well.

11.5.3 Strengths and Weaknesses between the Two Competing Stores

To gain the victory in the arena, one should understand oneself and one's enemy. In order to have more insights about the competition, the employees are requested to write down, from their personal point of view, what are the strengths and weaknesses of the company and its competitor. They can fill up a maximum of four strengths and four weaknesses for both the company and its competitor. Altogether, a total of 424 strengths answers are recorded for Wing On and that for Children World are 417, with an average of 2.27 and 2.24 answers per respondent respectively. Regarding the weaknesses, a total of 336 answers are recorded for Wing On and 231 answers for Children World, with an average of 1.80 and 1.24 answers per respondent respectively. The reasons that the employees have detected

Figure 11.2 Perceptual Map of the Wing On Employees towards the Two Stores

◆ PLMQ ▲ PLMR + PLMF + PLMD × PLSE ● PLLA × PLAT ◇ PLAT ◇ PLFA □ PLLO □ PLLO △ PLAD ■ PLGO × PLRE ○ PLIM × PLPR ◆ WOMQ ■ WOMR ▲ WOMF
 + WOMB × WOSE ● WOLA × WOAT ◇ WOFA □ WOLO △ WOAD + WOGO × WORE ○ WOIM × WOPR



more weaknesses for Wing On than Children World might be because they know Wing On very well and, at the same time, they may not be able to observe the internal affairs of Children World. The employees pinpoint weaknesses for Wing On because they really want to see some improvement; this is one of the major advantages of an anonymous survey. Since all these answers are from open-ended questions, therefore the author has to re-compile all these answers under different categories in order to grasp the general ideas of the employees.

For the sake of comparison, the compiled answers are tabled side-by-side for both their strengths and weaknesses, so that a vivid picture can be observed. From the comparative results of strengths as shown in Table 11.6, on one hand, the top five strengths of Wing On are: Good merchandise range (20.0%), good service quality (17.9%), good store goodwill (14.2%), convenient location (13.0%), and plenty of recreational facilities (4.2%). On the other hand, the top five strengths of Children World are: Good purchase environment (15.1%), good shopping mall environment (12.9%), good service quality (12.5%), good facilities (7.0%), and luxurious decoration (6.7%). It seems that, from the employees' point of view, Wing On is good at merchandise, service, and goodwill whereas Children World is good at store environment.

Table 11.6
Strengths Comparison

	Children World		Wing On	
	Frequent	Percent	Frequent	Percent
Good display	23	5.5	7	1.7
Good shopping mall environment	54	12.9	6	1.4
Good service	47	11.3	76	17.9
Good purchase environment	63	15.1	13	3.1
Good store atmosphere	24	5.8	5	1.2
Elegant merchandise	2	0.5	3	0.7
Clean mall	1	0.2	2	0.5
Luxurious decoration	28	6.7	1	0.2
Good merchandise assortments	22	5.3	85	20.0
Good merchandise arr. & layout	10	2.4	10	2.4
Good goodwill	3	0.7	60	14.2
Convenient location	25	6.0	55	13.0
Good store promotion	11	2.6	9	2.1
Good merchandise quality	5	1.2	15	3.5
Plenty of recreational facilities	17	4.1	18	4.2
Good salary/fringe benefits	3	0.7	3	0.7
Good place for purchase, cater & ent	3	0.7	5	1.2
Good after sales service	2	0.5	10	2.4
Good merchandise fashion	6	1.4	6	1.4
Good store image	5	1.2	13	3.1
Modern	15	3.6	1	0.2
Good management	12	2.9	16	3.8
Good facilities	29	7.0	1	0.2
The right price	1	0.2	4	0.9
New feeling/something new	6	1.4	0	0

Regarding weaknesses, as shown in Table 11.7, Wing On is weak in poor ventilation (14.9%), old facilities (11.9%), poor shopping environment (8.9%), high price (8.6%), and poor merchandise display (8.0%). At the same time, Children World is weak in high price (35.1%), limited merchandise range (18.6%), poor service (9.5%), poor merchandise display (8.7%), and poor merchandise arrangement and layout (7.4%). Through the comparison, it is clear that Wing On is at an disadvantage of old and poor facilities and Children World should make some

improvement in merchandise range and service quality. This also reflects that as retail practitioners, they are very concerned about merchandise arrangement and store environment.

Table 11.7
Weaknesses Comparison

	Children World		Wing On	
	Frequent	Percent	Frequent	Percent
Poor ventilation	0	0	50	14.9
Poor merchandise display	20	8.7	27	8.0
Mediocre merchandise	7	3.0	11	3.3
No customer rest place	0	0	12	3.6
Merchandise variety limited	43	18.6	4	1.2
Poor advertising & promotion	6	2.6	17	5.1
High price	81	35.1	29	8.6
Lack modernisation	2	0.9	15	4.5
Mediocre/poor shopping environment	2	0.9	30	8.9
Poor merchandise arr & layout	17	7.4	15	4.5
Old and poor kitchen facilities	0	0	11	3.3
Poor merchandise quality	1	0.4	12	3.6
Mall too crowded	1	0.4	20	6.0
Poor service	22	9.5	26	7.7
Poor store image	7	3.0	8	2.4
Poor management (some aspect)	6	2.6	4	1.2
Individual trade mark not outstanding	2	0.9	2	0.6
Old/incomplete facilities	5	2.2	40	11.9
Poor store atmosphere	3	1.3	3	0.9
Lack merchandise knowledge	6	2.6	0	0

Thus, such an analysis helps us to understand a lot from the Wing On employees' point of view.

11.6 The Customer Group

After discussing about employee group, here the author would like to discuss the other side the of coin - the customer group. The employees are to serve customers,

and the customers make purchase of product through employees for the satisfaction of their consumption needs. The orientations of these two groups are different. Step by step, the author would like to analyse the demographic background, perceptions, and shopping behaviour of the customer group.

11.6.1 The Demographic Background of the Customers

Among the 433 customers, the majority of them are female (70.2%), this is the typical phenomenon of the children product industry and this also proves that systematic sampling method works. As about marital status, a great proportion of them are married (94.7%), this again demonstrates the special characteristic of children product industry. For the number of family members, the majority (87.9%) has only three members, only a small minority (5.7%) has four. This can reflect the general population trend in China. As regards the age of the child, children between the age of two and six years old account for a greater proportion (70%), so they are the right target market. Because, as mentioned in Chapter Six. The core market of Wing On is children between three and six (see subsection 6.5.3). The sex of the children are mostly girl (58.7%). The age of the respondents are between 25 to 39 (87.6%). They are mostly living in nearby districts (56.3%) whereas some are from neighbouring districts (30.0%). The education level is mostly senior secondary or above (94.9%). Their occupation background is a little bit diversified, some are professional (10.7%), some are managerial (25.1%), some are business and service personnel (18.8%), and some are general and service personnel (20.4%). For the financial aspect, most of them fall into the category of personal monthly income Renminbi 600-999 (US\$72-120) (46.6%) and with family monthly

Table 11.8
Highlights of Demographic Data of the Customer Group

	Frequency	Percent
Sex		
Female	304	70.2
Marital status		
Married	409	94.7
Number of family members		
3	372	87.9
Age of the youngest child at home		
4	90	21.1
Sex of the youngest child at home		
Female	230	58.7
Age of respondents		
30-34	160	37.4
District of residence		
Qiaokou district	94	21.9
Education level		
College graduates	128	29.6
Occupation		
Managerial personnel	108	25.1
Personal monthly income		
Rmb800-999	104	24.0
Family monthly income		
Rmb1000-1499	106	24.5

income between Renminbi 1000-1999 (US\$120-240) (47.4%). Therefore, this batch of customers are the typical children product customers. Table 11.8 highlights the demographic background.

11.6.2 Perceptions of the Customers

From Table 11.9, in terms of evaluations, customers place top importance on merchandise quality, service quality, and store image. To these customers, the least important issues are merchandise display, store atmosphere and store promotion. Regarding the beliefs toward Children World, they consider that the prices are quite high, the store is very modern and with good merchandise quality.

Table 11.9
Means of Evaluations and Beliefs of the Customer Group

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.49	1	5.73	3	5.67	1
Merchandise range MR	5.68	8	5.48	10	5.56	4
Merchandise fashion MF	5.77	7	5.50	7	5.44	7
Merchandise display MD	5.39	13	5.40	12	5.19	10
Service quality SE	6.14	2	5.38	13	5.45	6
Store layout LA	5.55	11	5.43	11	5.15	12
Store atmosphere AT	5.54	12	5.50	8	5.13	13
Store facilities FA	5.59	10	5.49	9	5.05	14
Store location LO	5.66	9	5.62	5	5.50	5
Store promotion AD	5.19	14	5.18	14	5.16	11
Store goodwill GO	6.04	5	5.61	6	5.59	3
Store reliability RE	6.05	4	5.63	4	5.59	2
Store image IM	6.07	3	5.80	2	5.38	8
Price PR	5.91	6	5.86	1	5.27	9

But they consider the merchandise display, service quality and store promotion of the store not so satisfactory. On the part of Wing On, customers appreciate its merchandise quality, store goodwill and reliability, but they think the store layout, store facilities and store atmosphere need some improvement.

By referring to the perceptual map in Figure 11.3, it is found that customers consider merchandise quality, service quality, store reliability, and store promotion of the two stores to be almost identical. On the whole, the distances between the corresponding attributes are quite short, this implies keen competition between the two stores.

11.6.3 Shopping Behaviour of the Customers

Apart from looking at the demographic background and perceptions of the customers, it is time to observe the shopping behaviour of the customers towards the two competing stores. The author is quite interested in the shopping trips the customers have in mind. Therefore, in the questionnaire, one question was used to ask about the stores the customers had visited and planned to visit on the interviewing day. It is found that, among the various department stores, both Wuhan Department Store and Wuhan Plaza are selected with top priority. Therefore, the customers of these two stores are mostly interchangeable because these two stores are side by side with each other. The other stores are New World Department Store and Liu Du Qiao Department Store. The selection of these two stores may partially be dependent on location proximity and demographic background. Table 11.10 shows the detailed number of visits. In most cases, people go to two or three department stores during a typical shopping trip. The number 1st, 2nd, etc. indicates the sequence the customers mentioned those stores.

Figure 11.3 Perceptual Map of the Customer Group towards the Two Stores

- ◆ PLMQ ▲ PLMR + PLMD * PLMF ● PLLA X PLTA ◊ PLFA □ PLLO △ PLLO Δ PLAD † PLGO * PLRE ○ PLIM X PLPR ◆ WOMQ □ WOMR ▲ WOMF
- + WQMD X WQSE ● WOLA X WOAT + WOFA □ WOLO △ WOAD + WOGO X WORE ○ WOIM X WOPR

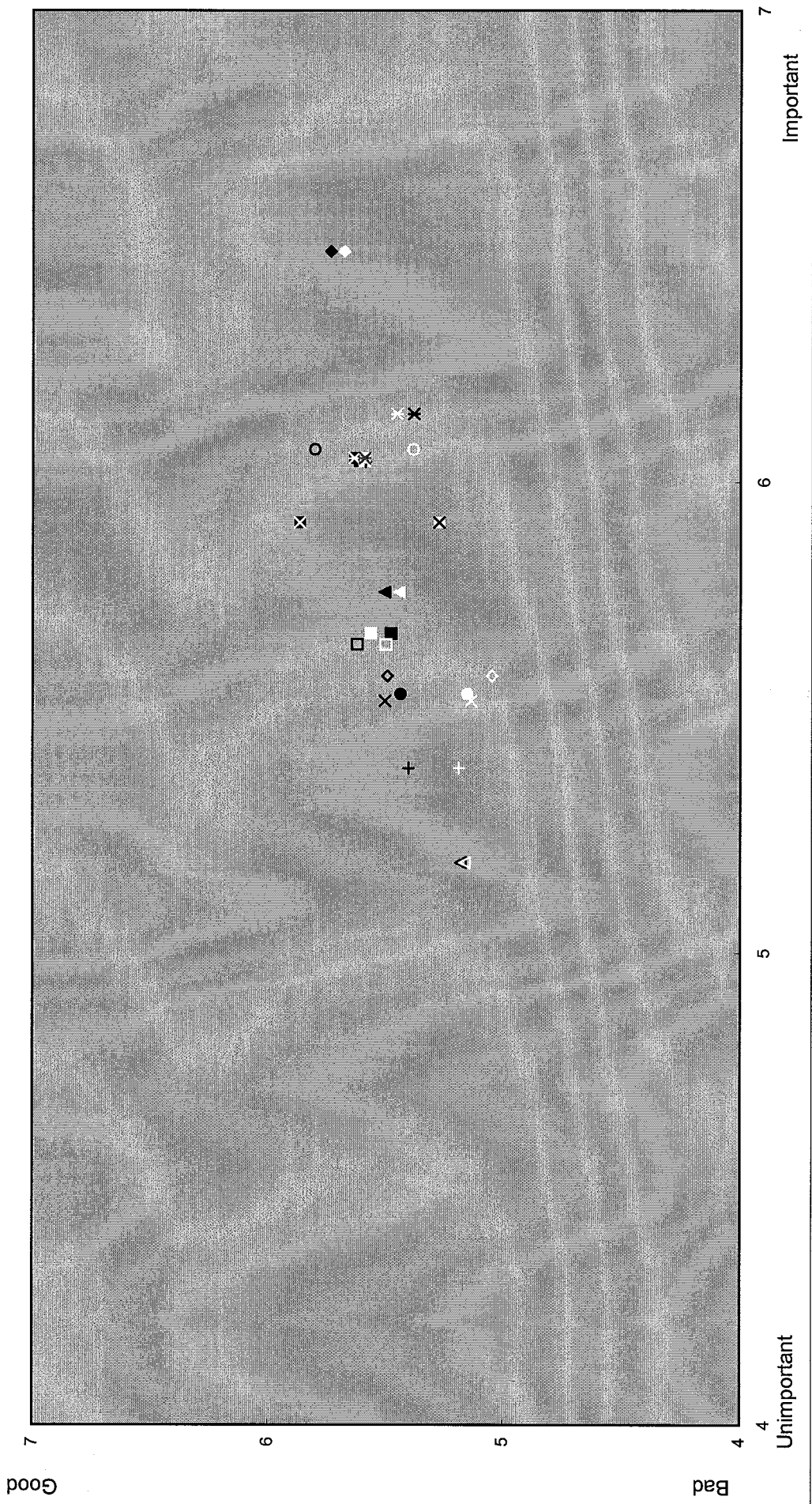


Table 11.10
Stores Visited or Planned to Visit on the Shopping Day

	1 st	2 nd	3 rd	4 th	Total
Wuhan Department Store	92	33	4	1	130
Wuhan Plaza	121	3	1	0	125
New World Department Store	62	16	3	0	81
Liu Du Qiao Department Store	36	25	8	0	69
Hankou Department Store	16	31	6	1	54
Hanyang Department Store	12	32	0	0	44
Wuhan Central Department Store	3	27	0	0	30
Shanghai Department Store	1	21	7	1	30
Li Ji Department Store	4	6	3	1	14
Others	5	1	0	1	7

Apart from store visit, it is the aim of the author to understand, generally speaking, what types of products are purchased from the two competing stores. So according to the result of the survey, Children World sells lots of toys, children clothing, shoes, and service of the Baby Paradise Club. Wing On sells more children clothing, toys, shoes, and stationery generally. It is observed that, from the result, Wing On is quite strong in children clothing and stationery, but weak in books and restaurant. It is also noted that the service of Baby Paradise Club may help the business of Children World a lot because it will not only attract more children to come to play but also make purchase of many products during the same shopping trip. Table 11.11 has all these figures.

Table 11.11
General Products Purchased from the Two Stores

	C W Purchase	W O Purchase
Infant products	42	48
Children clothing	190	281
Toys	206	205
Stationery	80	164
Shoes	133	174
Books	100	30
Amusement	64	63
Baby Paradise Club	142	n/a
Restaurant	92	56
Others	0	0

Regarding the reasons why they patronise the stores in such ways, another set of questions are asked. It is found that, according to Table 11.12, customers like Children World because of its shopping atmosphere, merchandise quality, merchandise assortments, and convenient location. The reasons for patronising Wing On are merchandise

Table 11.12
Reasons for Patronising the Two Store

	C W Reasons	W O Reasons
Low price	9	14
Reasonable price	41	102
Good quality	167	169
Good product assortments	157	170
Good product fashion/style	76	73
Good service	84	69
Good shopping atmosphere	214	61
Convenient location	130	112
Good company goodwill	60	86
Product guarantee	18	32
Feeling of security/reliable	5	9
Good advertising and promotion	13	13
Emotional liking	2	17
Others	20	31

assortments, merchandise quality, convenient location, and reasonable price. So apart from those three identical attributes, Children World is competing on shopping atmosphere and Wing On on reasonable price.

Another aspect of shopping behaviour are the purchase amount and frequency of store visit. The general purchase amount of the customers are within the range of Renminbi 100-200 (US\$12-24) per visit. However, customers make more purchase in Wing On, this may be due to the fact that the prices of Wing On are quite reasonable. For the frequency of store visit, in most case, it is once a month for each store. Tables 11.13 and 11.14 have all these figures.

Table 11.13
General Amount of Expenditure Spent in Store Each Time

	C W Expenditure	W O Expenditure
Less Rmb50	24	22
Rmb50-99	54	49
Rmb100-149	177	159
Rmb150-199	87	129
Rmb200-249	45	47
Rmb250-299	18	10
Rmb300-349	19	9
Rmb350-399	4	1
Rmb400 or above	5	2

Table 11.14
General Frequency of Store Visit

	C W Patronage	W O Patronage
Once every four months	18	19
Once every three months	41	29
Once every two months	81	79
Once a month	143	177
Twice a month	77	82
Three times a month	37	20
Four times or more a month	35	22

11.7 The Children World Customer Group

After we have some ideas about what the general customers look like, it is time to narrow down the scope to focus on the customers of Children World only. As a matter of fact, they are just the subset of the customer group, it is for the purpose of more detailed examination that they are drawn out as a group. This group of customer is labelled as Children World customer group because they had just finished shopping from the Children World and were being interviewed on the interviewing day through the systematic sampling method. There should be some reasons why they happened to be there. For this group of customers, we will again look at their demographic background, perceptions, and shopping behaviour.

11.7.1 The Demographic Background of the Children World Customers

Among these 217 customers, the majority (74.2%) are female, and the overwhelming majority (92.6%) are married. Most of them (81.9%) are in the three persons family and the age of their children are mostly within the range of three to

seven (67.7%) and the sex of the children are almost the same, with female (51.5%) a little bit higher. The age of the customers are mostly around 25-39 (84.6%) and the majority (65.6%) are living within close proximity of Jiangan, Jiangnan and Qiaokou Districts. Most of the customers are with the education level above senior secondary (97.2%), there are lots of professionals and managerial personnel (47.9%) among the customers. Their personal monthly income is between Renminbi 800-1499 (US\$96-180) (52.6%) and their family income is quite high too, within the range of Renminbi 1500-2499 (US\$180-300) (47.4%). This batch of customers seems to be wealthy and at middle age. Highlights of the demographic data are in Table 11.15.

11.7.2 Perceptions of the Children World Customers

For this group of customers, they place great importance on merchandise quality, service quality and store image. All these three evaluations are above the rating point of 6. On the other hand, they place least importance on store promotion, merchandise display and store location. Regarding the beliefs towards Children World, they consider that the store has high price products, with good merchandise quality and modern store image. But they think that the store promotion, service quality, and store layout of Children World may not be that good. As for Wing On, they appreciate the good merchandise quality, store goodwill, and store reliability, but feel that the store layout, store atmosphere and store facilities are not so good. Therefore, the contrast is mostly on the store environment and image, and that both stores are quite competitive in merchandise quality. Table 11.16 has more figures to illustrate.

Table 11.15
Highlights of Demographic Data of Children World Customers

	Frequency	Percent
Sex		
Female	161	74.2
Marital status		
Married	200	92.2
Number of family members		
3	176	81.9
Age of the youngest child at home		
4	37	17.3
Sex of the youngest child at home		
Female	101	51.5
Age of respondents		
30-34	80	37.4
District of residence		
Jiangan District	53	24.7
Education level		
College graduate	94	43.3
Occupation		
Managerial personnel	70	32.6
Personal monthly income		
Rmb800-999	61	28.1
Family monthly income		
Rmb2000-2499	54	24.9

Table 11.16
Means of Evaluations and Beliefs of Children World Customers

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.7	1	5.54	2	5.41	1
Merchandise range MR	5.49	8	5.28	6	5.16	4
Merchandise fashion MF	5.66	7	5.19	9	5.03	5
Merchandise display MD	4.97	13	5.10	11	4.95	6
Service quality SE	6.17	2	4.81	13	4.60	11
Store layout LA	5.31	11	5.06	12	4.54	14
Store atmosphere AT	5.35	10	5.23	8	4.55	13
Store facilities FA	5.39	9	5.28	7	4.58	12
Store location LO	5.13	12	5.11	10	4.89	9
Store promotion AD	4.88	14	4.53	14	4.82	10
Store goodwill GO	6.06	5	5.33	5	5.28	3
Store reliability RE	6.08	4	5.36	4	5.31	2
Store image IM	6.09	3	5.52	3	4.94	7
Price PR	5.69	6	5.84	1	4.93	8

Referring to the perceptual map, it is found that evaluations of the Children World customers scatters widely. The range of evaluations are from 6.7 to 4.88. There are differences in the various attributes, but quite small. The store reliability and store goodwill attributes are almost identical that customers have equal faith in both stores. Again, merchandise quality is quite important to this batch of customers. Figure 11.4 shows all these signs.

11.7.3 Shopping Behaviour of the Children World Customers

In terms of shopping trips, it is found that, the majority had visited or planned to visit the Wuhan Department Store, whilst the other stores they have in mind are the New World Department Store, Liu Du Qiao Department Store and Hankou Department Store. In most cases, the shopping trip is confined to two stores. Table 11.17 has the figures.

Figure 11.4 Perceptual Map of the Children World Customers towards the Two Stores

- ◆ PLMQ ■ PLMR ▲ PLMF + PLMD X PLMF ● PLSE X PLSE ● PLLO □ PLFA ◆ PLFA ◆ PLLO ▲ PLAD ▲ PLAD ◆ PLGO X PLRE ○ PLIM X PLPR ◆ WOMQ □ WOMR ▲ WOMF
- + WQMD X WQSE ● WOLA X WOAT ◆ WOAT ◆ WOFA □ WOFA □ WOAD + WOAD + WOGO X WORE ○ WQIM X WOPR

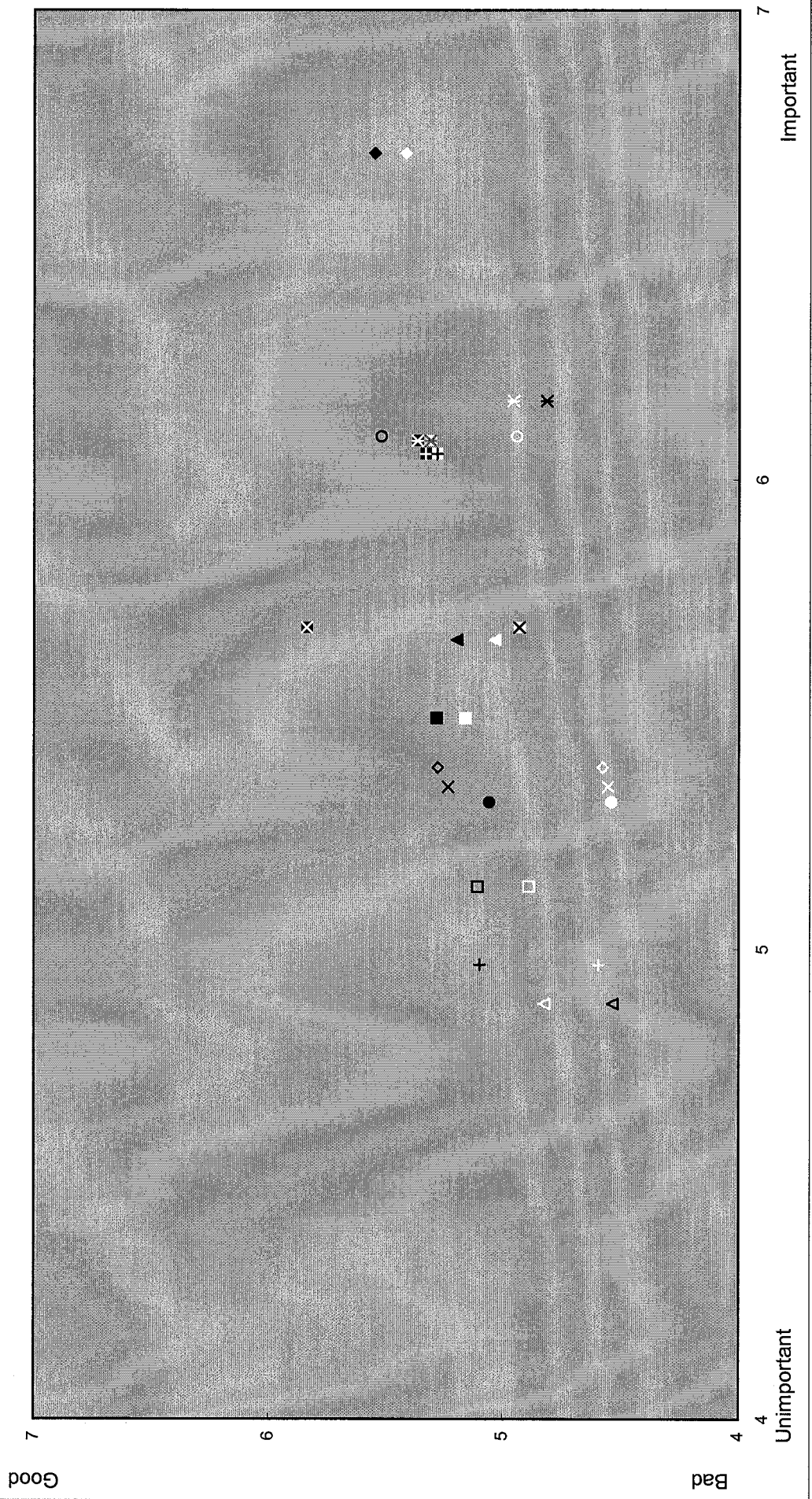


Table 11.17
Stores Visited or Planned to Visit on the Shopping Day

	1 st	2 nd	3 rd	4 th	Total
Wuhan Department Store	92	33	4	1	130
New World Department Store	23	11	3	0	37
Liu Du Qiao Department Store	13	19	8	0	40
Hankou Department Store	10	14	5	1	30
Hanyang Department Store	8	4	0	0	12
Wuhan Central Department Store	1	1	0	0	2
Shanghai Department Store	1	6	6	1	14
Li Ji Department Store	4	5	2	1	12
Others	5	1	0	0	6

By investigating the products they generally purchase from each store, it is found that Baby Paradise Club is the major attraction, and they also make purchase of toys, children clothing, and patronising the restaurant of Children World. Therefore, it is inferred that they come for fun and for purchase. For Wing On, these customers generally make purchase of children clothing, toys, stationery, and shoes. They have in mind where is the right place to purchase which things. From the figures, Wing On is still quite strong in children clothing and toys, even though it is being caught up by Children World. The reasons the customers patronise Children World are because of the shopping atmosphere, merchandise range, convenient location and merchandise quality. At the same time, they like Wing On because Wing On is good at merchandise range, merchandise quality, convenient location and reasonable price. Therefore, shopping atmosphere and reasonable price differentiate Children World from Wing On a little bit, other conditions are almost identical. Tables 11.18 and 11.19 show more detailed figures.

Table 11.18
General Products Purchased from the Two Stores

	C W Purchase	W O Purchase
Infant products	18	30
Children clothing	107	147
Toys	117	130
Stationery	53	73
Shoes	45	73
Books	29	19
Amusement	41	33
Baby Paradise Club	133	n/a
Restaurant	80	47
Others	0	0

Table 11.19
Reasons for Patronising the Two Stores

	C W Reasons	W O Reasons
Low price	0	8
Reasonable price	4	65
Good quality	87	78
Good product assortments	98	100
Good product fashion/style	29	14
Good service	19	6
Good shopping atmosphere	151	6
Convenient location	91	77
Good company goodwill	38	54
Product guarantee	12	26
Feeling of security/reliable	2	8
Good advertising and promotion	6	10
Emotional liking	2	13
Others	20	31

As for the purchase amount and frequency of store visit, the customers generally spend Renminbi 100-149 (US\$12-18) each time, but they seem to make more purchase in Wing On than in Children World. Another observation is that, a few big spenders spend quite a big amount (around Renminbi 350 (US\$42) or above) in Children Word each time, but that is not the case for Wing On. Regarding the frequency of store visit, they generally like to shop in the two stores very much. In

most case, at least once a month. This may be due to the geographical proximity and ease of product substitution between the two stores. Tables 11.20 and 11.21 have more illustrations.

Table 11.20
General Amount of Expenditure Spent in Store Each Time

	C W Expenditure	W O Expenditure
Less Rmb50	8	19
Rmb50-99	43	36
Rmb100-149	58	58
Rmb150-199	31	48
Rmb200-249	38	39
Rmb250-299	15	5
Rmb300-349	18	6
Rmb350-399	3	1
Rmb400 or above	3	0

Table 11.21
General Frequency of Store Visit

	C W Patronage	W O Patronage
Once every four months	10	15
Once every three months	9	13
Once every two months	22	27
Once a month	59	84
Twice a month	54	45
Three times a month	34	15
Four times or more a month	28	13

11.8 *The Wing On Customer Group*

After analysing the group that were interviewed at the exit of Children World, it is time to take a look at the other group, the customers that were interviewed at the exit of Wing On. There are altogether 216 respondents. Since they had made purchase from Wing On, the author would like to investigate why they shop and

how they shop. Here, the examination will be done by first analysing their demographic background, then perceptions and ultimately shopping behaviour.

11.8.1 The Demographic Background of the Wing On Customers

Among the interviewed customers, more than half of them are female (66.2%), and that the majority of them (96.8%) are married. Once again, it is verified that the basic characteristics of children products customers are both married and female. To this customers, they are mostly from the three member family (94.2%). For them, the sex of the child is mostly female (65.8%) and that the children are mostly within the range of two to six years old (74.6%). Such age group is within the target of Wing On's core customer (see subsection 6.5.3). For the age of the respondents, they are mostly around 25-39 (90.7%) and it is found that some customers are from the close by Jiangnan and Qiaokou Districts (43.2%), others are from neighbouring Hanyang and Wuchang Districts (37.2%). The majority (59.7%) are of senior secondary or secondary technical education levels and some others (33.8%) are of college and university graduate levels. Their professions are mostly in business service and general clerical categories (49.5%). The personal monthly income is within the range of Renminbi 400-999 (US\$48-120) (83.8%) and monthly family income between Renminbi 800-1999 (US\$96-240) (70.4%). Therefore, it is observed that, for this batch of customers, some of them are from the neighbouring districts, less professional and with lower personal and monthly income. Table 11.22 has the highlights of the demographic data.

Table 11.22
Highlights of Demographic Data of Wing On Customers

	Frequency	Percent
Sex		
Female	143	66.2
Marital status		
Married	209	96.8
Number of family members		
3	196	94.2
Age of the youngest child at home		
4	53	24.9
Sex of the youngest child at home		
Female	129	65.8
Age of respondents		
30-34	80	37.4
District of residence		
Qiaokou District	56	26.0
Education level		
Senior secondary	105	48.6
Occupation		
General and clerical personnel	59	27.3
Personal monthly income		
Rmb600-799	66	30.6
Family monthly income		
Rmb1000-1499	72	33.3

11.8.2 Perceptions of the Wing On Customers

For the evaluations of the Wing On customers, they place top importance on merchandise quality, store location and price, and least importance on store promotion, store atmosphere and store layout. It seems that they are care less about

store environment than merchandise quality, convenient location, and price. In terms of beliefs, they appreciate the convenient location, modern image and service quality of Children World but find the merchandise range, store facilities, and merchandise display not so satisfactory. As for Wing On, they appreciate its convenient location, merchandise range, and service quality. At the same time, they find the price of Wing On to be reasonable, but the store facilities and store promotion are not that acceptable. More detailed data are tabulated in Table 11.23.

Table 11.23
Means of Evaluations and Beliefs of Wing On Customers

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.28	1	5.92	4	5.94	4
Merchandise range MR	5.87	9	5.67	14	5.96	2
Merchandise fashion MF	5.88	8	5.81	10	5.85	7
Merchandise display MD	5.82	10	5.71	12	5.78	9
Service quality SE	6.12	4	5.94	3	5.94	3
Store layout LA	5.79	12	5.81	9	5.76	10
Store atmosphere AT	5.73	13	5.77	11	5.72	11
Store facilities FA	5.79	11	5.70	13	5.52	13
Store location LO	6.28	2	6.13	1	6.11	1
Store promotion AD	5.50	14	5.83	8	5.50	14
Store goodwill GO	6.03	6	5.90	6	5.90	5
Store reliability RE	6.02	7	5.91	5	5.87	6
Store image IM	6.05	5	6.08	2	5.83	8
Price PR	6.14	3	5.89	7	5.61	12

By referring to the perceptual map, it is observed that all attributes in terms of evaluations and beliefs are concentrated around rating 6. Sometimes, the attributes are so alike that they almost duplicate. Thus shows that the preference towards the two stores is not differentiated greatly and that substitution might be occurred. At the same time, this may imply that in case the Children World has something special

to offer, it might attract this batch of customers to shift to Children World. Figure 11.5 demonstrates the actual phenomenon.

11.8.3 Shopping Behaviour of the Wing On Customers

Among the 216 Wing On customers, more than half of them had visited or planned to visit the Wuhan Plaza; therefore, Wuhan Plaza is a attractive store which is worthwhile to visit. Other stores they have in mind are New World Department Store and Hanyang Department Store. To the majority, the trip for two stores is more than enough. Table 11.24 shows the details.

Table 11.24
Stores Visited or Planned to Visit on the Shopping Day

	1 st	2 nd	3 rd	4 th	Total
Wuhan Plaza	121	3	1	0	125
New World Department Store	39	5	0	0	44
Liu Du Qiao Department Store	23	6	0	0	29
Hankou Department Store	6	17	1	0	24
Hanyang Department Store	4	28	0	0	32
Wuhan Central Department Store	2	26	0	0	28
Shanghai Department Store	15	1	0	0	16
Li Ji Department Store	0	1	1	0	2
Others	0	0	0	1	1

In terms of products purchase from Children World, they generally make purchase of toys, shoes, children clothing, books and seldom play in the Baby Paradise Club. To shop in Wing On, they generally make purchase of children clothing, shoes, stationery, and toys. So the sales of children clothing and shoes are the strengths of Wing On. The reasons that they prefer to make purchase in Children World are because of its merchandise quality, service quality, store atmosphere, and

merchandise range. The reasons for patronising Wing On are because of merchandise quality, merchandise range, service quality, and merchandise fashion. Therefore, in case the merchandise are identical in the two stores, store atmosphere will most properly attract more customers to Children World. Tables 11.25 and 11.26 listed detailed figures for comparison purpose.

Table 11.25
General Products Purchased from the Two Stores

	C W Purchase	W O Purchase
Infant products	24	18
Children clothing	83	134
Toys	89	75
Stationery	27	91
Shoes	88	101
Books	71	11
Amusement	23	30
Baby Paradise Club	9	n/a
Restaurant	12	9
Others	0	0

Table 11.26
Reasons for Patronising the Two Stores

	C W Reasons	W O Reasons
Low price	9	4
Reasonable price	37	37
Good quality	80	91
Good product assortments	59	70
Good product fashion/style	47	59
Good service	65	63
Good shopping atmosphere	63	55
Convenient location	39	35
Good company goodwill	22	32
Product guarantee	6	6
Feeling of security/reliable	3	2
Good advertising and promotion	7	3
Emotional liking	0	4
Others	0	0

For the average purchase amount each time, it is found that they are mostly within the range of Renminbi 100-149 (US\$12-16) for both stores. Thereafter, Wing On gains more sales at higher spending. This may be because they make more purchase at Wing On, which they believe that the price is quite acceptable. As for the frequency of store visit, the majority come to the two stores once a month. For others, they may come once every two months. This might be due to the fact that some of them are living in the neighbouring districts that they may not be able to come so often. Tables 11.27 and 11.28 show the related figures. From all the above tables, it is observed that in the minds of Wing On customers, the position of Children World is quite competitive. That might be the reason why Wing On treats Children World as the major competitor (see section 8.9).

Table 11.27
General Amount of Expenditure Spent in Store Each Time

	C W Expenditure	W O Expenditure
Less Rmb50	16	3
Rmb50-99	11	13
Rmb100-149	119	101
Rmb150-199	56	81
Rmb200-249	7	8
Rmb250-299	3	5
Rmb300-349	1	3
Rmb350-399	1	0
Rmb400 or above	2	2

Table 11.28
General Frequency of Store Visit

	C W Patronage	W O Patronage
Once every four months	8	4
Once every three months	32	16
Once every two months	59	52
Once a month	84	93
Twice a month	23	37
Three times a month	3	5
Four times or more a month	7	9

11.9 The Frequent Customers

For the last two sections, analysis is done with the customer groups based on the store which they had just patronised. For those two groups of customers, they may go shopping in Wing On or Children World all the time or they may go there occasionally, but they just happened to be interviewed at the exit of the stores. Here in this section, the analysis of the customers will be concentrated on another characteristic, the frequency of their store visit. In order to find the customer group which goes shopping frequently, the criterion is established that they should have to go shopping in both Wing On and Children World at least once every month. With frequency as a criterion, it is hoped to find out their general ways of shopping in due course.

11.9.1. The Demographic Background of the Frequent Customers

There are altogether 433 customers, with the criterion of go shopping in both Wing On and Children World at least once a month, only 252 customers meet such condition. Among this frequent customer group, 107 of the them are from Wing On customer group and 145 of them are from Children World customer group.

Therefore, the first step is to examine the demographic background of this group of frequent customers.

Among these 252 customers, the majority (68.3%) are female, and the overwhelming majority (94.8%) are married. As for number of family member, three (87.0%) is the mode. The children are mostly within the range of 4 to 7 years old (62.0%) and the sex of the children is mostly female (52.4%). Most of the customers are within the age of 25-39 (88.4%), the majority are living in nearby districts (61.4%) and some are from neighbouring districts (26.7%). Their education level is a bit above average, mostly up to college and university graduate level (57.9%). Some are in managerial position or above (40.1%) and others are in general clerical position (48.0%). About half of the customers (48.8%) are earning Renminbi 800-1499 (US\$100-168) per month and their family income is mostly between Renminbi 1000-2499 (US\$120-300) (65.4%). Therefore, about one half of these frequent customers are the intellectuals and high income group. Table 11.29 has some highlights of the background of this group of customers.

11.9.2 Perceptions of the Frequent Customers

For the evaluations of the frequent customers, they rank merchandise quality, service quality, and store image to be important, and that store promotion, store atmosphere, and merchandise display may not be that important. Regarding beliefs towards Children World, they consider the price to be high, the store image is modern and the merchandise quality is fine; but they find the store promotion, store layout and service quality not satisfactory. Referring to Wing On, they like the

merchandise quality, store goodwill, and store reliability of Wing On, but are unhappy with the store layout, store atmosphere, and store facilities of same. Table 11.30 has some more details.

Table 11.29
Highlights of Demographic Data of the Frequent Customers

	Frequency	Percent
Sex		
Female	172	68.3
Marital status		
Married	239	94.8
Number of family members		
3	215	87.0
Age of the youngest child at home		
4	56	22.4
Sex of the youngest child at home		
Female	118	52.4
Age of respondents		
30-34	96	38.2
District of residence		
Qiaokou District	60	23.9
Education level		
College graduate	79	31.3
Occupation		
General and clerical personnel	58	23.0
Personal monthly income		
Rmb800-999	66	26.2
Family monthly income		
Rmb1500-1999	59	23.4

Table 11.30
Means of Evaluations and Beliefs of the Frequent Customers

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.64	1	5.79	3	5.76	1
Merchandise range MR	5.78	8	5.50	8	5.63	4
Merchandise fashion MF	5.83	7	5.52	7	5.49	5
Merchandise display MD	5.49	13	5.42	11	5.16	10
Service quality SE	6.24	2	5.30	13	5.45	7
Store layout LA	5.60	10	5.49	12	5.08	12
Store atmosphere AT	5.45	12	5.47	9	5.06	13
Store facilities FA	5.59	11	5.45	10	5.02	14
Store location LO	5.65	9	5.62	6	5.47	6
Store promotion AD	5.13	14	5.08	14	5.16	11
Store goodwill GO	6.16	5	5.65	4	5.67	3
Store reliability RE	6.17	4	5.63	5	5.67	2
Store image IM	6.19	3	5.80	2	5.39	8
Price PR	5.89	6	5.89	1	5.19	9

From the perceptual map of Figure 11.6, it is observed that their rating of evaluation is wider than that of belief. However, in most case, Wing On is lower in the rating of belief than Children World. This also implies that Children World outperforms Wing On a little bit in some aspects (see section 10.5).

11.9.3 Shopping Behaviour of the Frequent Customers

Among these 252 frequent customers, they like to shop in both Children World and Wing On very much, especially both stores are side by side and within easy access. In most case, they pay visits to the two stores at the same time. Apart from these two stores, they may occasionally pay visit to New World Department Store, Liu Du Qiao Department Store, Hankou Department Store, etc. Generally speaking, the two store shopping trip is quite popular. Table 11.31 shows the data of store visit.

Figure 11.6 Perceptual Map of the Frequent Customer Group towards the Two Stores

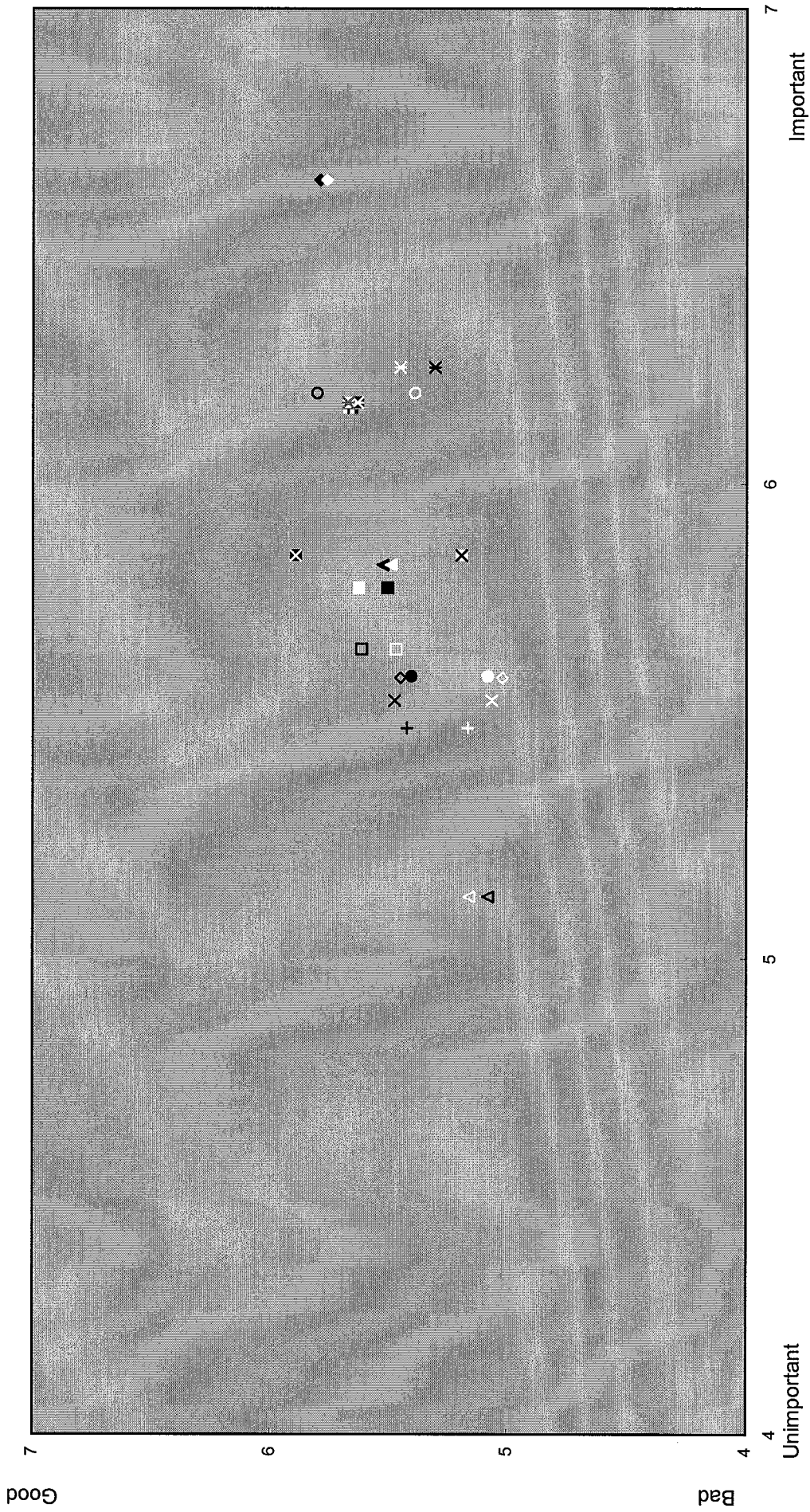


Table 11.31
Stores Visited or Planned to Visit on the Shopping Day

	1 st	2 nd	3 rd	4 th	Total
Wuhan Department Store	71	21	3	1	96
Wuhan Plaza	53	0	0	0	53
New World Department Store	36	9	2	0	47
Liu Du Qiao Department Store	22	18	3	0	43
Hankou Department Store	12	22	5	1	40
Hanyang Department Store	5	22	0	0	27
Wuhan Central Department Store	0	19	0	0	19
Shanghai Department Store	1	17	4	1	23
Li Ji Department Store	2	5	3	0	10
Others	1	1	0	1	3

Regarding the purchase of products, they usually purchase toys, children clothing, shoes from Children World. Also, Baby Paradise Club is a main attraction. At the same time, they like to make purchase of children clothing, toys, shoes, and stationery from Wing On. It seems that Wing On is relative strong in stationery. For the reasons of patronising the two stores, they consider Children World to be good at store atmosphere, merchandise quality, merchandise assortment, and convenient location and Wing On to be good at merchandise quality, merchandise assortment, reasonable price, and convenient location. So store atmosphere and reasonable price are the competing edges for Children World and Wing On respectively. Tables 11.32 and 11.33 have more details.

Table 11.32
General Products Purchased from the Two Stores

	C W Purchase	W O Purchase
Infant products	21	25
Children clothing	113	178
Toys	128	124
Stationery	47	94
Shoes	79	110
Books	50	16
Amusement	40	44
Baby Paradise Club	99	n/a
Restaurant	55	40
Others	0	0

Table 11.33
Reasons for Patronising the Two Stores

	C W Reasons	W O Reasons
Low price	3	9
Reasonable price	15	70
Good quality	113	118
Good product assortments	105	108
Good product fashion/style	48	44
Good service	39	39
Good shopping atmosphere	139	28
Convenient location	84	70
Good company goodwill	38	58
Product guarantee	15	21
Feeling of security/reliable	2	3
Good advertising and promotion	5	5
Emotional liking	1	11
Others	9	13

Regarding the purchase amount, their consumption in the two stores is quite consistent by spending mostly Renminbi 100-149 (US\$12-18) each time. At the same time, their frequency of store visit is also quite consistent too, by visiting each of the two stores at least once a month. By reviewing the products purchased, amount purchased and frequency of store visit, it is observed they know how to shop

for the best between the two stores. Tables 11.34 and 11.35 have more figures about these aspects.

Table 11.34
General Amount of Expenditure Spent in Store Each Time

	C W Expenditure	W O Expenditure
Less Rmb50	9	10
Rmb50-99	25	27
Rmb100-149	103	91
Rmb150-199	49	73
Rmb200-249	34	36
Rmb250-299	14	8
Rmb300-349	15	6
Rmb350-399	1	0
Rmb400 or above	2	1

Table 11.35
General Frequency of Store Visit

	C W Patronage	W O Patronage
Once every four months	n/a	n/a
Once every three months	n/a	n/a
Once every two months	n/a	n/a
Once a month	127	140
Twice a month	66	73
Three times a month	30	17
Four times or more a month	29	22

11.10 *The Infrequent Customers*

After the shopping behaviour of the frequent customers are investigated, it is time to take a look of the other side of the coin by examining the infrequent customers. By definition, the infrequent customers are those persons who do not go shopping in both Children World and Wing On at least once a month. Thus it may be possible that one customer may be very familiar with one store and not equally familiar with

the other store. Therefore, the characteristic of the infrequent customers is that they do not visit both stores at least once a month and they may not be familiar with the conditions of both stores simultaneously. There are altogether 181 customers in this group, within which 109 of them are from the Wing On customer group and 72 of them are from the Children World customer group.

11.10.1 The Demographic Background of the Infrequent Customers

According to the data from the survey, the infrequent customers are mostly female (72.9%), married (94.4%) and in three member family (89.2%). The age of the children are generally between two and six (73.4%) and mostly female (67.1%). The age of the customers are mostly within the range of 25-39 (86.5%). For the district of residence, about half (49.2%) are living in nearby districts and some in neighbouring districts (34.6%). The majority (92.3%) are with senior secondary education or above. Regarding occupation, there are professionals (41.9%) and general and clerical personnel (45.3%). Their personal monthly income is a bit lower, between Renminbi 400-999 (US\$48-120) (70.1%) whereas their family monthly income is around Renminbi 1000-2499 (US\$120-300) (66.3%). Table 11.36 has the highlights of the demographic background.

11.10.2 Perceptions of the Infrequent Customers

In terms of evaluation, this group of customers seems to be a bit price sensitive, as they rate price quite high. Other evaluations they rate high are merchandise quality and service quality. The evaluations they rate low are merchandise display, store

Table 11.36
Highlights of Demographic Data of the Infrequent Customers

	Frequency	Percent
Sex		
Female	132	72.9
Marital status		
Married	170	94.4
Number of family members		
3	157	89.2
Age of the youngest child at home		
4	34	19.2
Sex of the youngest child at home		
Female	112	67.1
Age of respondents		
30-34	64	72.3
District of residence		
Hanyang District	36	20.1
Education level		
College graduate	49	27.1
Occupation		
Managerial personnel	51	28.5
Personal monthly income		
Rmb600-900	47	26.0
Family monthly income		
Rmb1000-1499	53	29.3

layout, and store promotion. Regarding beliefs towards Children World, they are aware of its high price, modern image and merchandise quality. At the same time, they may be unhappy about the store promotion, merchandise display, and merchandise range. As for Wing On, they enjoy the merchandise quality, store

location and merchandise range but consider that the merchandise display, store facilities, and store promotion not that satisfactory. Table 11.37 lists the data in details.

Table 11.37
Means of Evaluations and Beliefs of the Infrequent Customers

	Evaluation	Rank	C W belief	Rank	W O belief	Rank
Merchandise quality MQ	6.28	1	5.66	3	5.55	1
Merchandise range MR	5.54	10	5.44	12	5.47	3
Merchandise fashion MF	5.68	7	5.47	11	5.37	8
Merchandise display MD	5.27	14	5.37	13	5.22	12
Service quality SE	6.01	3	5.48	9	5.45	6
Store layout LA	5.49	12	5.48	10	5.26	10
Store atmosphere AT	5.52	11	5.54	8	5.23	11
Store facilities FA	5.59	9	5.55	7	5.08	14
Store location LO	5.60	8	5.63	5	5.54	2
Store promotion AD	5.28	13	5.32	14	5.17	13
Store goodwill GO	5.88	6	5.56	6	5.47	5
Store reliability RE	5.88	5	5.64	4	5.47	4
Store image IM	5.90	4	5.80	2	5.37	9
Price PR	6.01	2	5.83	1	5.38	7

Referring to the perceptual map in Figure 11.7, it is observed that the width of both evaluation and belief ratings are narrow, and the difference between most attributes are quite narrow too. From their point of view, these two competing stores look alike. However, they still rate Wing On a bit weaker than Children World in some aspects.

11.10.3 Shopping Behaviour of the Infrequent Customers

For this group of infrequent customers, Wuhan Department Store and Wuhan Plaza are still their favourable choice. Other stores they visited or planned to visit are New World Department Store and Liu Du Qiao Department Store. Their shopping trips are mostly two stores only. Table 11.38 gives more details.

Figure 11.7 Perceptual Map of the Infrequent Customer Group towards the Two Stores

- ◆ PLMQ ■ PLMR ▲ PLMF + PLMD × PLAT × PLIA ● PLSE × PLSE
- + WOMB × WOSE ● WOLA × WOAT □ WOFA △ WOLO △ WOAD + WOGO
- × WOPR ○ WOIM × WOIP □ PLAD △ PLLO □ PLFA × PLAT
- ◆ PLGO × PLRE ○ PLIM × PLPR ◆ WOMQ □ WOMR ▲ WOMF

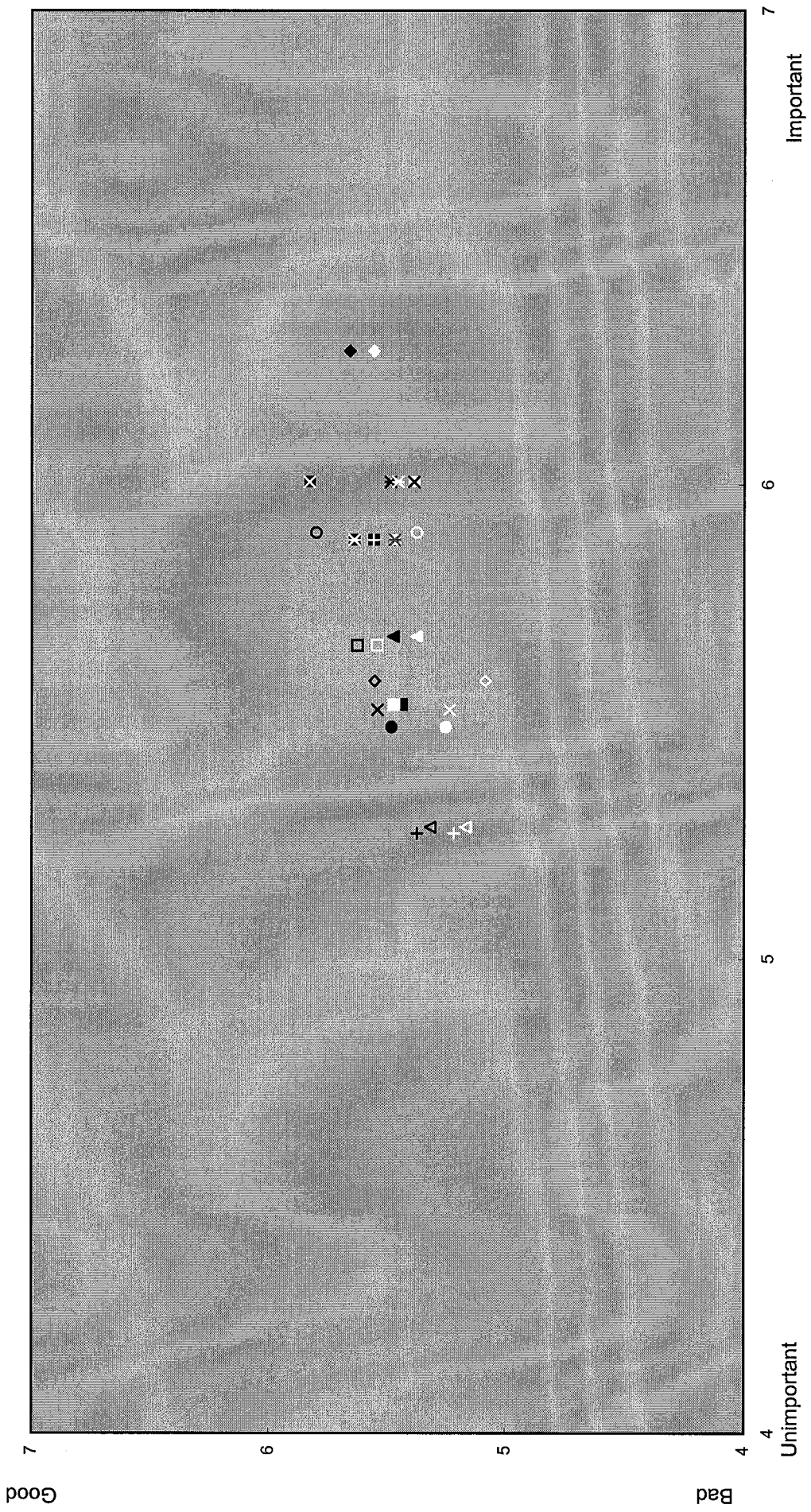


Table 11.38
Stores Visited or Planned to Visit on the Shopping Day

	1 st	2 nd	3 rd	4 th	Total
Wuhan Department Store	21	12	1	0	34
Wuhan Plaza	68	3	1	0	72
New World Department Store	26	7	1	0	34
Liu Du Qiao Department Store	14	7	5	0	26
Hankou Department Store	4	9	1	0	14
Hanyang Department Store	7	10	0	0	17
Wuhan Central Department Store	3	8	0	0	11
Shanghai Department Store	0	4	3	0	7
Li Ji Department Store	2	1	0	1	4
Others	4	0	0	0	4

For the purchase of products, they generally prefer to make purchase of toys, children clothing, shoes, and books from Children World and they make purchase of children clothing, toys, stationery, and shoes from Wing On. Therefore, Children World is quite strong in books and Wing On is quite strong in stationery. Moreover, the reasons for their patronising Children World are store atmosphere, merchandise quality, merchandise range, and convenient location. Also, reasons for patronising Wing On are merchandise range, merchandise quality, convenient location, and store atmosphere. Their patronage reasons are the same for the two competing stores, but with some differences in the sequence. Tables 11.39 and 11.40 have more detailed figures.

As for the purchase amount, they mostly make purchase up to Renminbi 100-149 (US\$12-18) each time, some other spend about Renminbi 150-199 (US\$18-24), then the rest are spending less. In addition, the sequence of the purchase amounts are exactly the same for both stores. As a general observation, they spend less in both stores. Regarding the frequency of store visit, they also come less frequently.

Table 11.39
General Products Purchased from the Two Stores

	C W Purchase	W O Purchase
Infant products	21	23
Children clothing	77	103
Toys	78	81
Stationery	33	70
Shoes	54	64
Books	50	14
Amusement	24	19
Baby Paradise Club	43	n/a
Restaurant	37	16
Others	0	0

Table 11.40
Reasons for Patronising the Two Stores

	C W Reasons	W O Reasons
Low price	6	5
Reasonable price	26	32
Good quality	54	51
Good product assortments	52	62
Good product fashion/style	28	29
Good service	45	30
Good shopping atmosphere	75	33
Convenient location	46	42
Good company goodwill	22	28
Product guarantee	3	11
Feeling of security/reliable	3	6
Good advertising and promotion	8	8
Emotional liking	1	6
Others	11	18

In most case, they come to the two stores once every two months. However, they preferred to visit Wing On a bit more. Tables 11.41 and 11.42 illustrate these figures.

Table 11.41
General Amount of Expenditure Spent in Store Each Time

	C W Expenditure	W O Expenditure
Less Rmb50	15	12
Rmb50-99	29	22
Rmb100-149	74	68
Rmb150-199	38	56
Rmb200-249	11	11
Rmb250-299	4	2
Rmb300-349	4	3
Rmb350-399	3	1
Rmb400 or above	3	1

Table 11.42
General Frequency of Store Visit

	C W Patronage	W O Patronage
Once every four months	18	19
Once every three months	41	29
Once every two months	81	79
Once a month	16	37
Twice a month	11	9
Three times a month	7	3
Four times or more a month	6	0

11.11 Comparison of Different Groups of Respondents

After having analysed the seven different groups, one can understand the details about the demographic background, evaluations, beliefs, etc. of each group. From the author's point of view, it is good to understand each group in detail, but it is much better to make comparison between related groups so as to have more in-depth understanding. Therefore, the following paragraphs are devoted to the comparison of the various related groups.

11.11.1 *Differences in Perception between the Employees and the Customers*

Because of the difference in their roles, it is very difficult to make direct comparisons between the employees and customers. However, since evaluations and beliefs of both employees and customers are measured, therefore it is possible to make comparison in this aspect, which is also one of the important issues. By looking at both Tables 11.43 and 11.44, we can detect the differences for their evaluations and beliefs. For instance, employees rate the evaluations of store goodwill, merchandise quality, service quality, and store reliability to be of top importance and customers rate evaluations of merchandise quality, service quality, store image, and store reliability to be important, etc. Among the top four evaluations, three are the same between the employees and customers. This also implies that, because of their background, employees emphasise store goodwill and customers emphasise store image.

Inspection of beliefs can also be done through cross comparison. For instance, by observing employees and customers beliefs towards Wing On at the same time, it is found that both store reliability and store goodwill are in the list. However, employees consider the store location and price of Wing On to be quite acceptable, but customers consider the merchandise quality and range of Wing On to be good. Therefore, more information can be extracted from the cross comparison.

Another way is to compare the perceptual maps, by comparing Figure 11.2 and Figure 11.3, we can immediately observe the difference visually. For example, the overall shape of the perceptual map of employees is in square form and that for

Table 11.43
Comparison of Evaluations between Employee and Customer Group

Rank	Employees	Customers
1st	store goodwill	merchandise quality
2nd	merchandise quality	service quality
3rd	service quality	store image
4th	store reliability	store reliability

Table 11.44
Comparison of Beliefs between Employee and Customer Group

Rank	Employees Belief		Customers Belief	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	store image	store location	price	mer. quality
2nd	store facilities	reliability	store image	reliability
3rd	store location	goodwill	mer. quality	goodwill
4th	price	price	reliability	mer. range

customers is in rectangular form. It is because employees set evaluation criteria quite distinctively but customers do not. In other circumstance, most distances between the same attributes are relatively far away for employees and that is not the case for customers. This might be due to the fact that employees demand clear beliefs and customers are a bit easy-going. From the employees' point of view, the majority of Wing On attributes have been under Children World (i.e. inferior than Children World), but from the customers' point of view, the situation is not that bad. By observing the locations of the various attributes, the placements are also different. For instance, store goodwill is on the very right hand side of the employees chart and merchandise quality is on the very right hand side of the customers chart. This shows the difference in perceptions between the employees and the customers. So, all these are very useful comparison with managerial implications.

11.11.2 *Comparison between the Children World and Wing On Customers*

Customers of Children World and Wing On are analysed independently within the last two sections, here in this paragraph, the author would like to compare and find out if there is any possible difference between these two groups of customers. The comparison will be made from three perspectives, namely demographic background, perceptions, and shopping behaviour.

Table 11.45
Chi-square Test of Demographic Background
between Children World and Wing On Customers

Demographic Background	Pearson	Phi	Cramer's	Sig.
Sex	3.30381	.08735	.08735	.06912
Marital status	3.71978	-.09279	.09279	.05377
Number of family members	17.67280	.20440	.20440	.00015
Age of the youngest child	4.23486	.09959	.09959	.23719
Sex of the youngest child	8.24820	-.14506	.14506	.00408
Age of respondents	4.96450	.10770	.10770	.17442
District of residence	15.75960	.19144	.19144	.00127
Education level	64.57013	.38616	.38616	.00000
Occupation	41.63163	.31079	.31079	.00000
Personal monthly income	85.16706	.44350	.44350	.00000
Family monthly income	99.89135	.48031	.48031	.00000

In terms of the demographic background, by means of the crosstabulation analysis and Chi-square calculations as shown in Table 11.45, it is found that the sex of customer, marital status, age of child, and age of respondent look quite alike between these two groups of customers.

However, for the Wing On customers, the overwhelming majority (94.2%) have three family members but Children World customers are not that high (81.9%). Regarding the sex of child, female are more dominant, but Wing On customers have more female children (65.8%) than that of Children World (51.5%). For the residential district of customers, less than one half of Wing On customers are from nearby districts (47.0%) whereas Children World customers are mostly from nearby districts (65.6%). For education level, the Wing On customers are a bit lower, the portion of customers with education level of college graduate or above (32.9%) is smaller when compares with Children World, which has a higher proportion (71.4%) of college graduate or above. There is also a slightly different for occupation too; more Children World customers are professional and managerial personnel (54.9%) and Wing On customers are only half of that figure (26.9%). In terms of personal monthly income and family monthly income, Children World customers are a bit on the higher side. Because Wing On customers who are earning monthly income of Renminbi 1000 (US\$120) or above is only a small proportion (10.2%) and that for Children World customer is much higher (45.2%). In terms of family monthly income, the proportion of Wing On customers earn Renminbi 2000 (US\$240) or above is smaller (17.6%) and that for Children World customer is larger (59.4%). These are the differences in the demographic background of the customers of the two stores.

For the customers in general, since they have different background, they might have different evaluations towards objects. In addition, through the bombardment of competitive environment and retailing strategy, their evaluations will be modified accordingly. Therefore, by comparing the top four customer evaluations of

Children World and Wing On, it is observed that they are common in terms of merchandise quality and service quality, with a little bit of variation in the sequence though. However, they are a bit different in terms of viewing store image and store reliability as important by the Children World customers and that price and store location are considered as important by Wing On customers. It is because of their difference in demographic background and exposure to outside environment. Table 11.46 lists the relevant comparison.

Table 11.46
Comparison of Customer Evaluations
between Children World and Wing On Customers

Rank	Children World Cus. Eva.	Wing On Cus. Eva.
1st	merchandise quality	merchandise quality
2nd	service quality	store location
3rd	store image	price
4th	store reliability	service quality

Table 11.47
Comparison of Customer Beliefs
between Children World and Wing On Customers

Rank	Children World Customer Belief		Wing On Customer Belief	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	price	mer. quality	location	location
2nd	mer. quality	reliability	image	mer. range
3rd	image	goodwill	service	service
4th	reliability	mer. range	mer. quality	mer. quality

Regarding beliefs, Table 11.47 also lists out the top four belief comparison between Children World and Wing On customers. Theoretically speaking, belief is influenced by evaluation and also other intervening variables. By examining the beliefs towards the two stores, we may be able to trace the influence of demographic

background, evaluation, retailing strategy and competition. For example, by observing Wing On customers beliefs toward Children World and Wing On, it is found that they are very concerned with location, service quality, and merchandise quality; these are the influence of evaluations. At the same time, they have belief about store image towards Children World and have belief about merchandise range towards Wing On, these may be ascribed to be influenced by retailing strategies of the two competing stores.

To further verify the retailing strategy of Children World, through cross comparison, it is observed that the Children World customers and Wing On customers have same beliefs of merchandise quality and image towards Children World. Therefore, in case different groups of customers hold the same beliefs towards a particular store, it is evident that these are the result of the retailing strategy of the store. Thus it is very clear that both groups of customers have beliefs on Children World relating to image and merchandise quality and beliefs on Wing On relating to merchandise quality and merchandise range. Cross comparison is very useful in this circumstance.

By referring to the perceptual maps of Figures 11.4 and 11.5, we can further detect that both the beliefs and evaluations interval of Children World customers are quite wide, and that for Wing On customers are quite narrow. This also implies that, customers of Children World have clearer distinction of differences between the two stores, but this is not the case for Wing On customers. Therefore, in case Children World has some special differential advantages, it will attract Wing On customers away.

Referring to the shopping behaviour, Table 11.48 can give some more insight. The top four categories of product purchased are being listed. Towards Wing On, both groups of customers make purchase of children clothing, shoes, stationery, and toys. Though the hierarchy of order may be a bit different. Therefore it is the consensus between the two groups. However, towards Children World, the product purchased between the two groups are a bit different. Wing On customers would like to make purchase of toys, shoes, children clothing, and books from Children World, whereas Children World customers prefer the Baby Paradise Club, restaurant, toys, and children clothing. Such difference is mostly influenced by the demographic background and needs.

Table 11.48
Comparison of Products Purchased
between Children World and Wing On Customers

Rank	Children World Cus. Purchase		Wing On Cus. Purchase	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	Baby paradise	child clothing	toys	child clothing
2nd	toys	toys	shoes	shoes
3rd	child clothing	stationery	child clothing	stationery
4th	restaurant	shoes	books	toys

Table 11.49
Comparison of Reasons for Patronising the Store
between Children World and Wing On Customers

Rank	Children World Cus. Reasons		Wing On Cus. Reasons	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	atmosphere	mer. range	mer. quality	mer. quality
2nd	mer. range	mer. quality	service	mer. range
3rd	location	location	atmosphere	service
4th	mer. quality	price	mer. range	mer. fashion

In terms of reasons for patronage, there are also unity and diversity. From Table 11.49, it is observed that the two groups of customers patronising Children World because of its store atmosphere, merchandise range and merchandise quality. The difference between these two groups are location for Children World customers and service for Wing On customers. About the reasons for patronising Wing On, the consensus of the two groups are merchandise range and merchandise quality. But the difference for Children World customers are location and price and that for Wing On customers are service and merchandise fashion. Therefore, such types of unity and diversity are all influenced by the different intervening variables.

Table 11.50
Chi-square Test of Patronage Behaviour
between Children World and Wing On Customers

	Pearson	Phi	Cramer's	Sig.
Frequency towards Child World	74.63410	.41565	.41565	.00000
Frequency towards Wing On	6.59964	.12418	.121418	.03689
Expenditure in Children World	79.01326	.42718	.42718	.00000
Expenditure in Wing On	57.22831	.36567	.36567	.00000

From the the crosstabulation analysis and Chi-square calculation, it is found that the two groups of customers behave differently towards the two stores in terms of frequency of store visit and purchase amount. Table 11.50 verify such fact. By observing the frequency of store visit as shown in Table 11.51, it is found that Children World customers have higher visit rate, some may visit both stores two or three times each month, this may be due to the fact they are living within close proximity and, at the same time, they can go to the bank, post office, etc. in Wuhan Plaza for personal business. On the contrary, the Wing On customers mostly go there once a month, then some others may go there once within every two or three

months. Therefore the residential districts of the customers count very much for frequency of store visit. Regarding the purchase amount each time, they mostly spend Renminbi 100-149 (US\$12-18) each time, both groups spend the same proportion of amount in Wing On, but the Wing On customers spend less in Children World than the Children World customers do. So, on the whole, Wing On customers spend less than the Children World customers. Table 11.52 shows all these figures.

Table 11.51
Comparison of Frequency of Store Visit
between Children World and Wing On Customers

Rank	Children World Cus. Frequency		Wing On Cus. Frequency	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	once a month	once a month	once a month	once a month
2nd	twice a month	twice a month	once 2 month	once 2 month
3rd	3 times a mon	once 2 month	once 3 month	twice a month
4th	4 times a mon	3 times a mon	twice a month	once 3 month

Table 11.52
Comparison of Expenditure Spent in Store Each Time
between Children World and Wing On Customers

Rank	Children World Cus. Expense		Wing On Cus. Expense	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	Rmb100-149	Rmb100-149	Rmb100-149	Rmb100-149
2nd	Rmb50-99	Rmb150-199	Rmb150-199	Rmb150-199
3rd	Rmb200-249	Rmb200-249	Less Rmb50	Rmb50-99
4th	Rmb150-199	Rmb50-99	Rmb50-99	Rmb200-249

Therefore, by comparing these two groups of customers side by side, we can have more insight about their demographic background, perceptions, and shopping behaviour. At the same time, such scenario also explains the possible interrelationships between the various components of the positioning model. Now that the positions of the two stores in the minds of the customers are much more clearer.

11.11.3 Comparison between the Frequent and Infrequent Customers

On a group basis, the author would like to see to what extent the frequent customers and infrequent customers are different in demographic background. Also, how do such differences influence their perceptions and shopping behaviour? Therefore, they are compared, side by side, to detect any possible differences. Starting from demographic background, their perceptions and shopping behaviour will also be examined.

Table 11.53
Chi-square Test of Demographic Background
between the Frequent and Infrequent Customers

Demographic Background	Pearson	Phi	Cramer's	Sig.
Sex	1.10032	.05041	.05041	.29420
Marital status	.03280	-.00871	.00871	.85628
Number of family members	5.02131	.10895	.10895	.08122
Age of the youngest child	13.14832	.16867	.16867	.00689
Sex of the youngest child	8.45126	.14683	.14683	.00365
Age of respondents	2.84847	.08158	.08158	.41558
District of residence	6.81476	.12589	.12589	.07804
Education level	15.98710	.19215	.19215	.00034
Occupation	.74450	.04156	.04156	.86269
Personal monthly income	36.08968	.28870	.28870	.00000
Family monthly income	52.95995	.34973	.34973	.00000

In terms of demographic background, these two batches of customers seem to be alike respecting sex, marital status, number of family member, age of respondent, residential district, and occupation. However, there are some differences related to age of child, sex of child, education level, personal monthly income and family monthly income. The Chi-square calculations of crosstabulation analysis in Table 11.53 have such indications.

For the age of child, the children of frequent customers are mostly within the range of 4 to 7 years old (62.0%) and that of the infrequent customers are within the range of 2 to 5 (64.9%). Pertaining to the sex of child, female is accounted for one half (52.4%) of frequent customers but more one half (67.1%) for infrequent customers. Regarding education level, frequent customers with college graduate education or above is the majority (59.9%) whereas infrequent customers is less than half (41.4%) for such category. Referring to personal monthly income, the frequent customers earning Renminbi 800 (US\$96) or above accounts for the majority (62.7%) whereas this is not the case for the infrequent customers, only the minority (36.5%) can earn that much. As for family income, the case is the same, the frequent customers earning family monthly income of Renminbi 1500 (US\$180) or above is the majority (73.4%) and only the minority of infrequent customers (44.8%) are earning that much. From the above figures, we can see the differences between frequent and infrequent customers in terms of their demographic background.

Referring to the evaluations of these two groups of customers, the frequent customers treat merchandise quality, service quality, store image, and store reliability as important. The infrequent customers put emphasis on merchandise quality, price, service quality and store image. Both groups have three evaluations in common, these may partially be attributed to the retailing strategies of the two stores. However, the frequent customers are looking for reliable store because they can afford to buy expensive products, and the infrequent customers are more price sensitive and looking for price which is acceptable to them.

In terms of beliefs towards the two stores, both frequent and infrequent customers have the impression that Children World is high in price, has modern image, good merchandise quality. Frequent customers consider Children World to have goodwill and infrequent customers consider Children World reliable. Referring to Wing On, they both consider Wing On to be reliable, has good merchandise quality, has good merchandise range. Some deviations between the two groups are that, frequent customers view Wing On to have store goodwill and infrequent customers view Wing On to have convenient location. It is therefore observed that customers consensus are build on the effect of retail strategy implementation and the differences are derived from customers' personal background and expectation. Tables 11.54 and

Table 11.54
Comparison of Customer Evaluations
between the Frequent and Infrequent Customers

Rank	Frequent Cus. Eva.	Infrequent Cus. Eva.
1st	merchandise quality	merchandise quality
2nd	service quality	price
3rd	store image	service quality
4th	store reliability	store image

Table 11.55
Comparison of Customer Beliefs
between the Frequent and Infrequent Customers

Rank	Frequent Customer Belief		Infrequent Customer Belief	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	price	mer. quality	price	mer. quality
2nd	image	reliability	image	location
3rd	mer. quality	goodwill	mer. quality	mer. range
4th	goodwill	mer range	reliability	reliability

11.55 have the comparison of those evaluations and beliefs. Referring to the perceptual maps of the two groups of customers, frequent customers tend to have relative wider range for evaluations, and the belief range is almost the same as the infrequent customers. In both cases, they all have highest evaluations of merchandise quality and lowest evaluations on store promotion.

For the shopping behaviour of these two groups of customers, they both like to make purchase of toys, children clothing and shoes from Children World, but the frequent customers have high preference toward the service of Baby Paradise Club and the infrequent customers would rather buy books for their children. Regarding the products they would like to purchase from Wing On, both groups choose children clothing, toys, shoes, and stationery, though there is some minor difference in ranking. Their consensus help to confirm that the retailing strategies that Wing On tries to implemented.

There are again consensus for their reasons for patronising Children World, they consider Children World to have good store atmosphere, good merchandise quality, good merchandise range and convenient location. Regarding the reasons for patronising Wing On, they are consensus on the part of good merchandise quality, good merchandise range, convenient location. Then frequent customers like the reasonable price of Wing On, whereas infrequent customers accept the store atmosphere of Wing On. Therefore, different customers have different needs. Tables 11.56 and 11.57 state the various phenomena.

Table 11.56
Comparison of Products Purchased
between the Frequent and Infrequent Customers

Rank	Frequent Cus. Purchase		Infrequent Cus. Purchase	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	toys	child clothing	toys	child clothing
2nd	child clothing	toys	child clothing	toys
3rd	Baby Par. Club	shoes	shoes	stationery
4th	shoes	stationery	books	shoes

Table 11.57
Comparison of Reasons for Patronising the Store
between the Frequent and Infrequent Customers

Rank	Frequent Cus. Reasons		Infrequent Cus. Reasons	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	atmosphere	mer. quality	atmosphere	mer. range
2nd	mer. quality	mer. range	mer. quality	mer. quality
3rd	mer. range	price	mer. range	location
4th	location	location	location	atmosphere

Table 11.58
Chi-square Test of Patronage Behaviour
between the Frequent and Infrequent Customers

	Pearson	Phi	Cramer's	Sig.
Frequency towards Child World	290.69890	.82031	.82031	.00000
Frequency towards Wing On	262.36020	.78294	.78294	.00000
Expenditure in Children World	14.56475	.18340	.18340	.00069
Expenditure in Wing On	8.22907	.13866	.13866	.01633

About the frequency of store visit and purchase amount each time, the crosstabulation analysis and Chi-square calculation in Table 11.58 also show the difference. Such differences are more prominent in Tables 11.59 and 11.60, that some interesting issues are found. First, the frequent customers are quite consistent in shopping in both Children World and Wing On frequently. Second, the

infrequent customers go shopping in both Children World and Wing On less frequent, but still have some preference towards Wing On in shopping a little more frequent. Third, frequent customers spend equal amount of purchase in both stores. Forth, infrequent customers spend equal amount of purchase in both stores too, but some (infrequent customers) even make less purchase. Therefore, the two groups are shopping differently because the frequent customers are visiting both stores more frequently and buy more. But the infrequent customers are visiting both stores less frequently and buy less. The reasons may most possibly be attributed to their incomes and residential districts. The frequent customers are living a bit nearby and more rich, so they come more often and buy more. The infrequent customers are living a bit far away and with lower income, so they come less and buy less.

Table 11.59
Comparison of Frequency of Store Visit
between the Frequent and Infrequent Customers

Rank	Frequent Cus. Frequency		Infrequent Cus. Frequency	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	once a month	once a month	once 2 month	once 2 month
2nd	twice a month	twice a month	once 3 month	once a month
3rd	3 times a mon	4 times a mon	once 4 month	once 3 month
4th	4 times a mon	3 times a mon	once a month	once 4 month

Table 11.60
Comparison of Expenditure Spent in Store Each Time
between the Frequent and Infrequent Customers

Rank	Frequent Cus. Expense		Infrequent Cus. Expense	
	Toward CW	Towards WO	Towards CW	Towards WO
1st	Rmb100-149	Rmb100-149	Rmb100-149	Rmb100-149
2nd	Rmb150-199	Rmb150-199	Rmb150-199	Rmb150-199
3rd	Rmb200-249	Rmb200-249	Rmb50-99	Rmb50-99
4th	Rmb50-99	Rmb50-99	Less Rmb50	Less Rmb50

11.12 General Observation of the Group Analysis Findings

By analysing all the findings, it is observed that the points of view between employees and customers are different. Even for the customers, some differences are also detected from the Wing On group versus the Children World group, and also frequent group versus the infrequent group. Once again, King and Ring's (1980) research findings were proven to be right. By summing up all the findings, it is found that the competitive edges for Children World are the Baby Paradise Club and modern store image and that for Wing On are merchandise quality, merchandise range, and store goodwill. However, Children World is now catching up with merchandise quality, merchandise range, and store goodwill, but Wing On is not in a position to make any change on store image because of its old building and facilities. Also, according to the demographic background, more wealthy people are shifting to Children World and price sensitive customers are remaining with Wing On (see subsection 11.11.2). If such situation lingers on, Wing On is going to lose some of its business, unless they are able to reposition the store.

11.13 Overall Review of the Survey Research Findings

The last three chapters have been completely devoted to the analysis of findings of the survey research. Thus it is worthwhile to highlight the research findings at this point.

11.13.1 The Positioning Role Model

From the model of The Role of Positioning with Marketing Management Process, Competition, and Customer Shopping Components, it is found that demographic background is an essential part of shopping initiation, but it is not sufficient in itself. Various other variables such as life style, situation, role, etc. also help to trigger shopper actions. However, the influence of evaluations and beliefs are more dominant on shopping behaviour, but such behaviour is still subject to the influence of many other intervening variables. Nevertheless, the impact of positioning, together with the marketing management process, on customers evaluation and belief can hardly be overlooked. Therefore, when positioning and marketing strategies work together, the result should be much better than marketing strategies working alone.

11.13.2 Testing of Hypothesis and Comparison of Attitudes

By testing against the attitudinal elements of the frequent customers, the differences between the two stores can be found out. At the same time, it also reveals the strengths and weaknesses of the two stores. Various t-tests against the different groups also indicate how the two stores stand in the mind of the respondents concerned. Again, the overall attitudinal measurement comparison highlights the different groups' attitude towards the two stores and that Children World is taking the lead a little bit.

11.13.3 Analysis of Different Groups of Respondents

By analysing the various respondents on the basis of employee, customer, Children World customer, Wing On customer, frequent customer, and infrequent customer, many subtle and delicate differences are found in terms of demographic background, evaluation, belief, products purchased, amount of expenditure, frequency of shopping trip, reasons for patronage, etc. As observed from the frequent customer group, more than half of them had visited or planned to visit both Wing On and Children World on the same day, this again reinforces the fact that Wing On management identified the major competitor correctly. Therefore the in-depth analyses help to understand the different sets and subsets of respondents, and thus more sophisticated strategies can be set against each type of customers

On the whole, it should be emphasised that, among the different groups of customers, the frequent customers really counts. Because this group of customers show strong attitudinal signals and they account for the past, present, and future revenue of Wing On.

11.13.4 Research Objectives of the Survey Research

By referring to section 4.5, it is found that the objectives of the survey research are to find out:

1. The perceptions of the customers.
2. The perceptions of the employees.

3. The attitudinal comparison between employees and customers
4. The attitudinal comparison between the customers of two competing stores
5. Overall attitudinal measurement of the various groups.
6. The shopping behavior of the customers.
7. The demographic background of the customers.

By looking back at the last three chapters, it is observed that all the above objectives have been met. Moreover, through the comparison of the related groups, more meaningful insights can be detected. Thus this survey research has done its job properly.

11.14 The Supplementary Function of Perceptual Maps

Apart from the various types of quantitative analysis methods, perceptual maps can also help researchers to understand the situation well. For instance, the quadrant analysis perceptual maps that help to illustrate the perceptions of the various groups of respondents as shown in the previous paragraphs are self-explanatory. Alternatively, instead of just looking at those fourteen attributes, one can select some important attributes for special attention and planning. Just like Figure 11.8 which shows the competitive situation about atmosphere and facilities of the two competing stores, more insight can be sought for further strategic planning. In this competitive market, data analysis and perceptual maps help to understand the situation better. Through the understanding of the situation, better positioning and marketing strategies can be designed.

Figure 11.8 Perceptual Map of the Competitive Position of Atmosphere and Facilities of the Two Stores

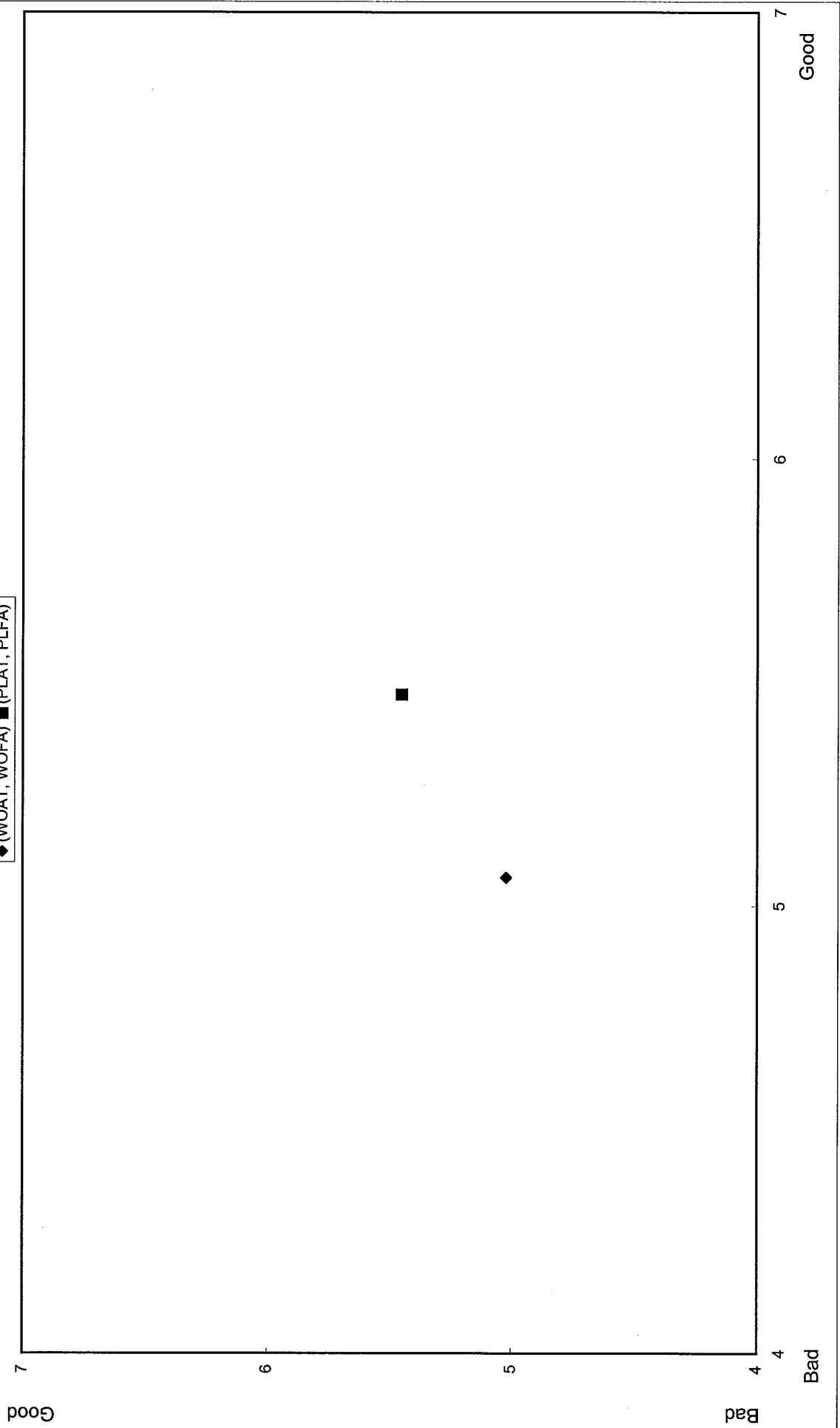


Figure 11.9

Abbreviations for Diagram Symbols

Variables	Explanation
PLMQ	Merchandise quality of Children World
PLMR	Merchandise range of Children World
PLMF	Merchandise fashion of Children World
PLMD	Merchandise display of Children World
PLSE	Service quality of Children World
PLLA	Store layout of Children World
PLAT	Store atmosphere of Children World
PLFA	Store facilities of Children World
PLLO	Store location of Children World
PLAD	Store promotion of Children World
PLGO	Store goodwill of Children World
PLRE	Store reliability of Children World
PLIM	Store Image of Children World
PLPR	Price of Children World
WOMQ	Merchandise quality of Wing On
WOMR	Merchandise range of Wing On
WOMF	Merchandise fashion of Wing On
WOMD	Merchandise display of Wing On
WOSE	Service quality of Wing On
WOLA	Store layout of Wing On
WOAT	Store atmosphere of Wing On
WOFA	Store facilities of Wing On
WOLO	Store location of Wing On
WOAD	Store promotion of Wing On
WOGO	Store goodwill of Wing On
WORE	Store reliability of Wing On
WOIM	Store Image of Wing On
WOPR	Price of Wing On

11.15 The Nature of Positioning and the Analysis of Findings

Theoretically speaking, by taking into consideration the nature of positioning (segmentation, target market, and differentiation), the invisible hand of positioning is working in the marketplace of the Wing On case. For instance, according to the findings, the characteristics of high price, good merchandise quality, and upscale image of Children World (see subsection 11.11.2) has gradually segmented the children products market and they (Children World) target at such upmarket customers. The overall strategies of Children World of Wuhan Plaza have made the differentiation more vivid between Wuhan Plaza and Wuhan Department Store and also Children World and Wing On. Thus the different results of business are the impact of positioning and marketing strategies on the various customers. Therefore such findings make a very good interpretation about the nature of positioning.

11.16 Summary

This chapter starts with a brief discussion of the reliability and validity of the data. Then according to different characteristics, respondents are divided into different groups. The subgroups are: the general respondents, the employees, the customers, Children World customers, Wing On customers, frequent customers, and infrequent customers. For each group, the demographic background, perceptions and shopping

behaviour is analysed. Apart from a general understanding of the different groups, comparisons of related groups are also investigated and many subtle scenarios are detected. As observed in this chapter, the data analysis process is from broad to narrow, from general to specific, every perspective is examined as far as possible, so as to get a clear picture about the various dimensions of the situation. By analysing these findings, it is found that the positioning concept is already being practised.

CHAPTER TWELVE

CONCLUSIONS AND RECOMMENDATIONS

12.1 Introduction

This chapter contains the concluding remarks for the positioning study. As a starting point, a summary of the major findings of the study is provided. Thereafter, objectives and contributions of this thesis is explained. Then, conclusions and recommendations for Wing On are suggested. Finally, limitations and future work of this study are elaborated upon.

12.2 Summary and Major Findings of the Thesis

As a prelude for conclusions and recommendations, the summary and major findings here serve to refresh the overall itinerary.

From one perspective, initiated by Ries and Trout (1981), the positioning concept is thought to centre around the need 'to position the product in the mind of the prospect'. Backed up by their book 'Positioning: The Battle for your Mind', Ries and Trout claimed the approach of the 'positioning era'.

From another perspective, within the marketing domain, Kotler (1997) emphasises the importance of the marketing management process. During this process, Kotler

considers the essence of strategic marketing to be STP (segmentation, targeting, and positioning). Thus the relationship between marketing and positioning is in the form of: Marketing – Marketing Management Process – Strategic Marketing – Positioning.

In view of the foregoing, this research study is thus conducted to explore these issues further. Through this study, it was hoped to fulfil five objectives: (a) To investigate how people interpret 'positioning' generally and in the retail sector in particular, (b) To examine the impact of positioning on a designated store, (c) To study the China and Wuhan retail environment, (d) To sketch a model to explain the influence of positioning strategy and (e) To make positioning recommendations for the related store. As a result, the progression and outlines of the thesis were listed in Chapter One.

First, the literature review was undertaken in order to investigate the nature of positioning and different perspectives from marketing and retailing point of views were scrutinised. Initially, positioning was placed into the context of the overall market orientation of the organisation, along with the need to review the positioning statement when market orientation changes, possibly as a result of retail internationalisation. The areas of investigation covered advertising, corporate identity, corporate image, strategic marketing, store image, and retail strategy. In Chapter Two it was found that different academics have different interpretation of positioning, but there is a trend showing that positioning can work hand in hand with marketing strategies, at corporate level, for better marketing performance.

As a continuation of Chapter Two, Chapter Three examined the relationships of all these findings in detail. Here, the author took a close look at all these findings and focused on their similarities, differences and possible relationships. Ultimately, by considering the general consensus of all those findings, it was found that the nature of positioning is segmentation, target marketing, and differentiation. At the same time, through all these findings and in order to take the study of the positioning process forward, the author also envisioned a conceptual framework for the positioning strategy process, within which the positioning statement and positioning strategy work together with corporate policy, mission statement, and corporate strategy for better marketing results. This framework was encapsulated in the form of a model (Figure 3.1), which was used to provide a structure for the bulk of the thesis.

In Chapter Four, the concentration shifted to the research methodology of the study. Here in this chapter, the research methods were discussed in detail. In terms of the survey research, the descriptive research method, single cross-sectional research method and survey method were used. First, focus group interviews for Wing On and Children World customers were conducted and many new insights were discovered. From this material it was possible to prepare a questionnaire for the main data collection. Thus, McGoldrick's positioning and image survey attributes were used as the main framework and fourteen hypotheses were set up for testing purposes. After a pilot test, the in-company employee survey was conducted on a voluntary drop-off basis by the non-probability judgement sampling method. With the same token, after completing pilot testing, the customer survey was conducted outside both Wing On and Children

World by systematic sampling method through personal interview. As a result, the total number of valid questionnaires was 186 from employees, 217 from Children World customers, and 216 from Wing On customers.

To investigate the impact of positioning on the store concerned, it is necessary firstly to understand the environment the store is in. In Chapter Five, it was observed that, through the open-door policy, China is a very big potential market awaiting to be explored. China had a total population of 1,236,260,000 persons, with 340,256,000 household units, and gross domestic product at Renminbi 451.78 billions (US\$54.43) in 1997. For Wuhan City, the total population was 7,005,000 with 2,012,794 household units. Hankou is the central business district with the heaviest customer traffic. People in Wuhan prefer to go shopping on Saturday and Sunday, making shopping an event in itself by dressing nicely and so on. In terms of seasonality, retail sales rises from April onward and the climax ends with the Chinese New Year sales in late January. The department stores, malls, supermarkets, and specialty stores are developed but still lag behind Beijing and Shanghai. The key strategy for success in the China market is said to be patient and to look for long-term rewards.

The company under investigation, the Wuhan Wing On Children Shopping and Amusement Centre Company Limited (i.e. Wing On) was formed by the joint venture of Wing On Department Store (Hong Kong) Limited of Hong Kong and Wuhan Department Store Group Company Limited of Wuhan. Wing On was planned to be the category specialist of children products, together with recreation and catering

services. The target market is children from newborns to fourteen, with the core target children between ages of three and six. The merchandise prices are from middle to high. With a total floor area of 3,840 square meters, the store was the largest children specialty store of China in 1992. Other innovative features for the Chinese market are: Hong Kong management, computer management system, open-rack display system, customer billing system, and service quality. All such issues shocked the local retail market and brought about the modernisation of Wuhan retailing. The above findings were recorded in Chapter Six.

To understand the positioning strategy of Wing On, in Chapter Seven, in-depth interviews were conducted with Mr. Ngai-yin Chan, the Hong Kong Representative of Board of Directors and many other key persons. Generally speaking, the higher ranking the personnel, the more they know about the concept of positioning. On the whole, it is the mission statement that guides the store operations. Apart from that, the company name and slogan are also used to supplement the store positioning. They want to project the image of 'Wing On' as children products and children products as 'Wing On'. For the positioning setting, they make use of segmentation, target marketing, and differentiation. Thus Wing On positions itself as the leader of children specialty store in Wuhan. As a result, this positioning concept diffuses into the various promotional and operational activities of the store and positions Wing On into the minds of Wuahn customers.

In Chapter Eight, in order to understand the competitive situation of the children products industry, Michael Porter's model of industry competition was used to analyse the Wuhan situation. It was found that customers have the greatest say, retailers are competing fiercely and suppliers are at the greatest disadvantage. By referring to some basic understanding about children, it is non-arguable that marketing to children is different from marketing to adults. Further on, all the competitors of Wing On were studied one by one. They just pose a minor threat except for the Children World of Wuhan Plaza. By comparing the exteriors, floor plan, and interiors of Wuhan Plaza and Wuhan Department Store, it is synonymous to the comparison of Snow-White and the Dwarf. Wing On's position as children products leader was challenged by Children World from different perspectives. Because of the accumulative attraction effect of Wuhan Plaza, Wing On was at a more disadvantageous position.

In Chapter Nine, the model 'The Role of Positioning with Marketing Management Process, Competition, and Customer Shopping Components' was introduced. This new model takes advantages of the strengths of the Sequence of Effects in Store Choice model (Monroe and Gultinan, 1975), the Fishbein Attitude-toward-Object model (Fishbein, 1963), the Marketing Management Process model (Kolter, 1997), the Five Forces Model of Industry Analysis (Porter, 1980). This model endeavours to explain how the role of positioning interacts with the marketing management process and the customer shopping component within the competitive environment.

Altogether, there are six components in the model. These components are the marketing management process of the firm, competition, customer background, customer shopping criteria, customer beliefs, and customer action. With the use of the multiple regression analysis, it was found that, within the four customer components, the relationship between demographic variables and evaluations was low, that for evaluations and beliefs was high, and that for attitudes and customer action was low again. Such a result comes as no surprise to the author, because it is believed to reflect the reality of the market. As a matter of fact, there are many intervening variables that may influence the customer's action during the whole process. The model helps to explain that positioning has its own role to play.

Further analysis involved the testing of hypotheses and a comparison of the attitudes of the various groups. In Chapter Ten, the fourteen hypotheses for the two competing stores were tested on attitudinal measurement based from the view point of the frequent customers. It was found that among the fourteen store attributes, Wing On and Children World are both good at five attributes. Then Wing On outperforms Children World in two attributes (merchandise range and service quality) but Children World outperforms Wing On in seven attributes (store layout, store atmosphere, store facilities, store location, store image, price, and merchandise display). By using t-tests to further analyse the attitudinal measurements between the employees and frequent customers, Wing On customers and Children World customers, and frequent customer and infrequent customers, it was observed that their point of views are different to some extent. Ultimately, when comparing the overall attitude towards the two competing

stores by the various groups, it was found that the various groups have a more favourable attitude towards Children World, with the exception of the Wing On customers group that treats both stores alike.

For Chapter Eleven, the analysis was from another perspective. Instead of looking at the components of the model and the testing of hypotheses, this chapter looked at the respondents in terms of group format by means of their special group characteristics. Altogether there are seven groups according to the basis of role, company patronage, and frequency of patronage. First of all, their demographic background was discussed, then their perceptions towards the two stores were examined, and ultimately their shopping behaviour was scrutinised. It was thus observed that, even with the same positioning strategy and operations, the groups' perceptions and shopping behaviour still deviated from one another to a certain extent. Therefore, it is safe to assume that even when respondents are under the same bombardment of positioning strategy, they may still act a bit differently. This means that the demographic background and other variables count. On the whole, through the analysis of data, it was observed that the invisible hand of positioning is working.

Chapter Twelve is concerned about conclusions and recommendations, thus it first recapitulates on the summary and major findings of the whole thesis, then it will further discuss the concluding remarks for Wing On and the positioning concept.

12.3 Objectives and Contributions of this Study

In terms of the objectives and contributions of this study, these two issues are to be summarized here one by one. First about the objectives then about the contributions.

12.3.1 Objectives

The objectives of this study can be traced back to section 1.3, which states clearly the five objectives of this thesis.

The first objective is to investigate how people interpret ‘positioning’, thus Chapters Two and Three answer all such issues and at the same time delineate the nature of positioning and the conceptual framework of the positioning strategy process.

The second objective is to investigate the impact of positioning strategy on Wing On, then Chapters Six to Eight and Chapters Ten and Eleven discuss all such issues systematically, from macro to micro, from general to specific, and from outside to inside. A summary of the findings of the survey research is to be found in section 11.13. Therefore the clear impact of positioning strategy is seen to emerge.

The third objective is to provide a summary of the retail situation in China and Wuhan. Thus Chapter Five not only gives detailed description of these two districts but also provide hints on retail success in these two markets.

The fourth objective is to sketch a model that will better explain the impact of positioning strategy on the customer shopping components. In Chapter Nine, with the help of the role of positioning with marketing management process, competition, and customer shopping components model and mathematical calculation, the influence of positioning strategy on customer shopping components are pursued to a certain extent.

The last objective is to make conclusive remarks about the positioning concept and to make positioning related recommendations to Wing On. These are to be found in sections 12.4 and 12.5. As a result, all the objectives are believed to have been completed.

12.3.2 Contributions

By re-examining this study, its major contributions lie in clarifying the concept of positioning, measuring its impact on a designated retail store, understanding the China market, explaining the possible influence of and making concluding remarks about the positioning issues. Lots of work have been done on positioning before, but they are in most cases partial, fragmented, and disjointed. This study progress further by assimilating all the past important studies and consolidating those ideas into a more concrete conceptual framework.

First of all, within the domain of marketing, it is found that positioning is more interactive with strategic marketing, advertising and corporate identity/image. It is

because the marketers should first set up their identities/images. Then through the function of advertising, such designated conceptual framework can be postulated. All these activities come under the realm of strategic marketing (see subsections 3.2.2, 3.2.3 and 3.2.4).

Second, to apply the positioning concept to the retailing perspective, the positioning concept does cope with store image and retail strategy perfectly. It is because, to be a destination store, the designated store image should be implanted into the minds of the customers. Again retail strategy should be used so that the overall operations of the store can be integrated along the designated direction by meeting the expectations of the customers and the retailers (see subsections 3.2.5 and 3.2.6).

Third, it is found that the nature of the positioning concept is comprised of three components. These components are segmentation, target market and differentiation. Moreover, it is competition oriented, which actually is derived from market orientation (see subsection 3.4.1).

Fourth, by consolidating the ideas of the numerous scholars, the 'positioning strategy process' concept is introduced. Here, it is stated that both the positioning statement and positioning strategy should be taken into consideration when dealing with corporate policy, mission statement and corporate strategy. As such, we can also verify the influential effect of the positioning concept (see Figure 3.1).

Fifth, the introduction of 'The role of positioning with marketing management process, competition, and customer shopping components' model further elaborates the role of positioning and its impact. It is undeniable that there are many factors influencing the customer shopping components. However, in the model, which is put forward and elaborated upon in this thesis, positioning strategy and marketing strategy work hand in hand. This demonstrates the influential role of positioning. Through the application of the positioning concept, the directional perceptual framework towards the store and store patronage behavior can be generated (see Figure 9.4)

Sixth, through the application of mathematical analysis on the 'The role of positioning with marketing management process, competition, and customer shopping components' model, the effect of positioning concept is further illustrated. For instance, because of different demographic backgrounds, the impact of positioning concept may be different on different people. However, its influence on evaluations and beliefs is more concrete. Thereafter, at the action stage, its influence on shopping behavior is weakened again because of the numerous intervening variables (see Figure 9.6). Such findings uncover many areas which may be of interest to other academics for further pursuit.

Seventh, this thesis systematically describes the retail positioning strategy, positioning setting, etc. of Wing On. It is a complete review of the application of the positioning concept in the business field. Such materials, through minor modification, can serve as a very sophisticated case for academic teaching.

Eighth, for measuring the attitudes of the different groups of respondents, the author used the Fishbein model. Through the testing of hypotheses and overall attitudinal measurements, the attitudinal differences are found. This again reinforces the versatile functions of the Fishbein model.

Last but not the least, apart from those theoretical framework, because this study also involves a large literature review on the China retail business, more insights about how to build up successful retail business in China are also investigated. This knowledge-based reference is in itself contributing to the retail internationalisation thought (see Chapter Five).

On the whole, such academic contributions are quite valuable to the various groups. For example, to the general marketers, they will find 'the nature of positioning concept' and 'a framework for positioning strategy process' to be quite useful, because they can follow such a concept to further manipulate the marketing mix for better performance.

To the retailers in general and the China joint venture retailers in particular, this study can further pinpoint the application of positioning concept in the retail sector and the ways to be successful in the China retail market. By referring to this study, they can conceive the improvements to be made and the direction to be headed, so that they can survive and success in this competitive China market.

To the general customers, because the retailers can now better sharpen their positioning status, it would be easy for the customers to differentiate the various stores and shop in the destination stores accordingly.

To the academics, even though they are in constant search of knowledge, this study can provide them a more specific insights about the positioning concept. With the new millennium at a new start and the concept itself is still evolving, this study will undoubtedly enrich the inventory of positioning study in the future.

12.4 Conclusions for Wing On

The previous chapters have already explained the actual position where Wing On stands at the moment. However, as a concluding remark, it would be useful to summarise the major issues of Wing On according to the format of strengths, weaknesses, opportunities, and threats (SWOT) analysis. Because such SWOT analysis may help to choose and design an effective strategy (Pearce II and Robinson Jr., 1988).

The sources of such analysis are the major summaries from the various secondary data, interviews with management, interviews with employees, focus group interview of customers, and questionnaire surveys among employees and customers as disclosed in the previous chapters. All such summaries are focused on the positioning aspect of Wing On.

12.4.1 Strengths of Wing On

Wing On had been quite successful from the very beginning till early 1997. It was successful because it was the first children speciality store in China by introducing the most advanced technology and operation methods. With its well-defined image to be the most modern and largest children speciality store, it satisfied children's needs for both products and pleasures. Being a category specialist and offering products at acceptable prices, together with its excellent services and best location, Wing On enjoyed the privilege of being the destination store in the minds of its target market. Wing On maintained such strengths until the emergence of the strongest competitor, the Children World. At present, Wing On still maintains the advantages of merchandise quality, merchandise range, store reliability, store goodwill, and excellent location.

12.4.2 Weaknesses of Wing On

Starting from the very beginning, Children World has treated Wing On as its major competitor because of the product offerings and geography proximity. Because Wuhan Plaza is the newest building and the highest skyscraper in Wuhan, Children World stresses magnificent, elegant, and modern. Through such type of deliberated contrast, customers of Wing On have suddenly discovered that Wing On lagged behind in terms of physical store facilities and high class image. On the other hand, Children World is upgrading both merchandise quality and service quality very exhaustively. Moreover,

with the cumulative attraction effect of the whole Wuhan Plaza, more people are drawn to the plaza. As a result, some former Wing On customers, especially those with higher personal and family incomes, have gradually shifted to patronise Children World even though they consider Wing On to be more reliable.

12.4.3 Opportunities for Wing On

Even though Wing On is now being attacked by Children World, it does not mean that Wing On's position is hopeless. From the author's perspective, based on the various grounds, Wing On can still revitalise its business.

In terms of store location, the existing site can be claimed as the heart of the central business district and with such a good location, it is easy to draw customers. Since Wing On was the first children speciality store in Wuhan, with its store goodwill, lots of customers are still in favour of Wing On. Therefore through some physical renovation, customers' loyalty can still be retained. Through the employee survey, it is found that the Wing On employees are quite faithful and loyal to the company. With such experienced staff, it should be easy to operate. Moreover, Chinese children make more purchases of school-related products and they are more influential upon parents' purchase decision (McNeal and Yeh, 1997). Even though the competition is keen, the children products market is still a very promising market.

12.4.4 Threats for Wing On

At this moment, it is crystal clear that the immediate threat is from Children World, because lots of sales are directly lost to the new competitor. Only through repositioning, can Wing On then fight against its competitor (see Chapter Four and Chapter Seven).

On the whole, because of the emergence of Children World, Wing On faces the greatest threats that it has ever encountered. It is time for Wing On to revitalise its operation so as to survive and grow.

12.5 Recommendations for Wing On

From Trout and Rivkin's (1996) point of view, repositioning is needed when a market changes. Pettigrew and Whipp (1991) also considered that strategic change and competition is an inseparable process. In view of the fact that the new major competitor is attacking Wing On and the previous positioning strategy does not work very well because of the changing environment, it is the right time to reposition Wing On again. Under this circumstance, an overhaul of the positioning strategy of Wing On is urged

By referring to the framework of the positioning strategy process (Figure 3.1), at the corporate level, when handling the corporate policy, mission statement, and corporate strategy, the positioning statement and positioning strategy should be taken into consideration. Therefore, for better marketing performance, it is necessary to first establish the positioning statement and then delineate the positioning strategy.

12.5.1 The Positioning Statement

Since the inroad of Children World, together with the magnificent store environment of Wuahn Plaza, the leadership of Wing On in children products retailing is in danger. Therefore, Wing On should have to reposition itself by looking at the market again inside out (Ries and Trout, 1981). Through the customer survey, and the charts and statistics that have been derived, Children World is found to have the advantage of upmarket image and high price. The disadvantage for Children World is that, because of the overall atmosphere of Wuahn Plaza, Children World is forced to be aimed at the upmarket customers. Therefore, such a loophole is detected. Moreover, with the experience of Wing On, it is observed that the upmarket customer is not a sufficient market in Wuhan that the merchandise mix of Wing On has also been modified (see subsection 6.8.2). As a result, the positioning statement (Cook and Walters, 1991) of Wing On is proposed as follows:

‘Wing On is to aim at the middle and high income customers in Wuhan City and suburban areas. The target customer is between the ages of newborns and fourteen, and the ages of the core target are between three

and eight. Wing On is to satisfy customers with the fullest range of value-added children products, especially the education-related products, and the best service quality. The store environment should inspire parental care, academy, scientism, and millennium aspirations, that the store is a good gathering place for the whole family. All customers should be aware that happy and healthy childhood of good children starts with Wing On, so that the long term relationship with customers can be established.'

12.5.2 Positioning Strategy Guidelines

In terms of the positioning strategy, it is related to the various dimensions such as strategic issues, target market issues, product issues, etc. The details of the guidelines are as follows:

12.5.2.1 Strategic Issues

To cope with the change of the mission statement, the author suggests that the new slogan aiming at the customers should be within such domain: "To be good children with happiness and health, Wing On is with you all the way" (幸福快樂好兒童, 永安與你齊成長). In addition to the slogan for the customers, another slogan for employees is also suggested. The slogan for employees is as follows: "To better serve, care, and educate the future masters with smile" (以歡笑來服務, 照顧, 教育未來的主人翁). The new positioning ideas for good children, happiness, and health should be assimilated in all retailing strategies and promotional mix. The logo of Wing On shall remain unchanged.

Owing to the fact that the market is more and more competitive, one should be alerted about the movements of the competitors. Therefore, it is worthwhile for Wing On to set up a special section to monitor and record all the activities of the competitors. Through such type of surveillance system, better strategies can be set based on those competitive information. Additionally, Wing On should have survey the market at two year intervals so as to collect customer information for strategy setting.

From the shopping environment's totality point of view, Wing On only occupies one floor of Wuhan Department Store, therefore, it is not alone. Under this circumstance, there should be joint promotion for Wuhan Department Store as a whole, so as to draw more traffic through the cumulative attraction effect. Thus the position of Wuhan Department Store can be strengthened.

In case Wing On is planning to further develop its children product store and department store businesses in Wuhan and China, it should further cultivate the children consumer so that they will be potential customers for Wing On Department Store in the future. McNeal (1992) had made hints in this aspect and McGoldrick and Blair (1995) also discussed the development of an international image.

Wing On should also pay attention to the trend development of the market, the trends indicated by Guber and Berry (1993) may be helpful for strategy setting and are listed below:

- Save Planet Earth
- Education - A Means to an End
- Family Life is Alive and Well, but Different
- Health and Nutrition
- Looking Good
- Sports - Let the Games Begin
- Money, Brands, and Possessions
- AIDS and Sex Education

(Guber and Berry, 1993, 215-224)

12.5.2.2 Target Market Issues

From the mission statement, it is clear that the target market is children between age of newborns and fourteen, with children between the ages of three to eight as the core market. However, the role of parents cannot be ignored either, because the parents may make decisions on behalf of their children especially when the children are young (McNeal, 1987). Since the store is situated in the heart of Wuhan, the customers will not only come from within Wuhan city but also the fringe trading areas of Wuhan city.

12.5.2.3 Product Issues

For the product offerings, the one-stop shopping and destination store concept is emphasised. Also more education-related products such as stationery, recreational games, supplementary readings, etc. are sold as this category of products is in high demand (McNeal and Yeh, 1997). If possible, Wing On should have its own private brand products (Davies and Brooks, 1989) or, at least, some exclusive brand products to be sold in the store. Thus, the sales revenue can be guaranteed. Moreover, Wing On

can broaden both the breadth and depth of its merchandise assortment so as to be the category specialist in Wuhan city.

12.5.2.4 Price Issues

The price strategy is still within the domain of traditional middle price for the majority of products because such price range is most welcome by the majority of Wuhan customers. Moreover, Wing On aims at the middle and high income families whereas Children World aims at high income families.

12.5.2.5 Place Issues

The present site is an excellent one, Wing On should stick here or, in case of necessity to move out, still stick within the neighbouring location. Because this site is the heart of Wuhan city. If possible, the size of the store should be bigger or, at least, as big as Children World.

Regarding store renovation, it is suggested that the store should renovate with the theme of parental care, academy, scientism, and millennium. Within such an environment, it should emphasise the hardship for bringing up children, the importance of studying hard for a bright future, the miracle of scientific development and the life patterns of the millennium era. So that such scenario can honor parental performance, glorify children's dreams and satisfy their curiosity. As a matter of fact, the most

vulnerable weaknesses of Wing On attacked by Children World are its facilities and atmosphere, therefore such a renovation is a must.

Davies and Brooks (1989) considered the image-lead strategy to be design, service, and merchandise. By examining the previous data, it is found that Wing On has done a very good job in the areas of service and merchandise. Therefore, in case renovation (design) can be done, such image-lead strategy is guaranteed to be successful. The successful renovation and positioning experience of Prince's Square in Glasgow as stated by Moore and Lockhead (1997) further reinforces this issue.

12.5.2.6 Promotion Issues

The past promotion record of Wing On has been proven to be very successful. This implies the perfection of its promotion expertise. Therefore, such merits should be followed. Since the design of the promotional programmes depends on the resources of the company and the competitiveness of the market environment, the author would like to suggest some guidelines for Wing On's reference.

By observing the previous promotion programmes, Wing On did attach importance to its positioning strategy. However, ever since the emergence of Children World, Wing On should be more competitive-oriented in terms of promotion design because the competitor is just by its side. Therefore, for the new promotion campaigns, apart from attaching to its positioning theme, all campaigns should also be competitive-oriented.

There are many festival occasions that should receive emphasis, the Children Festival at 1 June is still the most important day for Chinese children, Wing On should put more emphasis on this issue. Other important dates are Christmas, Chinese New Year, summer vacation, winter vacation, back-to school day, etc.

To expand the trading area, especially during the long holidays, direct mailing with privilege discount feature can be targeted at the residents of suburban areas. As Wing On is in the heart of Wuhan city and accessible from every direction via various transportation.

Some popular and hot giveaways valued by kids can be sent to children at special occasion, so as to promotion the store image. Wing On should have the series of collectibles from time to time, and children will keep chasing those collectibles with excitement. Thus store loyalty can be generated. Occasionally, contests of different kinds can be conducted so as to raise excitement for children and diffuse peer influence.

Through the discussion with Wuhan customers, it is found that Wuhan residents have the hobby of giving magnificent gifts to relatives' or friends' children on their first birthday. Therefore, it is a very good opportunity to have some special promotion programme aiming at such occasion.

It would be advisable for Wing On to link up to with some schools for sponsorship or discount privilege. Moreover, store visit can be arranged with the various school so that children can have a better impression of the store. The activities held by the store should be full of fun, so that all children can have a sweet memory. All such activities should be educational in nature that parents would appreciate such efforts and have a positive association. Wing On should pay more attention to public relation issue, to show environmental concern and to be a good citizen

On the long-term basis, Wing On should set up the Wing On Children Club so as to reinforce the base of loyal customers and get feedback through such Club for further improvement of the store operation. Such type of practice has been found to be quite successful in western countries (Raphel, 1995).

To implement the chosen positioning, Wing On should preferably make the necessary change to its organisation, at the same time, the clarity of such new positioning should be channelled to both employees and customers alike. In addition, promotional work should be done so as to inform all parties about the new positioning (Davies and Brooks, 1989). It should also be noted that such repositioning strategy should be done 'slowly' (Trout and Rivkin, 1995).

All the above guidelines are generated through reference to the consolidated knowledge of the various children experts such as McNeal, Guber, Berry, Gunter, Furnham, etc. and by considering the special situations of Wing On. Such guidelines

should be instilled into the corporate policy, mission statement, and corporate strategy, so as to generate powerful marketing strategies for company growth and expansion.

In terms of the priority of handling those recommendations, it goes without saying that the positioning statement issue is to be handled with top priority for the purpose of repositioning. Then the strategic issues should be taken into consideration. For the rest of the recommendations, the place issue should be tackled as soon as possible, because up to this moment, Wing On is losing its battle to Children World in 'place' only. Moreover, such place issue may take years to complete. When the place issue is solved, other issues can also be solved too.

12.6 The Lessons to be Drawn from this Study

By reviewing the previous work, it is found that, there are many lessons to be drawn from this study.

In the marketing field, it takes time for a new term/concept to be unanimously well-defined and fully recognised. The term 'positioning' is one of the typical example.

From the observation of the Wing On case, the success or failure of any strategy depends on many factors which interact with one another profoundly. Still, with the proactive plan, the chances for success can be maximised whereas that for failure can be minimised (see Chapter Seven).

For customers to patronise the store, there are many different reasons. The demographic background of customers may reveal some hints, but such background may not be powerful enough to compel a designated purchase action. There are many other variables that can have impact on customers' purchase decision and demographic background is but one of the variables (see Chapter Ten).

It is verified again that people with different demographic backgrounds view the same object differently. Such verification can be proved from the survey findings between the employees and customers and also between Wing On customers and Children World customers. Samli and Lincoln (1989) also had similar findings in this aspect.

For marketing planning and strategy, positioning is one of the elements to be considered, other elements are products, place, price, promotion, etc. Positioning is an important concept but other elements are indispensable too. All such elements should be integrated and work as a whole. Only through such synergistic effort, can the goals and objectives be fulfilled more smoothly in due course.

12.7 Limitations of this Study

For this study, the author has attempted to make thorough investigation about the theory of positioning and its application, although efforts have been made to make the study as perfect as possible, such study may inevitably subject to certain limitations.

The first limitation is that, Wing On is only one of the speciality stores selling children products, there are many stores selling children products too. It was the first joint-venture children product speciality store in Wuhan and thus its business operation may not be a general representation of all such stores in Wuhan.

Another limitation deals with the way of positioning. The positioning strategy used by Wing On may be unique to itself, it is very difficult to directly compare the strategy of Wing On with other competitors. This is also the general deficiency of the case study method.

The third limitation deals with sampling size. Because of financial constrains, only 440 customers were interviewed for both Wing On and Children World, this sample size may not be representative enough.

The fourth limitation involves the nature of the business. Because Wing On is the retailer so that the concentration in this study is more retailing related. Thus the frameworks established in this study, owing to the nature of retailing, may not be fully applicable to the product related environment.

A further limitation is related to the in-depth study of Wing On's competitor. Interview with the management of Children World was declined, thus secondary information from other sources may not be able to describe Children World fully.

In order to avoid or minimise the possible errors, every precaution has been taken against the above limitations.

12.8 Future Work

The work presented in this study is an extension to the previous studies about the theory and practice of positioning. Inevitably, it remains an introductory piece of work on the understanding of positioning and a considerable amount of research remains to be done. As a matter of fact, most previous studies are just focused on a certain aspect of positioning, coupled with the discussion of some theoretical background. This project tries to look hard into the various positioning theories and examine its applicability through case study method. An extension of this work might involve the further investigation of Children World positioning strategy alone. Thus the positioning strategies of the two stores can be compared side-by-side. Moreover, to further expand the scope of study by including more children speciality stores, such an extension might be better to show the actual effect of positioning on the whole trade. A further extension is the possible use of longitudinal research by conducting such investigation at the interval of five or ten years, for both the individual stores and the trade as a whole. Then marketers will be more convinced about the miracle of positioning.

On the whole, this study merely adds additional piece of knowledge about the understanding of the positioning concept. There still have lots of areas in the domain of the positioning concept that are waiting for scholars to make further pursuit.

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Appendix

APPENDIX

Appendix 4.1	Discussion Topics for Focus Group Interview (English)	A1
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Appendix 4.1

Discussion Topics for Focus Group Interview (English)

Self introduction of the moderator
Self introduction of the respondents by surname, occupation, living district, etc.
Number of stores visited during normal shopping trip
Name of stores usually shop
Products usually shop in the designated stores
Criteria for selecting the stores
Number of criteria
Beliefs about Wing On
Beliefs about Children World
Number of beliefs
Special attentions to the following factors: (without aid)
 Merchandise quality
 Merchandise range
 Merchandise fashion
 Quality of display (merchandise)
 Level of service
 Layout
 Atmosphere
 Facilities
 Location
 Advertising
 General reputation (goodwill)
 Reliability
 Image
 Prices
Products purchase from Wing On
Products purchase from Children World
Shopping frequency towards Wing On
Shopping frequency towards Children World
Purchase amount towards Wing On
Purchase amount towards Children World
Why shop in Wing On
Why shop in Children World
(Why shift to Children World – for Children World focus group only)
Verbal association of Wing On
Verbal association of Children World

Appendix 4.2

Discussion Topics for Focus Group Interview (Chinese)

協調員自我介紹

參與者自我介紹姓名, 職業, 居住地區等

通常購物大概會去多少間百貨公司

通常到那些百貨公司購物

在那些百貨公司購買什麼產品

選擇百貨公司的準則

有多少個準則

對於永安中心的印象

對於兒童世界的印象

有多少個印象

留意下列的因素: (不予提示)

產品的品質

產品的種類

產品的款式

陳列的質素 (產品)

職員的服務態度

店舖的設計

店舖的氣氛

店舖的設施

地點與位置

廣告宣傳

店舖的信譽 (商譽)

店舖的可靠性

公司的形象

價錢

永安中心購買的產品類別

兒童世界購買的產品類別

光顧永安中心的次數

光顧兒童世界的次數

在永安中心的消費額

在兒童世界的消費額

為何光顧永安中心

為何光顧兒童世界

(為何轉光顧兒童世界-只適用於兒童世界種別)

永安中心的聯想概念

兒童世界的聯想概念

Appendix 4.3 Employee Survey Questionnaire (English)

Dear Employee,

In order to improve the quality of service, a survey is now being conducted. This survey is purely anonymous.

Please use a few minutes to fill up the questionnaire and put the questionnaire into the collection box. All the information you provide will be analyzed for making improvement in service quality.

This survey is purely anonymous, please do not write down your name.

Thank you for your cooperation.

Office of the General Manager

Wuhan Wing On Children Shopping and Amusement Centre

Employee Questionnaire Survey

Questionnaire No: _____

Company Code: 1

This questionnaire is divided into four sections, please follow the instruction carefully

Part 1

General speaking, from a personal point of view, when you are going to select a store for shopping purpose, how would you rate the following store attributes? With 1 being very unimportant and 7 being very important. Please circle at the appropriate answer.

Explanation:

- 1 very unimportant
- 2 quite unimportant
- 3 unimportant
- 4 neutral/no opinion
- 5 important
- 6 quite important
- 7 very important

	very unimportant				very important		
	1	2	3	4	5	6	7
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Advertising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7
Image	1	2	3	4	5	6	7
Prices	1	2	3	4	5	6	7

Part 2

From your personal point of view, how do you feel about the store attributes of Wuhan Wing On Children Shopping and Amusement Centre? Please rate the following store attributes with 1 being very poor and 7 being very good. Please circle at the appropriate answer.

Explanation:

- 1 very poor
- 2 quite poor
- 3 poor
- 4 neutral/no opinion
- 5 good
- 6 quite good
- 7 very good

	very poor						very good
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Advertising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7

(Image: with 1 being very old and 7 being very modern)

Image	1	2	3	4	5	6	7
-------	---	---	---	---	---	---	---

(Price: with 1 being very low and 7 being very high)

Prices	1	2	3	4	5	6	7
--------	---	---	---	---	---	---	---

On the whole, what are the strengths and weaknesses of our Wuhan Wing On Children Shopping and Amusement Centre? If any.

Strengths:

Weaknesses:

Please write down the slogan of Wuhan Wing On Children Shopping and Amusement Centre:

Part 3

From your personal point of view, how do you feel about the store attributes of the Children World of Wuhan Plaza? Please rate the following store attributes with 1 being very poor and 7 being very good. Please circle at the appropriate answer.

Explanation:

- 1 very poor
- 2 quite poor
- 3 poor
- 4 neutral/no opinion
- 5 good
- 6 quite good
- 7 very good

	very poor						very good
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Advertising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7
(Image: with 1 being very old and 7 being very modern)							
Image	1	2	3	4	5	6	7
(Price: with 1 being very low and 7 being very high)							
Prices	1	2	3	4	5	6	7

On the whole, what are the strengths and weaknesses of the Children World of Wuhan Plaza? If any.

Strengths:

Weaknesses:

Part 4

The following data are for statistical purpose. Please v the appropriate [] answer

Your sex:

- Male
- Female

Your marital status:

- Single
- Married
- Others

Your age:

- 19 or below
- 20-24
- 25-29
- 30-34
- 35-39
- 40-44
- 45-49
- 50-54
- 55-59
- 60 or above

Your highest Education level

- Primary school
- Junior middle school
- Senior middle school
- Technical secondary school
- Junior college
- University
- Post graduate

Number of years you are employed by Wing On

- Less than 1 year
- 1 year or more
- 2 years or more
- 3 years or more
- 4 years or more
- 5 years and more

Your position in the company

- Sales personnel
- Clerk
- Section head/assistant section head
- Department head/assistant department head
- Department manager/assistant department manager
- General manager/assistant general manager

Your monthly basic salary together with bonus is

- 400-599
- \$600-799
- \$800-999
- \$1000-1499
- \$1500-1999
- \$2000-2499
- \$2500-2999
- \$3000-3499
- \$3500-3999
- \$4000-4499
- \$4500 or above

End of questionnaire, thank you very much

Please put this questionnaire into the collection box

各位员工：

为了提高本公司的服务素质，现特举行不记名式员工意见问卷调查。

请用几分钟的时间，将问卷填好，并依指定的方法，将此问卷交回，以便作进一步的资料分析。各位所提供的宝贵意见，将会作为改善服务素质的依据。

此次员工意见问卷调查，采用不记名方式，所以请各位员工切勿写上自己的姓名。

多谢各位合作。

武汉永安儿童购物游乐中心总经理办公室 启

武汉永安儿童购物游乐中心

员工意见问卷调查

QN _____

CN 1

本问卷共分为四部份，请依指示一一作答

第一部份

普通而言，就你个人的观点，当你选择一间商店购物时，下列的因素，对你来说是否重要？请你以一至七的评分方法，一分代表非常不重要，七分代表非常重要，来指出它们对你的重要性。请把你的评分用○圈出来。

解释示范

1. 非常不重要
2. 很不重要
3. 不重要
4. 无意见或中立
5. 重要
6. 很重要
7. 非常重要

	非常不重要							非常重要		
产品的品质	1	2	3	4	5	6	7			EVMO
产品的种类	1	2	3	4	5	6	7			EVMR
产品的款式	1	2	3	4	5	6	7			EVMF
产品的陈列	1	2	3	4	5	6	7			EVMD
职员的服务态度	1	2	3	4	5	6	7			EVSE
店铺的设计	1	2	3	4	5	6	7			EVLA
店铺的气氛	1	2	3	4	5	6	7			EVAT
店铺的设施	1	2	3	4	5	6	7			EVFA
地点与位置	1	2	3	4	5	6	7			EVLO
广告宣传	1	2	3	4	5	6	7			EVAD
店铺的信誉	1	2	3	4	5	6	7			EVGO
店铺的可靠性	1	2	3	4	5	6	7			EVRE
公司的形象	1	2	3	4	5	6	7			EVIM
价钱	1	2	3	4	5	6	7			EVPR

第二部份

就你个人的观点，你对武汉永安儿童购物游乐中心的印象如何？请你以一至七的评分方法，一分代表非常差，七分代表非常好，来指出你对下列因素的印象。请把你的评分用○圈出来。

解释示范

1. 非常差
2. 很差
3. 差
4. 无意见或中立
5. 好
6. 很好
7. 非常好

	非常差							非常好	
产品的品质	1	2	3	4	5	6	7		
产品的种类	1	2	3	4	5	6	7		
产品的款式	1	2	3	4	5	6	7		
产品的陈列	1	2	3	4	5	6	7		
职员的服务态度	1	2	3	4	5	6	7		
店铺的设计	1	2	3	4	5	6	7		
店铺的气氛	1	2	3	4	5	6	7		
店铺的设施	1	2	3	4	5	6	7		
地点与位置	1	2	3	4	5	6	7		
广告宣传	1	2	3	4	5	6	7		
店铺的信誉	1	2	3	4	5	6	7		
店铺的可靠性	1	2	3	4	5	6	7		
(公司形象：一代表非常守旧，七代表非常现代化)									
公司的形象	1	2	3	4	5	6	7		
(价钱：一代表非常低，七代表非常高)									
价钱	1	2	3	4	5	6	7		

WOMQ
WOMR
WOMF

WOMD
WOSE
WOLA

WOAT
WOFA
WOLO

WOAD
WOGO
WORE

WOIM
WOPR

整体来说，你觉得武汉永安儿童购物游乐中心，有些甚麽优点和缺点？
优点：

WOST1
WOST2
WOST3
WOST4

缺点：

WOWE1
WOWE2
WOWE3
WOWE4

请写下武汉永安儿童购物游乐中心的口号

SLOGAN

第三部份

就你个人的观点，你对武汉广场儿童世界的印象如何？请你以一至七的评分方法，一分代表非常差，七分代表非常好，来指出你对下列因素的印象。请把你的评分用○圈出来。

解释示范

1. 非常差
2. 很差
3. 差

- 4. 无意见或中立
- 5. 好
- 6. 很好
- 7. 非常好

	非常差							非常好	
产品的品质	1	2	3	4	5	6	7	PLMQ	
产品的种类	1	2	3	4	5	6	7	PLMR	
产品的款式	1	2	3	4	5	6	7	PLMF	
产品的陈列	1	2	3	4	5	6	7	PLMD	
职员的服务态度	1	2	3	4	5	6	7	PLSE	
店铺的设计	1	2	3	4	5	6	7	PLLA	
店铺的气氛	1	2	3	4	5	6	7	PLAT	
店铺的设施	1	2	3	4	5	6	7	PLFA	
地点与位置	1	2	3	4	5	6	7	PLLO	
广告宣传	1	2	3	4	5	6	7	PLAD	
店铺的信誉	1	2	3	4	5	6	7	PLGO	
店铺的可靠性	1	2	3	4	5	6	7	PLRE	
(公司形象：一代表非常守旧，七代表非常现代化)									
公司的形象	1	2	3	4	5	6	7	PLIM	
(价钱：一代表非常低，七代表非常高)									
价钱	1	2	3	4	5	6	7	PLPR	

整体来说，你觉得武汉广场儿童世界，有些甚麽优点和缺点？

优点：

PLST1
PLST2
PLST3
PLST4

缺点：

PLWE1
PLWE2
PLWE3
PLWE4

第四部份

以下资料，纯属统计之用，请在适当的□中v出你的答案：

你的性别：

- 男
- 女

1
2

SEX

你的婚姻状况：

MARITAL

<input type="checkbox"/> 未婚	1
<input type="checkbox"/> 已婚	2
<input type="checkbox"/> 其他	3
你的年龄：	
<input type="checkbox"/> 19岁或以下	11
<input type="checkbox"/> 20-24	12
<input type="checkbox"/> 25-29	13
<input type="checkbox"/> 30-34	14
<input type="checkbox"/> 35-39	15
<input type="checkbox"/> 40-44	16
<input type="checkbox"/> 45-49	17
<input type="checkbox"/> 50-54	18
<input type="checkbox"/> 55-59	19
<input type="checkbox"/> 60岁或以上	20
你的教育程度：	
<input type="checkbox"/> 小学或以下	1
<input type="checkbox"/> 初中	2
<input type="checkbox"/> 高中	3
<input type="checkbox"/> 中专或中技	4
<input type="checkbox"/> 大专	5
<input type="checkbox"/> 大学	6
<input type="checkbox"/> 研究生或以上	7
你在武汉永安儿童购物游乐中心任职的年期：	
<input type="checkbox"/> 少於一年	1
<input type="checkbox"/> 一年或以上	2
<input type="checkbox"/> 二年或以上	3
<input type="checkbox"/> 三年或以上	4
<input type="checkbox"/> 四年或以上	5
<input type="checkbox"/> 五年或以上	6
你的职位：	
<input type="checkbox"/> 售货员	1
<input type="checkbox"/> 文员	2
<input type="checkbox"/> 组长或副组长	3
<input type="checkbox"/> 部长或副部长	4
<input type="checkbox"/> 部门经理或部门副经理	5
<input type="checkbox"/> 总经理或副总经理	6
你目前每月的基本薪金及基本奖金的总和是：	
<input type="checkbox"/> \$400-599	14
<input type="checkbox"/> \$600-799	15
<input type="checkbox"/> \$800-999	16
<input type="checkbox"/> \$1000-1499	17
<input type="checkbox"/> \$1500-1999	18
<input type="checkbox"/> \$2000-2499	19
<input type="checkbox"/> \$2500-2999	20
<input type="checkbox"/> \$3000-3499	21
<input type="checkbox"/> \$3500-3999	22
<input type="checkbox"/> \$4000-4499	23
<input type="checkbox"/> \$4500或以上	24

AGE

EDUCAT

YEAREMPL

POSITION

WOSALARY

全卷完毕，多谢你的合作。

请依指定的方法，将此问卷交回。

Appendix 4.5 Children World Customer Survey Questionnaire (English)

Questionnaire Survey for Children World of Wuhan Plaza

All answers should be circled properly (except those need numbering)

Questionnaire No: _____

Company Code: ____5____

[IDENTIFY THE SHOPPER, ONLY INTERVIEW THOSE SHOPPERS WHO HAVE JUST FINISHED SHOPPING AND CARRYING THE MERCHANDISE WITH THEM]

Hello, my name is _____, I am a university student [SHOW STUDENT IDENTTY CARD], I am now conducting a market survey, may I spare a few minutes with you?

Have you just purchased those merchandise from that Children World of Wuhan Plaza?

1. Yes
2. No (Interview ended)

Are you the decision maker for the above purchase?

1. Yes
2. No

[ONLY INTERVIEW THE PERSON WHO CLAIMS TO BE THE DECISION MAKER]

Apart from this store, which stores you have visited and plan to visit today? [THERE IS NO NEED TO MENTION ANY ANSWER, JUST LET THE RESPONDENT SAY OUT THE ANSWERS BY HIM/HERSELF, MARK THE ANSWERS BY NUMBER 1,2,3,4, ETC., NO MARK IS NEEDED IF THE STORE/MALL IS NOT MENTIONED]

11. Wuhan Department Store
12. Wuhan Plaza
13. New World Department Store
14. Liu Du Qiao Department Store
15. Hankou Department Store

- 16. Hanyang Department Store
- 17. Wuhan Central Department Store
- 18. Shanghai Department Store
- 19. Li Ji Department Store
- 20. Others (please specify) _____

General speaking, when you are going to select a store for shopping purpose, how would you rate the following store attributes? With 1 being very unimportant and 7 being very important. Please indicate the appropriate answer. [SHOW THE RATING SCALE CARD]

	very unimportant			very important			
	1	2	3	4	5	6	7
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Adverising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7
Image	1	2	3	4	5	6	7
Prices	1	2	3	4	5	6	7

From your personal point of view, how do you feel about the store attributes of the Children World of Wuhan Plaza? Please rate the following store attributes with 1 being very poor and 7 being very good. Please indicate the appropriate answer. [SHOW THE RATING SCALE CARD]

	very poor						very good
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Advertising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7

(Image: with 1 being very old and 7 being very modern)

Image	1	2	3	4	5	6	7
-------	---	---	---	---	---	---	---

(Price: with 1 being very low and 7 being very high)

Prices	1	2	3	4	5	6	7
--------	---	---	---	---	---	---	---

General speaking, what categories of products you purchase from this store? [CAN ANSWER UP TO A MIXIMUM OF FIVE CATEGORIES, MARK THE CATEGORIES WITH 1,2,3,4, AS ASNWERING SEQUENCE]

11. Infant products
12. Children clothing
13. Toys
14. Stationery
15. Shoes
16. Books
17. Amusement
18. Baby Paradise Club
19. Restaurant
20. Others (please specify) _____

General speaking, what is the amount of expenditure you spend in this store each time?

11. Less than \$50
12. \$50-99
13. \$100-149
14. \$150-199
15. \$200-249
16. \$250-299
17. \$300-349
18. \$350-399
19. \$400 or above

General speaking, what is the frequency of patronage to this store

1. Once every four months
2. Once every three months
3. Once every two months
4. Once a month
5. Twice a month
6. Three times a month
7. Four times or more a month

Please tell me the reasons why you like to shop in Children World? [THERE IS NO NEED TO MENTION ANY ANSWER, JUST LET THE RESPONDENT SAY OUT THE ANSWERS BY HIM/HERSELF, MARK THE ANSWERS BY NUMBER 1,2,3,4, ETC., NO MARK IS NEEDED IF THE STATEMENT IS NOT MENTIONED]

11. Low price
12. Reasonable price
13. Good quality
14. Good product variety
15. Good product fashion/style
16. Good service
17. Good shopping atmosphere
18. Convenient location
19. Good company goodwill
20. Product guarantee
21. Feeling of security
22. Good advertising and promotion
23. Emotional liking
24. Other (please specify) _____

[SHOULD STRESS IT IS NOW WUHAN WING ON CHILDREN SHOPPING AND AMUSEMENT CENTRE]

[QUESTIONS ABOUT WUHAN WING ON CHILDREN SHOPPING AND AMUSEMENT CENTRE STARTS HERE]

From your personal point of view, how do you feel about the store attributes of Wuhan Wing On Children Shopping and Amusement Centre? Please rate the following store attributes with 1 being very poor and 7 being very good. Please indicate the appropriate answer. [SHOW THE RATING SCALE CARD]

	very poor						very good
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Advertising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7
(Image: with 1 being very old and 7 being very modern)							
Image	1	2	3	4	5	6	7
(Price: with 1 being very low and 7 being very high)							
Prices	1	2	3	4	5	6	7

General speaking, what categories of products you purchase from this store? [CAN ANSWER UP TO A MIXIMUM OF FIVE CATEGORIES, MARK THE CATEGORIES WITH 1,2,3,4, AS ASNWERING SEQUENCE]

11. Infant products
12. Children clothing
13. Toys
14. Stationery
15. Shoes
16. Books
17. Amusement
18. Baby Paradise Club
19. Restaurant
20. Others (please specify)

General speaking, what is the amount of expenditure you spend in this store each time?

11. Less than \$50
12. \$50-99
13. \$100-149
14. \$150-199
15. \$200-249
16. \$250-299
17. \$300-349
18. \$350-399
19. \$400 or above

General speaking, what is the frequency of patronage to this store

1. Once every four months
2. Once every three months
3. Once every two months
4. Once a month
5. Twice a month
6. Three times a month
7. Four times or more a month

Please tell me the reasons why you like to shop in Wuhan Wing On Children Shopping and Amusement Centre? [THERE IS NO NEED TO MENTION ANY ANSWER, JUST LET THE RESPONDENT SAY OUT THE ANSWERS BY HIM/HERSELF, MARK THE ANSWERS BY NUMBER 1,2,3,4, ETC., NO MARK IS NEEDED IF THE STATEMENT IS NOT MENTIONED]

11. Low price
12. Reasonable price
13. Good quality
14. Good product variety
15. Good product fashion/style
16. Good service
17. Good shopping atmosphere
18. Convenient location
19. Good company goodwill
20. Product guarantee
21. Feeling of security
22. Good advertising and promotion
23. Emotional liking
24. Other (please specify) _____

The following data are for statistical purpose:

Your sex:

1. Male
2. Female

Your marital status:

1. Single
2. Married
3. Others

How many family members do you have?

How old is your youngest child?

11. Less than 1 year old
12. 1 year old
13. 2 years old
14. 3 years old
15. 4 years old
16. 5 years old
17. 6 years old
18. 7 years old
19. 8 years old
20. 9 years old
21. 10-12 years old
22. 13-15 years old
23. 16 or above

What is the sex of your youngest child?

1. Male
2. Female

Your age:

11. 19 or below
12. 20-24
13. 25-29
14. 30-34
15. 35-39
16. 40-44
17. 45-49
18. 50-54
19. 55-59
20. 60 or above

The district you are living?

11. Jiangan district
12. Jiangnan district
13. Qiaokou district
14. Hanyang district
15. Wuchang district
16. Qinshan district

17. Hongshan district
18. Caidian district
19. Dongxihu district
20. Hannan district
21. Wuchang county
22. Huangpi county
23. Xinzhou county
24. Others (please specify)_____

Your highest education level

1. Primary school
2. Junior middle school
3. Senior middle school
4. Technical secondary school
5. Junior college
6. University
7. Post graduate or above

Your occupation?

11. Entrepreneur
12. Professional
13. Manager/Section head
14. Technical worker
15. business personnel, service personnel
16. General clerical personnel
17. General production worker
18. Farmer, fisherman, etc.
19. Housewife
- 20.. Student
21. Retired
22. Unemployed
23. Others (please specify) _____

Your personal monthly income

11. No income
12. Less than \$200
13. \$200 -399
14. \$400-599
15. \$600-799

16. \$800-999
17. \$1000-1499
18. \$1500-1999
19. \$2000-2499
20. \$2500-2999
21. \$3000-3499
22. \$3500-3999
23. \$4000-4499
24. \$4500 or above

Your family monthly income

12. Less than \$200
13. \$200 -399
14. \$400-599
15. \$600-799
16. \$800-999
17. \$1000-1499
18. \$1500-1999
19. \$2000-2499
20. \$2500-2999
21. \$3000-3499
22. \$3500-3999
23. \$4000-4499
24. \$4500 or above

End of questionnaire, thank you very much!

Name of interviewer _____

Date _____

武汉广场儿童世界问卷调查

所有答案(需排列次序者除外)均用○圈好

[办别真正的儿童产品购物决策者。只访问那些刚由公司购物出来而且已经购买了儿童产品的人士。]

你好,我是_____大学的学生[出示学生证]我现在正在进行一项市场营销调查,想用几分钟时间访问你一下

你是否刚才在武汉广场儿童世界购物完毕?

- 1. 是
- 2. 否[停止访问]

请问刚才购买儿童产品的决策是否由你负责?

- 1. 是
- 2. 否

[只访问自认是购买儿童产品的决策者]

请问你除了这一间商场以外,你今天曾经以及计划到其他那些商场/商店去?[不必提示任何答案,由被访者自行讲出,并将其所讲出商场/商店的次序用1,2,3,4..标示,没有提及的则不必填上任何号码]

- 11 武汉商场
- 12 武汉广场
- 13 新世界百货
- 14 六渡桥商场
- 15 汉口商场
- 16 汉阳商场
- 17 中大商场
- 18 上海商城
- 19 利济商场
- 20 其他(请详述) _____

我想请问你,当你选择一间商店购物时,下列的因素,对你来说是否重要?请你以一至七的评分方法,一分代表非常不重要,七分代表非常重要,来指出它们对你的重要性。[出示解释示范咭]

	非常不重要							非常重要		
	1	2	3	4	5	6	7			
产品的品质	1	2	3	4	5	6	7			
产品的种类	1	2	3	4	5	6	7		EVMQ	
产品的款式	1	2	3	4	5	6	7		EVMR	
产品的陈列	1	2	3	4	5	6	7		EVMF	
									EVMD	
职员的服务态度	1	2	3	4	5	6	7			
店铺的设计	1	2	3	4	5	6	7		EVSE	
店铺的气氛	1	2	3	4	5	6	7		EVLA	
店铺的设施	1	2	3	4	5	6	7		EVAT	
									EVFA	
地点与位置	1	2	3	4	5	6	7			
广告宣传	1	2	3	4	5	6	7		EVLO	
店铺的信誉	1	2	3	4	5	6	7		EVAD	
店铺的可靠性	1	2	3	4	5	6	7		EVGO	
									EVRE	
公司的形象	1	2	3	4	5	6	7			
价钱	1	2	3	4	5	6	7		EVIM	
									EVPR	

QN _____
 CN 5
 SHOPPER
 DECIDER
 SHOP11
 SHOP12
 SHOP13
 SHOP14
 SHOP15
 SHOP16
 SHOP17
 SHOP18
 SHOP19
 SHOP20

我想请问你，你对武汉广场儿童世界的印象如何？请你以一至七的评分方法，一分代表非常差，七分代表非常好，来指出你对下列因素的印象。[出示解释示范咭]

	非常差							非常好	
	1	2	3	4	5	6	7		
产品的品质	1	2	3	4	5	6	7	PLMQ	
产品的种类	1	2	3	4	5	6	7	PLMP	
产品的款式	1	2	3	4	5	6	7	PLMF	
产品的陈列	1	2	3	4	5	6	7	PLMD	
职员的服务态度	1	2	3	4	5	6	7	PLSE	
店铺的设计	1	2	3	4	5	6	7	PLLA	
店铺的气氛	1	2	3	4	5	6	7	PLAT	
店铺的设施	1	2	3	4	5	6	7	PLFA	
地点与位置	1	2	3	4	5	6	7	PLLO	
广告宣传	1	2	3	4	5	6	7	PLAD	
店铺的信誉	1	2	3	4	5	6	7	PLGO	
店铺的可靠性	1	2	3	4	5	6	7	PLRE	
(预先提示---公司形象：一代表非常守旧，七代表非常现代化)									
公司的形象	1	2	3	4	5	6	7	PLIM	
(预先提示---价钱：一代表非常低，七代表非常高)									
价钱	1	2	3	4	5	6	7	PLPR	

你通常在武汉广场儿童世界购买那些商品？[可回答最多五项商品项目，并将其所讲出商品的次序，用1,2,3,4...标示]

- 11 婴儿用品
- 12 童装
- 13 玩具
- 14 文具
- 15 童鞋
- 16 书籍
- 17 玩游戏机
- 18 在贝乐园玩耍
- 19 吃小吃/吃餐
- 20 其他 (请详述) _____

PP11INFA
PP12CLOT
PP13TOYS
PP14STAT
PP15SHOE
PP16BOOK
PP17PLAY
PP18PARA
PP19MEAL
PP20OTHE

你通常每一次在武汉广场儿童世界的消费大概是多少？

- 11. 少于\$50
- 12. \$50-\$99
- 13. \$100-\$149
- 14. \$150-\$199
- 15. \$200-\$249
- 16. \$250-\$299
- 17. \$300-\$349
- 18. \$350-\$399
- 19. \$400或以上

PLEXPEND

你通常大概多长时间来武汉广场儿童世界一次？

- 1 四个月或以上一次
- 2 三个月一次
- 3 二个月一次
- 4 一个月一次
- 5 一个月二次
- 6 一个月三次
- 7 一个月四次或以上

PLFREQUE

请问你到武汉广场儿童世界购物是因为：[不必提示任何答案，须由被访者自行讲出。重覆“还有甚麽原因？”...追问下去，直至到被访者想不到原因为止。並將所讲出原因的次序用1,2,3,4...标示，没有提及的原因则不必填上任何号码]

- 11 价廉
- 12 价格合理
- 13 品质好
- 14 产品（种类）齐全
- 15 产品款式好
- 16 服务好
- 17 购物环境好（优雅）
- 18 交通方便
- 19 公司信誉好
- 20 购物有保障
- 21 有安全感
- 22 广告宣传好
- 23 与武汉广场有感情
- 24 其他(请详述) _____

PR11LOWP
PR12REAP
PR13QUAL
PR14RANG
PR15FASH
PR16SERV
PR17ATMO
PR18CONV
PR19GOOD
PR20GUAR
PR21SECU
PR22ADVE
PR23MOTI
PR24OTHE

[必须强调现在是武汉永安儿童购物游乐中心]
[武汉永安儿童购物游乐中心问卷由此处开始]

就你个人的观点，你对武汉永安儿童购物游乐中心的印象如何？请你以一至七的评分方法，一分代表非常差，七分代表非常好，来指出你对下列因素的印象。[出示解释示范咭]

	非常差							非常好
	1	2	3	4	5	6	7	
产品的品质	1	2	3	4	5	6	7	
产品的种类	1	2	3	4	5	6	7	
产品的款式	1	2	3	4	5	6	7	
产品的陈列	1	2	3	4	5	6	7	
职员的服务态度	1	2	3	4	5	6	7	
店铺的设计	1	2	3	4	5	6	7	
店铺的气氛	1	2	3	4	5	6	7	
店铺的设施	1	2	3	4	5	6	7	
地点与位置	1	2	3	4	5	6	7	
广告宣传	1	2	3	4	5	6	7	
店铺的信誉	1	2	3	4	5	6	7	
店铺的可靠性	1	2	3	4	5	6	7	
(预先提示---公司形象：一代表非常守旧，七代表非常现代化)								
公司的形象	1	2	3	4	5	6	7	
(预先提示---价钱：一代表非常低，七代表非常高)								
价钱	1	2	3	4	5	6	7	

WOMQ
WOMR
WOMF
WOMD
WOSE
WOLA
WOAT
WOFA
WOLO
WOAD
WOGO
WORE
WOIM
WOPR

你通常在武汉永安儿童购物游乐中心购买那些商品？[可回答最多五项商品项目，并将其所讲出商品的次序，用1,2,3,4...标示]

- 11 婴儿用品
- 12 童装
- 13 玩具
- 14 文具
- 15 童鞋
- 16 书籍
- 17 玩游戏机
- 18 在贝乐园玩耍
- 19 吃小吃/吃餐

WP11INFA
WP12CLOT
WP13TOYS
WP14STAT
WP15SHOE
WP16BOOK
WP17PLAY
WP18PARA
WP19MEAL

20 其他 (请详述) _____

你通常每一次在武汉永安儿童购物游乐中心的消费大概是多少？

- 11. 少于\$50
- 12. \$50-\$99
- 13. \$100-\$149
- 14. \$150-\$199
- 15. \$200-\$249
- 16. \$250-\$299
- 17. \$300-\$349
- 18. \$350-\$399
- 19. \$400或以上

WP20OTHE

WOEXPEND

你通常大概多长时间来武汉永安儿童购物游乐中心一次？

- 1 四个月或以上一次
- 2 三个月一次
- 3 二个月一次
- 4 一个月一次
- 5 一个月二次
- 6 一个月三次
- 7 一个月四次或以上

WOFREQUE

请问你到武汉永安儿童购物中心是因为：[不必提示任何答案，须由被访者自行讲出。重覆“还有甚麽原因？”...追问下去，直至到被访者想不到原因为止。并将所讲出原因的次序用1,2,3,4...标示，没有提及的原因则不必填上任何号码]

- 11 价廉
- 12 价格合理
- 13 品质好
- 14 产品(种类)齐全
- 15 产品款式好
- 16 服务好
- 17 购物环境好(优雅)
- 18 交通方便
- 19 公司信誉好
- 20 购物有保障
- 21 有安全感
- 22 广告宣传好
- 23 与武汉永安儿童购物中心有感情
- 24 其他(请详述) _____

WR11LOWP

WR12REAP

WR13QUAL

WR14RANG

WR15FASH

WR16SERV

WR17ATMO

WR18CONV

WR19GOOD

WR20GUAR

WR21SECU

WR22ADVE

WR23MOTI

WR24OTHE

以下资料，纯属统计之用

你的性别：

- 1 男
- 2 女

SEX

你的婚姻状况

- 1 未婚
- 2 已婚
- 3 其他

MARITAL

请问你家庭成员总共有多少人？

FAMEMBER

请问你家中最小的孩子是多少岁？

- 11 少于1岁

CHILDAGE

- 12 1岁
- 13 2岁
- 14 3岁
- 15 4岁
- 16 5岁
- 17 6岁
- 18 7岁
- 19 8岁
- 20 9岁
- 21 10岁至12岁
- 22 13岁至15岁
- 23 16岁或以上

请问你小孩的性别是：

- 1 男
- 2 女

CHILDSEX

你的年龄是：

- 11 19岁或以下
- 12 20-24岁
- 13 25-29岁
- 14 30-34岁
- 15 35-39岁
- 16 40-44岁
- 17 45-49岁
- 18 50-54岁
- 19 55-59岁
- 20 60岁或以上

AGE

请问你住在那一区？

- 11 江岸区
- 12 江汉区
- 13 乔口区
- 14 汉阳区
- 15 武昌区
- 16 青山区
- 17 洪昌区
- 18 蔡甸区
- 19 东西湖区
- 20 汉南区
- 21 武昌县
- 22 黄陂县
- 23 新洲县
- 24 其他(请详述) _____

RESIDENT

请问你最高的教育程度是？

- 1 小学或以下
- 2 初中
- 3 高中
- 4 中专或中技
- 5 大专
- 6 大学
- 7 研究生或以上

EDUCAT

请问你的职业是：

- 11 个体户
- 12 专业人士(文、教、卫、科技等)
- 13 企业，事业，机关单位负责人

OCCUPAT

- 14 技术工人
- 15 商业工作人员，服务性工作人员
- 16 一般工作人员，文职人员
- 17 一般生产工人，运输工人
- 18 农，林，牧，渔劳动者
- 19 家庭主妇
- 20 学生
- 21 退休人士
- 22 待业人士
- 23 其他 (请详述) _____

请问你个人每个月的总收入是：

- 11 无收入
- 12 少於\$200
- 13 \$200-\$399
- 14 \$400-599
- 15 \$600-799
- 16 \$800-999
- 17 \$1000-1499
- 18 \$1500-1999
- 19 \$2000-2499
- 20 \$2500-2999
- 21 \$3000-3499
- 22 \$3500-3999
- 23 \$4000-4499
- 24 \$4500或以上

PEINCOME

请问你全家每个月的总收入是：

- 12 少於\$200
- 13 \$200-\$399
- 14 \$400-599
- 15 \$600-799
- 16 \$800-999
- 17 \$1000-1499
- 18 \$1500-1999
- 19 \$2000-2499
- 20 \$2500-2999
- 21 \$3000-3499
- 22 \$3500-3999
- 23 \$4000-4499
- 24 \$4500或以上

FAINCOME

问卷完毕，非常多谢！

访问员姓名：_____ 日期：_____

Appendix 4.7 Wing On Customer Survey Questionnaire (English)

Questionnaire Survey for Wuhan Wing On Children Shopping and Amusement Centre

All answers should be circled properly (except those need numbering)

Questionnaire No: _____

Company Code: ____3____

[IDENTIFY THE SHOPPER, ONLY INTERVIEW THOSE SHOPPERS WHO HAVE JUST FINISHED SHOPPING AND CARRYING THE MERCHANDISE WITH THEM]

Hello, my name is _____, I am a university student [SHOW STUDENT IDENTITY CARD], I am now conducting a market survey, may I spare a few minutes with you?

Have you just purchased those merchandise from that Wuhan Wing On Children Shopping and Amusement Centre?

1. Yes
2. No (Interview ended)

Are you the decision maker for the above purchase?

1. Yes
2. No

[ONLY INTERVIEW THE PERSON WHO CLAIMS TO BE THE DECISION MAKER]

Apart from this store, which stores you have visited and plan to visit today? [THERE IS NO NEED TO MENTION ANY ANSWER, JUST LET THE RESPONDENT SAY OUT THE ANSWERS BY HIM/HERSELF, MARK THE ANSWERS BY NUMBER 1,2,3,4, ETC., NO MARK IS NEEDED IF THE STORE/MALL IS NOT MENTIONED]

11. Wuhan Department Store
12. Wuhan Plaza
13. New World Department Store
14. Liu Du Qiao Department Store
15. Hankou Department Store

16. Hanyang Department Store
17. Wuhan Central Department Store
18. Shanghai Department Store
19. Li Ji Department Store
20. Others (please specify) _____

General speaking, when you are going to select a store for shopping purpose, how would you rate the following store attributes? With 1 being very unimportant and 7 being very important. Please indicate the appropriate answer. [SHOW THE RATING SCALE CARD]

	very unimportant				very important			
Merchandise quality	1	2	3	4	5	6	7	
Merchandise range	1	2	3	4	5	6	7	
Merchandise fashion	1	2	3	4	5	6	7	
Quality of display (merchandise)	1	2	3	4	5	6	7	
Level of service	1	2	3	4	5	6	7	
Layout	1	2	3	4	5	6	7	
Atmosphere	1	2	3	4	5	6	7	
Facilities	1	2	3	4	5	6	7	
Location	1	2	3	4	5	6	7	
Advertising	1	2	3	4	5	6	7	
General reputation (goodwill)	1	2	3	4	5	6	7	
Reliability	1	2	3	4	5	6	7	
Image	1	2	3	4	5	6	7	
Prices	1	2	3	4	5	6	7	

**[CHILDREN WORLD OF WUHAN PLAZA QUESTIONNAIRE STARTS HERE]
[SHOULD STRESS IT IS NOW CHILDREN WORLD OF WUHAN PLAZA]**

From your personal point of view, how do you feel about the store attributes of the Children World of Wuhan Plaza? Please rate the following store attributes with 1 being very poor and 7 being very good. Please indicate the appropriate answer. [SHOW THE RATING SCALE CARD]

	very poor						very good	
Merchandise quality	1	2	3	4	5	6	7	
Merchandise range	1	2	3	4	5	6	7	
Merchandise fashion	1	2	3	4	5	6	7	
Quality of display (merchandise)	1	2	3	4	5	6	7	
Level of service	1	2	3	4	5	6	7	
Layout	1	2	3	4	5	6	7	
Atmosphere	1	2	3	4	5	6	7	
Facilities	1	2	3	4	5	6	7	
Location	1	2	3	4	5	6	7	
Advertising	1	2	3	4	5	6	7	
General reputation (goodwill)	1	2	3	4	5	6	7	
Reliability	1	2	3	4	5	6	7	

(Image: with 1 being very old and 7 being very modern)

Image	1	2	3	4	5	6	7	
-------	---	---	---	---	---	---	---	--

(Price: with 1 being very low and 7 being very high)

Prices	1	2	3	4	5	6	7	
--------	---	---	---	---	---	---	---	--

General speaking, what categories of products you purchase from this store? [CAN ANSWER UP TO A MAXIMUM OF FIVE CATEGORIES, MARK THE CATEGORIES WITH 1,2,3,4, AS ANSWERING SEQUENCE]

11. Infant products
12. Children clothing
13. Toys
14. Stationery
15. Shoes
16. Books
17. Amusement
18. Baby Paradise Club
19. Restaurant
20. Others (please specify) _____

General speaking, what is the amount of expenditure you spend in this store each time?

11. Less than \$50
12. \$50-99
13. \$100-149
14. \$150-199
15. \$200-249
16. \$250-299
17. \$300-349
18. \$350-399
19. \$400 or above

General speaking, what is the frequency of patronage to this store

1. Once every four months
2. Once every three months
3. Once every two months
4. Once a month
5. Twice a month
6. Three times a month
7. Four times or more a month

Please tell me the reasons why you like to shop in Children World? [THERE IS NO NEED TO MENTION ANY ANSWER, JUST LET THE RESPONDENT SAY OUT THE ANSWERS BY HIM/HERSELF, MARK THE ANSWERS BY NUMBER 1,2,3,4, ETC., NO MARK IS NEEDED IF THE STATEMENT IS NOT MENTIONED]

11. Low price
12. Reasonable price
13. Good quality
14. Good product variety
15. Good product fashion/style
16. Good service
17. Good shopping atmosphere
18. Convenient location
19. Good company goodwill
20. Product guarantee
21. Feeling of security
22. Good advertising and promotion
23. Emotional liking
24. Other (please specify) _____

[FROM HERE JUMP TO STATISTICAL DATA SECTION]

[QUESTIONS ABOUT WUHAN WING ON CHILDREN SHOPPING AND AMUSEMENT CENTRE STARTS HERE]

From your personal point of view, how do you feel about the store attributes of Wuhan Wing On Children Shopping and Amusement Centre? Please rate the following store attributes with 1 being very poor and 7 being very good. Please indicate the appropriate answer. [SHOW THE RATING SCALE CARD]

	very poor						very good
Merchandise quality	1	2	3	4	5	6	7
Merchandise range	1	2	3	4	5	6	7
Merchandise fashion	1	2	3	4	5	6	7
Quality of display (merchandise)	1	2	3	4	5	6	7
Level of service	1	2	3	4	5	6	7
Layout	1	2	3	4	5	6	7
Atmosphere	1	2	3	4	5	6	7
Facilities	1	2	3	4	5	6	7
Location	1	2	3	4	5	6	7
Advertising	1	2	3	4	5	6	7
General reputation (goodwill)	1	2	3	4	5	6	7
Reliability	1	2	3	4	5	6	7

(Image: with 1 being very old and 7 being very modern)

Image	1	2	3	4	5	6	7
-------	---	---	---	---	---	---	---

(Price: with 1 being very low and 7 being very high)

Prices	1	2	3	4	5	6	7
--------	---	---	---	---	---	---	---

General speaking, what categories of products you purchase from this store? [CAN ANSWER UP TO A MAXIMUM OF FIVE CATEGORIES, MARK THE CATEGORIES WITH 1,2,3,4, AS ANSWERING SEQUENCE]

11. Infant products
12. Children clothing
13. Toys
14. Stationery
15. Shoes
16. Books
17. Amusement
18. Baby Paradise Club
19. Restaurant
20. Others (please specify)

General speaking, what is the amount of expenditure you spend in this store each time?

11. Less than \$50
12. \$50-99
13. \$100-149
14. \$150-199
15. \$200-249
16. \$250-299
17. \$300-349
18. \$350-399
19. \$400 or above

General speaking, what is the frequency of patronage to this store

1. Once every four months
2. Once every three months
3. Once every two months
4. Once a month
5. Twice a month
6. Three times a month
7. Four times or more a month

Please tell me the reasons why you like to shop in Wuhan Wing On Children Shopping and Amusement Centre? [THERE IS NO NEED TO MENTION ANY ANSWER, JUST LET THE RESPONDENT SAY OUT THE ANSWERS BY HIM/HERSELF, MARK

THE ANSWERS BY NUMBER 1,2,3,4, ETC., NO MARK IS NEEDED IF THE STATEMENT IS NOT MENTIONED]

11. Low price
12. Reasonable price
13. Good quality
14. Good product variety
15. Good product fashion/style
16. Good service
17. Good shopping atmosphere
18. Convenient location
19. Good company goodwill
20. Product guarantee
21. Feeling of security
22. Good advertising and promotion
23. Emotional liking
24. Other (please specify) _____

[FROM HERE JUMP BACK TO QUESTIONS OF CHILDREN WORLD OF WUHAN PLAZA]

[STATISTICAL DATA SECTION STARTS FROM HERE]

The following data are for statistical purpose:

Your sex:

1. Male
2. Female

Your marital status:

1. Single
2. Married
3. Others

How many family members do you have?

How old is your youngest child?

11. Less than 1 year old
12. 1 year old
13. 2 years old
14. 3 years old
15. 4 years old
16. 5 years old
17. 6 years old
18. 7 years old
19. 8 years old
20. 9 years old
21. 10-12 years old
22. 13-15 years old
23. 16 or above

What is the sex of your youngest child?

1. Male
2. Female

Your age:

11. 19 or below
12. 20-24
13. 25-29
14. 30-34
15. 35-39
16. 40-44
17. 45-49
18. 50-54
19. 55-59
20. 60 or above

The district you are living?

11. Jiangan district
12. Jiangnan district
13. Qiaokou district
14. Hanyang district
15. Wuchang district
16. Qinshan district

17. Hongshan district
18. Caidian district
19. Dongxihu district
20. Hannan district
21. Wuchang county
22. Huangpi county
23. Xinzhou county
24. Others (please specify)_____

Your highest education level

1. Primary school
2. Junior middle school
3. Senior middle school
4. Technical secondary school
5. Junior college
6. University
7. Post graduate or above

Your occupation?

11. Entrepreneur
12. Professional
13. Manager/Section head
14. Technical worker
15. business personnel, service personnel
16. General clerical personnel
17. General production worker
18. Farmer, fisherman, etc.
19. Housewife
- 20.. Student
21. Retired
22. Unemployed
23. Others (please specify) _____

Your personal monthly income

11. No income
12. Less than \$200
13. \$200 -399
14. \$400-599
15. \$600-799

16. \$800-999
17. \$1000-1499
18. \$1500-1999
19. \$2000-2499
20. \$2500-2999
21. \$3000-3499
22. \$3500-3999
23. \$4000-4499
24. \$4500 or above

Your family monthly income

12. Less than \$200
13. \$200 -399
14. \$400-599
15. \$600-799
16. \$800-999
17. \$1000-1499
18. \$1500-1999
19. \$2000-2499
20. \$2500-2999
21. \$3000-3499
22. \$3500-3999
23. \$4000-4499
24. \$4500 or above

End of questionnaire, thank you very much!

Name of interviewer _____

Date _____

武汉永安儿童购物游乐中心问卷调查

所有答案(需排列次序者除外)均用○圈好

[办别真正的儿童产品购物决策者。只访问那些刚由公司购物出来而且已经购买了儿童产品的人士。]

你好,我是_____大学的学生[出示学生证]我现在正在进行一项市场营销调查,想用几分钟时间访问你一下

你是否刚才在武汉永安儿童购物游乐中心购物完毕?

- 1. 是
- 2. 否[停止访问]

请问刚才购买儿童产品的决策是否由你负责?

- 1. 是
- 2. 否

[只访问自认是购买儿童产品的决策者]

请问你除了这一间商场以外,你今天曾经以及计划到其他那些商场/商店去?[不必提示任何答案,由被访者自行讲出,并将其所讲出商场/商店的次序用1,2,3,4..标示,没有提及的则不必填上任何号码]

- 11 武汉商场
- 12 武汉广场
- 13 新世界百货
- 14 六渡桥商场
- 15 汉口商场
- 16 汉阳商场
- 17 中大商场
- 18 上海商城
- 19 利济商场
- 20 其他(请详述) _____

我想请问你,当你选择一间商店购物时,下列的因素,对你来说是否重要?请你以一至七的评分方法,一分代表非常不重要,七分代表非常重要,来指出它们对你的重要性。[出示解释示范咭]

	非常不重要				非常重要				
	1	2	3	4	5	6	7		
产品的品质	1	2	3	4	5	6	7	EVMQ	
产品的种类	1	2	3	4	5	6	7	EVMR	
产品的款式	1	2	3	4	5	6	7	EVMF	
产品的陈列	1	2	3	4	5	6	7	EVMD	
职员的服务态度	1	2	3	4	5	6	7	EVSE	
店铺的设计	1	2	3	4	5	6	7	EVLA	
店铺的气氛	1	2	3	4	5	6	7	EVAT	
店铺的设施	1	2	3	4	5	6	7	EVFA	
地点与位置	1	2	3	4	5	6	7	EVLO	
广告宣传	1	2	3	4	5	6	7	EVAD	
店铺的信誉	1	2	3	4	5	6	7	EVGO	
店铺的可靠性	1	2	3	4	5	6	7	EVRE	
公司的形象	1	2	3	4	5	6	7	EVIM	
价钱	1	2	3	4	5	6	7	EVPR	

[先从此处跳往武汉永安儿童购物游乐中心问卷部份,然后再返回此处] TO PAGE 3

QN _____

CN 3

SHOPPER

DECIDER

SHOP11
SHOP12
SHOP13
SHOP14
SHOP15
SHOP16
SHOP17
SHOP18
SHOP19
SHOP20

[武汉广场儿童世界问卷由此处开始]
[必须强调现在开始是武汉广场儿童世界]

我想请问你，你对武汉广场儿童世界的印象如何？请你以一至七的评分方法，一分代表非常差，七分代表非常好，来指出你对下列因素的印象。[出示解释示范咭]

	非常差							非常好							
	1	2	3	4	5	6	7	1	2	3	4	5	6	7	
产品的品质	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLMQ
产品的种类	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLMR
产品的款式	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLMF
产品的陈列	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLMD
职员的服务态度	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLSE
店铺的设计	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLLA
店铺的气氛	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLAT
店铺的设施	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLFA
地点与位置	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLLO
广告宣传	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLAD
店铺的信誉	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLGO
店铺的可靠性	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLRE
(预先提示---企业形象：一代表非常守旧，七代表非常现代化)															
公司的形象	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLIM
(预先提示---价钱：一代表非常低，七代表非常高)															
价钱	1	2	3	4	5	6	7	1	2	3	4	5	6	7	PLPR

你通常在武汉广场儿童世界购买那些商品？[可回答最多五项商品项目，并将其所讲出商品的次序，用1,2,3,4...标示]

- | | | |
|--|--|----------|
| 11 <input type="checkbox"/> 婴儿用品 | | PP11INFA |
| 12 <input type="checkbox"/> 童装 | | PP12CLOT |
| 13 <input type="checkbox"/> 玩具 | | PP13TOYS |
| 14 <input type="checkbox"/> 文具 | | PP14STAT |
| 15 <input type="checkbox"/> 童鞋 | | PP15SHOE |
| 16 <input type="checkbox"/> 书籍 | | PP16BOOK |
| 17 <input type="checkbox"/> 玩游戏机 | | PP17PLAY |
| 18 <input type="checkbox"/> 在贝乐园玩耍 | | PP18PARA |
| 19 <input type="checkbox"/> 吃小吃/用餐 | | PP19MEAL |
| 20 <input type="checkbox"/> 其他 (请详述) _____ | | PP20OTHE |

你通常每一次在武汉广场儿童世界的消费大概是多少？

- | | | |
|-----------------|--|----------|
| 11. 少于\$50 | | PLEXPEND |
| 12. \$50-\$99 | | |
| 13. \$100-\$149 | | |
| 14. \$150-\$199 | | |
| 15. \$200-\$249 | | |
| 16. \$250-\$299 | | |
| 17. \$300-\$349 | | |
| 18. \$350-\$399 | | |
| 19. \$400或以上 | | |

你通常大概多长时间来武汉广场儿童世界一次？

- | | | |
|------------|--|----------|
| 1 四个月或以上一次 | | PLFREQUE |
| 2 三个月一次 | | |
| 3 二个月一次 | | |
| 4 一个月一次 | | |
| 5 一个月二次 | | |

- 6 一个月三次
- 7 一个月四次或以上

请问你到武汉广场儿童世界购物是因为：[不必提示任何答案，须由被访者自行讲出。重覆“还有甚麽原因？”...追问下去，直至到被访者想不到原因为止。并将所讲出原因的次序用1,2,3,4...标示，没有提及的原因则不必填上任何号码]

- 11 价廉
- 12 价格合理
- 13 品质好
- 14 产品（种类）齐全
- 15 产品款式好
- 16 服务好
- 17 购物环境好（优雅）
- 18 交通方便
- 19 公司信誉好
- 20 购物有保障
- 21 有安全感
- 22 广告宣传好
- 23 与武汉广场有感情
- 24 其他(请详述) _____

- PR11LOWP
- PR12REAP
- PR13QUAL
- PR14RANG
- PR15FASH
- PR16SERV
- PR17ATMO
- PR18CONV
- PR19GOOD
- PR20GUAR
- PR21SECU
- PR22ADVE
- PR23MOTI
- PR24OTHE

[由此处跳往统计资料部份] TO PAGE 4

[武汉永安儿童购物游乐中心问卷由此处开始]

就你个人的观点，你对武汉永安儿童购物游乐中心的印象如何？请你以一至七的评分方法，一分代表非常差，七分代表非常好，来指出你对下列因素的印象。[出示解释示范咭]

	非常差							非常好			
	1	2	3	4	5	6	7				
产品的品质	1	2	3	4	5	6	7			WOMQ	
产品的种类	1	2	3	4	5	6	7			WOMR	
产品的款式	1	2	3	4	5	6	7			WOMF	
产品的陈列	1	2	3	4	5	6	7			WOMD	
职员的服务态度	1	2	3	4	5	6	7			WOSE	
店铺的设计	1	2	3	4	5	6	7			WOLA	
店铺的气氛	1	2	3	4	5	6	7			WOAT	
店铺的设施	1	2	3	4	5	6	7			WOFA	
地点与位置	1	2	3	4	5	6	7			WOLO	
广告宣传	1	2	3	4	5	6	7			WOAD	
店铺的信誉	1	2	3	4	5	6	7			WOGO	
店铺的可靠性	1	2	3	4	5	6	7			WORE	
(预先提示---公司形象：一代表非常守旧，七代表非常现代化)											
公司的形象	1	2	3	4	5	6	7			WOIM	
(预先提示---价钱：一代表非常低，七代表非常高)											
价钱	1	2	3	4	5	6	7			WOPR	

你通常在武汉永安儿童购物游乐中心购买那些商品？[可回答最多五项商品项目，并将其所讲出商品的次序，用1,2,3,4...标示]

- 11 婴儿用品
- 12 童装
- 13 玩具
- 14 文具
- 15 童鞋
- 16 书籍

- WP11INFA
- WP12CLOT
- WP13TOYS
- WP14STAT
- WP15SHOE
- WP16BOOK

- 17 玩游戏机
- 18 在贝乐园玩耍
- 19 吃小吃/就餐
- 20 其他 (请详述) _____

WP17PLAY
WP18PARA
WP19MEAL
WP20OTHE

你通常每一次在武汉永安儿童购物游乐中心的消费大概是多少？

- 11. 少于\$50
- 12. \$50-\$99
- 13. \$100-\$149
- 14. \$150-\$199
- 15. \$200-\$249
- 16. \$250-\$299
- 17. \$300-\$349
- 18. \$350-\$399
- 19. \$400或以上

WOEXPEND

你通常大概多长时间来武汉永安儿童购物游乐中心一次？

- 1 四个月或以上一次
- 2 三个月一次
- 3 二个月一次
- 4 一个月一次
- 5 一个月二次
- 6 一个月三次
- 7 一个月四次或以上

WOFREQUE

请问你到武汉永安儿童购物中心是因为：[不必提示任何答案，须由被访者自行讲出。重覆"还有甚麽原因？"...追问下去，直至到被访者想不到原因为止。并将所讲出原因的次序用1,2,3,4...标示，没有提及的原因则不必填上任何号码]

- 11 价廉
- 12 价格合理
- 13 品质好
- 14 产品(种类)齐全
- 15 产品款式好
- 16 服务好
- 17 购物环境好(优雅)
- 18 交通方便
- 19 公司信誉好
- 20 购物有保障
- 21 有安全感
- 22 广告宣传好
- 23 与武汉永安儿童购物中心有感情
- 24 其他(请详述) _____

WR11LOWP
WR12REAP
WR13QUAL
WR14RANG
WR15FASH
WR16SERV
WR17ATMO
WR18CONV
WR19GOOD
WR20GUAR
WR21SECU
WR22ADVE
WR23MOTI
WR24OTHE

[由此处跳回武汉广场儿童世界问卷部份] TO PAGE 2

[统计资料部份问卷由此处开始]

以下资料，纯属统计之用

你的性别：

- 1 男
- 2 女

SEX

你的婚姻状况

- 1 未婚
- 2 已婚
- 3 其他

MARITAL

请问你家庭成员总共有多少人？

FAMEMBER

请问你家中最小的孩子是多少岁？

CHILDAGE

- 11 少於1岁
- 12 1岁
- 13 2岁
- 14 3岁
- 15 4岁
- 16 5岁
- 17 6岁
- 18 7岁
- 19 8岁
- 20 9岁
- 21 10岁至12岁
- 22 13岁至15岁
- 23 16岁或以上

请问你小孩的性别是：

CHILDSEX

- 1 男
- 2 女

你的年龄是：

AGE

- 11 19岁或以下
- 12 20-24岁
- 13 25-29岁
- 14 30-34岁
- 15 35-39岁
- 16 40-44岁
- 17 45-49岁
- 18 50-54岁
- 19 55-59岁
- 20 60岁或以上

请问你住在那一区？

RESIDENT

- 11 江岸区
- 12 江汉区
- 13 乔口区
- 14 汉阳区
- 15 武昌区
- 16 青山区
- 17 洪昌区
- 18 蔡甸区
- 19 东西湖区
- 20 汉南区
- 21 武昌县
- 22 黄陂县
- 23 新洲县
- 24 其他(请详述) _____

请问你最高的教育程度是？

EDUCAT

- 1 小学或以下
- 2 初中
- 3 高中
- 4 中专或中技
- 5 大专
- 6 大学

7 研究生或以上

请问你的职业是：

- 11 个体户
- 12 专业人士(文、教、卫、科技等)
- 13 企业,事业,机关单位负责人
- 14 技术工人
- 15 商业工作人员,服务性工作人员
- 16 一般工作人员,文职人员
- 17 一般生产工人,运输工人
- 18 农,林,牧,渔劳动者
- 19 家庭主妇
- 20 学生
- 21 退休人士
- 22 待业人士
- 23 其他(请详述) _____

OCCUPAT

请问你个人每个月的总收入是：

- 11 无收入
- 12 少于\$200
- 13 \$200-\$399
- 14 \$400-599
- 15 \$600-799
- 16 \$800-999
- 17 \$1000-1499
- 18 \$1500-1999
- 19 \$2000-2499
- 20 \$2500-2999
- 21 \$3000-3499
- 22 \$3500-3999
- 23 \$4000-4499
- 24 \$4500或以上

PEINCOME

请问你全家每个月的总收入是：

- 12 少于\$200
- 13 \$200-\$399
- 14 \$400-599
- 15 \$600-799
- 16 \$800-999
- 17 \$1000-1499
- 18 \$1500-1999
- 19 \$2000-2499
- 20 \$2500-2999
- 21 \$3000-3499
- 22 \$3500-3999
- 23 \$4000-4499
- 24 \$4500或以上

FAINCOME

问卷完毕,非常多谢!

访问员姓名: _____ 日期: _____