

Standardisation in International Retailing: Transferring Store Brand Image



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Abstract

There is common theme within the literature that a store represents the tangible and intangible values of the company's commercial and retail organisational philosophy. Given this, it could be considered as a brand, with all the associated competitive advantages that correspond to this entity. Operationally, a store's brand competitiveness can be viewed from the image it transmits and the impact it has in the minds of consumers. However, as markets and consumer tastes vary between countries, there have been calls for further inquiry into how the domestic store brand image, with its inherited competitive advantage, can be transferred abroad.

A means for achieving this is via a standardised transfer strategy. In the international marketing literature, standardisation is referred to as the identical offering of the entire marketing mix in several different countries. Likewise, within the context of retail internationalisation, standardisation is defined as the faithful replication of a successful domestic store concept abroad. Despite all the citations found within the wider literature on international retailing the notion of standardisation lacks of clear definition when concern upon the transfer of store brand image. Thus, the aim of this thesis is to provide an insight into the debate of store brand image standardisation in international retailing.

From the limitations identified in the existing literature, a new research framework is proposed for examining store brand image standardisation. The framework includes the conventional 'Store Image *per se*' comparative process, where examination is undertaken from a store image attribute perspective between markets. In addition, two new elements are introduced. First, the comparative process of 'Relative Marketplace', where a comparison of the domestic and foreign store image is conducted within their relative markets. Second, the 'Store Image Dimension perspective', where the two comparative processes, 'Store Image *per se*' and 'Relative Marketplace', are examined after the store image attributes have been aggregated into broader dimensions.

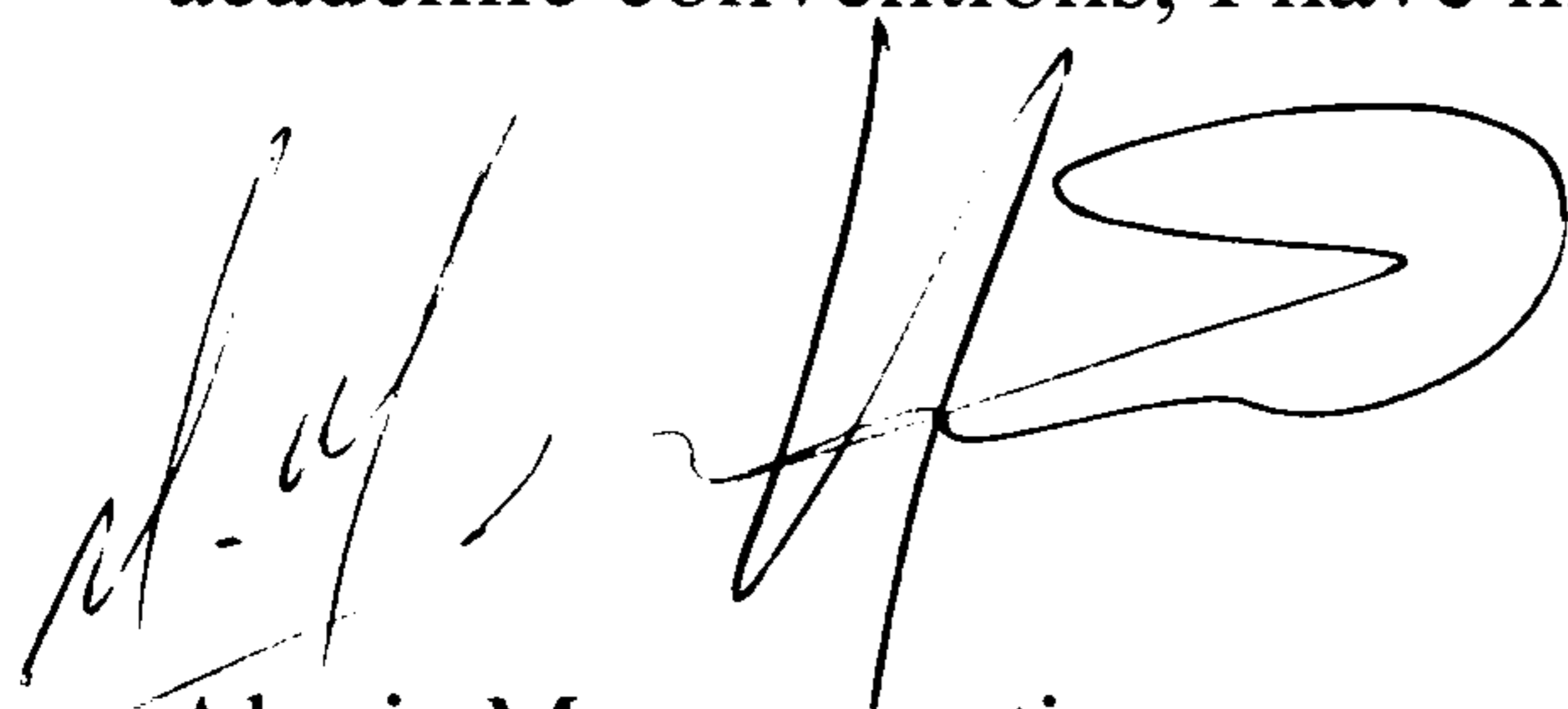
This proposed framework was employed to examine the store image transferability of the Spanish limited line food discounter DIA. Through a pluralist methodological approach of both qualitative and quantitative methods, a shopper survey was conducted in Spain (the home market) and Greece (a host market) to measure the company's store brand image between and within its marketplaces.

From the juxtaposition of the three components of the proposed framework, the results indicate that store brand image standardisation should be examined from an 'Absolute,' and 'Relative' standpoint. Moreover, depending on the standpoint undertaken to examine the transfer of the store brand image, standardisation can be conceptualised in three ways. '*Absolute Standardisation*': A standard to be applied by faithfully replicating the store's domestic image into a host market; '*Core Standardisation*': A standard to be secured by faithfully replicating the store's domestic unique selling proposition, that satisfies the needs of global markets while maintaining intact the company's entire concept; and '*Relative Standardisation*': A standard to be achieved by faithfully replicating the store's domestic positioning into the host market. It is argued that these three aspects of store brand image standardisation should not be viewed as distinctive concepts, but rather as a transitional process of two ends of the same continuum.

DECLARATION OF AUTHENTICITY

This thesis is submitted for the fulfilment of the requirements of the Degree of Doctor of Philosophy (by research) at the University of Stirling.

I declare that this document embodies the results of my own work and that it is composed by myself and has not been included in other thesis. Following normal academic conventions, I have made due to acknowledgments of the work of others.



Alexis Mavrommatis

16 December 2003

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CHAPTER 1
PROLOGUE TO THE
STUDY

1. INTRODUCTION

Concepts such as, the debate of standardisation versus adaptation in international marketing, the internationalisation of store operations, and the examination of store image, have been well documented in academia. As a result, this has left limited space for contribution in the existing knowledge of these areas. Then again, it is said that a thesis is the written result of an original research, where the ideas and opinions of a researcher are synthesised and supported in a reasoned argument. The ultimate aim of such work is no other but to contribute towards existing knowledge. Contributing to knowledge however is a notion with borders that are set on thin lines. The degree of subjectivism, you the researcher, unconsciously include into your thoughts after countless hours of work, makes the aim of 'contributing to knowledge' sometimes easy, but also, sometimes difficult to achieve. Easy, because you think 'it's so obvious'. Difficult, because you start thinking that others might not find it 'so obvious'. Easy because you think, your ideas and arguments are of great uniqueness. Difficult, because the more you get involved with the topic, the more you realise that someone at some point in time has spoken, written, and researched your initial 'innovative' and 'original' idea. Without any doubt, these thoughts have puzzled the researcher of this thesis, particularly when this thesis draws upon concepts such as standardisation, international retail strategies, and store image, that have been rigorously researched, conceptually and empirically for many years.

Indeed, the idea of adopting a standardised strategy when going abroad has commenced during the late 60s (Buzzell, 1968), and since then the debate of whether a company should follow a standardisation or adaptation strategy continues unabated. Likewise, Hollander's (1970) seminal work hinted that retailers international success could well lie on a standardised strategy. Making things even more complicated (for the

researcher), the concept of store image has been present and investigated even longer than that of standardisation, starting from late 50s (Martineau, 1958).

So where does all this leave the researcher of this thesis? How can this thesis contribute to the existing knowledge when the above notions, for which the thesis dawns upon, have been rigorously observed? The answer to these questions may be found on the other property of a doctoral thesis which ‘synthesis’. Without any doubt, all three areas when examined *per se*, the potential degree of originality and contribution to knowledge may be minimum. However, when synthesizing and putting these notions together the result is somehow different, where contribution to existing knowledge can be claimed. Given this, the aim of this chapter is to outline the conceptual synthesis of this thesis and set the scene for the reader.

1.2 SETTING THE SCENE

The retail sector is characterised by many authors as highly competitive and “readily copied” (Davies, 1992b). In these circumstances, retailers have sought strategies in the domestic market that differentiate them from competitors. Commonly retailers have developed corporate branding strategies which through manipulation of intangible and tangible assets, successfully communicate their competitive strengths to consumers. In all sectors, the focus has been on creating a retail offer, and managing how a retail store image is positioned in the consumers’ mind (Walters and Knee, 1989). Store image has been identified as one of the important determinants of economic success in retailing (Jacoby and Mazursky, 1986) as it is linked to store selection (Burns, 1992), store loyalty (Osman, 1993), successful store positioning and as a means of achieving competitive advantage (Davies and Books, 1989). Recognising this, retailers in recent years have invested heavily in their domestic image with an aspiration to be viewed as brands (Walters and Knee, 1989).

Whereas for traditional product brands relative stability in image and position may be achieved throughout the international marketplace, for the retailer brand this is much more difficult, as any retail formula has a higher degree of variability (Bunce, 1989), and all retailers have a grounded history (Dupuis and Prime, 1996), which influences how consumers perceive them. This raises questions about the successful international transfer of a store's domestic image and the associated competitive advantage.

1.2.1 STORE IMAGE

Although the importance of image is widely recognised, the complexity of defining and measuring store image varies, thus leading to inconsistencies in its conceptualisation and operationalisation (Keaneney and Hunt, 1992). Martineau (1958) was one of the first to suggest differentiation based on store image, defined as the personality a store possesses in the consumer's mind. However, a debated exists in the literature whether store image should be viewed as the sum of distinctive parts –tangible and intangible- (Lindquist, 1974), or as an inseparable overall perception consumers have for a store (Oxenfeldt, 1974).

A number of studies have tried to identify what elements construct a store image (see Lindquist, 1974; Hansen and Deutscher, 1977; Zimmer and Golden, 1988). Despite this, attention should be drawn to the dangers of these procedures as consumers' perceptions of store image vary across countries, geographical regions, market sectors, store formats, and competition (Arnold, et al, 1986). Furthermore, whether a store's image can be defined simply by assigning intangible and tangible dimensions is questionable. Assuming Lindquist's (1974) "equation" -store image is equal to the sum of categories where these categories are the sum of different attributes- the correlation or interrelation between them may be inseparable. Consequently, when naming a

dimension or category, tangible or intangible, questions should be raised as to their actual concrete meaning.

1.2. 2 INTERNATIONAL TRANSFER OF STORE IMAGE

Given the role played by store image in establishing and communicating a competitive position in the domestic market, the assumption is that image will also be an important factor for retailers when deciding to internationalise (Simpson and Thorpe, 1999, 1995; McGoldrick and Blair, 1995). However, questions have been raised as to whether the domestic image of a retail establishment can be successfully exported overseas, carrying with it the differential advantage achieved in the home market (Burt and Sparks, 2002; Burt and Carraleros-Encinas, 2000; Brown and Burt, 1992b).

Insight to this question can be found in the premises of the overall strategy retailers adopt when deciding to export their offer abroad, and particularly in the debate over the extent to which their operations should be standardised or adapted in a host market. This debate is not new in the context of international retailing, and like other theoretical frameworks, it has been drawn from the wider literature of international marketing. However, failure to see this stratagem *per se* has resulted to the fact that the standardisation debate still remains one of the most controversial issues regarding international retailing (Kidachi and Dawson, 1998).

1.2.3 STANDARDISATION VERSUS ADAPTATION DEBATE

Buzzell, (1968) was one of the first to raise the issue of standardisation with respect to the entire marketing concept and specifically, in the field of international marketing. He defined standardisation as "...the offering of identical product lines at identical prices, through identical distribution systems, supported by identical promotional programs, in several different countries" (pp. 103).

Within the context of international marketing, this strategy has been conceptualised primarily in two different ways (Zou, et al. 1997). As a single marketing strategy that a company applies in all the markets it operates, or, as a domestic marketing strategy that is applied in a host market. Based on the later concept, Medina and Duffy (1998) argue that standardisation is a strategy that derives from domestic operations and that it dictates the creation of a 'standard to be applied' rather than the creation of a 'standard to be achieved' in a host market.

Levitt (1983) highlighted the fundamental idea behind the standardisation versus adaptation debate, and urged multinational companies to pursue a strategy that offers a uniform product/offer world wide, as its advantages yield cost savings and better overall company performance. The debate has since continued unabated, with advocates from three different schools of thoughts: 'pure standardisation', 'pure adaptation', and the 'neither/nor' approach (Jain,1989)

Likewise, and relating this debate to international retailing, Waldman (1978) claimed that depending on the degree of exact replication a retail offer may achieve abroad, a high, moderate or low extent of cross border standardisation can be observed. He argued that four factors, -reduction of risk, distinctiveness of the retail offer, economies of scale and geographical proximity between home and host country- would aid retailers in pursuing this strategy. Although Hollander (1970) was one of the first to point out that a successful multinational retailer should focus in exporting a very similar retail formula abroad, it was not until Salmon and Tordjman (1989) that the standardisation versus adaptation debate was fully articulated in international retailing. The authors classified retailers according to two international expansion strategies, global and multinational, with implications for the standardisation or adaptation of marketing activities. A global strategy was defined as the "faithful replication of a concept abroad", which corresponds to a formula that is already successful in the

country of origin. Other scholars argue that due to the culturally bond nature of the retail business, retailers need to adjust to local markets (Martenson, 1988, 1987). However, Treadgold (1991) claimed that a retailer with a differentiated product or trading format and a strong belief in its universal appeal can create new marketing niches and expand existing ones by advocating a standardised strategy.

It is evident that for a retailer to follow a standardised strategy one prerequisite is the ownership of a distinctive domestic offer. However, a combination of cultural, competitive, and legal differences could make it extremely difficult for retailers, including those with a strong domestic brand appeal, to exactly replicate their offerings across markets (Burt and Carrelero-Encinas, 2000; Dupuis and Prime, 1996). Other authors suggest that retailing cannot be standardised in an international context due to its intangible and heterogeneous nature (Mitton, 1988; Samiee, 1999).

However, Bunce (1989) argued that although some variations will occur in the tangible elements of the retail formula (price, merchandising) its intangible elements can be consistent across all geographical markets and product sectors. He defended this view by claiming that retail international standardisation should be observed with reference to both image and positioning. Effectively this implies that although a retailer may have some variations in the retail image abroad, when taking into account the competitive marketplace the retailer can still be standardised through the relative positioning achieved from the competitors in the domestic and non-domestic market. Within the concept of standardised positioning one may find the answer to Burt's (1999) question as to whether the brand image of a domestic retailer may be transferred in a standardised manner abroad and retain its competitive advantage.

The issue as to whether the domestic brand image can be transferred abroad and create a differential advantage is still open to question, and further research is required in this direction (Burt and Carralero-Encinas, 2000; McGoldrick and Blair, 1995:

Brown and Burt, 1992b). Although some empirical research into store image and positioning within the context of retail internationalisation is evident, (Burt and Carralero-Encinas, 2000; McGoldrick and Blair, 1995; McGoldrick and Ho, 1992), conclusions regarding the transfer of a store's domestic brand image abroad can not be drawn as these studies failed to compare the store's image with that of its relevant competitors.

1.3 AIM OF THE THESIS

Presupposing that a retailer can be reputed as a brand via its store image, the aim of this thesis is to investigate whether a retailer's domestic image can be transferred in a standardised manner, while at the same time maintaining its competitive position in the host market. Taking the Spanish limited line food discounter DIA as a case, this thesis compares the store's domestic image in Spain to that found in a host market, Greece. In order to identify whether the competitive advantage of the domestic operations have been successfully transferred overseas, each store's market position is examined by also measuring the relative store image of competitors, and perceptions of a hypothetical "ideal" store in each country. This between and within country comparison is achieved by quantitatively measuring shoppers' perceptions of store image.

1.4 THE STRUCTURE OF THE THESIS

Having set the scene of the study, Chapter 2 reflects the direction for this thesis as it tries to shed insight on questions that will provide the conceptual focus throughout the research. Thus, drawing upon the literature on intentional retailing an attempt is made to understand what is exactly meant by retailing and its internationalisation process, and select the area on which this thesis will concentrate.

Chapter 3 provides a conceptual insight concerning the standardisation versus adaptation debate in international retailing. However, as this debate has received limited

attention within this domain, literature from the area of international marketing is also discussed, since extensive conceptual and empirical research is well documented in this domain.

Chapter 4 presents the last main theoretical area for which this thesis draws upon, which is store image. Having achieved this, the chapter will then summarises the theoretical 'gaps' identified during the revision of the literature, and proposes a research framework that will contribute towards existing knowledge for the topic under investigation.

Chapter 5 addresses both the conceptual and operational methodological strategies adopted in this thesis. Since enquiries in retailing fall under the spectrum of social science, the chapter will outline the various philosophical movements related to social science, and will present the research design and methods adopted for collecting the raw data. Moreover, the chapter outlines the research objectives and questions that need to be answered in order to achieve the aim of this thesis.

Since this study involves the quantitative measurement of shopper's perception in two different countries, it was viewed necessary to develop an equivalent construct, which can be used to measure the stores' image in both target countries. This was achieved via conduction a consumer focus groups survey in Spain and Greece. The findings of the focus group research are presented in chapter 6.

The objectives of chapter 7 are twofold. First, through the proposed research framework, to present the major findings of the quantitative investigation, which is centred on DIA's home and foreign store image and second, to discuss and explain the outcomes of these findings.

Finally, the purpose of the last chapter is to highlight the theoretical, managerial, and methodological contributions of this thesis to the subject under investigation.

CHAPTER 2

WHAT DO RETAILERS INTERNATIONALISE?

2. INTRODUCTION

“What exactly is meant by international retailing? What do retailers actually internationalise? Is it management expertise and management systems? Innovation forms of trading? Or unique retail brands?...it is perhaps therefore appropriate clearly to distinguish the elements which provide the basis of internationalisation (of retailing) in order to understand fully the extent and degree of standardisation which take place” (Brown and Burt, 1992b, pp. 80- 83).

These comments reflect the direction for this thesis. As such, the aim of this chapter is to try to shed further insight on the questions posed by Brown and Burt (ibid) and to provide a conceptual focus that will be used throughout the research. The chapter is divided into four sections. The first section attempts to understand what is exactly meant by retailing, since in order to understand its international facet one must first comprehend its origins. In the second section, the focal point is identifying the multidimensionality of international retailing and to select the area on which this thesis will concentrate. Following this, the third section will try to identify what retailers actually do internationalise, and the final section provides some evidence of the motives and obstacles of why retailers should consider or not to internationalise their resources.

2.1 WHAT IS RETAILING?

The internationalisation of retailing has attracted a vast amount of observation during the last two decades, from both an academic and a practitioner’s point of view. As Akehurst and Alexander (1995b) stated, the three most important issues in retailing have become “internationalisation, internationalisation and internationalisation” and

they argue that the issue of identifying the line between retailing and international retailing will be difficult to distinguish within the years to come.

While the activities of retailers abroad is not a new phenomenon (Dawson, 2001, 2000), a number of academics agree that the internationalisation of retailing and moreover its processes, is undoubtedly is a complex and not sufficiently understood area (Burt, 2002, 1994, 1991; Dawson, 2002, 1994, 1993; Alexander and Myers, 2000; Sparks, 2000, 1995; Alexander 1997; Akehurst and Alexander 1995a, 1995b; Myers, 1995; Pellegrini, 1994; Brown and Burt 1992a, 1992b; Whitehead, 1992; Salmon and Tordjman 1989). Reasons for this may lie in several areas such as: research on retail internationalisation has focused on empirical studies rather than on conceptual and theoretical frameworks (Dawson, 1994); the multi-faceted nature of retail internationalisation (Burt, 1991); or even on the age-old problem of a clear definition of retailing (Brown and Burt, 1992b).

Undoubtedly, retailing is one of the most important elements of a domestic economy and the international economy as a whole. Nevertheless, its dynamic and endlessly evolving structure makes retailing difficult to set in a uniform theoretical framework. When defining retailing, one can find a number of definitions and models within the academic and managerial domain. Lewison (1989), defines retailing as the final commercial link in the distribution chain, where retailers sell the final products (which can not be resold) to end consumers, whereas Dawson (1994, 1993) emphasises not only the function of selling, but also the functions of sourcing, buying and manufacturing. By including the demand and supply aspect of retailing, Burt and Sparks (2002) define it as the key intermediary between production and consumption which is fundamentally concerned with building relationships with consumers. This compounded definition of retailing is due to continual rapid structural transformation (Dawson 2000).

which entitles it to integrate, within its provinces, the remaining functions of the supply chain. This permits retailing to increase its growing dominance over the supply chain and hence over the economy as a whole (Wileman and Jary, 1997).

The above argument is used as a prologue to this chapter, due to the deficiency and endless debate over definitions detected in the literature on international retailing. As Akehurst and Alexander (1995b) stated, "Any subject area must have a clear defined vocabulary on which to draw. Without a sufficiently robust lexicon, a subject will dissolve into repetitive, disparate and unprofitable research programmes." (p. 204).

2.2 WHAT EXACTLY IS MEANT BY INTERNATIONAL RETAILING?

With the increase in research activity there have been calls to understand exactly what it is meant by international retailing (Brown and Burt, 1992b), particularly when retailers undertake various ways to internationalise activities (Helffferich, et al. 1997). The problem lies in a) the multidimensionality or dynamic nature of retail internationalisation (Dawson, 1993; Burt, 1991) b) the conceptualisation of the retail internationalisation process, (Sparks, 1995) and c) the borrowing of concepts from manufacturing and other business domains (Dawson, 1994; 1993).

The evolving nature of retailing and its internationalisation has many more activities and components than store openings alone. Laulajainen (1991) claims that while retail internationalisation is a geographical process, since movement of retail functions occur from one country to another, these functions can involve different activities i.e. movement of stocks, business know-how, management personnel. Helffferich, et al., (1997) argue that one problem over a clear terminology of retail internationalisation is found in the different classifications/terminology that have been given during the years to retailers. Terms such as multinational, transnational and global

retailers, when misused create inconsistency and confusion in the actual meaning of retail internationalisation. This inconsistency is justified by the example found in the case of a single retailer. IKEA has been labelled with all four terms by different authors (Laulajainen, et al. 1993, Laulajainen, 1991; Salmon and Tordjman, 1989; Treadgold, 1988; Martenson, 1987) over a period of less than six years. Quinn (1999) defends this inconsistency by arguing that retail internationalisation is not constant but evolves through time.

The same lexicological confusion identified by Helffererich, et al., (1997) may be observed in the attempts that various scholars have made to classify different forms of retail internationalisation. Burt (2002, 1991) suggested that international retail activities can be classified into three 'traditional' categories which are difficult to separate. These are transfer of management functions; transfer of retail concepts; and transfer of retail operations. On the other hand Dawson (1994, 1993) claimed that retail internationalisation has three dimensions: supply (sourcing) and demand (operations) driven and the transfer of management expertise. Other dimensions of international retail activity according to the authors include, financial investment, cross-borders shopping and managerial movements, etc.

Returning to the three core dimensions, according to Burt (2002, 1991) one form of retail internationalisation is that of management functions. This form may be undertaken to develop or assist the domestic retailer. It includes the use of technology, recruitment, and the common form of international sourcing and buying. However, Dawson (1994, 1993), argues that since retailing involves the creation of an assortment from a variety of sources (buying) and offering it to consumers (selling), buying and selling should be viewed as two distinctive dimensions of retail internationalisation. As

such, he claims that sourcing should be viewed as an independent activity in internationalisation.

Regarding the second category, transfer of retail concepts, this may involve the *diffusion* of a retail concept (Burt, 2002, 1991). This includes the 'importing' of store formats or an approach to retailing observed abroad, by a domestic retailer. Dawson (1994, 1993) refers to this form as the internationalisation of management ideas, which includes the *transfer* of retail concepts. Both definitions imply the 'copying' of an idea found abroad by a domestic retailer, thus dismissing the direct foreign investment (i.e. establishing stores of its own) of an international retailer. Both authors recognised that this process of 'copying' ideas may occur in a formal (e.g. via networks) and informal (e.g. store visits) way. Likewise, Kacker (1988) claimed that the 'flow' (i.e. movement) of retail concepts could take two forms, *diffusion* (the informal way), and *transfer* (the formal way). Interestingly, these two terms were used by Burt (2002, 1991) and Dawson (1994, 1993), respectively, to describe the 'copying' of retail concepts. However, Kacker (1988) included within the category of *transfer*, the process of direct foreign investment as a vehicle of retail concept transfer, thus eliminating the notion of 'copying' as described by the two authors above.

Direct foreign investment is included in the third and most commonly observed activity of retail internationalisation, which is the transfer of retail operations. Dawson (1994, 1993) suggests that international retail operations may be defined as "...the operation, by a single firm, of shops, or other forms of retail distribution in more than one country" p.26. Alongside this definition is Pellegrini's (1994) statement, which suggests that retail internationalisation is easy to understand and can be related to the activities of a certain firm across its domestic borders. This form of retail internationalisation has two typologies. First, the mechanisms a retail organisation uses

to achieve this form of internationalisation, and second, the extent to which the managerial decision making is centralised or decentralised by the mother company to its subsidiaries (Dawson, 1994, 1993). A detailed list of the options or modes (i.e. mechanisms), as well as their associated benefits and problems, that retailers have for the internationalisation of their operations is provided by Dawson (2001). As for the second dimension, the global – multinational axis as Dawson (1994, 1993) defines it, he argues that two variables will affect this: the market position of the offer (i.e. discount vs. premium stores); and the format of retailing (i.e. discounter, hypermarket).

From the above, it is evident that international retailing does not always dictate the physical appearance of retailers in a host market. Sparks (1995) states, that international retailing is not an issue only of store openings and denotes that, some of the activities highlighted by Burt (1991) and Dawson (1994, 1993) “...form a backcloth to any decision to internationalise stores, and may be the only, or the prerequisite to international activity in some cases” (p. 62). As such, and given the multidimensionality and confusion that retail internationalisation causes, Sparks (1995) created a framework (adapted from Dawsons’ 1993 conceptual work) in order to examine retail internationalisation. He argued that in order to understand retail internationalisation one should understand the activities included in table 2.1.

Table 2.1 Framework of understanding retail internationalisation

A: Dimensions to Retail Internationalisation A1:Financial Investment A2:Cross-border Shopping A3:Managerial Movements A4:Retail Activities
B: International Sourcing B1:Buyer Decision B2:International Sourcing Organisation: B3:Technology B4:Buying Groups and Alliances B5:Non-Retailing-Product Sourcing
C: International Retail Operations C1:Reasons C2:Dimensions C3:Extent and Directions
D: Internationalisation of Management Ideas D1:Transferability of Retail Concepts D2:Expertise Transferred D3: Mechanisms of Transfer

Source: Sparks, (1995) adapted from Dawson, (1993).

From the above, one can conclude that retail internationalisation is not only a matter of retailers pursuing a presence outside their national borders by direct or indirect presentation to end consumers, it involves a number of other activities that affect the business cycle. Alongside the issue of international retail multidimensionality, the lack of a clear understanding is also evident in the process. Although the process of retail internationalisation in some cases is viewed as one of reciprocal retail internationalisation, the lack of knowledge of its breadth creates a crisis of confidence (Sparks, 1995).

Several attempts have been made to identify the processes that retailers adopt when internationalising, with most of them borrowing notions from other theoretical business models (Alexaneder and Myers, 2000; Evans et al., 2000, Vida and Fairhurst, 1998; Stremquist, 1997; Pellegrini, 1994, 1991). There have however been calls that this approach should be taken with caution and in some cases, one should not consider

this as a beneficial means (Dawson, 2001, 1993, 1994; Burt and Carralero –Encinas, 2000; Akehurst and Alexander 1995a; Sparks, 1995; Pellegrini, 1992). Differences between the functions of retailing and manufacturing are so fundamental that sets the two domains apart (Burt and Sparks, 2002; Dawson 1994, 1993).

Though acknowledging this potential problem, Alexander and Myers (2000) claim that it is the only way to make generalisations and develop more robust and applicable conceptual frameworks. However, Dawson (2001) argues that the internationalisation process of retail operations should be viewed simply as a mechanism which retail companies employ to grow. As such, he concludes: “Attempts to generalise seem doomed to failure. A possible inference from all this is that there is no pattern and its opportunism that is important on the internationalisation process of retailers” (p. 259).

Clearly, Dawson’s (ibid) comment opens new dimensions as to what exactly is meant by retail internationalisation. The process consists of a number of influential factors, designed and accidental, and of dynamic character, which makes retail internationalisation impossible to encapsulate. This debate is beyond the aim of this thesis and its focus is to provide further insight into the standardisation versus adaptation debate in international retailing. As this debate has primarily been observed within the sphere of the internationalisation of retail operations, this study, while recognising the importance of all other aspects of retail internationalisation, takes this sphere as its focus. .

2.3 WHAT DO RETAILERS ACTUALLY INTERNATIONALISE?

Having established that this thesis will explore one dimension of the retail internationalisation of store operations, the next question to be answered is what do

retailers actually internationalise? (Brown and Burt, 1992b). While the argument can simply hold as retailers internationalise stores, during the review of the literature confusion was observed (once again) as to what retailers transfer into the host market. The reason for this is because scholars have used interchangeable notions such as, transfer of retail technology, innovation, know-how, format, offer, concept, formula, store image and store brands, and more recently identities. While not entirely applicable, from the literature three evolutionary processes were observed as to what retailers actually internationalise in terms of store operations. These were: a) from store formats to store concepts, b) from store concepts to store (as) products, and c) from store products to store (as) brands and their image.

2.3.1 FROM STORE FORMATS TO STORE CONCEPTS

Goldman (1981) investigated the transfer of the supermarket '*technology*' from developed to less developed countries. He defined the whole process of internationalisation of this specific format as "a systematic effort to transfer a successful marketing technology from one environment to another" (p. 6.) The identified marketing '*technology*' that characterised a supermarket was composed from several strategic, operational, and tactical elements. According to the author, the strategic elements were the way that supermarkets sold their merchandise such as the self-service method and mass merchandising (i.e. low margins high turnover). Operational elements were the large physical scale required to generate sales volume, cost reduction through substitution of capital for labour, and generation of scale economies. Finally, tactical elements referred to the width and breadth of the assortment and the selling method. Clearly, this definition provided by the author for '*retail technology*' encapsulates both external and internal elements of a retail organisation (i.e. those that can and cannot be seen by customers). However, in a recent paper by the same author (2001), is claimed

that the '*retail technology*' together with the '*retail culture*' of the organisation would determine the internal part of a *retail format*, called '*know-how*'.

According to Goldman (2001) a *retail format*, is the entity being transferred by retailers into a foreign country, and represents the retailer's capabilities of presenting a unified competitive plan. This competitive plan is comprised from an '*offering*', the external elements of a store format (i.e. assortment, location service etc), and the '*know-how*' described above. While the '*offering*' of a store format is visible to customers, hence taking up the role of attracting customers to a store, '*know-how*', enhances the ability of retailers' to deal with problems, evaluate them, and help them identify opportunities. As an internal element to the store's format, most of the time '*know-how*' is tacit.

Then again, Kacker (1988) used '*retail know-how*' to denote the business concepts, operational policies and techniques of a retail business in a given environment. Moreover, he identified two interrelated dimensions for the transfer (or flow as the author defined it) of a '*retail know-how*'. These were the *managerial dimension* and *technical dimension*. With reference to the first dimension, he defines this as the concepts, policies, and systems that a retail business adopts to run a store operation. While using a more abstract description, it seems that the author narrated the *managerial dimension*, as Goldman (2001) defined the internal part of a store format. As for the second dimension, the *technical dimension*, Kacker (1988) referred to this as the techniques employed by retailers such as site selection, store layout, buying, etc. Arguably, this falls in parallel with the notion of '*technology*', and the external elements of a format as defined by Goldman (1981). Thus, when comparing Kacker's definition of '*retail know-how*' to the definitions provide by Goldman (2001, 1981), confusion emerges as each author views '*retail know-how*' in a distinct way.

For Kacker (1988) 'self-service' was a good example to describe a '*retail know-how*', and he argued that it had become one of the fundamental concepts for retail formats such as supermarkets, convenience stores etc. In an implicit way Kacker (ibid.) identified '*retail know-how*' and '*retail concept*' in the same manner. Moreover he claimed that a blend of different '*retail concepts*' (or 'know-how') can produce unique '*retail formulas*'. For example, he claimed that 'Toys R Us' had blended the concept of self-service, with discounting and speciality retailing providing it with a *unique retail formula*. Thus, according to Kacker's (1988) taxonomy, a store format is a fixed or static variable (i.e. a supermarket) owned by any retailer. As such, it is the retailer's know-how, both managerial (internal) and technical (external), that will add an extra value to the format converting it to a store concept. The more competent the retail know-how, and the more its resources are used to their full potential, a combination of concepts can be adopted that will then produce a retailer's store formula. Waldman (1978) defines the *retail formula* as the elements of the firm's retail operational mix with which the customer is directly in contact.

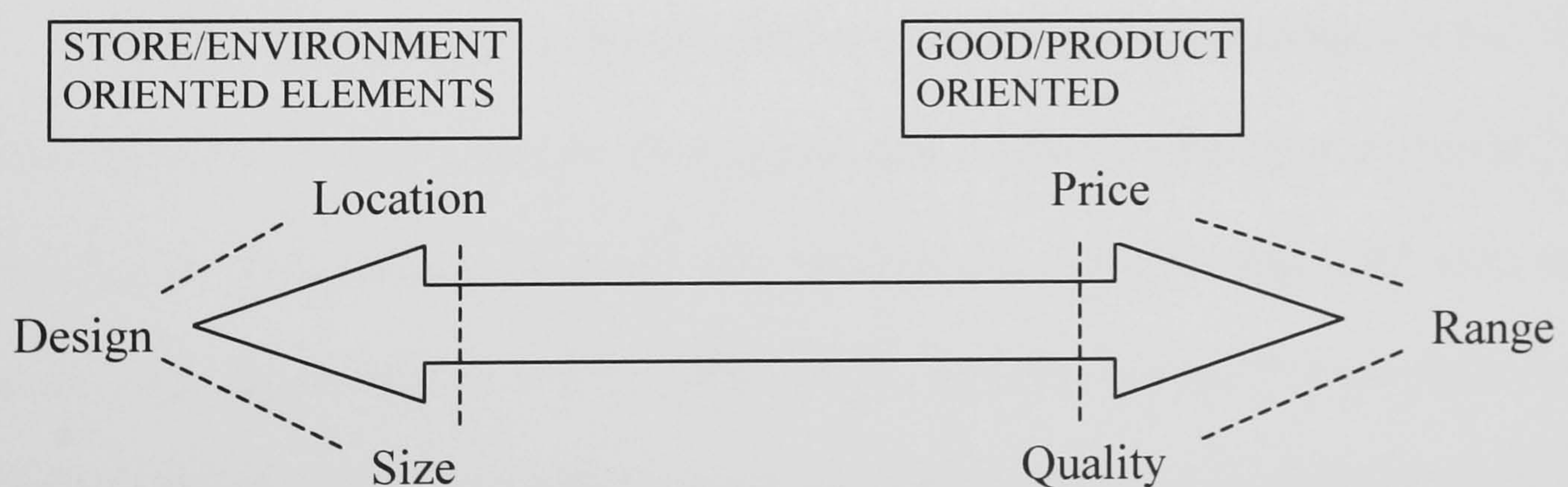
Taking into account the above argument, the author recognises the distinction between store format, store concept and store formula, with the former being the less dynamic and less managerial variable of a retailer's commercial strategy. However, these notations will be used interchangeably throughout the thesis signifying the retailer's capabilities of presenting a unified competitive plan (Goldman, 2001). This is done in order to avoid the paraphrasing of any works and ideas that have been used from scholars within the existing literature.

2.3.2 FROM STORE CONCEPTS TO STORE (AS) PRODUCTS

From the discussion up to now, one point that needs to be made is that a store concept (as defined previously), primarily reflects the internal recourses of the retailer

and how it manages to implement them. Therefore, it can be argued that a retail concept is derived principally from the internal elements of the retail organisation. However, since retailing is defined as an intermediary which is fundamentally concerned in building relationships with consumers (Burt and Sparks, 2002) this implies that the external environment will also affect the store concept. This causal effect between store concept and its external environment was defined by Burt and Dawson (1987) as the *retail offer*. They argue that a combination of environmental and product related factors build a strategic trading format that is presented to the customer (see figure 3.1). As this trading strategy requires a marketing approach, i.e. customer focus, Burt and Sparks (2002, 1995) argue that a store format (outlet) should be viewed, just as customers view any product or service that it is included in the portfolio of a manufacturing company. Moreover, they claim that a store format, like a product, provides tangible and intangible values to customers that will differentiate them from competitors.

Figure 2.1 Elements in trading strategy design



Source: Burt and Dawson, 1987

With regards to retail internationalisation, Pellegrini (1991) has highlighted this parallel comparison between manufactures products and retail stores (as a product). By using Dunning's (1981) eclectic model, he tried to develop a typology of motives for

DFI by retail companies. The author argued that one of the ownership advantages¹ retailers possess and motivates them to go abroad was *organisational innovation*. This included better and new organisational procedures that offered a new or an improved concept or reduced the cost of a given concept. In a later work, by Dawson (1994, 1993), claimed that ownership-specific advantage is a firm's "innovatory product, process or business method that gives it competitive advantage in the market" (pp. 27-28.) From the above discussion, two points are worth mentioning. First, there seems to be an interrelationship between the retailer's know-how and the store concept. Second, the store concept must offer some form of innovation that will distinguish it from competitors. Pellegrini (1999, 1994, 1991) has identified two forms of retail innovation, product innovation (a new store concept), and process innovation, (a new way of producing a known store concept). The need for retailers to possess some form of innovation in order to internationalise their operations has been supported by many authors (Pellegrini, 1999, 1994, 1991; Dawson, 1994, 1993; Burt, 1993, 1991; Kacker, 1988; Goldman, 1981).

Based on Pellegrini's taxonomy, Davies (1992a) has claimed that the two forms of innovation are market (product innovation) and organisational (process innovation) driven, and a juxtaposition of those will provide the retailer with total innovation. However, and like Pellegrini (1991, 1994, 1999), while he argues that retailers can be viewed as different, it is very difficult for a retailer to protect its product innovativeness (formula) as there are no legal actions to defend it. As such, retailers will either lose

¹ Dunning's (1993, 1983, 1981) eclectic paradigm model stresses that in order for a firm to operate abroad three functions-advantages must coexist: *Ownership-specific advantage*: Refers to the proprietary ownership of the specific assets a firm possesses (e.g. product, or concept). *Location-specific advantage*: refers to the host markets 'peculiarities' that will allow the added value possessions of the ownership function to create or add more competitive advantage for the firm. Such peculiarities include the cost of land, cultural differences, and distribution network. *Internationalisation advantage*: refers to the extent to which the market for these advantages are best internalised by the firm itself, rather than marketed directly to foreign firms.

their product innovativeness or will need to focus more on process innovation (the expertise of producing and operating new formulas) which is less easily imitated by competitors.

From the above, it can be argued that the conceptual evolution, from store concept to store product, is characterised by the further capitalization of the retail know-how in order to respond to the threats that derive from the macro environment and particularly competition.

2.3.3 FROM STORE (AS) PRODUCTS TO STORE (AS) BRANDS AND STORE BRAND IMAGE

As a response to the 'imitation' of their store products, retailers have sought strategies in their domestic market, which differentiate themselves from competitors. In particular, retailers have managed to successfully communicate differentiation to consumers by investing in perceived quality and added value image in order to achieve competitive advantage. This has led to a branding strategy, which is achieved through the manipulation of the intangible and tangible assets of a retail offer and how the stores' image positioning is perceptually visualised in the consumers' mind. (Burt and Sparks, 2002, 1995; Boyle, 2002; McGoldrick, 2002; Burt and Carralero-Encinas, 2000; Burt, 1999; Lewis and Stubbs, 1999; Porter and Claycomb, 1997; Richardson, et al., 1996, 1994; Bunce, 1989; Davies, 1992b, 1992c; Murphy, 1990, Walters and Knee, 1989). This stage introduces the last evolutionary process of what retailers internationalise, which is from store product to store brand image.

The notion that a store should be viewed as a brand is not recent. Walters and Knee (1989) defined retail branding as the complete strategy package of a retailer's store concept. More recently, Burt and Sparks (2002) emphasised that the retailer's product (as a shop) has been a subject to brand development as have the products the shop actually sells. Likewise, Davies (1992c) claims that retailers can be differentiated

in the same way as product brands, and that retail trading names can be transferred to other products and services. Dawson (2000) took this argument a step further by highlighting the development of store branding and store brand extension. He argues that stores have become brands with brand images that transmit values with their names. He used examples such as Mamouth, IKEA, DIA, B&Q , Hennes and Mauritz. As for store brand extension, he used the example of Tesco, by identifying five different store brands which the company has in its portfolio.

This transmission of values through the store's brand image was also highlighted by McGoldrick (2002) who viewed many similarities between brand equity and store brand image. He claims that brand equity derives from the image that the public has of the brand, and the impact the brand has on consumers' buying patterns. Thus, trying to build a link between brand equity and store image, he used Aaker's model, and managed to underline the relationship that exists between store image and how it represents the store's brand equity.

With respect to retail internationalisation, this last form of stores, as brands with their associated image, has been viewed as one of the biggest challenges retailers will face in the new century (Dawson, 2000). As Burt and Sparks (2002) state "For many large corporate retail business, internationalisation is a major activity and how their brand and identity is positioned, received, managed and enacted abroad is a key aspect of their strategy" (p. 195.)

It is evident that this last conceptual phase of store operations, the store as a brand, requires a greater capitalisation of retail know-how, since not only should it be used as a defensive mechanism against competition, but also to transmit certain values that will fulfil to the needs of the consumer. Thus, as the response to the macro environment increases and becomes more complex (i.e. competition and consumers), so

does the need for retailers to manage and capitalise more efficiently and effectively on their expertise.

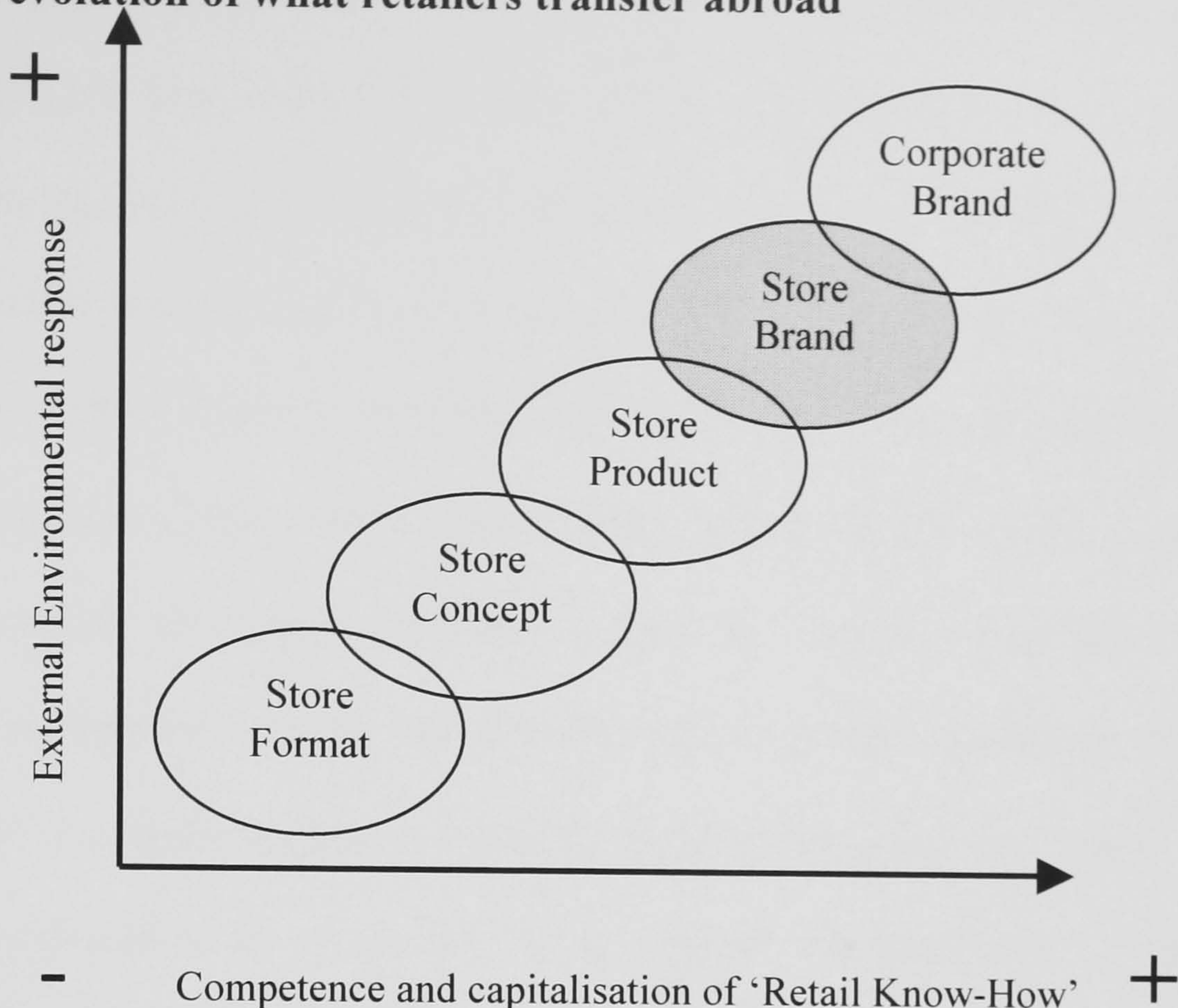
Still, from a closer inspection of the Burt and Sparks (2002) work, it appears that the store as a brand is not the last form of what retailers transfer in terms of store operations, as they also talk about corporate branding on an international stage. Whilst first recognized by Dawson (2000), defining it as retailer (corporate) branding, Burt and Sparks (2002) claimed that retailer corporate branding is an alignment of vision, culture, and image. Arguably, these three dimensions incorporate much of the elements that have been identified up to now for defining store brands. However, the authors argue that this form of retail transfer, although providing retailers with potential opportunities for building successful brands internationally, is more difficult to achieve, as it requires the transferability of a standard identity. When relating this to the argument brought forward up to now, about the capitalisation of retail know-how and the response to the macro environment, it is evident that this phase is the ultimate form that retailers can transfer in terms of store operations. It implicates the entire internal environment of the business (from company vision to store employees) as well as the whole macro environment (from competition and customers to financial institutions and shareholders).

2.3.4 WHAT DO RETAILERS INTERNATIONALISE: THE STANDPOINT OF THIS THESIS

From the above, it can be argued that the evolution of what retailers actually internationalise, in terms of operations, lies on two parameters. First, on the degree of competence and capitalisation the retailers' achieve with their 'know-how' (i.e. internal resources), and second on their response to the external or macro environment in which they operate. As suggested previously, a store format was distinguished from a store concept on the basis that retailers with a better internal 'know-how' will have the ability

to transform a static format into a selling concept. In other words, the difference between a store format and a store concept is 'it is not what you sell but how you set it'. Since retailing functions within a constantly changing environment made up of competition and different stakeholders (i.e. customers, financial institution etc), this will have an impact on the store concept. Thus, and depending on the market orientation, the store concept will be transformed. In the second phase, it seems that there is more consideration towards competition, and the utilization of the retail know-how focuses on generating innovation relative to competition. In other words, retailers are more product oriented rather than customer driven. As such, what retailers tend to internationalise is a store (as) product that possesses some form of innovation. However, as product innovation is easily copied, retailers in recent years have focus more on the tangible and intangible aspects of the product (i.e. store) in order to offer customers perceived added value. This is the phase where retail know-how focuses in responding to customer needs by converting store products, through management of their image, into store brands. Finally, the last phase, which has been recently introduced, requires the full capitalisation of the retailer's know-how as there is a need to respond to the entire macro environment. This evolutionary process of what retailers internationalise in terms of store operations is presented in figure 2.2.

Figure 2.2 The evolution of what retailers transfer abroad



This argument over what retailers actually transfer when deciding to internationalise their operations has been discussed for two reasons. First, as this thesis investigates the standardisation versus adaptation debate in retail operations, it has been observed within the literature that a misconception exists concerning this topic. This derives primarily from the interchangeable use of the terms like store format, concept, formula etc. For example, Mukoyama, (2000) having revised the work of Burt and Dawson (1989), Salmon and Tordjman (1989), Treadgold (1988) and Pellegrini (1994), concluded that these scholars distinguish standardisation in terms of store concept, product concept, marketing mix and formula. It is evident that this interchangeable use of concepts creates confusion for the topic under investigation, since from the discussion up to now, it appears that there is a conceptual and managerial distinction between these terms. However, it should also be recognised that this distinction is far from easy. There is a clear indication that a retailer's 'know-how' or 'technology' can play a major role in the successful development of a store's format and its concept.

Likewise, as the store concept possess some form of innovation and transmits an image, composed of tangible and intangible values, it has a direct effect on the minds of consumers. Consequently, and depending how positively perceived this image is by customers this makes the store concept, *per se*, a source of competitive advantage which is difficult to be copied. Hence, it is evident that there is a strong interrelationship or a chain effect between retail know-how, store concept and its innovativeness, store image, and customers, which ultimately establishes a store as a brand. Given this, it seems sensible not to distinguish between the different forms of store operations, but rather encapsulate them in a single entity and within the notion of the store as a brand.

The second reason for discussing what retailers internationalise, is that Burt (2002) has condensed this broad issue into two elements, image or techniques. However, this study argues that both, image and techniques, are internationalised simultaneously as the former is an inheritance of the latter. It is believed that the 'techniques' define a store format, with a given concept and associated innovation. All these combined, define a store as a brand, which via the image it transmits communicates its values to the customers. As such, the standpoint of this thesis is that retailers internationalise their domestic store brand that through its inherited image, transmits and creates a source of competitive advantage in the eyes of consumers.

However, given that markets and consumer tastes vary between countries, there have been calls for further inquiry into whether the domestic store brand image, can be transferred abroad (Burt and Sparks, 2002; Burt and Carralero-Encinas, 2000; Burt, 1999; Simpson and Thorpe, 1999; 1995; McGoldrick, 1998; McGoldrick and Blair, 1995; Dawson, 1993; Brown and Burt, 1992b; McGoldrick and Ho, 1992). A means to achieve this is by adopting a standardised strategy for the domestic operations when entering into a host market (Burt and Sparks, 2002; Goldman, 2001; Burt and Carralero-

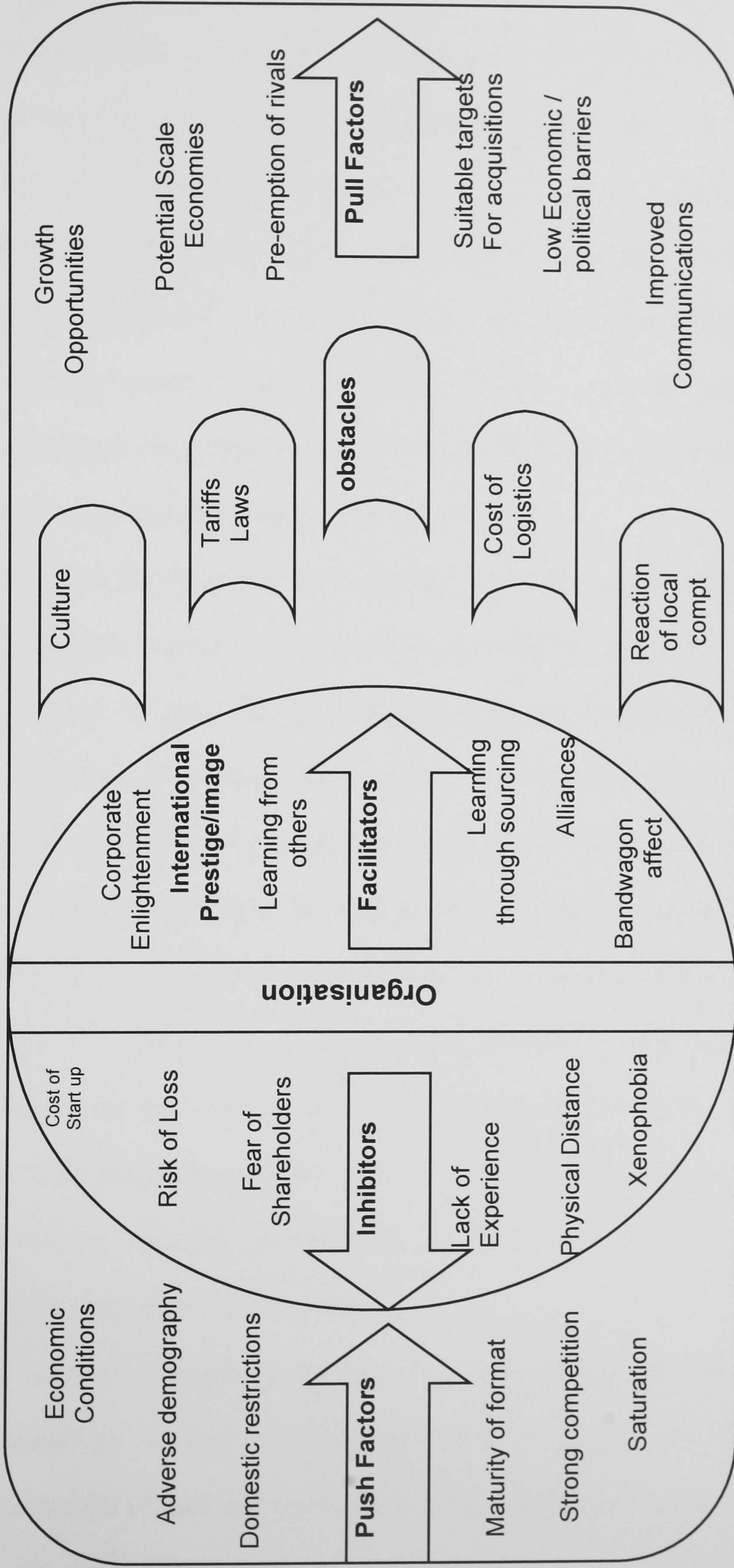
Encinas, 2000; McGoldrick, 1998; Alexander, 1997; McGoldrick and Blair, 1995; Brown and Burt, 1992b; McGoldrick and Ho, 1992; Pellegrini, 1991; Martenson, 1989; Salmon and Tordjman, 1989). Bunce (1989) argues that whereas for a product brand may achieve some relative stability throughout the international market, for a retailer as brand it is much more difficult, as its retail formula has a higher degree of variability. Given this, the thesis will try to shed light on the debate of standardisation versus adaptation of store brand image transfer between markets.

However, a note of caution should be made here for the reader. Although terms such as store format, concept, offer, etc. will be used interchangeably, they will entail the notion of store brand.

2.4 STORE BRAND AS A MOTIVE AND OBSTACLE FOR RETAIL INTERNATIONALISATION

As discussed in the previous sections, store brands (as defined above), can *per se* be a source of competitive advantage in their domestic markets. Recognising this, many retailers have identified that the ownership of such a source of competitiveness can permit them to internationalise. While motives and obstacles for retail internationalisation have received a substantial level of attention in the retail literature (see Alexander, 1997), this section concentrates only on studies that have recorded store brand as a motive and obstacle for retail internationalisation. Nevertheless, a comprehensive list for what triggers retailers to internationalise has been provided by McGoldrick (1995) and is presented in figure 2.3. From the figure, it can be observed that the image a store transmits has been classified as a facilitating element in the internationalisation process of retailers.

Figure 2.3 Driving forces of retail internationalisation



Source: McGoldrick, 1995

Williams (1992, 1991,) argued that retailers internationalise to exploit their stores' competitive advantage. His research into UK retailer internationalisation revealed "the multidimensional nature" of internationalisation motives, which were more complex than the previous simplistic push and pull dichotomies. He considered the motives affecting retailer internationalisation in terms of four dimensions: proactive and growth-oriented; limited domestic growth opportunities; internationally appealing/innovating retail offer; and passive motives. Williams (ibid.) concluded that, UK retailer internationalisation was influenced largely by growth orientation motives arising from an internationally appealing innovative retail formula.

The view, that stores and their domestic competitiveness can act as a motive for internationalisation has been recorded since the early 70s. Hollander (1970) contends that one motive for retail internationalisation may be a successful domestic offer. Likewise, Jackson (1976) suggested that the domestic retail formula and the market opportunities that existed to exploit it acted as stimuli for UK retailers in European expansion. Waldman (1978), by looking into the companies' organisational culture and the environment in which they were operating, classified the motives for international retailing into initiating and auxiliary forces. For the author a major auxiliary force was the elements of the retail formula that were internationally transferable and the ability to operate a retail formula more efficiently than foreign competitors. He concluded by claiming that for an initial foreign retail expansion, one prerequisite should be an internationally appealing retail formula.

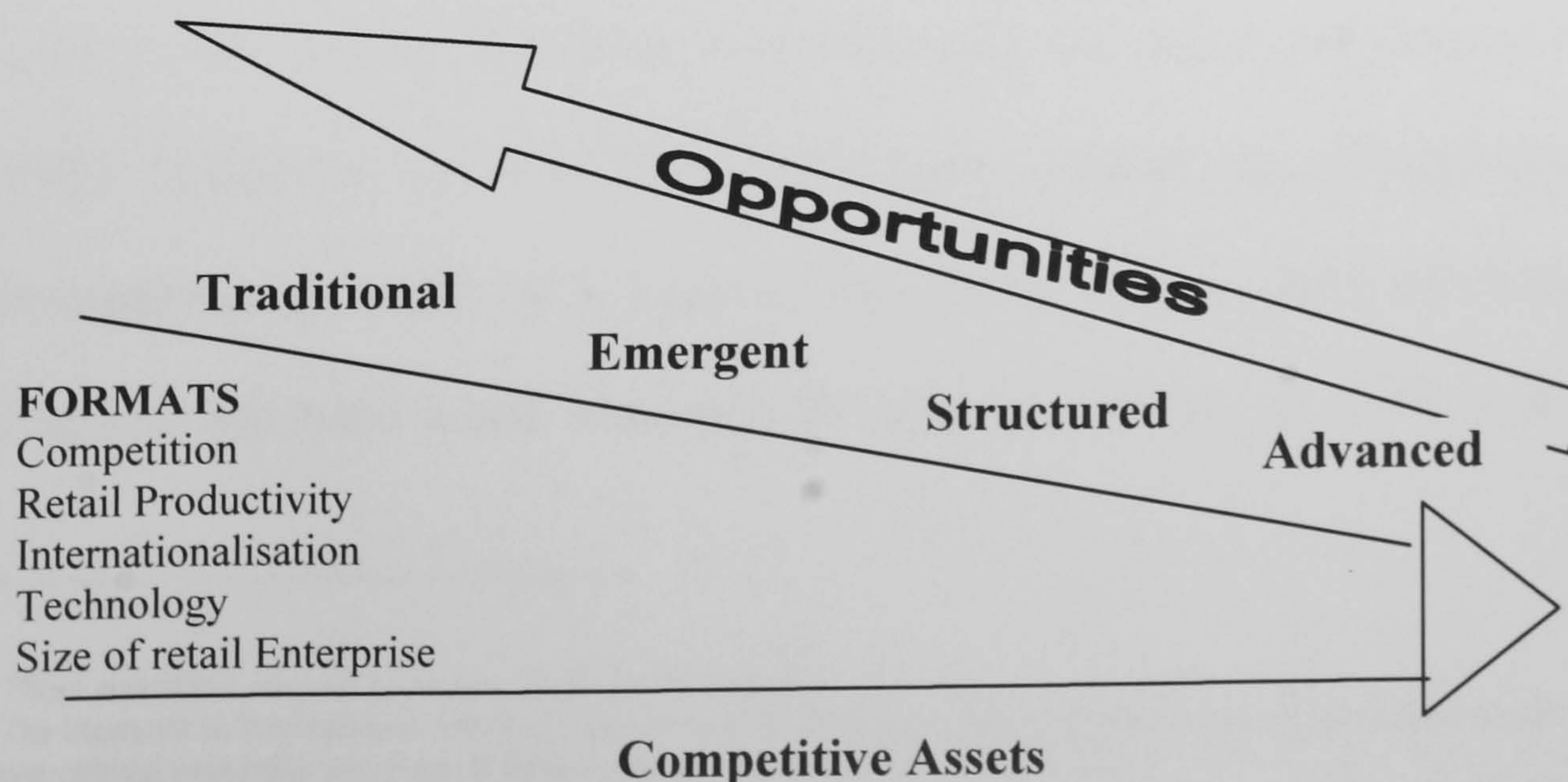
A body of research during the mid 1980s considered motives for retailer internationalisation in terms of 'push' and 'pull' factors. Kacker (1985), provide a comprehensive list of push and pull factors along with macro level (environmental) and micro level (organisational) dimensions. He argued that a retailer may perceive itself as

having a superior offer to its foreign competitors in terms of retail 'know-how' skills, which are based on the knowledge of various operational systems and processes concerning the running of the retail business.

Using these criteria and including the concentration level of retail operations within a country, Tordjman (1994) identified four stages of retail developments: traditional, intermediary, structured and advanced. Within the two former stages the author included southern European countries, whereas for the latter two, central and northern European countries. He argued that the stage development of the host country could be viewed as a niche opportunity for foreign retailers that have more advanced store concepts. Southern European countries such as Spain, Portugal and Italy have been also identified within the literature as niche markets due to their low stage development (Treadgold, 1989a, 1989b; Treadgold and Bendall, 1989; Treadgold and Gibson, 1989; Treadgold and Davies, 1988).

Building on this, Kumar (1997), provided a model (see figure 3.4) associating the level of opportunities a domestic format has with the developing stage of the retail sector in a given host market. He argued that the less developed a retail sector is in a host market, the more opportunities (motives) exist for a given domestic format to enter as the company has a number of advantages in relation to local competition.

Figure 2.4 Association between retail structure and opportunities of entrance



Source: Kumar, (1997)

However, Salmon and Tordjman (1989) went a step further by stating that the motives for retail internationalisation differ according to the type of international strategies retailers adopt (global, and multinational)². For retailers adopting a global strategy, the existence of homogenous international consumer segments is the overriding motive. As for retailers adopting a multinational strategy, they concluded that one of the reasons was the drive for creating an international image.

The interrelationship between motives, type of strategy adopted, and the convergence of consumers behaviour amongst markets has been recognised by many scholars (Evans, et al., 2000; Sternquist, 1997; Sternquist and Kacker, 1994; Tordjman, 1994; Laulajainen, 1991; Martenson, 1987). Williams (ibid.) concluded that the transferability of the concept might be strengthened if similarities between consumers were greater than the differences, and if the concept was a reflection of the broad global convergence of certain retail markets. While Levitt (1983) predicted the globalisation of markets, the homogenisation of consumer tastes, and the demise of superficial national tastes, several authors have noted a growing convergence of consumer preferences on a retail European level (Sternquist and Kacker, 1994; Tordjman, 1994, 1995; Burt, 1989; Gibson and Barnard, 1989; Kaynak, 1988; Kacker, 1986b).

Given this, a considerable body of work within the literature of international retailing implies that one of the primary factors for determining the direction of a store brand is the cultural proximity found between the home and foreign market (Burt, 1993)³. Hollander (1970) proposed that retailers expand into contiguous and relatively homogenous countries as it reduces the risk of failure. This attraction of cultural closeness has been found important for Swedish retailers as well (Martenson, 1988).

² These classifications will be elaborated in the next chapter.

³ The literature in international retailing suggests that the direction of store brands is determined by three factors- cultural proximity, geographical proximity and stage of development of the retail market (Burt, 1993).

Treadgold (1988) concluded that the bulk of retailer internationalisation had been notable for its caution and that activity had been confined by companies making localised moves into markets with a similar (though some times more perceived than actual) social and cultural make-up to their domestic market. Williams (1992) stated that the decision making in to which direction to go is difficult, as it involves perceptual, subjective, and idiosyncratic factors. According to the author, one of the main reasons is psychological distance. Psychological distance is also called cultural distance and it refers to the closeness and similarities between the host and home country in terms of culture socio-economic political and business environment.

However, other scholars have maintained that the differences between countries' consumers and operating environments remain more compelling than the similarities (Dawson, 2001, 1994, 1993; Evans, et al., 2000; Tordjman, 1995; Treadgold, 1989c), hence possibly influencing the successful transfer of domestic store brands. Hollander (1968) argued that a considerable number of adjustments' in merchandise selection, display techniques, customer services, and personnel policies, are needed to meet environmental and market differences. Jackson (1976) and Waldman (1978) identified that one of the reasons for retailers not expanding internationally was the inadequacy on the exported retailing formula with respect to host country consumers' expectations. Kacker (1988) observed that even when the economic environments in two countries are compatible, the pace of adoption (of retail know-how or transfer of technology) is affected by consumers' cultural differences. Davies and Flemmer (1995), in their study on attitudes to food shopping in Denmark and Spain, suggest that retailers may need to vary their particular offer to suit given locations.

Initial perceptions of culturally similar markets may disguise underlying fundamental cultural and socio-economic differences. A striking example of this has

been the US market for British retailers (Rogers, 1991; Treadgold, 1991). O'Grady and Lane (1997), in a study of 271 Canadian and American retail companies, found that cultural dissimilarities existed between the two countries, and was cited as the nature of the problem for Canadian companies to expand in the US. They concluded that although there are cultural barriers to retail internationalisation the essential issue in order to overcome them is by identifying the cultural differences before entering the host market, and adapt accordingly.

On this matter, Dawson, (1993) claims that the key feature of the internationalisation of retail operations is the need to adapt in response to the cultural character of the host country. Treadgold, (1990/1991) argues that only a few retailers have a format, which is distinctive enough to be exported into very different consumer and trading environments, without significant modification of the core offer. Therefore, the main dilemma faced by retailers is to what extent and at what cost (adaptation cost) it will influence the domestic competitive advantage of the store brand, in order for it to be successful when going international (Pellegrini, 1999; Dupuis and Prime 1996).

From the above, it is evident that a unique domestic store brand with its inherent competitive advantage, *per se*, can act as a motive for pursuing an international presence. However, its international attractiveness and competitiveness is determined by two host market conditions. First, the stage of development of the retail sector in the host market, and second the degree of convergence between consumer tastes in various countries. Regarding the former, it appears that the lower the stage of development of the host market the more positive effect it will have on the store brand's competitive advantage. As for the latter, it seems that the more similar the consumer tastes between countries, the more supportive it will be to the incoming store concept.

2.5 CONCLUSION

It is apparent from the reviewed literature that retail internationalisation and the internationalisation process is a multidimensional, and dynamic in nature. In order to fully understand this complexity one should seek answers in relation to what is retailing? What are the dimensions of international retailing? What do retailers actually internationalise? This chapter attempted to address these questions in order to set a conceptual framework that will be used for this study. As such, this thesis will focus on the dimension of international retail operations, and will explore the transfer of store brand image by investigating the standardisation versus adaptation debate in international retailing. Given that this debate has been derived from the broader domain of international business and marketing, the next chapter will explore standardisation by reviewing the literature in international marketing and international retailing.

CHAPTER 3

REVISED LITERATURE ON STANDARDISATION

3. INTRODUCTION

In the previous chapter, it was suggested that retailers internationalise store brands with their inherent image. Moreover, it was claimed that in order for retailers to transfer intact a successful domestic store brand image, they will have to adopt a standardised strategy. Then again, as markets and consumer tastes vary between countries, retailers are faced with the challenge of whether they should adapt their domestic offer to the local needs of the host country. As such, retailers are confronted with the dilemma of whether they should standardise their domestic retail offer when deciding to internationalise or, adapt it according to the peculiarities of the host market. Given this, the aim of this chapter is to provide a conceptual insight concerning the standardisation versus adaptation debate in international retailing. However, as this debate has received limited attention within this domain, it is viewed necessary to draw also upon the literature from the area of international marketing, where extensive conceptual and empirical research is well documented.

The chapter is divided into three sections. It starts, by briefly presenting the debate over adopting a standardised or adaptive strategy. The second section concentrates on providing a conceptual framework regarding marketing standardisation. Finally, in the third section, studies that have highlighted the standardisation versus adaptation debate in international retailing are presented.

3.1 THE GENESIS OF THE DEBATE: IS THE WORLD BECOMING A GLOBAL MARKET?

Levitt (1983) highlighted the fundamental concept behind the debate of standardisation versus adaptation. According to the author, technology, communication facilities, and travelling abroad, have minimised the physical and psychological distance between countries. Consequently, this has created global markets with consumers that

have developed common tastes and needs for global products. The author argued that since the process of market globalisation cannot be stopped, the survival and success of companies in such markets lies in their ability to deliver a high quality product at a competitive price. The means to achieve this is through the standardisation of their marketing programme (mix), which facilitates a low-cost competitive position in the global market. By satisfying consumer preferences via offering products or services at low prices (but are of high quality and globally identical), the global firms can achieve competitive advantage over the domestically oriented multinational firms. This competitive advantage is attributable to global economies of scale and cost reducing experience.

Supporting the view of the emerging global consumer, Douglas and Wind (1987) and Hassan and Kastanis (1991) identified the “Global Elite Segment” where, due to increased wealth and widespread travelling, this segment seeks to purchase universally recognised products with prestigious image. Providing a more detailed scope, Usunier (2000) argued that the concept of market globalisation should not be viewed only from the demand side but from the entire marketing activity of an organisation, since, as products and services tend to become more similar so will firms tend to standardised their marketing policies across global segments.

While global segments with similar interest and response patterns may be identified in some product markets, it is by no means a clear universal trend (Whitelock and Pimblett, 1997; Kustin 1993; Whitelock 1987). Czinkota and Ronkainen, (1993) admit that while homogenisation is increasing, there is substantial evidence to suggest also an increasing diversity of behaviour within countries and the emergence of idiosyncratic country- specific segments. According to Bennett (1995), standardisation is likely to prove successful in international markets only under certain conditions. These are a) the existence of a global market segment. and, where cultural differences

do not necessitate adaptations b) potential synergy from standardisation c) the availability of a communication and distribution infrastructure to deliver the firm's offering to target customers, and d) markets between countries must have similar development and competitive environments.

From the above it can be seen that Levitt's notion of globalisation is creating on the one hand, a more homogenised world whilst on the other hand, distinctive world markets are disappearing. With the globalisation of markets, firms have the opportunity to standardise their marketing programme thus allowing them to achieve low-cost production, gain economies of scale, and expand to global segments. Furthermore, standardisation builds globally recognisable product image that is attractive to all consumers. Once this image is established, it can provide an umbrella for the organisation to create products for a single global market and ignore geographical and cultural differences. However, in order for standardisation to work some criteria should exist. Whether or not these criteria exist between markets is questionable and as a result, the genesis of the standardisation versus adaptation debate occurs (Whitelock and Pimblett, 1997).

3.2 THE CONCEPTUALISATION OF STANDARDISATION

While the debate whether multinational companies should standardise or adapt their operations continues unabated, during the revision of the literature questions were raised over what the concept of 'standardisation' actually referred to within the marketing and retail domain. This was because a number of academics use the term 'globalisation' as coequal of the above term.

The term globalisation was first introduced in Levitt's (1983) landmark article "The Globalisation of Markets", and although the author never provided a definition of the term, he referred to globalisation as Buzzell (1968) referred to standardisation in

1968. Likewise, but within the domain of international retailing, Burt (1999) claims that globalisation of retailing has been associated with the replication of a standardised approach to retail operations.

Medina and Duffy (1998) argue that this interchangeable utilisation of the above terms may cause misconceptions to the actual meaning of standardisation. Thus, insufficient understanding of theoretical concepts within the studies of standardisation may lead researchers as well as readers to ambiguous findings. Similarly, Theodosiou and Leonidou (2003), after revising 36 studies dated back to the early 60's, concluded that the debate of standardization versus adaptation of international marketing strategies appears to be too fragmented and to some extent confusing in order to yield clear insights. Reason for this conclusion was attributed to the inappropriate conceptualization of the term standardisation.

Given this mystification over these concepts, the following section will provide a conceptual framework of the notion standardisation that will be adopted throughout the thesis. From the review of the literature in international marketing standardisation, it was observed that the conceptualisation of standardisation can be better understood by examining three broad areas: definitions provided for the term of standardisation; identified aspects of marketing standardisation strategies; and the degree of standardisation companies wish to pursue when going abroad.

3.2.1 DEFINITIONS OF STANDARDISATION IN INTERNATIONAL MARKETING

Buzzell, (1968) was the first to raise the issue of standardisation with respect to the entire marketing concept, and specifically in the field of international marketing. The author stated that standardisation is "...the offering of identical product lines at identical prices, through identical distribution systems, supported by identical

promotional programs, in several different countries” (p. 103). Following Buzzell’s definition, Jain (1989) defined international standardisation strategies as the usage of common products, prices, distribution, and promotional programs on a world-wide basis. Boddewyn and Grosse (1995) state that marketing standardization is both a condition and a process as it refers to the similarities found between countries (conditions), and to the efforts firms try to apply similar marketing policies and practices between their home and foreign operations (process). More recently, Zou, et al., (1997) claimed that standardisation strategies should be conceptualised primarily in two different ways. First, as a single marketing strategy that a company applies to all the markets it is operating in (Samiee and Roth, 1992), and second, as a domestic marketing strategy that is applied in a host market (Cavusgil, et al., 1993).

While these definitions were found to be the most accepted and cited within the literature on international marketing, claiming that a standardisation strategy is the offering of identical product mix in several countries, some observations need to be mentioned. First, that standardisation is a process adopted by companies, in order to apply and/or achieve a similar marketing mix across countries. Second, standardisation should be viewed either as a domestic strategy applied abroad or as a single global strategy achieved to all markets. Based on these distinctions Medina and Duffy (1998) argued that standardisation and globalisation should be conceptualised into two different ways. According to the authors, standardisation is “the process of extending and effectively applying domestic target-market-dictated product standards-tangible and/or intangible attributes- to markets in foreign environments” (p. 230). On the other hand, globalisation is the process of achieving a highly uniform product by adopting as many attributes as possible - tangible and/or intangible - from the products a company markets around the world. Thus, the difference between the two concepts is that standardization

is a means to apply or dictate a domestic standard, as opposed to globalisation, which is the process of achieving a world standard.

Given that the aim of this study is to examine the transfer of a domestic store brand image into a host market this thesis adopts the definition provided by Medina and Duffy (1998) and views standardisation as the creation of a 'standard to be dictated/applied' rather than the creation of a 'standard to be achieved' (i.e. globalisation).

In contrast and opposite to standardisation is pure adaptation (Szymanski, et al. 1993; Douglas and Wind, 1987; Friedmann 1986). Although adaptation has been cited by a number of marketing academics, it has never been formally defined (Medina and Duffy, 1998). Nevertheless, one of the most well structured definitions of marketing adaptation was proposed by Cavusgil et al. (1993). The authors stated that a marketing adaptation strategy is defined as the degree to which the physical product and other elements of its marketing mix differ across countries and change according to local requirements. Depending on these changes, whether minor or major, the strategy can be referred to as localisation or customisation. Taking into account that adaptation (and only adaptation) is the adverse of standardisation, and in accordance to the previously highlighted distinctions of the concept standardisation, this research will advocate the adaptation definition proposed by Medina and Duffy (1998): "Adaptation is the mandatory modification of domestic target-market-dictated product standards-tangible and/or intangible attributes-as to make the product suitable to foreign environmental conditions"(p. 231).

3.2.2 ASPECTS OF MARKETING STANDARDISATION STRATEGIES

According to Sorenson and Wiechmann (1975), two primary aspects of marketing standardisation strategies can be identified: process standardisation and programme standardisation. Programme standardisation has received extensive attention within academia, and as a result, other aspects have emerged such as product and brand standardisation.

3.2.2.1 *Process Standardisation*

Process standardisation is mainly concerned with the creation of a unified structure and a standardised decision making process of a marketing plan. It provides a framework within which marketing activities are conducted and specific marketing concepts are developed, implemented and controlled (Griffith, et al., 2000; Shoham, 1995; Kreutzer, 1988; Walters, 1986; Sorenson and Wiechmann, 1975). In other words, process standardisation is the mechanism and in some cases a precondition, that will aid in the development of programme standardisation (Cavusgil, et al. 1993; Jain 1989; Kreutzer, 1988; Walters, 1986; Sorenson and Wiechmann, 1975).

Sorenson and Wiechmann (1975) conducted an empirical research of 27 European multinationals producing consumer-packaged goods. The authors found high levels of standardisation regarding decision making for the physical characteristics of the products and their packaging, distribution decisions, brand names and basic advertising messages. Other studies have identified that the greater the headquarters control and authority of the parent company to their subsidiaries' decision making (i.e. centralisation), the higher the possibility for these companies to adopt process standardisation (Jain 1989; Onkvisit and Shaw, 1985; Wiechmann, 1974). In addition, it is argued that depending on the level of ownership over their subsidiaries (i.e. fully

owned, joint venture or franchising) multinational companies can standardise their product/offer more easily. This is due to the degree of management authority parent companies have over their subsidiaries (Kaufmann and Eroglu, 1998; Rau and Preble 1987). However, in a study conducted by Quester and Conduit (1996), findings indicated that process standardisation and centralisation are not correlated at firm level as suggested in previous literature.

3.2.2.2 Programme and Product Standardisation

The difference between process and programme standardisation is that the former refers to the holistic organisational behaviour in management decision making, whereas the latter, to entire marketing-mix of the product. Programme standardisation deals with the extent to which individual elements of the marketing mix can be unified into a common approach in different national markets. These elements of the marketing mix could be classified as product design and product positioning, brand name, packaging, retail price, advertising and distribution system (Theodosiou and Leonidou, 2003; Boddewyn and Grosse 1995; Jain, 1989; Wind and Douglas, 1986; Quelch and Hoff, 1986; Sorenson and Wiechmann, 1975). However, as programme standardisation captures the whole marketing mix, a number of researchers view the need to focus only on specific elements of the product and how they can be standardised internationally (i.e. product standardisation).

According to Levitt (1980), a product can be a physical object or a service and it is compound by core and augmented components. Broadly speaking, core components are the tangible assets a product possess (e.g., taste, packaging) where as augmented components are the intangible assets (e.g., image, reputation). Until now, product standardisation was focusing more on the former component. However, in recent years

it has become evident that while the tangible attributes of a product can be easily standardised they can also be copied within the international environment more easily. Thus, the need to centre more on the standardisation of the intangible aspects of the product is necessary. This has led in recent years to the final aspect of standardisation, which is brand standardisation (Rosen, et al., 1989).

3.2.2.3 Brand Standardisation

de Chernatony (1993) states that a brand is a blend of two elements: perceived added value positioning (the core) and different communication strategies (execution). The core element is associated with consumers' perceived quality and image they have for a brand, and how it satisfies their functional, emotional, and psycho-social needs. While O'Loughlin (1999) refers to brand standardisation as the maintenance of a constant brand image (i.e. both core and execution) regardless geographic location, de Chernatony, et al., (1995) argue that brand standardisation should focus on maintaining the brand's core element worldwide and adapt its communication and promotional strategy locally.

Onkvisit and Shawn (1989) were one of the first to put forward the question of whether companies should internationally standardise a brand. The authors presented a comprehensive list of advantages and disadvantage manufactures face when deciding to export their brand in a standardised manner overseas. They concluded that companies pursuing brand standardisation are able to build brands with a globally accepted image that can be introduced in a large number of countries at a relatively low cost. Additionally, as brand standardisation creates a differential advantage through its distinctive identity (through intangible assets), it protects the brand from being copied at an international level (O'Loughlin, 1999).

Although several studies support the view that companies should pursue brand standardisation, most of them have focused on the communication and advertising aspects of a brand (Keegan and Green, 2001; O'Loughlin, 1999; de Chernatony, et al., 1995; Sandler and Shani, 1992; Rosen, et al., 1989; Boddewyn, et al., 1986; Winram, 1984; Sorenson and Wiechmann, 1975). For example, Keegan and Green (2001) propose a model in order to determine what elements of a brand should be standardised when entering a host market. Although five different strategies are recommended, their drawback is that they focus more on the communicational aspects of a brand rather than on the core (as defined by de Chernatony, 1993). These strategies are:

1. Straight extension: implying a pure standardisation on the communication and the product.
2. Communication adaptation: modifying the product but retaining the communication element.
3. Product adaptation: modifying the communication element but retaining the product standardised.
4. Dual adaptation: modifying both elements product and communication
5. Product invention: creating new product and communication.

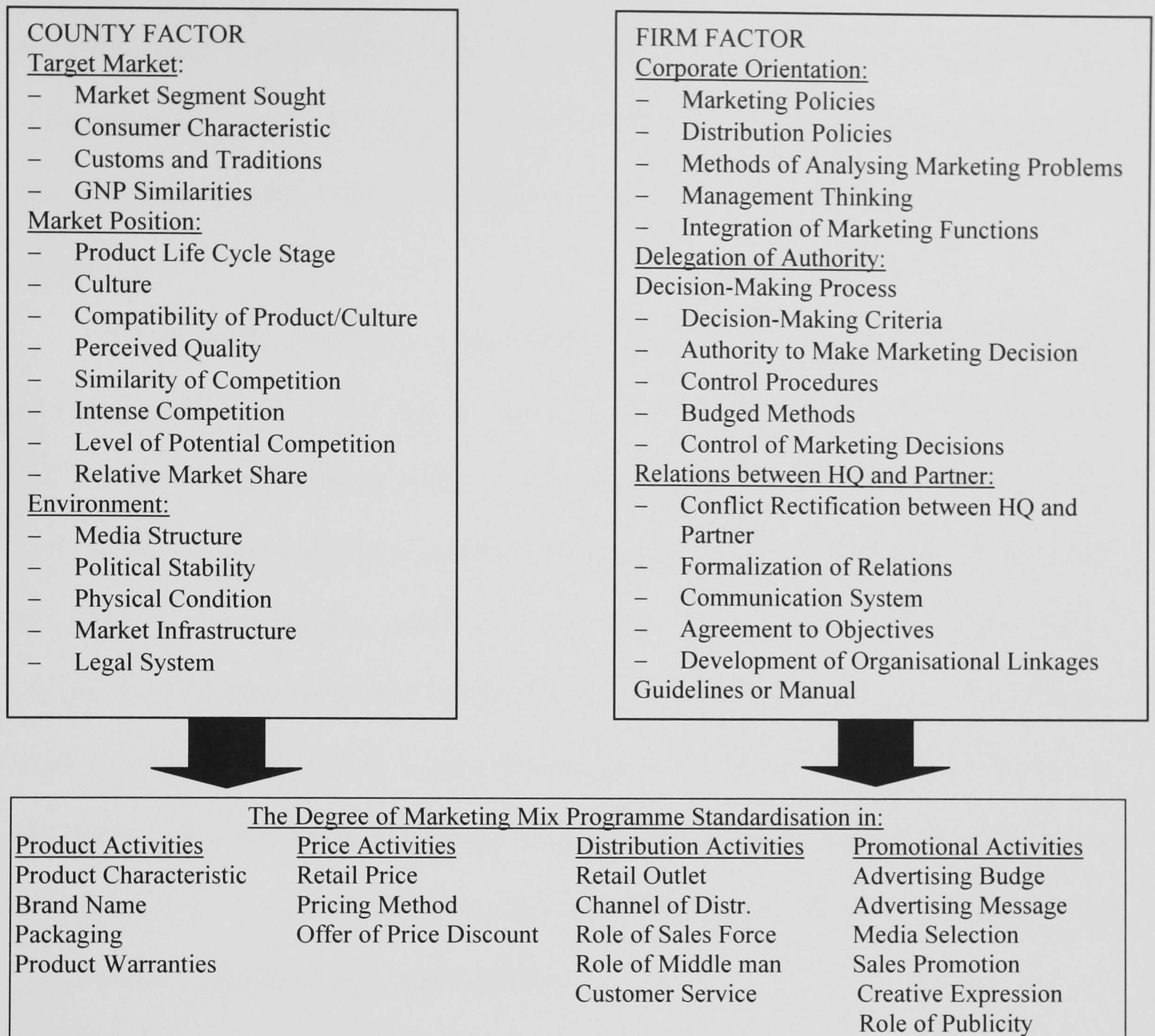
On the other hand, de Chernatony et al., (1995) claim that a brand goes beyond the communication strategy adopted by a company, and its success lies on the perceived quality or added value image it evokes to consumers. While this aspect of brand standardisation was investigated by the authors from a management point of view, claiming that it can be demand or supply driven, there have been calls for more investigation of brand image standardisation from a consumer perspective (Roth, 1995). Medina and Duffy (1998) claim that brand standardisation strategies are the ultimate

challenge for companies in today's international business, as they are faced with producing a single brand that its core and augmented attributes are produced domestically, yet have an international appeal.

3.2.3 DEGREE OF STANDARDISATION

The degree of standardisation refers to the extent a company wishes to standardise or adapt its decision making, products or brands when exported to a host market (Akaah, 1991). Within the marketing literature, there are three main academic movements regarding the degree of standardisation vs. adaptation strategies. They are cited primarily under three categories: 'pure standardisation', 'pure adaptation' and 'neither/nor'. Literature suggests that companies find their way between these three positions depending on the market conditions found within foreign markets. Michell et al. (1998) proposed a comprehensive framework indicating what variables influence the degree of standardisation (see figure 3.1).

Figure 3.1 Factors associated with the degree of Standardisation



Source: Michell, et al. 1998.

3.2.3.1 Pure Standardisation

The first movement argues that because the world is becoming a global village and consumer tastes and preferences are becoming homogeneous, companies and organisations should adopt a standardised strategy in order to enter a host country. Proponents of standardisation base their argument that differences in cultures and local life styles are non-existent and belong to the past. They claim that consumers are seeking products of good quality at the lowest possible price and this is only feasible through economies of scale via standardisation. Academics belonging in this category go a step further by suggesting that companies should aim at pursuing a pure or total

standardised strategy when exporting their products abroad (Schuh, 2000; Crawford, et al., 1988; Guido, 1992; Levitt, 1983; Ohmae, 1989; 1985; Rosen, et al., 1989; Winram 1984). By pure standardisation, it is implied that all the elements of the marketing mix are applied in the same way (i.e. standardised) all over the world (Buzzell, 1968; Levitt, 1983).

Levitt (1983) presented a conceptual argument for companies to pursue pure standardisation, and for this reason, many academics disagree with his stance. They believe that no hard evidence exists to show that consumers everywhere are becoming more alike. On the contrary, much marketing research suggest that peoples' tastes are diverging as they become better educated and more affluent (Whitelock, 1987). Furthermore, Levitt's statements seemed to ignore cultural differences and the influence it might have on the product's function (Zaichkowsky and Sood, 1989). Boddewyn et al. (1986) argue that consumer interpretation of the product's function influences the way a product is used, positioned, and perceived. Based on these arguments, the proponents of adaptation movement emerged.

3.2.3.2 Pure Adaptation

As opposed to the concept of pure standardisation, a number of academics believe that the world consists of different regions, cultures, life styles, and environmental conditions forcing multinational companies to adapt their offer to local needs. Their major argument is that customers have different requirements, and to cater to their needs, multinational companies have to modify their products. In particular, they criticize pure standardization as a new kind of marketing myopia that represents an oversimplification of reality, which contradicts the entire marketing concept (Douglas & Wind, 1987; Douglas and Craig, 1986). They further claim that the more multinationals adapt to local needs the more they can increase competitive advantage, sales and profits

(Rugman and Hodgetts, 2001; Whitelock and Pimblett, 1997; Boddewyn and Grosse, 1995; Johnson and Arunthanes, 1995; Cavusgil et al., 1993; Kustin, 1993; Akaah, 1991; Rosen, 1990; Verhage, et al., 1989; Yip, 1989; Zaichkowsky and Sood, 1989; Keegan, et al., 1987; Whitelock, 1987; Boddewyn, et al., 1986; Kotler, 1986; Sheth, 1986; Wind, 1986; Hill and Still, 1984).

3.2.3.3 'Neither', 'Nor' Situation

The third movement advocates a 'neither', 'nor' philosophy. Jain (1989) refers to this group as the contingency group. According to this group, it is believed that some elements of the marketing mix can be standardised while the rest should adapt to the local needs. They insist that a combination of standardisation/adaptation strategies should be selected, as no extreme position is suitable in the international market. By taking into account their resources, product and services offered, industry environment and host markets, companies should seek a balance between the degree of adaptation and standardisation of their marketing process and programme. Furthermore, they should monitor the decision over time, as a degree of modification might be required (Cavusgil, et al., 1993; Samiee and Roth, 1992; Jain, 1989; Kashani, 1989; Douglas and Wind, 1987; Martenson, 1987; Onkvisit and Shaw, 1987; Rau and Preble, 1987; Douglas and Craig, 1986; Porter, 1986; Quelch and Hoff, 1986; Buzzell, 1968).

In recent years, an argument has been brought forward claiming that there is a trend towards inter-regional homogeneity between countries, and local peculiarities can be clustered on a "triad -regional" basis, i.e. South America, East Asia (Rugman and Hodgetts, 2001). As such, companies should view markets as an "open" multi-regional economic setting, and international strategies should focus more on "regionalisation"

rather than localisation or globalisation (Proff, 2002; Floyd, 2001; Rugman and Hodgetts, 2001).

3.3 THE STANDARDISATION VS ADAPTATION DEBATE IN INTERNATIONAL RETAILING

The validity of the standardisation versus adaptation strategy, with the exception of few academic studies, has been neglected in the field of international retailing in terms of empirical and conceptual investigation. A reason for this could be that this debate has been utilised in order to classify and describe broader international retail strategies. Although various strategies have been identified, i.e. 'internationalisation', 'regionalisation', 'multinational' and 'global' (Helfferich, et al., 1997), it can be argued, that these classifications have emerged from the wider literature of the standardisation debate, since they refer to the faithful replication (or not) of a domestic store format abroad (Salmon and Tordjman, 1989). However, like in international marketing literature, this debate is not a new phenomenon.

While Hollander (1970) at that point in time pointed out that a successful multinational retailer should focus on exporting a very similar retail formula abroad, implying a standardised strategy, Waldman (1978) was one of the first to highlight the standardisation strategy in international retailing. The author stated that retailers based on four factors, -reduction of risk, distinctiveness of the retail offer, economy of scale and geographical proximity between home and host country- would pursue this strategy. Furthermore, the author found that there is a weak relationship between cross-border similarities and a standardised strategy, since retailers might sell cultural free products. He identified three types of standardisation. These were:

1. High extent of cross border standardisation. This refers to the standardised replication of the domestic retail offer in all foreign operations. However, this did not just imply the physical replication (marketing mix) of the domestic offer but also the perceived replication of its offer.
2. Moderate standardisation of the domestic offer from home to host countries, and high degree of standardisation amongst host countries. In this category, the domestic offer is modified for the host markets (usually by repositioning) and this modification is then replicated in all foreign operations, thus achieving standardisation.
3. Low or moderate extent of cross-border standardisation of the domestic offer. This included a low degree of standardisation of the domestic retail offer abroad.

Martenson (1988, 1987), in a cross-cultural approach, looked at whether the standardisation of retailing was feasible in cultural-bound industries. The author observed that the retail sector had resisted standardisation to a much higher degree than many other industries, and that certain sectors of retailing, primarily food, are viewed as incompatible with aspects of standardisation. By using a case study of the Swedish furniture retail company IKEA, she argued that this particular retailer by offering a unique and innovative retail offer, focused on cultural similarities and core values between segments rather than cultural differences. Her findings supported that due to internal (managerial) and external (local competition) forces, IKEA advocated a coordination of its marketing mix enabling the company to achieve a global standardised concept that is adapted to local needs. She concluded that this coordinate standardised approach of IKEA would help the retailer to preserve its national identity, whenever needed, or actively promote its “international life style”

Salmon and Tordjman (1989) introduced one of the most accepted classifications regarding international retail strategies. This classification can be viewed in terms of global/multinational strategies and with implications for the standardisation or adaptation of marketing activities and the locus of decision-making for the international retailer. The authors define a Global strategy, as the “faithful replication of a concept abroad” which corresponds to a formula that is already successful in the country of origin. According to the authors, a firm that has decided to choose this strategy addresses a homogeneous consumer target group with similar lifestyles and expectations. Such companies were seen as Marks & Spencer, Benetton, McDonalds and IKEA. The means to achieve such a strategy is to use a standardised marketing stratagem. This implies that companies use a standardised or uniform retail marketing mix in each of the foreign markets they entered. Specifically, the product assortment and store format, services, promotional and advertising strategies, pricing policy and store decor are more or less standardised, regardless of the country in which they operate. However, as the authors note, global retailers are faced with two controversies. The first is the need to adjust to the local markets and hence satisfy consumers’ expectations, and the second is to utilise their corporate resources in order to benefit from the economies of scale, which is derived from a standardisation strategy. The authors state that the original concept or the uniqueness and distinctiveness of a product, combined with good business sense, is the competitive advantage for global retailers to be successful. In addition to this, these products should have a long life cycle, thus reducing the risk that is attached to them such as fashion products.

Alongside to the standardised strategy, global retailers possess another characteristic, which is the emphasis on vertical integration within the supply chain. In terms of production and quality control, it is evident that global retailers either retain directly or indirectly part of the production process or the majority. The reason behind

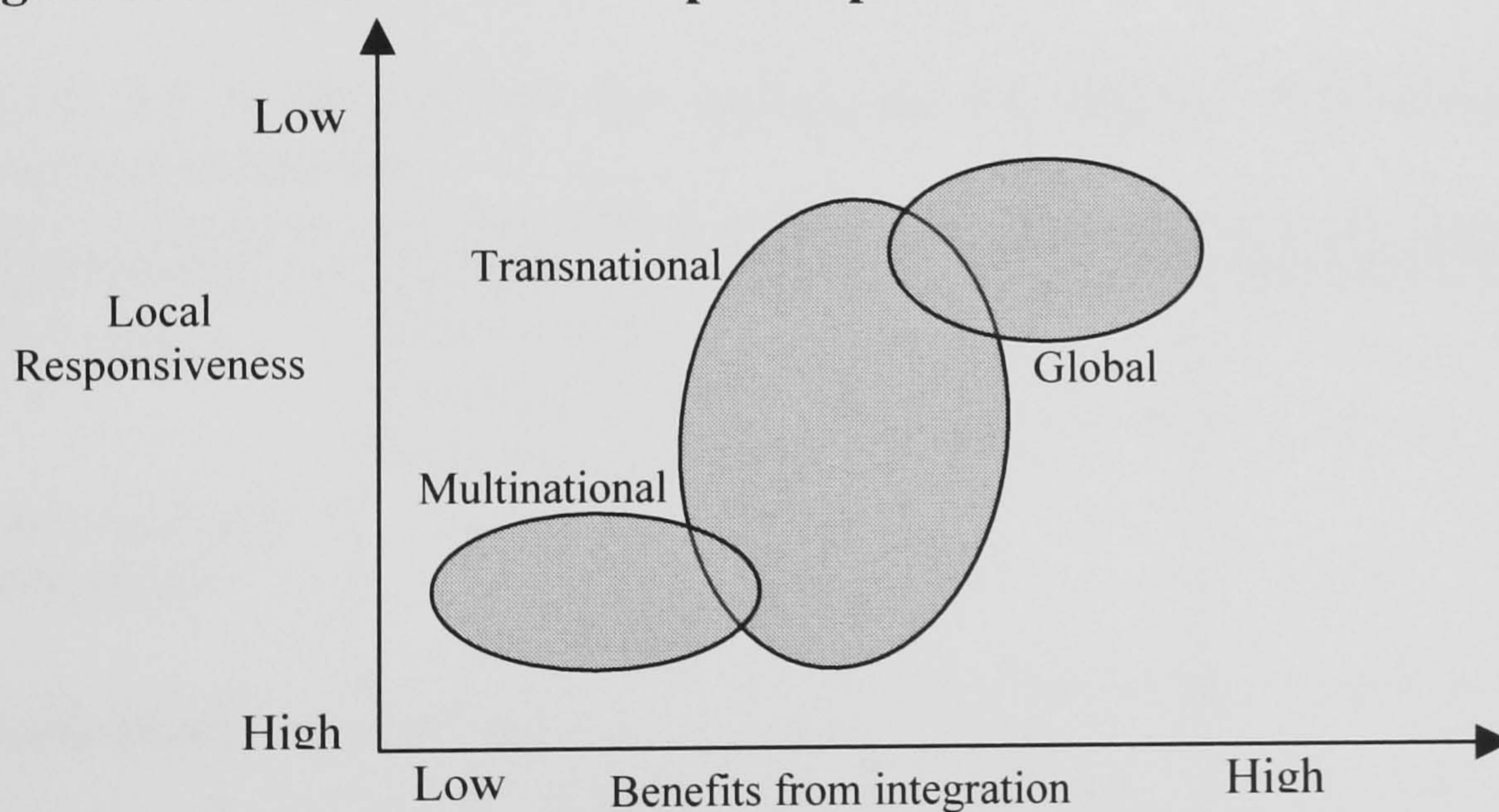
this is the increased lead-time and inventory risk they undergo compared to the less integrated retailers. Their logistical function is characterised by centralised warehousing and full automation. Finally, regarding the managerial applications, the global retailer is characterised by a strongly centralised organisation where all decision making is dictated by the head office. As for drawbacks, due to this narrow focus global retailers might miss changes in consumer attitudes and market trends, hence making them vulnerable to competition.

On the other hand, a multinational strategy is characterised by retailers who consider their subsidiaries as individual businesses and they adapt to the local requirements of the market. However, a multinational strategy entails some level of standardisation to local markets, whether in terms of format, merchandising, store design and so on. By using the example of French hypermarkets, the authors explained that multinational retailers are characterised by decentralised management, a smaller development capacity than global retailers, and have a high scale of investment. Moreover, multinational retailers do not benefit from economies of scale, but their main competitive advantage lies in the detailed understanding of consumer needs, allowing store offerings to match consumer demands. Consequently, this will lead to the enrichment of global know-how which in turn, will lead to an increase of market share.

Following a ‘neither’/ ‘nor’ approach (as discussed previously), Bartlett and Ghoshal (1989) added the transnational strategy in international retailing. A transnational strategy, according to the authors, is the successful strategy of the future and is the combination of a global, multinational, and international strategy. Specifically, the effectiveness to capture economies of scale (global), the flexibility to respond to local needs (multinational) and the ability to learn through worldwide innovation (international), compose the transnational strategy.

Building upon the conceptual classification of Salmon and Tordjman (1988) and taking into account Bartlett and Ghoshal's (1989) term 'transnational', Treadgold (1990/1991) introduced a framework regarding international retail strategies. This framework is based on the parameters of local responsiveness and integration between the mother and subsidiary company (see figure 3.2). He argued that the distinction between a global, transnational and a multinational retailer, apart from the standardised versus adaptation view, lies in the concept of reconciliation - benefits gained from the exchange of information. The higher the integration of the mother company with its subsidiary, the greater the benefits obtained through exchange of information.

Figure 3.2 International development positions



Source: Treadgold, 1990/1991

Treadgold's approach contradicts that of Salmon and Tordjman (1988) work, as it positions the multinational strategy in respect to high localisation with low integration. On the contrary, Salmon and Tordjman (ibid.) argued that a multinational strategy is one, which has higher levels of information exchange (due to adapting to local needs) compared to the isolated standardised strategy.

Brown and Burt (1992b) argued that the applicability of the standardised strategy should be examined at a strategic and operational level. The former refers to the

ability of the retail concept and its image to be transferred and fitted across borders, whereas the latter, refers to day-to-day operations i.e. pricing, product range. They proposed a three-level framework for the examination of a standardised strategy adopted by a retail organisation (see table 3.1). The first level included the standardisation of management systems. This refers to the day-to-day operational and managerial level of the retail functions and can be associated to process standardisation described in the international marketing literature (i.e. organisational level). The other two levels refer to the examination of standardisation from a marketing strategic level and include the investigation of the transferability of retail concepts/formats, and the brand image these concepts/formats generated.

Table 3.1 A Framework for examining the degree of standardisation in retail internationalisation

Determinate	Feature	Degree of standardisation?
Consumer	Brand/image	
Consumer and marketplace	Concept/format	
	Operational aspects: <ul style="list-style-type: none"> • Price position • Product range • Service policy 	
Marketplace	Management systems: <ul style="list-style-type: none"> • Supply chain management • Employ capabilities 	

Source: Brown and Burt (1992b)

After an in-depth case study of twelve European multinational retailers, Stjernquist and Kacker (1994) identified four different approaches to international involvement, one of which implicated the standardisation versus adaptation debate. This was the Standard Format Global Approach (SFA). The international retailers identified as using this approach were those who pursue a global appearance, such as Aldi and Luis Vuitton, by offering a standard market package (i.e. same merchandise, store

ambience) in all foreign markets. The authors attributed this standardised approach to the very clear business concept possessed by these retailers that permits them to ignore any cross-cultural differences between countries.

Kidachi and Dawson (1998) identified three factors that will influence the decision of whether a retailer will follow a standardised or adapted strategy. These are: the possession of a distinct retail offer; firm philosophy; and market structure and the level of homogenisation of markets. However, they stated that the greatest dilemma retailers face when taking such a decision is the trade off relationship between the two strategies. Furthermore, they argued that the concept of reconciliation introduced by Treadgold (1990/1991) is yet to be proven. For this reason and based on the hypothesis that the internationalisation strategies are interrelated with time, Kidachi and Dawson (1998) proposed a three stage model regarding the observation of the standardisation versus adaptation strategy. The model consisted of, the planning stage (prior to entering the host market), the post-entry stage (entering the host market) and the reconsideration stage (a period of time after the initial entrance). By empirically testing this model on two Japanese companies (Yaohan UK and Muji UK) operating in the UK, the authors concluded that both standardisation and adaptation strategies were of a dynamic nature. Concerning Yaohan UK, it first entered with a standardised strategy. However, because the company did not possess a unique retail offer, after a period of time its differential advantage (which at that point of time was its retail offer) deteriorated, making it vulnerable to competitors. For this reason, the company advocated an adapted strategy in the reconsideration stage. On the other hand, the case of Muji UK was the exact opposite situation. It entered into the UK market having as differential advantage the ownership of a strong brand name. Due to local market conditions, as well as having a partnership with a local retailer, it entered with an adapted strategy. The key point of Muji UK was that the changes made due to the adaptation strategy did not affect the

competitive advantage of the firm. In the reconsideration stage, and as the firm decided to expand into Europe, the company decided to change from an adapted strategy to a standardised one. Having kept its competitive advantage since the time of entry, and by changing strategies over that period of time, Muji UK was viewed by the authors as having managed to achieve Treadgold's idea of reconciliation.

The notion that standardisation and adaptation strategies are of a dynamic nature was also highlighted conceptually by Pellegrini (1999). The author identified three stages of the process: entry; consolidation; and further expansion (nationalisation). The two former stages refer to the entry of the retailer and the successive maintenance of the operations within the host market. This is done by building trust with all parties (suppliers and consumers) of the supply chain. The latter stage (nationalisation) implies that since the retailer is established in the foreign market, and is becoming in a sense a domestic player, the retailer faces the challenge of expanding nationally either by standardising or adapting its operations. Depending on the demand and supply driven forces, the retailer encounters in the host market, this may impose some modification (or not) on the retailer offer. As such the retailer will advocate a global, multinational, conglomerate or multilocal strategy (see table 3.2).

Table 3.2 Position of the retailer when in the 'Nationalisation' stage

Demand: Reliance on customer self selection	High	Same format and different customer base <u>Multinational</u>	Different format and different customer base <u>Conglomerate</u>
	Low	Same format and same customer base <u>Global</u>	Different format and same customer base <u>Multilocal</u>
		Low Supply: adaptation of the retail format	High

Source: Pellegrini, (1999)

Viewing that the standardisation versus adaptation debate provided a narrow insight on the internationalisation of store formats, Goldman (2001) has provided one of the most extensive investigations on format transfer strategies. By interviewing executives from twenty-seven foreign retailers that had entered into the Chinese market, he concluded that the understanding of format transfers should be based upon both format change patterns and the specific factors driving these changes. Depending on the degree to which format elements were changed when entering a host market, he identified four changing patterns: *unchanged or as-is*, where all format elements were transferred intact; *very few*; *few*; and *very many changes*. As for the forces driving these changes, he classified three factors: host country conditions (i.e. consumer and supply driven factors); retailers' global position (i.e. economies of scale and standardisation, international experience, flexibility to move resources, and targeting of global segments); and the long term effects a move into a host market will have in the implementations of the pursuit for a global strategy. Given these criteria, Goldman (ibid) identified the following store format transfer strategies adopted by retailers when entering into China:

- **Global niche protection strategy:** This reflects an *as-is* transfer of a store format, where retailers pursue a niche strategy by targeting a small global segment.
- **Opportunism strategy:** Retailers adopting this strategy will change a large number of their format elements (i.e. very many) in order to exploit in full the opportunities found in the host market. In extreme cases, this strategy may also imply that retailers may even have to establish a new format, that keeps only a few of the original home format's elements.
- **Format pioneering opportunity strategy:** This strategy is driven by the retailer's global strategic vision. If the format is successful in the host market, it is regarded as

a 'next step' in implementing it in similar countries. Thus, consideration is given to develop a format with *many changes* that will completely fit a number of countries within a region.

- **Format extension: compatible countries of origin:** In this strategy, *very few* format adaptations are needed as it involves the transfer of formats from compatible countries. Moreover, these formats may have been developed, as a result of a series of adaptations of the original format that has been operating in different countries. Retailers that have a portfolio of different formats are likely to pursue this strategy. For this reason, it is also called *Portfolio-based Format Extension* strategy.
- **Competitive Positioning Oriented:** Retailers adopting this strategy consider the strength of local competition as the primary force for entering into the host market. As such, retailers will transfer '*as is*' the store format elements that provide them with competitive superiority, and change or drop those elements that have limited contributions and/or make the transfer costly.

3.3.1 STANDARDISATION OF STORE BRAND IMAGE

In the previous chapter, it was claimed that the domestic store brand, through its inherited image, can transmit and create a source of competitive advantage into a host market. However, given that markets and consumer tastes vary between countries, there have been calls for further inquiry into whether the domestic store brand image, can be transferred intact abroad. In fact some opinions suggest that a retailer brand cannot be standardised in an international context, due to its intangible and heterogeneous nature (Samiee, 1999; Bunce, 1989; Mitton, 1987).

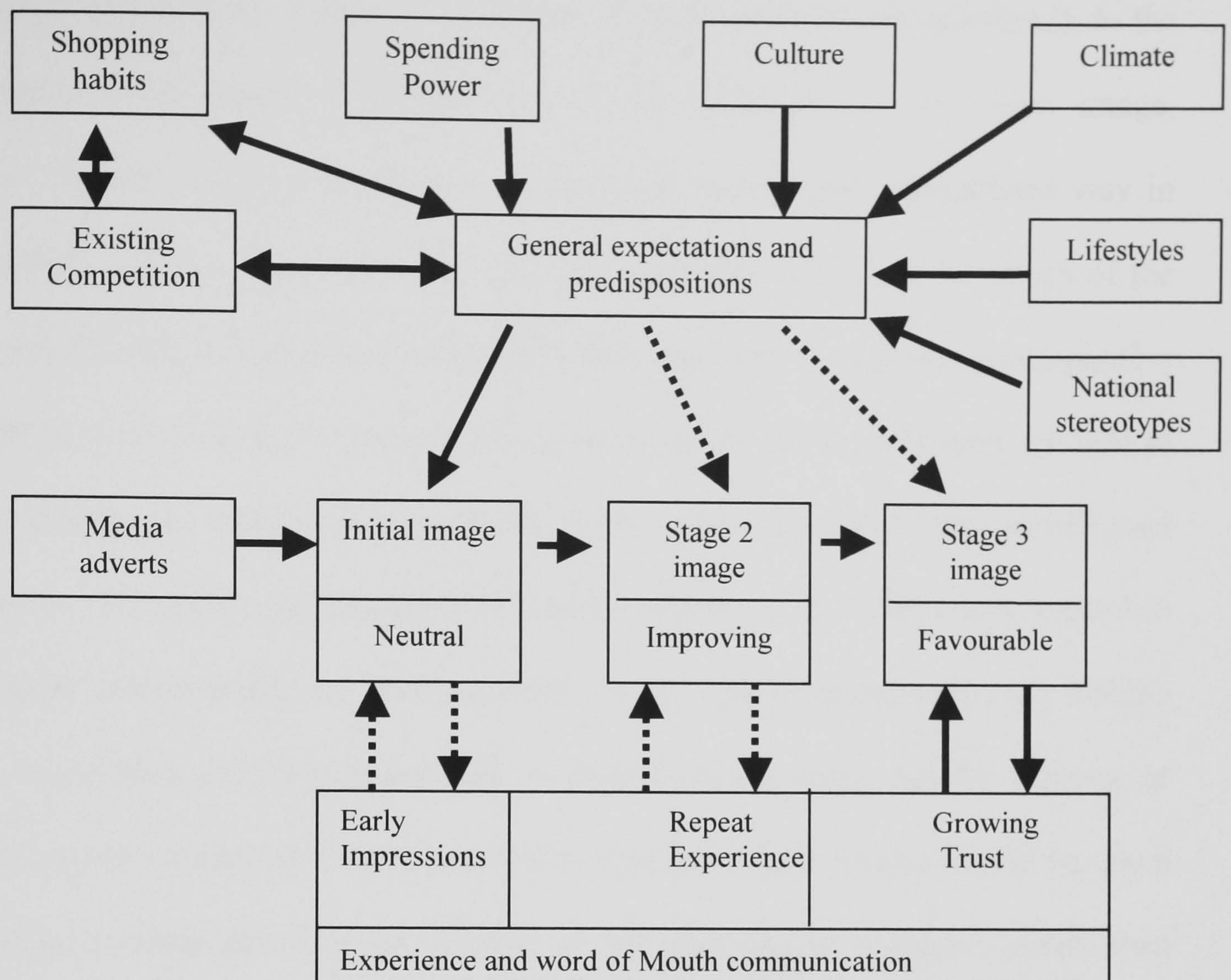
One of the first studies that tried to shed light on this issue was done by McGoldrick and Ho (1992). By examining the relative store image and position of

Marks & Spencer, Mistukosi and Sogo in Hong Kong, they tried to emphasize the importance a store's domestic image has in a host market. Although no direct comparison was made between the stores' image with that of their home operations, the authors argued that the major dilemma retailers will find when internationalising is to achieve a balance between format standardisation and complete adaptation to the local needs and competitive conditions.

With a similar viewpoint and associating a store's image to positioning and branding (brand awareness), McGoldrick and Blair (1995) conducted a comparative study of M&S's store image in UK, France, and Hong Kong. Acknowledging that the most challenging task for retailers when going international is to identify and adopt the most appropriate positioning within a host market, the authors proposed a model for examining the store image development of a foreign retailer when entering into an unfamiliar market (see figure 3.3). This model requires the careful appraisal of existing competition, as it will help to identify the market position local competitors' capture in the market, as well as any possible perceptual gaps that could exist in the minds of native shoppers. By doing so, it will help the retailer to discover whether the local market needs are ready to accept and patronise the incoming retail concept. Apart from investigating store image from a 'quality' perspective, the model also proposes two new perspectives for analysing the internationalisation of store image. These are store image 'quantity' and 'time'. Store image 'quantity' refers to the awareness of a store's image within the host country, and 'time', to the learning process or duration companies require, in order for some elements of the store image to develop and become aware. These two new perspectives derived from the assumption that variations of a store's image could be due to the local market development, and the impact it has to the native consumers' internal reference standards. In other words, McGoldrick and Blair (ibid.) claimed that the competitive context of a host country, together with certain local

specific consumer characteristics (culture, lifestyle, shopping habits etc), will determine the general expectations and predispositions towards an incoming retail format and its image. As such, and given that these internal reference standards are not static, the store image of a foreign and unfamiliar retailer will require time to develop, and reach similar desired levels as found in the home market. Particularly when these levels are determined from long term and intangible values a store image projects. Thus, the authors claimed that for a retailer to transform from an enthusiastic innovation to an institution, its store image will go through three different stages of development, according to the length of time within the host market. These are neutral, improvement and favourable. Finally, the authors argued that even if stores could be made identical, a store's positioning will differ between countries, since some adaptation to local expectations, shopping habits and competition is needed.

Figure 3.3 Determinates of international image



Source: McGoldrick and Blair (1995)

Burt and Carretero-Encinas (1999) initially, and Burt (1999) later, provided a different view on the standardisation debate. Based on the assumption that a retailer pursues a replication of its domestic store brand image abroad, Burt and Carretero-Encinas (1999) research aimed to explore if the competitive advantage generated from the stores' domestic image, is a means of differentiation if standardised in a host market. The retail company selected for this comparative study was Marks & Spencer and its subsidiary operations in Spain. The results indicated both, differences and similarities between the two countries' store image tangible and intangible components. Moreover, it was found that the domestic operation scored a more favourable image, reinforcing McGoldrick and Blair's (1995) view that the store image of an incoming retailer will need time to reach positive levels as found in its domestic market. Additionally, their findings suggested that there was no clear evidence, which of the two dimensions of a

store's image (tangible or intangible) was more easily transferred (standardised), to the non-domestic environment. However, one of the elements of the store image, 'character' (viewed as an intangible), was perceived in a highly standardised way in both countries. Finally, the study could not draw solid conclusions as for which of the tangible and intangible dimensions of the domestic retail offer, generated a competitive advantage in Spain. Using the above study as an example Burt (1999) was the first to directly highlight the concept of store brand image standardisation in the international retail domain, and questioned whether it is feasible. Moore, et al. (2000), have replied to this question affirmatively, as their research on the internationalisation of fashion retailers, found that a retailer brand may be perceived the same way by a group of customers in one country as it does in another. However, their results should be taken with caution, as their investigation centred on the opinions of managers rather than consumers.

Concerning, the international image and positioning perspective of a store brand (from a consumer standpoint), Bunce (1989) argued that although some variations will occur in the tangible elements of the retail formula (price, merchandising), its image (intangible elements) can be consistent across all geographical markets and product sectors. Based on this the author, and like Waldman (1978), argued that retail international standardisation can be observed under the 'image positioning relevance'. This means that, although retailers may have some variations of their retail formula abroad, they will still have a standardised positioning relative to the competitors in the domestic market, as well as in the non-domestic market. For example, the pricing policy of a domestic retailer when comparing it to its subsidiary may be viewed different in terms of expensive/inexpensive. Nevertheless, by taking into account their relative positioning in relation to their competitors in each market, then one can argue that a standardised positioning has occurred. Likewise, Martenson (1987) argued that while

prices, in their absolute form, are seldom standardised worldwide, the pricing positioning followed by a company is. Probably, within this concept of standardised positioning, one may find the answer to Burt's (1999) question as to whether the brand image of a domestic retailer may be transferred in a standardised manner abroad, and gain competitive advantage. It could be that it is transferable, but certain conditions (i.e. competition, consumer taste) could alter its domestic image, but up to a relevant point where it retains its differential advantage in the host market.

From the above, one can conclude that the extent to which retailers are in fact truly standardised is questionable. Like in international marketing literature, one can observe continuous debate concerning the degree of standardisation in international retailing. Similarly, there is evidence from the retail literature that the degree of standardisation will depend on: the retail offer, (e.g. making it less feasible within the food sector; Burt, 1993; Martenson, 1985, 1986); the retail life cycle (Pellegrini, 1999; Kidachi and Dawson 1998); the stage of development of the country; and the global ambitions of the retailer (Goldman, 2001). Kidachi and Dawson (1998) noted that the standardisation versus adaptation debate remains one of the most controversial issues regarding international retailing. A combination of cultural, competitive, and legal differences could make it extremely difficult for retailers, including those with a strong domestic brand appeal, to standardise their offerings across markets (Burt and Carretero-Encinas, 2000; Burt, 1999; Samiee, 1999; McGoldrick, 1998; McGoldrick and Ho, 1992; Brown and Burt, 1992b; Mitton, 1987).

3.4 CONCLUSION

This chapter attempted to provide conceptual insight concerning the standardisation versus adaptation debate in international retailing. From the review of the literature on international marketing and retail standardisation, it was observed that

caution should be given to the actual meaning of standardisation, as it can signify different notions. Thus, confusion may be created in the actual meaning of standardisation, particularly when the term 'globalisation' is used as a coequal.

While there is a general agreement that a standardised strategy refers to the exact replication of a format or product abroad, there have been calls to further distinguish this strategy. Some scholars claim that it should be viewed as a single strategy achieved in all markets, whereas others, argue that it should be viewed as single domestic strategy applied to different countries. This thesis supports the idea that standardisation should be viewed as single domestic strategy that it is applied into several foreign markets, since the former definition is more adequate for describing a globalisation strategy.

Apart from these two definitions, it was also observed that standardisation could be distinguished from three different aspects: namely process, programme, and brand standardisation. Process standardisation refers to standardised decision making between the mother company and the subsidiary; programme standardisation deals with the extent to which individual elements of the marketing mix can be standardised in foreign markets; and brand standardisation, which refers to the maintenance of a constant brand image across countries. While some research has been conducted concerning the two former aspects of standardisation, there have been calls for further investigation on brand image standardisation, particularly from a consumer perspective. Given this, the next chapter will present the proposed research framework for examining store brand image standardisation.

CHAPTER 4
THE RESEARCH
FRAMEWORK

4. INTRODUCTION

The previous chapters presented the two main theoretical domains in which this study will concentrate. However, as this thesis aims to shed further insight on the international transfer of store image, an additional notion that needs to be elaborated is the concept of store image. By doing so, it will allow the researcher to summarise the main issues that arise from the revised literature, and will help towards the construction of a research framework that is adequate for this study.

As such, this chapter is divided into three sections. The first section presents the relevant literature on store image. The second section summarises the theoretical gaps found from the revised literature, and proposes a research framework that will further contribute towards the topic under investigation. Finally, the last section presents the unit of analysis (i.e. sector, store format, company, and countries) for which the research framework will be applied.

4.1 STORE IMAGE

Image is generally conceived of as the transaction of signals that are sent by a real-world entity such as a firm, product/brand, or store and are received by a receptor. These signals are then organized into a mental perception of the receiver. The process implicates three levels – the external world, the receiver's mind, and the output from the computation of the two former levels (Stern et al., 2001). For retail marketing, these three levels refer to the external cues emitted by a store (store image attributes), the effect these cues have on consumers' perceptions, and the reaction this effect will have on consumers' decision to patronise a store (Thang and Tang, 2003).

Store image has been identified as one of the important determinants of economic success in retailing (Jacoby and Mazursky, 1986). Martineau (1958) first revealed the idea of store differentiation based on store image. Since then it has been linked to store selection (Burns, 1992; Malhotra, 1983; Doyle and Fenwick, 1974). store

loyalty (Bloemer and Ruyter, 1997; Baker and Parasuraman, 1994; Osman 1993), successful store positioning (Birtwistle and Shearer, 2000; Davies, 1992b; O' Connor, 1991; Davies and Brooks, 1989; Pessemier, 1980), and reduction of consumer perceived risk (Mitchell, 2001). Overall, the general theme that derives from the literature is that a unique store image is one of the retailer's most valuable marketing assets, creating a competitive advantage that is not easily copied by other retailers (Oppewal, and Timmermans, 1997; Steenkamp and Wedel, 1991; Jacoby, and Mazursky, 1984).

Despite the important role of store image in predicting a store's success, the complexity in defining and measuring store image varies, thus leading to inconsistencies in its conceptualisation and operationalisation (Keaveney and Hunt, 1992). Stern et al. (2001) examined the inconsistent usage of the term 'image' with reference to brand, corporate, and store image and concluded that "... the term is used so inconsistently that no two researchers are necessarily talking about the same phenomenon" (p. 202). Given this, the purpose of this section is to provide an overview of how store image is conceptualised, constructed, and measured within the domain of retailing.

4.1.1 STORE IMAGE DEFINITION

The original idea that a store has an image can be traced to Martineau (1958). He described store image as the personality a store possesses and the manner in which the store is represented in the consumer's mind. He described a store's personality as "... the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes", (p.47). According to Lindquist (1974) store image derives from the human need to simplify buying decisions by creating symbolic representations that represent a network of salient meanings. He defined store image as perceptions of both tangible and intangible factors, and

considered store image to include both physical (factual, functional, and tangible) and psychological dimensions, which are formed as a result of experience consumers have within the store. Since then, this definition has been widely cited and researchers have viewed store image as the perceptions consumers have for many store characteristics. In a later study, Hansen and Deutscher (1977) highlighted that there are no predetermined names given to the various elements that construct a store image, and proposed a three level classification in order to decompose the concept of store image. According to the authors, a store image is composed of 'attributes', 'components' and 'dimensions'. An 'attribute' is the narrowest particle of a store's image, a 'component' the sum of common attributes and, 'dimension' a general aspect of a store that is made up from common components. By aspect, it was implied as the overall theme or notion consumers have for the store.

However, Oxenfeldt (1974) argued that image should be viewed as an overall impression greater than the sum of its parts. He stated: "... an image is more than the sum of its parts, it represents interaction among characteristics and includes extraneous elements. It also has some emotional content . . . Thus I consider image a combination of factual and emotional material" (p.9). Based on this definition, the author classified three potential dimensions of store image a) tangible reality factors b) intangible but genuine substantive benefits and c) fantasies.

With a similar point of view Doyle and Fenwick (1974) conceptualised store image as a set or kind of attitude characterising a person's overall impressions of a store. James, et al., (1976) proposed a more global view and defined store image as a complex bundle of meanings representing the store for consumers. Reinforcing the idea that store image relates to an overall impression, Dichter (1985) provides a definition of what image is and is not: "It describes not individual traits or qualities, but the total

impression an entity makes on the minds of others . . . an image is not anchored in just objective data and details. It is the configuration of the whole field of the object"(p.86).

Recognising this debate, of whether store image should be conceptualised as ‘the sum of parts’ or as an overall impression, Zimmer and Golden (1988) employed a content analysis with a sample of 894 respondents. Their study tried to identify whether people viewed store image in terms of single parts or specific characteristics of the store (i.e. attributes), as a global perception, or in some other way. Their study revealed that store image attributes do represent part of the consumers’ perception of the store. However, many attributes comprise a couple of ideas, suggesting that consumers integrate information about a store, and then represent the concept of image in terms of broader or dominant dimensions that form the more global impression of a store.

4.1.2 CONCEPTUAL CONSTRUCTION OF STORE IMAGE

A possible reason found on the complexity for defining store image, may be due to the inconsistency observed within the literature for determining what actually constructs a store image (McGoldrick, 2002; Amirani, et al. 1993; Keaveney and Hunt, 1992; Golden, et al. 1987; Hirschman, et al. 1978; Hansen and Deutscher, 1977; Jain, et al., 1976; James, et al., 1976; Lindquist, 1974). According to Hirschman, et al. (1978), this is attributed to the fact that the importance of various store image dimensions varies considerably between markets, sectors, and competitive situations. Thus, the retailer has to determine the major dimensions depending in which market the store is operating. Similarly, Keaveney and Hunt, (1992) argued that since retail stores meet a wide range of needs, spanning from functional to exotic, failing to identify them for a specific target group in an exact time will undoubtedly lead to a disagreement in store image definition.

Martineau (1958) was the first to propose specific dimensions of store image, including layout and architecture, symbols and colours, advertising, and sales personnel. However, the author suggested that the importance of these dimensions influencing store image, may vary according to the type of shoppers' social status. Lessig (1973) suggested that the important elements that create a store image are congruent with the image consumers have of themselves (i.e. self-image). This implies that consumers make every effort to move their real self-concept towards their ideal-self, by buying. As such, the salient elements that will compose a store image will derive from the desires consumers have for themselves (Sigry et al., 2000; Samli, et al., 1998).

Lindquist (1974), after reviewing 19 image-related studies, proposed that store image is composed of categories, and these categories are assembled upon a number of attributes. Overall, he identified a list of nine categories and thirty attributes, and since then, it has been viewed as one of the most comprehensive lists ever produced concerning store image measurement. However, Mazursky and Jacoby (1986) utilised this list, and found that some categories and attributes were considered by consumers of being less important, others of more importance, and others were viewed insignificant for the selection of a store. Likewise, Davies (1992b) investigated the attribute importance consumers perceive for the food retail industry. The study examined a period of seven years (1983-1990), and identified a number of new attributes that consumers viewed as important. These were hygienic, fresh products and own labels. From both studies, the overall conclusion was that the importance assigned by consumers to specific store image attributes and categories changes over time. This was attributed to the fact that consumer needs also evolve over time.

Apart from consumers' self-image and evolving needs, store image may vary between sectors. Palmer (1985) conducted a research concerning the structure of a shopping centre's store image. Although similar dimensions and attributes were found

with previous studies (pricing, selection and quality of products, parking facilities) the uniqueness of the shopping centre produced attributes such as “special events and exhibits” and “availability of lunch/ refreshments”.

Relevant to the scope of this study, the literature also suggests that caution is needed in the conceptualisation of store image, since it may vary amongst countries (McGoldrick, 2002; Hofstede, et al., 2002; Tompson and Chen, 1998; Joyce and Lambert, 1996; Arnold et al., 1986; Hansen and Dautcher, 1977; Doyle and Fenwick, 1974). Arnold et al., (1983) found that important store image dimensions in one country were viewed unimportant in another. Davies and Flemmer (1995), in their study of consumer attitudes to food shopping in Denmark and Spain, concluded that whilst customers decide on store patronage and form retail images in all markets (defined geographically), the weighting attached to a particular attribute varies between geographical regions. However, they also argued that a relative set of store attributes used by consumers in making store choice, can be consistent between countries, therefore helping retailers in the development of their stores overseas. Similarly, in a recent study by Hofstede, et al., (2002), it was claimed that within the European market, store image is often found to be more similar between countries, than within countries.

4.1.3 APPROACHES TO STORE IMAGE MEASUREMENT

The last area on which store image literature focuses is the approach to store image measurement. According to Amirani and Gates (1993), the most widely researched methods used by scholars are: the traditional scaling techniques; multidimensional scaling and other multi-attribute models; and unstructured measurement techniques.

4.1.3.1 Traditional Scaling Techniques

Semantic differential scales are considered the most widely used method applied for the evaluation of store image. These scales consist of bipolar adjectives separated by a scale of a number of intervals (McDougall and Fry, 1974). With the semantic differential scale technique, each store is rated on all attributes before the next store. A variation of this is procured where each object (retailer) is evaluated or rated on a single attribute, before an additional attribute is introduced (McGoldrick, 2002; Amirani and Gates, 1996; Teas, 1994; Zimmer and Golden, 1988; Hirschman, et al., 1978; Marks, 1976).

These scales have been used in five major ways for store image research: to compare one retailer with its rival; to describe store images; to determine the importance of image attributes; to relate image to other variables such as store loyalty; and to investigate various approaches to store image measurement (Baker and Parasuraman, 1994; Golden, et al., 1987; Menezes and Elbert 1979; Hirschman, et al., 1978; Dickson and Albaum 1977; Hansen and Deutscher 1977; James, et al., 1976; Marks, 1976; Pathak, et al., 1974; Lessig 1973).

Semantic differential scales are widely used in image measurement because it requires minimum level of literacy from the respondents, and they are easy to administrate and analyse. They also treat data as interval, thus aggregation may be allowed for the description of a store's overall image. Finally, they are considered as producing high levels of reliability (Jain and Etgar, 1976; Golden et al., 1987). Despite their popularity, semantic differential scales have two major limitations. First, these scales are idea-generating, thus attribute selection depends on the researcher's judgement, and second, there is limited use of qualitative techniques. These two limitations lead to the major drawback of semantic differential scale, which is the inability to capture consumers' attribute importance (salient factors). Thus, it endangers

the structure of a store image concept where unimportant dimensions may be included and important dimensions excluded. Finally, this popular measurement technique is often incomplete, and centres only on parts of store image rather than on its overall impressions, which is so critical in the definition of store image (Birtwistle, et al., 1998; Amirani and Gates, 1993; Zimmer and Golden, 1988; Golden et al., 1987; Dichter, 1985; Palmer, 1985; McDougall and Fry, 1974; Oxenfeldt, 1974).

Another variation of the semantic differential scale is the graphic positioning scale (Golden, et al., 1987). The usage of this scale involves evaluating all stores on the same scale, by placing letter marks or symbols, to represent consumers' perception of each store, in relation to each set of bi-polar adjectives. No difference with regard to reliability has been reported between traditional semantic differential and graphic positioning scales (Churchill and Peter, 1984). Alternative to the graphic positioning scale is the numerical comparative scale (NCS) introduced by Golden et al. (1987). This scale is an attribute-based multi-entering rating procedure in which retail stores are rated together on a set of numerically labelled bipolar scales. According to the authors, this technique combines the advantages of other horizontal numerical bi-polar adjective/phrase scales with the beneficial space economy and cost-efficiency of the graphic positioning scale. Moreover, it should be stated that both techniques analysed above, have the same advantages and disadvantages as the traditional semantic differential scale. The only difference is that due to its format, the graphic positioning scale is more space and cost-efficient. However, it is difficult in the coding procedure (Golden, et al., 1987). The NCS overcomes the coding difficulties of the graphic positioning scale, and has no difference between the internal consistency and reliability of that of the graphic positioning scale. However, despite the number of advantages of this alternative semantic scaling method, NCS may be vulnerable to the context-induced rating instability. This implies that the rating of a store on an attribute tends to vary.

depending upon the other stores being rated thus causing bias (Tea, 1994).

Aside from the semantic differential scales, two other scaling techniques have been used to measure store image. These are the Likert and Staple scale. The Likert scale¹ is a structured technique, which indicates the respondents' level of agreement or disagreement based on a series of statements/sentences concerning the attitude object (Menezes and Elbert, 1979). The Staple scale is a unipolar semantic scale, which measures an attribute's direction and intensity simultaneously, using a progression arrangement from positive to negative. However, research findings have indicated a low individual reliability on staple scale items despite their high aggregate reliability (Churchill, 1999).

4.1.3.2 Multidimensional Scaling (MDS) and other Multi-attribute models

Several studies have applied multidimensional scaling (MDS) to study and compare retail store image. MDS (metric or non-metric) is a data reduction technique where the supported dimensions are considered as important components of image, and the objects in question, are perceived and compared placed in a geometric space. Consequently, MDS can produce a perceptual map, displaying the relative position of the retailers under examination in regard to the specified attributes/dimensions (McGoldrick, 2002; Churchill, 1999; Davies, 1992b; Davies and Brooks, 1989; Palmer, 1985; Jain and Etgar, 1976; Sigson, 1975; Doyle and Fenwick, 1974).

Multidimensional scaling has the advantages of allowing respondents to base their judgements on whatever criteria they perceive as important. This enables researchers to visually display respondents' perceptions of these dimensions, thus identifying the salient factors of store image, something that is neglected by the semantic differential scaling techniques (Doyle and Fenwick, 1974). One of the major

¹ This technique will be described in more detail in the next chapter.

limitations of the MDS is the interpretation and labelling of the perceptual dimensions that may or may not be straightforward. This derives from the assessment of the statistical results that require considerable judgement on the part of the researcher (Davies and Brooks, 1989). Furthermore, MDS is limited because the dimensions discovered will depend on the objects included in the set, and stores may be judged similar or dissimilar on some basis other than image. This signifies that judgements of similarity may not result in a measure of store image (Zimmer and Golden, 1988, p.268).

To overcome the drawbacks of traditional scaling techniques and MDS, researchers have used other multi-attribute models, such as conjoint analysis; a conjunction of factor and multiple regression analysis; fuzzy clusterwise regression analysis; and joint-space analysis (Birtwistle, et al., 1998; Amirani and Gates, 1993; Louviere and Johnson, 1991; Steencamp and Wedel, 1991; Pessemer, 1980; James, et al 1976; Marks, 1976; Lessig, 1973). Louviere and Johnson, (1991), state that the difference between these models and the MDS concept, is that the former treats attitudes (which is a function of beliefs of an object been evaluated) as unidimensional. Thus, these models provide greater information in capturing salient store attributes.

From the above techniques, the most widely used was found to be conjoint analysis. This method presumes that consumers evaluate store image as a holistic concept, as the important factors are evaluated as a bundle of attributes (Birtwistle, et al., 1998). There are five basic stages in conjoint analysis: 1) establishing attributes 2) assigning attribute levels 3) designing profile cards 4) questionnaire design 5) evaluating customer performance. The advantages of this technique are that it captures the silent factors and examines whether the attributes are processed independently or combined by consumers (Louviere and Johnson, 1991). Its major disadvantage is found in its process, since for most of the stages, a different target sample is utilised. Thus,

questions arise as to whether the attributes selected and their level of importance are relevant to the needs of the final sample group.

4.1.3.3 Unstructured Measurement Techniques

In order to overcome the problem of imposed subjectivism by the researcher in the stage of elicitation of store image attributes, some scholars employ unstructured techniques. These techniques approach store image measurement from a qualitative research perspective, since consumers are interviewed and asked to build their own concepts (Thompson and Chen, 1998). McGoldrick (2002) has identified two major unstructured measurement techniques used in the literature of store image. These are open-ended questions and projective techniques.

With open-ended questions, data is accumulated from the consumers on a free response base. In this way, consumers' opinion assesses which characteristics are important to compose store image and not the researchers predetermined judgement. Subsequently, the gestalt nature of the store can be captured. The same result is obtained by using projective techniques, however in this case, respondents are asked to mention the first word that comes to their mind, when provided with oral or visual stimulus by the researchers (Jain and Etgar, 1976).

One advantage of the unstructured approaches to image measurement is that the researcher is not imposing image dimensions or attributes on the consumer, since image perception is not predetermined. This overcomes the limitation imposed when using quantitative techniques (McDougall and Fry, 1974). However, the utility of these methods, with regard to not imposing image dimensions, is overthrown by the coding procedure, since it is more time consuming and more difficult than the semantic differential measurement or MDS (Zimmer and Golden, 1988). There is also a risk that the coding process may impose researcher's biases, making the use of independent

judges desirable (James, et al, 1976). Moreover, non-metric statistics, which are less powerful than metric statistics, will usually be required, thus disqualifying the usage of powerful parametric statistical analysis (Cardozo, 1974). Regardless of these disadvantages, Zimmer and Golden (1988), claim: “an unstructured technique may be preferred when the objective is to identify consumers' unaided image perceptions” (p.268).

From the above, one can conclude that a fundamental tool for providing retailers a differential advantage, is the creation of a favourable store image within the minds of the target consumers. Although numerous attempts have been made to define and outline the dimensions upon which store image should be studied, no unanimity has been reached on a set of universal image dimensions. One reason for this, may lie on the concept of store image and whether it should be considered as the ‘sum of parts’ (i.e. store image attributes) or as the sum of overall impressions (i.e. store image dimensions). Another reason for this ambiguity may be found on the variation observed with regard to the importance assigned to different store image components. For this reason, researchers have adopted multiform ways of measuring it, taking into account the possible advantages and disadvantages of each method.

4.2 THE PROPOSED RESEARCH FRAMEWORK

Having concluded the presentation of the last theoretical area that implicates this study, this section presents the proposed research framework adopted in the thesis. Taking into account what has been discussed until now in the literature, two theoretical gaps can be identified concerning the store brand image standardisation debate, which need further investigation. These are: the conceptualisation of the notion of store brand image standardisation and the process of examining this notion.

4.2.1 THE CONCEPT OF STANDARDISATION

A common agreement within the literature is that standardisation can be defined as the identical offering of the entire marketing mix in different countries. Despite this, in recent years there have been calls in search of the true meaning and conceptualisation of international marketing and retail standardisation.

From the review of the literature on international marketing standardisation, it was observed that standardisation could be distinguished from three different aspects namely: process, programme, and brand standardisation. While the two former aspects of standardisation have received the majority of attention, of less consideration is brand standardisation, which refers to the maintenance of a constant brand image across countries. Although this aspect of standardisation has been investigated from a management perspective, there have been calls for more investigation of brand image standardisation from a consumer perspective.

Moreover, attempts have been made to distinguish brand standardisation, either as a single marketing strategy that is applied in all markets, or as a domestic marketing strategy that is applied in a host market. This study adopts the definition provided by Medina and Duffy (1998) who viewed the concept of brand standardisation as a home standard of tangible and intangible elements, to be applied-dictated within a single foreign market.

The need to investigate brand standardisation has also been highlighted within the wider literature on international retailing. Salmon and Tordjman's (1989) refer to standardisation as the faithful replication of a successful domestic concept abroad. Since then, this definition has been used as the reference concept when talking about the standardisation debate of a domestic store/concept/format (however defined) within a foreign market, and has focused primarily on classifying and describing broader international strategies adopted by retailers.

Given this, within the literature on international retailing, it is observed that there is a lack of a clear definition of the concept of 'store brand image standardisation'. Terms such as standardisation of format, concept, formula, offer, identity etc. have been used to describe the overall stratagem for a retailer wishing to internationalise, thus creating confusion of the concept of 'standardisation'. Even in the studies concerning the transfer of store brand image, where the debate is centred on whether store image can be standardised abroad, the notion is taken as being self-explanatory with insufficient attention given to the actual meaning.

Recognising the absence on a clear conceptualisation of store brand standardisation, this study will attempt to contribute to this theoretical gap. This will be achieved by examining the different forms store brand image undertakes when transferred abroad. However, before examining this, it is deemed necessary to provide a definition of store brand standardisation that will be adopted throughout this research. Taking into account the definitions provided by Medina and Duffy (1998) and Salmon and Tordjman (1989), for this thesis, the concept of standardisation (i.e. store brand image standardisation) is defined as a standard to be applied by faithfully replicating the domestic store image into a host market.

4.2.2 THE PROCESS OF EXAMINING STORE BRAND IMAGE STANDARDISATION

According to Theodosiou and Leonidou (2003), the misconception of the notion standardisation, is due to lack of a rigorous and robust process for examining it. Given this, this thesis will use as cornerstone the framework provided by Brown and Burt (1992b), since it was the only framework found within the literature for the examination of a standardised strategy adopted by a retail organisation. Although the authors proposed a three-level framework (see section 3.3) this study will adopt the levels that are only concerned with the examination of store brand standardisation. These include

the investigation of the transferability of retail concepts/formats abroad, and the brand image that these concepts/formats generate. For these two levels, the authors argue that consumer perceptions and the foreign marketplace acceptance of the retail entity would ultimately determine the degree of standardisation. As such, the proposed research framework will focus on examining the transferability of store brand image and its associated concept/format from a consumer perspective.

The empirical and conceptual studies into store image within the context of retail internationalisation were presented in the previous chapter. However, these studies overlook some important issues that are related to the overall process of examining store image standardisation. First, they fail to examine the relative marketplace of the domestic and transferred store brands. Second, they fail to compare the domestic and transferred image with their relative marketplace, and third, they fail to compare the relative marketplaces with each other. According to McGoldrick and Blair (1995), the marketplace can be explored by assessing the store image generated by the relative competitors, which are found within the domestic and foreign market. This will influence the native consumers' internal reference standards and will determine the general expectations and predispositions they have towards an incoming retail format and its image. In order to examine the relative marketplace of the domestic and transferred store brands, this requires the measurement of the "retail expectations" that a target group has for a specific type of store image (i.e. an "Ideal" hypothetical store), and the perceptions they have of alternative stores used for this specific type of shopping. By examining these two aspects of the marketplace, it will shed light on a number of issues that have been neglected until now on the debate of store brand image standardisation. These are: the impact of host country consumer peculiarities on the transfer of a domestic store brand image; the impact of the competitive environment on

the transfer of the store brand's differential advantage; and whether store brand image can be viewed under the positioning perspective.

Given these drawbacks, a new research framework is proposed for examining store brand image standardisation. The proposed research framework is divided into three processes for examining the international transfer of store image. These include: 'Store Image *per se*'; 'Relative Marketplace'; and 'Store Image Dimension'. Each one of these processes are discussed below.

4.2.2.1 Store Image 'Per Se' Comparison

Drawing upon the work of Burt and Carralero-Encinas, (2000) and McGoldrick and Blair, (1995), the first task will be to compare the home store image with that of its foreign subsidiary *per se*. This involves the conventional process for examining store image where comparison is conducted between the actual stores under investigation.

The procedure will include three modes of examination. The first mode will compare all the selected image attributes that will be used to measure the store image brand. By doing so, this will indicate the degree of standardisation a retailer has applied to its store brand within the host market.

The second mode will centre on the comparison between the store image attributes that are classified as 'tangible' and 'intangible'. The reason for this examination is that within the literature of store image transfer, there is an argument that the intangible aspects of a store's image are difficult to be replicated in a host market. As such, this complexity created by the intangible nature of store image can also become an obstacle for retailers pursuing a standardised strategy abroad (Burt and Sparks, 2002; Goldman 2001; Samiee, 1999; Mitton, 1987).

Burt and Carralero-Encinas, (2000) found that similarities in consumers' perceptions of store image may be observed beyond mean scores. They argued that if a

comparison is done on the stores' attribute rank order, this type of store image comparison provides a better understanding of the actual performance of stores within their markets, as well as, how similar this performance is between the markets. Given this, the last mode of investigation employed in the 'store image *per se* comparison', will be to examine the performance (i.e. rank order) of each store's attributes and then compare them between countries.

Finally, the same comparison described above, will be conducted between the two marketplaces (i.e. competitors and 'ideal' stores) which the stores under investigation operate. This will shed light on whether the stores operate in diverged marketplaces.

4.2.2.2 The 'Relativity' marketplace Comparison

Martenson (1987) claims that the degree of similarity and difference between countries is a relative concept, and one should consider comparisons and results from this perspective. As such, by examining the marketplaces (i.e. competitors and 'ideal' stores) in which the home and foreign store brand operate, this will permit the examination of standardisation from a 'relative marketplace' perspective. This implies that the comparison of the domestic and foreign store image under investigation, is conducted within their relative markets.

Here, three types of comparison will be undertaken. The first will compare the store image of the stores under investigation to the relative competitors found within each country. The idea that a store brand can be a strong source of differential advantage within a host market was highlighted in the second chapter. However, Dupuis and Prime (1996) claim that the decision to export a format abroad may drastically modify its domestic competitive advantage. As such, this comparison will be done in

order to identify whether the incoming domestic store brand has successfully transferred its competitive advantage into the host market.

Although previous empirical studies on international store image transfer have focused on the question of whether the competitive advantage is transferred, they have overlooked a more important question which is if it 'fits' with the expectations of the host market. Simpson and Thorpe (1999; 1995) argued that in order for a retail offer to appeal within the foreign country it has to fit the lifestyle and expectations of the target group of the country. Likewise, Ho and Sin (1987) claim that only when the imported store image matches the local consumers' demands, will the successful transfer of a retail concept occur. Given this, the second comparison will examine whether the competitive advantage of the incoming store brand (if any), fits with the expectations of the alien target group. To determine this, a performance-expectation comparison will be employed between the performance of the incoming store brand and the expectations of the host target group.

From the revised literature, some scholars argued that international retail standardisation can be observed under the image positioning perspective. This means that, although retailers may have some variations in their retail formula abroad, they will still have a standardised position relative to the competitors in the domestic market, as well as in the non-domestic market (Bunce, 1989; Martenson, 1987; Waldman, 1978). Given this, the final comparison included in this process, will be the examination of the store brand's positioning within their corresponding marketplaces.

4.2.2.3 'Store Image Dimension' comparison

The last process included in the proposed research framework concerns overcoming a conceptual argument found in the literature of store image. As discussed previously, store image can be viewed as the sum of particles (i.e. store image

attributes), or, that it consists of distinct dimensions which are greater than the sum of its parts. Current studies concerning the international transfer of store image have overlooked this conceptual argument of store image, and whether it should be considered from a store image attribute or store image dimension perspective. As such, and in order to shed light on whether store brand image standardisation should be examined under an attribute or dimension perspective, the 'Store Image Dimension' process is included in the proposed research framework. This process requires the two perspectives discussed above, 'Store Image *per se*' and 'Relative Marketplace', to be examined after the store image attributes are aggregated into store image dimensions. The proposed research framework and the issues to be investigated are presented in table 4.1

Table 4.1 Proposed research framework for analysing store brand image standardisation

FACTORS AFFECTING A STANDARDISATION STRATEGY			
THE CONCEPT	PROCESS	MODE	ISSUES TO BE INVESTIGATED
STANDARDISATION Standard to be applied Faithful replication of the domestic store image	Store image per se: Comparison of the store image is conducted between the actual stores under investigation	<p>Attribute Comparison: Compare the home store image with that of its foreign subsidiary</p> <p>Attribute performance: Examine the performance of each store's attributes and then compare them</p> <p>Tangible Vs Intangible: Compare the attributes that are classified as 'tangible' with those that are 'intangible'</p>	Measure and compare shoppers' perceptions, as well as that of their relative competitors and a hypothetical 'ideal' stores in each country in order to identify if: <ol style="list-style-type: none"> 1. The degree of store brand image standardisation 2. Store brand image standardisation is less easy for intangible attributes 3. Retail market variation exists between the target countries in terms of "internal reference standards"
	Relative marketplace: Comparison of the store image is conducted between the stores under investigation and their relative marketplace	<p>Competitive advantage: Compare the stores under investigation with their 'relative competitor'</p> <p>Performance Vs expectations: Compare the competitive advantage with the level of impotence it signifies in each country.</p> <p>Positioning: Compare each stores market position in their respective market to that with their relative competitors and each market's "ideal"</p>	Identify if the domestic store brand has successfully transferred and standardised its home competitive advantage in the host market Identify whether the competitive advantage fulfils the needs of the market it operates in. Identify whether positioning standardisation exists between the company's home and foreign operations
	The two processes are compared under a dimension perspective where attributes are aggregate into dimensions.	Store Image Dimension Perspective	Examine whether store image varies under an attribute and dimension store image perspective

4.3 DEFINING THE UNIT OF ANALYSIS

According to Patton (1990), defining the unit of analysis involves identifying the centre of the data collection. For this thesis, this implies selecting the retail sector, store format, company, and countries, for which the proposed research framework will be employed. As such, this section will present and justify the unit of analysis that has been chosen for this study.

From the revised literature, it was observed that an argument is put forward on whether retailers operating in the grocery sector can standardise their operations abroad. The reason behind this argument is that grocery retailing is perceived as a culturally bound business (Martenson, 1989). Within the grocery sector, Pellegrini (1994) has described a global firm as one that replicates its format without much variation, and applies product standardisation across any geographical location. Depending on the size of the target segment and the degree of specialisation within the sector, global firms can be distinguished in two groups: those operating stores that specialise in a broadly defined sector; and those operating 'concept stores' within a given sub-sector, and target a narrowly defined consumer segment. According to the author, the first group of companies, which is the most interesting, rely heavily on private labels since combined with an aggressive price positioning, it can help them reduce the need to adapt to local conditions. Within this group, Pellegrini (ibid) has included companies that have in their format portfolio limited line discounters.

Tordjman (1995) argued that because shoppers around Europe have different consumption tastes and attitudes towards grocery shopping, grocery formats will revolved around three types: traditional or conventional; quality; and economic or discount formats. Concerning the discount format, he claimed that due to its selling proposition (low prices), it will become one of the winning formats in the years to

come, and urged retailers that have an international aspiration to consider this format as a means of achieving this goal.

Concerning the internationalisation of the limited line discounter, Benisson and Gardner (1995) state: "...limited line discounting stands out as one where some of the fastest and vigorous internationalisation activity of any type of retailing is taking place" (p.192). Similarly, Colla (2003) claims that while discount food retailing occupies an important position in the European retail industry, analysis into this format, particularly at an international level, has been overlooked.

Taking into account the above, the researcher views that the unit of analysis for which the proposed research framework should be employed is the limited line food discounter. Specifically, the reasons for selecting this sector and this format are the following:

- Grocery retailing is perceived as one of the retail sectors that until now has resisted standardisation. Despite this claim, no actual empirical research has been conducted within the grocery sector to demonstrate this argument. Research concerning the standardisation versus adaptation debate in international retailing has focused on the non-food industry, and companies such as IKEA and Marks & Spencer.
- Previous studies on store image transfer have focused only in the fashion sector. Given this, the researcher views that a theoretical gap exists within the literature for examining the transfer of store brand image within the grocery sector.
- Within the grocery sector, there is an argument that the limited line discount format is one of the formats that can resist to adaptation in local markets because its selling proposition is based on price aggressiveness. However, such claim until now has yet to be empirically proven.

- Finally, there is a notion that although limited line discounters are viewed as one of the most important and dynamic formats for the internationalisation of grocery retailers, research on this specific format is limited.

4.3.1 THE FORMAT

The central principle that characterises a food discount business is its low operational costs and a focus to high volume with low margins. Although there is no universal formula that can be applied to describe a discounter (Schmidt, et al., 1994), within the literature three broad discount formats can be identified according to their product range, selling area, and price position within the market. These are the limited line discounter; discount supermarkets; and extended range discounters (Colla, 2003; Hawkesworth, 1998; Benisson and Gardner, 1995; Burt and Sparks, 1994; Hogarth-Scott and Rice, 1994; Schmidt, et al., 1994; Kaas, 1993).

A limited line discounter is characterised with an assortment of less than 1,000 lines, out of which 50 to 60 per cent are own labels. Assortment is predominantly packaged grocery, however a small number of fresh, chilled, and frozen products are also available. Limited line discounters are also viewed as “neighbourhood stores” due to their urban locations and ‘convenience’ strategy (Benisson and Gardner, 1995). It has a trading area ranging between 600m² to 3000m² and it is viewed as being 20 to 30 per cent cheaper than the major chains. Colla (2003) claims that a limited line discounter should be distinguished into a hard discounter and a soft discounter. The difference between these two concepts is that a hard discounter has a smaller breadth of choice in products, its price position is more competitive, and own labels play a more important role, as it accounts for almost 90 per cent of the store’s assortment. Within the hard discounters he includes retailers such as Aldi, Lidl and Netto, whereas soft discounters, he includes DIA, Plus and Leader Price.

A discount supermarket has a product assortment of 1,000 to 3,000 lines, and an average trading area of 3000m². Prices are usually only 5 to 10 per cent lower than those of the grocery multiples. Finally, the extended range discounters operate large out-of-town outlets that act as one-stop shops. Store sizes average 6,000 m², with an assortment ranging from 5,000 to 10,000 lines, and include service departments such as, delicatessens, bakeries and butchers.

Colla (2003) has provided an in depth study concerning the European activities of the limited line food discounter. The author recorded that the limited line discounters were present in all European countries with 29,747 stores, and with a market share of 14, 9 per cent of food sales. He characterised the sector as relatively concentrated as eight companies account for 70 per cent of the stores. Table 4.2 presents an overview of the limited line discounter within the European market for year 2000.

Table 4.2 Market share of the discount food retailing in Europe

	Market share 1995 (%)	Market share 2000 (%)	No. of Stores	Leader in country
Norway	38.3	42.9	1,380	Rimi
Germany	29.5	32.6	13,081	Aldi
Belgium	24.7	27.8	815	Aldi
Denmark	20.0	22.0	859	Netto
Austria	16.5	21.8	777	Hofer
Sweden	11.0	15.2	328	Rimi
The Netherlands	12.2	14.1	797	Aldi
Finland	10.7	11.2	855	Siwa
Spain	6.5	9.5	2,865	DIA
Portugal	6.1	9.5	420	Minipreço
UK	11.3	8.2	1,290	Kwik Save
France	6.4	7.9	2,622	Lidl
Switzerland	8.6	7.9	777	Denner
Italy	9.7	6.7	2,620	Lidl
Greece	1.6	4.2	225	Dia
Total	13.6	14.9	29,747	Aldi

Source: Colla, (2003)

Concerning the international activities of food discounters, Colla (ibid) has identified three groups according to their adopted internationalisation strategies. These

are: the hard discount specialised firms (e.g. Aldi, Netto, Lidl); the soft discount groups specialised abroad (e.g. Plus, Penny, Rema 1000); and the soft discount diversified groups (e.g. DIA, Leader Price).

The international business mode of hard discount specialised firms, is characterised by the exportation of a single format with a global concept (i.e. standardised). Its competitive advantage derives from good management of own labels, and their strong purchasing power. This has derived from their high penetration in overseas markets and the market share leadership they occupy within their domestic markets. Countries that are most likely to attract this group of discounters are those that the stage of retail development is characterised as mature. This implies markets with high purchasing power, strong development of own labels, a retail sector where supermarkets and hypermarkets are the key formats, and shoppers have a strong service orientation.

Soft discount firms specialised abroad, are discounters that belong to a multi-format national group. These discounters are usually followers in their domestic and foreign markets in terms of market share. Purchasing power is achieved within the countries they operate, as they focus more on market development rather than aggressive international market penetration. As such, their concept is partially adapted to foreign markets in order to reach the desired market share. In order to reduce operational costs (i.e. adaptation costs), target countries for this strategic group, are those that are viewed as culturally and geographical close. Moreover, they aim at developing markets (rather than mature as the previous group) where local competition is characterised by the high presence of traditional retailers.

Finally, the soft discount diversified firms, while sharing similar characteristics as the above business model (i.e. part of a multi-format group, small modifications to the concept, target markets), their main difference lies on the high levels of

management, sales, and purchasing synergies they achieve within their group. They take advantage of the group's strong international presence, which enables them to penetrate new markets more easily. As such, these firms are usually pioneers of the discount format in the foreign markets they operate.

4.3.2 THE COMPANY

Having identified the sector and format for which this study will focus on, the next step is to select the company under investigation. In the previous chapters, it was assumed that companies possessing a successful domestic store brand will adopt a standardised strategy when going abroad, as it will ensure the transfer of its home competitive advantage. Moreover, it was highlighted that the ownership of an innovative retail formula may strengthen such transferability. Given this, the criteria used to select the company under investigation should be based on the domestic success of the store brand, and its unique and innovative nature within a foreign market. Taking into account the three strategic discount groups identified by Colla (2003), it can be argued, that companies belonging in the soft discount diversified group fulfil these criteria (i.e. domestic leaders and format pioneers in the foreign market). Specifically, and for reasons that will be mentioned further on, the researcher has selected the Spanish limited line food discounter DIA as the company under investigation.

DIA belongs to the Carrefour group, the leading distribution group in Europe and the second in the world, and represents the group's discount activity. Prior to the merger of the two French retail groups, Carrefour and Promodès, DIA was a subsidiary of the Promodès food distribution group. The French firm owned some 65.1% of DIA, with a further 10.1% being held by Banco Bilbao Vizcaya.

The first stores opened in 1979 in the province of Madrid under the name of *Centro de Distribución Dia*. In the same year Promodès acquired the existing stores and

renamed them *Distribuidora Internacional de Alimentación* (DIA). At that point in time, the stores' commercial policy was following the concept of a convenience store with a sales area of 120-200m², an assortment portfolio of approximately 550 products, and with the absence of fresh products. However, after the acquisition of the company by Promodès, an expansion strategy began with the opening of twenty stores per year and with an emphasis on transforming the whole corporate philosophy of the stores. It was not until 1984 when the company redefined DIA's commercial policy, by advocating the concept of a limited line food discounter. This included stores with an average sales area of 350-450m², an assortment of 1,600 products (out of which around 50 per cent were own labels), and the selling of fresh products. Within the years that followed, the company's strategy focused on national coverage and the opening of stores in Barcelona (1986) and Sevilla (1989). As a result, and in order to efficiently supply existing stores, warehouses were built on the outskirts of Barcelona (20,000 m²) and Madrid (22,000 m²).

The 90's were characterised as the expansion decade of the company, as clear signs for achieving national coverage as well as international appearance were evident. Regarding national coverage, DIA expanded its national network through acquisitions, organic growth, and franchising. In 1990, it acquired Tabacalera de Dirsá, in 1991 Mercapopular, and in 1992, the company acquired 33 stores from the Carrefour group in Spain, which were under the name AD (Ahorro Diario). All these stores were renamed to DIA by 1994, and it was then when the DIA group emerged. Also in 1992, the group opened stores in Valencia, and in other major Spanish cities where the DIA stores were absent. Consequent to this aggressive expansion strategy, in 1993 DIA became the leader in the Spanish discount sector (ARAL, 2001, Distribucion Actual, 2001). This position is held until today in Spain, where the company has 12 per cent of market

share, exceeding in sales from its closest rivals such as Lidl and Tengelmann (www.Carrefour.com).

In 1994 and in an attempt to respond to the new discount concept introduced by foreign retailers (large out-of-town discounters), the group introduced a new format which is characterised by a larger selling area surface (900m²), a product assortment of 2,000 products and by including a parking area (ARAL, 2001). OXIRM (1998) characterises the Spanish discount format as “In Spain, the discount phenomenon is in reality a DIA phenomenon” (p. 20). Clearly, this statement indicates DIA’s dominance of the Spanish discount sector.

After the merger of Carrefour and Promodès, the DIA group took over the management of ERTECO, a company belonging to Carrefour which operates discount stores in France under the fascia of ‘Ed le Marchè’ and ‘El le Epicier’. Regarding its international expansion, DIA began in 1992 with the opening of five stores in Marseille, France. The French DIA followed the Spanish model but with a larger sales area (600m²). In 1993, the company entered into the Portuguese market after an agreement with a local retail group Sonae. The same year an agreement was also reached with the Italian retail group Garosci with a view to open stores in that country. In 1995, DIA entered into the Greek market in a joint partnership with the Marinopoulos group. The same year it announced the creation of DIA international, which would be in charge of the group’s international activities and with an aim to pursue a globalisation strategy (Promodès, annual report 1996). At that point, the group’s international portfolio included 95 stores in France, 113 stores in Portugal, 49 stores in Italy, and 22 stores in Greece. However, the following year the group decided to withdraw from the French and Italian markets due to legislation restrictions on the opening of stores, as well as poor market performance. Two years later and as the group continued to operate in Greece and Portugal, DIA opened its first stores in Buenos Aires, Argentina. As in the

case of Greece, DIA was the first limited food discounter to operate in Argentina. The landmark year for the group in Portugal was in 1998, when it acquired the company Minipreço that increased the company's network in Portugal. Although initial thoughts were to convert these stores to the DIA fascia, in year 2000 the group decided to retain the Minipreço name over the stores and convert the existing DIA stores under the Minipreço banner. This was done as the local brand was viewed as having a stronger reputation. Nevertheless, the DIA concept as well as a range of DIA own label products remained in the Minipreço stores (M+M Planet Retail, 2002). Continuing its international expansion, DIA entered into Turkey in 1999 with a network of 37 stores, making it once again the first limited line food discounter operating in a country. In 2001, it opened its first stores in Brazil and in July 2003, it announced the opening of four stores in China (see Table 4.3). Overall, by the end of year 2002 DIA International had a network of 3,700 stores, 26 warehouses, and 22,000 employees (www.dia.es).

Table 4.3 Store network and economic indicators of DIA International for year 2002

Country	Year of entry	Number of Stores (including franchise)	Sales (inc. tax) thousands Euros
Spain	1979	2475	3.020.400
France	1979	489	1.799.000
Greece	1995	254	249.700
Portugal	1993	338	541.000
Turkey	1999	132	42.500
Brazil	2001	69	25.400
Argentina	1997	257	159.800

Source: www.dia.es

4.3.3 THE COUNTRIES

One of the prerequisites of a standardisation strategy is the homogenisation of markets. This implies that, the more similar culturally two markets are, the more feasible a standardisation strategy is.

The literature regarding cultural examination argues that within the E.U. there are a number of clusters. Askegaard and Madsen (1998), argue that the level of cultural homogeneity between countries in Europe is primarily fundamental, and heterogeneity exists between them that cannot be neglected. Despite this, there seems to be an overall agreement that the E.U. consists of four main clusters based on Hofstede's (1984) well-established model of national cultures². These are: the Nordic group, (all the Scandinavian countries); the Anglo-Saxon group (UK and EIRE); the Central Lutheran Europe (consisting of Germany, Belgium, Luxembourg, Austria and Switzerland); and the Mediterranean group (consisting of France, Spain, Portugal, and Greece) (Usunier, 2000; Kale 1995; Kasper and Bloemer, 1995; Malhotra et al., 1992). While these clusters may raise questions over their applicability to retail shopping behaviour, a recent study by de Mooij and Hofstede (2002) demonstrated that Hofstede's (1980) model of national culture, can be valid within an international retail context since it can be used as a predictor for explaining similar shopping patterns between countries. Moreover, Flavian and Polo (1998) also support these similarities, between southern countries compared to the northern countries, in a retail context.

From the above, and taking into account that the company selected is the Spanish limited line food discounter DIA, it can be argued, that the countries most adequate to examine if DIA has applied a standardised strategy to its foreign operations will belong within the Mediterranean region. This is based on the assumption that countries in this particular cluster are viewed homogenous. Considering DIA's presence in the Mediterranean region, two countries can be identified, being Portugal and Greece. However, the researcher will investigate only the company's store operations in Greece.

² This model will be briefly explained in the next chapter.

since for Portugal there is evidence that the company is operating under the local brand Minipreço.

Having identified the countries under investigation for the limited line food discounter DIA, being Spain (the home market) and Greece (a host market), a brief description concerning the retail structure of these countries is deemed necessary.

4.3.3.1 Retail structure of Spain and Greece³

Tordjman (1995) argues that in order to identify the retail stage development of a country one should examine: the channel concentration; retailer- manufacture relationship; level of integration of new technology; productivity levels; number of outlets per inhabitant; marketing strategies; level of competition; and the degree of the internalisation of concepts within and without the country. By taking in to account these parameters, he identified four different levels of retail stage developments within Europe, being: the traditional, intermediary, structured, and advanced (see figure 4.1).

Figure 4.1 Stages of retail development

Traditional		Intermediary	
Greece	Portugal	Italy	Spain
Belgium	France	Germany	
	Netherlands		UK
	Denmark		
Structured		Advanced	

Source: Tordjman (1995)

Although the author has included Greece within the traditional stage and Spain in the intermediary, Flavian et al., (2002) consider the retail structure of the Spanish market as significantly more developed than the former. In 1999, total sales of the

³ The analysis of the Spanish and Greek grocery sector describes the situation of the markets during the time of the study, which was in year 2000.

Spanish grocery sector account for € 35,701 millions. The dominant format within this country is considered the hypermarket with a market share of 34.3 per cent. While this format experienced significant growth during 1980 until mid 1990s, in recent years a decline has been observed due to tight legislations imposed in 1996 (La ley de comercio) with regards to: restriction of the opening large-area stores, opening hours, and pricing policies. As such, the hypermarket format in Spain is considered as near the maturity stage in the retail life-cycle (Gonzalez-Benito, 2001). These new laws have given a growth opportunity to small and medium size outlets, such as supermarkets and discounters, at the expense of hypermarkets and traditional stores. Particularly for the latter, between 1995 – 2000, the number of traditional stores was reduced by 21,000, signifying the dramatic decline of this format (see table 4.4).

Table 4.4 Outlet structure for Spanish grocery sector

Format	No. of Stores			Sales € (mn)		
	1995	2000	%2000	1995	1999	% 1999
Hypermarkets	242	318	0.5	11,023	12,261	34.3
Supermarkets	3,251	4,711	7.5	7,862	10,668	29.9
Superettes	7,371	8,712	13.9	6,984	6,840	19.2
Traditional stores	70,293	48,849	78.1	7,334	5,932	16.6
Total grocery	81,157	62,590	100	32,056	35,701	100

Hypermarkets: > 2,5000m², supermarkets: 400-2,500m², superettes: 100-400m², traditional stores:< 100m²

Source: M+M Eurotrade, 2001

Concerning the discount format in Spain, in 2000 there were reported 2.958 discounters, which signified an increase of 7.5% from the previous year. While the leader in the Spanish discount sector is DIA, two other major discount retailers are active, being Lidl, and Plus Superdescuento (Tengelmann Spain). Lidl is the second major discount player in Spain, and in 2000 it had a network of 305 stores, a turnover of € 771 millions, and a market share of 2, 5 per cent. Plus Superdescuento is the third largest discount retailer in Spain with 151 stores, a turnover of € 297 millions, and a market share of 0.9 per cent (overall it is ranked 16th within the grocery sector). The most interesting observation to be made about these two discounters is that since their

entrance into the Spanish market, both companies have been operating with losses. This operational loss was also the reason for Rewe to withdraw from the Spanish market with its Penny store brand (Alimarket, 2002).

In terms of market concentration, the market share of the top ten food retailers in Spain is 71, 6 per cent (see table 4.5). While this may be viewed relative low compared to northern European markets, with respect to the rest of the Mediterranean countries is considerably high (M+M eurodata, 2001). According to Flavian et al (2002), competition in the Spanish market is mainly price oriented. While differentiation factors such as quality, service, and range do play a significant role, they are considered of less important. However, a study by Vazquez et al (2001) revealed that some 'quality' store attributes such as, responsiveness, assurance, convenience, and assortment, are perceived by Spanish grocery shoppers as more important compared to price related attributes, for the section of a supermarket.

Table 4.5 Top 10 Spanish food retailers by turnover for year 2000

Rank	Company	Turnover € (mn)	Market Share %	Market Share cumulative
1	Carrefour	8,126	23.7	23.7
2	Eroski	3,577	10.4	34.2
3	Mercadona	3,028	8.8	43
4	Alcampo	2,526	7.4	50.4
5	Ahold	1,968	5.7	56.1
6	El Corte Ingles	1,652	4.8	60.9
7	Caprabo	1,306	3.8	64.8
8	Unigro	960	2.8	67.6
9	Lidl	771	2.3	69.8
10	Makro	627	1.8	71.6

Source: M+M Eurotrade, 2001

The retail grocery sector in Greece (accounted for € 7.6 millions in 1999), is rapidly changing due to the entrance of new international retailers, and the mergers of existing companies (Bourlakis and Bourlakis, 2001). The transformation of the country's retail system started with the liberalisation of the market in 1990/91 (limited opening hours, controlled prices, and employment of part time staff, were the main

constrains). This produced a very quick response for both Greek and foreign retailers, which changed the structure, organisation and management of the sector (Boutsouki and Bennison, 1999a). These changes were found to have two main effects on the Greek consumers. First, an increase in awareness and responsiveness to price, and second, a greater awareness and appreciation of the total retail service (range and service) and the physical environment of the stores (Boutsouki and Bennison, 1999b).

Despite these changes, the Greek grocery sector is still characterised as partly traditional, since independent grocers and wholesales play an important role within the channel. This can be seen from the breakdown of numbers of outlets by format, which reveals the dominance of small, independent shops (they account for a total of 78.3%). However, in terms of overall retail sales, turnover is through the supermarket format. Large and medium size supermarkets have witnessed growth in recent years as they have developed rapidly at the expense of traditional grocery retailers (see table 4.6). In terms of market concentration (see table 4.7), the ten top retailers captured 61.9 per cent market share, a figure relative low compared to European standards (M+M Eurotrade, 2001).

Table 4.6 Outlet Structure for Greek grocery sector

Format	No. of Stores			Sales € (mn)		
	1995	1999	%1999	1995	1999	% 1999
Hypermarkets	22	54	0.3	n.a.	1.4	18
Large Supermarkets	115	241	1.4	n.a.	1.4	18
Supermarkets	638	789	4.6	n.a.	2.3	30
Superettes+	2,574	2,632	15.4	n.a.	1.7	22
Neighbourhood stores	14,204	13,422	78.3	n.a.	0.9	12
Total grocery	17,533	17,138	100		7.6	100

Hypermarkets: > 2,500m², supermarkets: 400-2,500m², superettes: < 400m²,
+ includes traditional stores

Source: M+M Eurotrade, 2001

Table 4.7 Top 10 Greek food retailers by turnover for year 2000

Rank	Company	Turnover € (mn)	Market Share %	Market Share cumulative
1	Carrefour	977	16.4	16.4
2	Sklaenitis	538	9.1	25.5
3	Veropoulos	434	7.3	32.8
4	A B Vasilopoulos	425	7.1	40
5	Masoutis	282	4.8	44.7
6	Makro	261	4.4	49.1
7	Metro	245	4.1	53.2
8	Atlantic	227	3.8	57
9	Pente	209	3.5	60.6
10	Lidl	80	1.4	61.9

Source: M+M Eurotrade, 2001

Concerning DIA's operations in Greece (DIA Hellas), as commented in the previous section, it was the first discounter to enter the Greek market (in 1995), and since then, it is considered the market leader in the food discount sector. The other major discount player within the Greek market is the Lidl, which entered in 1999. During the time of the study, Lidl had a network of 40 stores (most of them located in the north of Greece), with a turnover of € 80 millions, and market share of 1.4 per cent (M+M Eurotrade, 2001).

The DIA stores in Greece have an average sales area of 500 m² and offer traditional grocery products, with a small range of fruit and vegetables, fresh meat and dairy products. The assortment does not exceed more than 1,100 lines, of which, 50 to 60 per cent are own labels with prices up to 30 per cent below those of manufacturers' brands (Panorama, 2000). During the time of the study, stores were located primarily within the Athens area. As such, DIA's strategy on the Greek market focused primarily on proximity and low prices (M+M Planet Retail, 2002). Moreover, while the company reported sales of € 14,673 millions (increase of 37 per cent from 1999), it registered for

the first time losses of € 866 thousands. Losses were attributed to the high investment the company realised since it first entered the Greek market (Panorama, 2000).

4.4 CONCLUSION

The aim of this thesis is to provide further insight into the debate on standardisation of store brand image transfer in international markets. Having reviewed the relative literature, two drawbacks have been identified. First, there is a need for a clear conceptualisation on the notion of store brand image standardisation. Second, there is absence of a rigorous and robust process for examining the transfer of store brand image, particularly from a consumer perspective. As such, these two drawbacks are considered as the major theoretical ‘gaps’ within the existing knowledge which this thesis will try to contribute. Drawing upon literature on international retailing, standardisation versus adaptation debate in international marketing/retailing, and store image, a research framework is proposed which is divided into three investigative processes. These are: ‘Store Image *per se*’; ‘Relative Marketplace’; and ‘Store Image Dimension’. This research framework will be employed in order to examine whether the Spanish limited line food discounter DIA, has managed to transfer its store brand image, in a standardised manner, in Greece.

Having presented the adopted research framework, as well as, the unit of analysis of the thesis, the next chapter will address the methodological issues that have to be considered in this study. Moreover, it will present the main objectives and research questions that need to be answered in order to achieve the aim of the thesis.

CHAPTER 5
RESEARCH
METHODOLOGY

5.1 INTRODUCTION

Having presented the adopted research framework for this study, this chapter addresses both the conceptual and operational methodological strategies adopted in this thesis. Since enquiries in retailing fall under the spectrum of social science, the first part of this chapter will outline the various philosophical movements related to social science. The aim of this research is to provide an in-depth insight on the issue of store brand image standardisation in international retailing; therefore a comparative study is required between a domestic retailer and its foreign subsidiary. Consequently, a brief elaboration of issues in comparative research will also be discussed, with a focus on overcoming the issue of cultural differences between the cases under investigation.

The second part of this chapter focuses on the research design and presents the methods adopted for collecting the raw data. Finally, as no research is perfect, the last part of this chapter will outline the limitations of the overall research strategy.

5.2 PHILOSOPHICAL PERSPECTIVES IN SOCIAL SCIENCE

The status of social science, viewed as a science, has been a matter of considerable debate. Although a number of questions have been raised in order to clarify this debate, one of the most common questions has been “Can the methods of natural science be used in the social science?” Attempts to answer this question have lead scholars into primarily two schools of thought, each one advocating a different philosophical perspective. Specifically, Schütz (1963) has distinguished the Positivism or Naturalism school, where the belief is that the methods of natural science can coincide with those of social science. In the other extreme, there is Interpretivism or Negativism, which argues that social science methods should be viewed as independent to those of natural science. However, as Blaikie (1993) states the answer to this question is far from a simple ‘Yes’ or ‘No’, since both approaches (and their methods) can be

claimed, in various ways, to be appropriate in the social sciences. The author has identified eleven different schools of thought within social science, where each one adopts a different ontology, epistemology, methodology, and method. Ontology is defined as the science of being, and it refers to the approach of social enquiry of what exists, what it looks like, what units make it up, and how these units interact with each other. Epistemology is the science that deals with the methods of knowledge, and which are the ways to gain knowledge of this reality. It examines how what exists may be known. Methodology is the overall process undertaken for a research problem, and looks at how theories are generated and what kind of logic and criteria are used, whereas methods, are the actual techniques or procedures used to gather and analyse data related to the research problem. By aggregating these two processes, the outcome will be the overall research strategy employed (Lazar, 1998).

Returning to the two principal theoretical perspectives highlighted by Schütz (1963), Positivism or Naturalism claims that the methods of natural science have brought significant results, hence, these and only these methods should be applied in the study of human behaviour. Therefore, this school of thought argues that there can be a 'natural' study of people and society. Although this approach does recognise that there are differences between natural and social science, it argues that the same logic and methods can be used for explaining the phenomenon under investigation. Nevertheless, this approach should be treated with caution, as each science must elaborate those issues suitable to its objects of enquiry (Popper, 1976; Kolakowski, 1972). Overall in terms of ontology and epistemology there are five general rules/principles that characterise Positivism. The first rule distinguishes the concepts of facts and values. Positivists argue that values are by no means a source of knowledge as they are not discoverable and empirically validated (Giddens, 1974; Kolakowski, 1972). Advocates of this school then continue by claiming that knowledge and scientific explanation must be based on

objective observation, which is the only reliable basis of scientific knowledge. (Hollis, 1994; Hindess, 1977; Kolakowski, 1972). The fourth principle is that the objects under observation are regarded as independent and fundamental elements of the world. Consequently, they can then be formed and applied into general or universal laws. These laws which are viewed as scientific theories, are derived from the observation and explanation of individual cases, and are then applied without exception across time and space (Harré, 1970). In general it is regarded that Positivism studies a phenomenon from the 'outside' and is in favour of using a more quantitative approach for answering research problems (Seal, 1998).

Opposite to the above perspective, is the philosophical movement that has been given various names such as Interpretivism, Negativism, or Humanism. This school of thought argues that there are fundamental differences in the structure of the social world and that of the world of nature. Therefore, the methods of social science should be *toto coelo* different from those of natural science. They claim that the study and explanation of a natural phenomenon requires scientists to invent concepts and theories that are relevant to the problem under investigation. The study of social science requires an understanding of the social world where people have constructed and have reproduced through their own continuous activities. Thus, this movement adopts an ontology in which social reality is regarded as the product of human experience. Regarding epistemology, knowledge derives from everyday concepts and meanings since the social researcher enters the everyday social world in order to construct it (Giddens, 1974). As such, Interpretivism believes that a phenomenon should only be studied from 'within' and by using primarily qualitative techniques (Lazar, 1998; Seal, 1998; Blaikie, 1993).

5.3 INDUCTIVE AND DEDUCTIVE STRATEGIES

The crucial problem for the researcher is how to discover, describe, explain, and interpret a phenomenon under investigation. According to Kaplan (1964), scientists and philosophers require a sequential logic or reasoning to answer these issues. Despite this, the author views that prior to this process, the researcher is confronted with the dilemma of how is an investigation initiated. Does he/she start with observations or the gathering of data, which will then develop into an explanation or a new theory? Or, does the research begin with a theory, a model, or a hypothesis that will then be tested for its validity and reliability by making observations? These two different styles of reasoning are called the inductive and deductive strategies respectively, and have dominated the philosophical views of theorisation.

The inductive strategy, which belongs primarily to the Interpretivist school of thought but can also be related to the Positivist view of science, follows a logic that moves from the particular to the general or to some kind of universal statement. It corresponds to a conception of researchers who make careful observations, conduct experiments, rigorously analyse data and as a consequence discover and produce a new theory (Seal, 1998; Blaikei, 1992; Harré, 1970; Hempel, 1966; Popper, 1959). Specifically, it has been characterised as consisting of four main stages. The initial step is to observe and record all facts without any selection as to their relative importance. Then, these facts are analysed, compared and classified without using hypotheses, and generalisations are inductively drawn as to the association between them. These generalisations are then subject to further investigation (Hempel, 1966). According to Harré (1970), inductive strategy embodies a realist ontology that assumes that there is reality 'out there' and what we 'see' is what exists, with regularities that can be described and explained. It adopts the epistemological principle that the task of observing this reality is unproblematic as long as the researcher adopts objective

procedures. Hence, personal opinions are excluded from this process in order to arrive at what it is believed to be objective knowledge.

Despite its popularity in scientific and philosophical circles, the inductive strategy has been heavily criticised for its process, logic, and justification. One of the major criticisms is how the principle of induction can be justified. Harré (1972) described the principle of induction as follows:

“It is the form of inference of laws from the accumulated simple facts, so that from true statements describing observations and the results of experiments, true laws may be defined...” (p. 42).

Popper (1959) and Hempel (1966), have responded to this by arguing that to claim that the principle of induction is a universal statement derived from experience, is to use the principle in order to justify it. Therefore, there is no logical induction process for establishing the validity of universal statements from a set of singular statements. Another area where inductive reasoning has been criticised is the assumption made about observations. Inductivists assume that all science starts with observation and this is a secure basis from which knowledge can be derived (Chalmers, 1999). However, Popper (1959) claims that all observation is just interpretation, and that we cannot observe our objects before we have thought and made theories about them. Consequently, Popper (*ibid*) rejects induction as he views it as purely empirical. He goes further by stating that induction is not valid in the sense that from a single encounter one can derive to a general theory. He believes that theories refer to all occurrences of a phenomenon (in the past, present, and future), something which inductive logic neglects. Thus, he raises questions over the generalisation and theorising of induction.

The opposite to inductive logic is the deductive strategy. This strategy of reasoning, which is also called hypothetico-deductive or falsification, falls within the premises of Positivism. The logic of deductivism moves from the general or universal statement and concludes to a particular statement. Karl Popper who was one of the most outspoken advocates of deductive strategy identified the following stages. First, the researcher should start by putting forward an idea or a theory and with the help of a previously accepted hypothesis deduce a conclusion. The next step is to examine the argument behind the derived conclusion with existing theories in order to see if it will contribute to the existing theoretical knowledge. This was also supported by Lakatos (1970) who argued that in order for a theory to be replaced the new one must provide additional information and explain what the existing theory can not explain. According to Popper (1959), this is achieved by gathering appropriate data from experiments. The final step is to examine the consistency between the derived theoretical conclusion and the analysed data. If the findings are not consistent with the conclusion, the theory must then be false; however, if the conclusion is consistent with the data the theory is not proved true but temporarily supported. Supporting this logic was Braithwaite (1953), who also viewed deductive theories as a system of forming propositions from which observable consequences logically follow a set of general propositions. He also claimed that deductivism provides scientists with greater freedom to propose a theory, but then it is up to nature to determine whether any conclusions drawn from it are false.

The primary criticism of deductivism is that it involves induction. Hemple (1966) has claimed that in the case where a theory has not been falsified, its acceptance relies on data that were based on inductive logic. He also argues with the idea, supported by Popper (1959), that a theory must be tested several times before it is falsified or not. Hemple (1966) suggests that it is difficult to talk about several tests without using some notion of inductive reasoning. Harré (1970) also questioned the

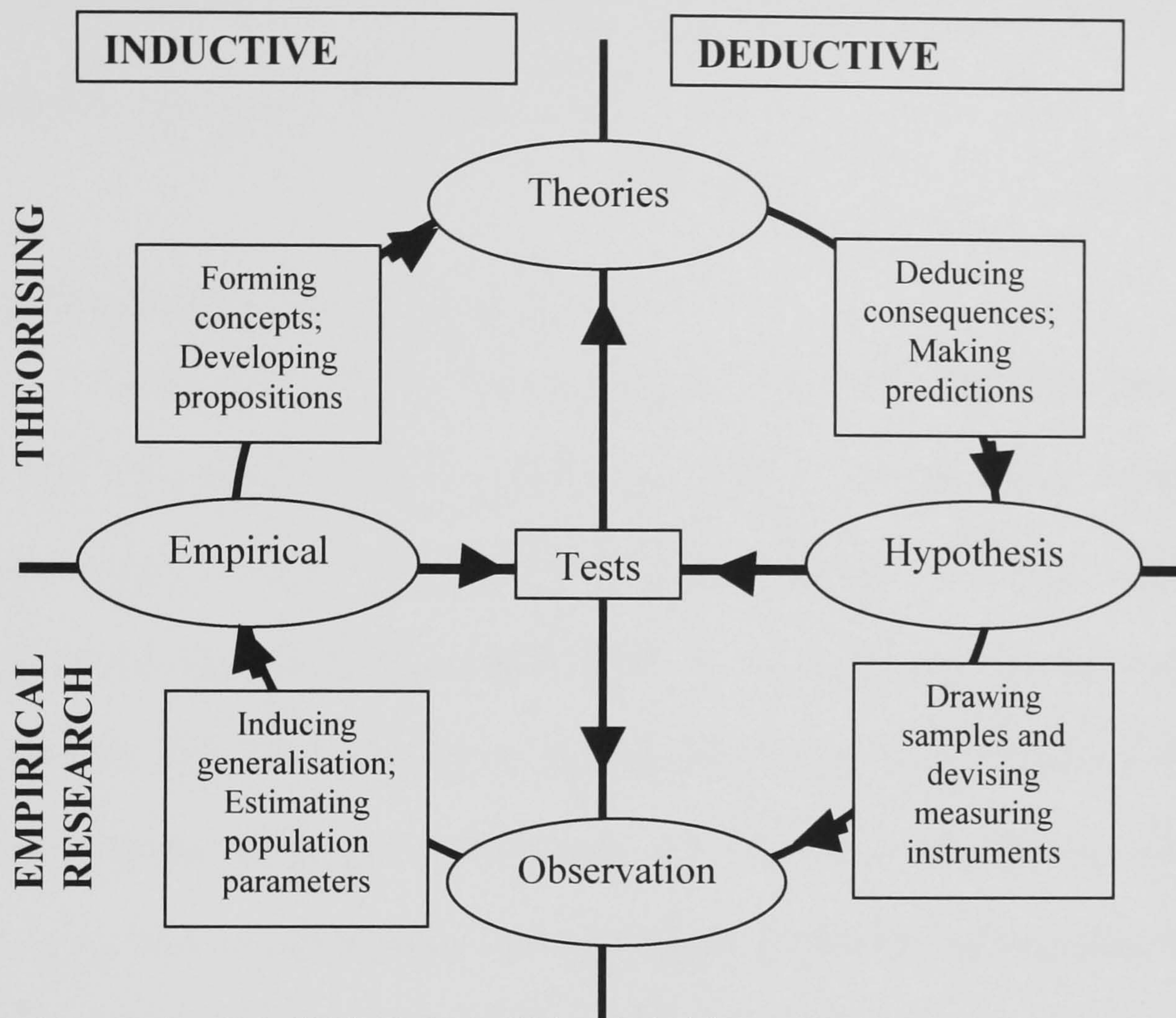
source of the propositions that make up deductive theories and insinuated that they come either from the imaginative opinions of the researcher or by some form of inductive reasoning.

5.3.1 COMBINING BOTH STRATEGIES

As discussed above, following a pure inductive or deductive strategy has been heavily debated since their main differences are found in the logic of theory construction. However, Wallace (1971) has proposed a model that overcomes the inadequacies of both strategies. In his proposed scheme (see figure 5.1) he identified two overlapping processes, theorising and empirical research and the inductive and deductive strategies. He argues that the model is flexible and one can move to or start from any of the identified stages depending on the requirements of the research. According to Wallace (*ibid.*), the first step is the inductive research stage, which starts with observation since the output will provide information for the overall scientific process. Wallace (*ibid.*) does not adopt an inductive view but believes that preliminary observation is the origin for empirical generalisation, which leads to theories and hypothesis testing. This empirical data collection, when drawn from a predefined population parameter, can yield a generalisation regarding the population under investigation. Having completed this stage, the next step is to form concepts and develop propositions that will aid the construction of theories. This stage is called the inductive theorising stage and the main objective is to convert the empirical generalisation into more abstract terms i.e. theories. By doing so, the researcher will examine the theory for internal consistency and compare it with other theories to see whether it has greater breadth of scope. This stage is called the deductive theorising stage. Thus, in the final stage, it is possible to deduce hypotheses or make predictions from the theory. This stage, called the deductive research stage, requires the translation

of the concepts into measurement procedures, which involves instruments, scales, and sampling techniques. It is then possible to test the theory by making new observations.

Figure 5.1 Combining Inductive and Deductive strategies



Source: Wallace W. L. (1971), *The Logic of Science in Sociology*

Although this scheme attempts to combine both strategies of logic for conducting research, Rubinstein et al. (1984) identified two limitations. The first drawback, which is also an endless debate within the philosophical movements, is the over-simplistic view Wallace (1971) has for the process of moving from empirical generalisation to abstraction/theorising. The second weakness of the model is that it remains in the domain of positivistic ontology as it neglects the humanistic nature of social reality. Thus, adopting an outside relationship to social enquiry may lead to ontological and epistemological confusion.

These controversies between the philosophical movements and their logic of reasoning have and will remain in the domain of social science. As the conventionalist philosopher Feyerabend (1978) states the problem lies in the actual implementation of

these theories when trying to conduct field research. He argues that during the whole process, violations will occur at one time or another. Thus, the author concludes that when conducting research in social science one principle should be applied: "...that can be defended under all circumstances and in all stages of human development. It is the principle: anything goes" (p.28)

5.4 COMPARATIVE STUDIES

As discussed in the previous chapter, in order to achieve the aim and objectives of this study an international comparison needs to be undertaken. According to Craig and Douglas (2000), comparative research "compares attitudes and behaviour of consumers, firms and other organisations in two or more countries or regions of the world" (p. 28). When applied to the marketing domain Boddewyn (1969) defines it as the systematic detection, identification, classification, measurement and interpretation of similarities and differences in the functions, structures and processes between two or more marketing systems. The desirable objectives from such an approach are fourfold. First, to describe in detail the two or more marketing systems; secondly, to compare these systems; thirdly, to explain and evaluate the differences between the systems and fourthly to measure and compare their performance (Lamb, 1975).

However, one major dilemma when conducting such research is the issue of culture. Specifically, and within the literature on comparative studies, the problem of culture has been highlighted from two different but interrelated perspectives. The first is whether to examine the existence (or not) of cultural variation between the units of analysis, and the second, to what extent any differentiation should be accounted for in the results. Although the issue of culture is beyond the scope of this thesis, nevertheless it is recognised that it can not be neglected. For this reason, the remaining part of this section provides a brief explanation of the term culture. Additionally, a conceptual

research strategy, drawn from the comparative research literature, is presented to counter the second problem of culture as defined above.

5.4.1 CULTURE: A SUBJECTIVE ISSUE

In simple terms, Berry et al. (1992) define culture as the shared way of life of a group of people, whereas Hofstede (1980) defines culture as society's "collective mental programming of values". In their seminal work, Kroeber and Kluckhohn (1952) concluded that culture consists of explicit and implicit patterns of behaviour, which are acquired and transmitted by knowledge. This knowledge derives from beliefs, morals, traditions, values, and laws and other habits acquired by man as a member of society. All these definitions refer to the so-called "national culture" and one must explore this by avoiding a 'scientific approach' and by examining it *per se*¹ (see Triandis, 1995; Hofstede, 1980; Geertz, 1973).

Apart from Berry et al. (1992) and Hofstede's (1980) "national culture," Kroeber and Kluckhohn (1952), after reviewing literature in disciplines such as anthropology, psychology, and sociology, found 150 complementary definitions of the term culture where each one was tailor-made for the requirements of the studies. In addition, they foresaw that these definitions would probably change in the years to come due to the interrelations of cultural forms and the variability of the individual. Brislin et al. (1973) interpreted the variability of the individual as the discipline that is concerned with the individual as a unit of analysis. Intrinsically, they implied that culture could be defined according to the scope of the research and that it was down to the aim and objectives set by the researcher as to in what context he or she will interpret culture.

¹ Specifically Hofstede (1980) identified four dimensions for studying national culture. Power Distance (i.e. human inequality); Uncertainty Avoidance of the future; Individualism Vs Collectivism (i.e. the way people live together); and Masculinity Vs Femininity (i.e. the implications biological differences have for the roles in social activities).

Clearly, when pertinent "national culture" to this study, it is evident that it is beyond the aim and objective of this research. Nevertheless, attention should be given as to what extent cultural variation between the target countries could have an impact on the consumers' perceptions of incoming retail formats and their image.

5.4.2 OVERCOMING THE ISSUE OF NATIONAL CULTURE: A CROSS NATIONAL PERSPECTIVE

Having defined culture in this narrow sense, the question then is to what extent culture affects the behaviour of people, and with regards to this thesis, how culture affects shoppers' perceptions regarding retail operations. The answer to this cause and effect relationship may be found in two types of comparative research: cross-national and cross-cultural research (Berry et al., 1992; Øyen, 1990; Teune, 1990; Brislin et al., 1973; Manaster and Havighurst, 1972; Frijda and Jahoda, 1966). The major difference between these approaches lies in the imposed subjectivism the researcher adopts in the definition of culture and the effect it has on the topic under investigation. Specifically, while cross-national research assumes that culture, as defined previously, has a limited impact on behaviour, cross-cultural research argues that culture is the primary effect on behaviour. Teune, (1990) believes that one of the aims of cross-national research is to reduce the unexplained variance that may be found in patterns or relationships between people. By unexplained variance, the author means culture. As pointed out by Frijda and Jahoda, (1966), cross-national studies are carried out when the researcher assumes that two populations are closely related in terms of culture. Following the same point of view, Manaster and Havighurst, (1972) differentiated between the two types of study with regards to data collection and analysis. They argued that although culture is an issue when comparing two or more countries, cross-national studies should centre only on the interpretation of concepts, the instruments used, and the degree of equivalence between the cultural units. On the other hand, they claimed that cross-cultural studies

are employed when differences in culture are evident, and the aim of such comparison is focused on identifying the similarities and differences with a focal point to the cultural context.

Although these viewpoints differentiate between cross-national and cross-cultural research, the question still remains to what extent the researcher should consider the impact of culture on the subjects under investigation. Berry et al. (1992), have provided three theoretical positions to overcome this question, which are distinguished by their general orientation, their theoretical perspective and methodological strategy.

The first theoretical position is called Relativist. It avoids understanding people from an external cultural point of view, and seeks to understand them 'in their own terms' without imposing any value judgement. Advocates of this position argue that differences between people are purely cultural driven which leads to an individualistic development, and as such, behaviour is substantially influenced by culture. In terms of the theoretical perspective, relativists claim that concepts are only context-bound definitions, as they vary from culture to culture. Methodologically, data collection and interpretation are typically qualitative and comparative studies are avoided, as they are viewed as problematic and invalid. They advocate an *emic* approach, which is the avoidance of imposing *a priori* notions and ideas from one's own culture over the people studied. Thus the researcher tries to look at the norms, values, motives and customs through the eyes of the members of a particular community (Berry, 1969). Clearly this standpoint can be included within the humanistic or interpretivist school of thought described previously in this chapter.

Opposite to this position is the Absolutist. Absolutists argue that by following a relativist perspective, a comparative study is not achieved since no common ground is identified between the two cultural units. For this reason, they assume that culture is the

same across all people, has a limited role in behaviour variation, and that the factors that influence behaviour are primarily biological. Regarding the theoretical perspective, they argue that concepts are free of a culture context and can be defined by the researcher. Therefore, comparison between cultures is easier and can be carried out without any essential problems. Data collection and analysis are of a quantitative nature by using the same instrument across countries, where only the linguistic equivalence is checked. This approach is called *etic* and is advocated exclusively by the absolutist position (Berry et al., 1992; Poortinga and Malpass, 1986; Berry, 1969). The major drawback of this paradigm, which can be viewed as similar to the Positivistic school of thought, is the naïve view of ignoring culture, thus questions arise regarding the validity and reliability of the results.

The final position, which tries to overcome the problems of the two previous paradigms, is Universalism. This position adopts a view that basic human processes are essentially the same everywhere but are expressed in different ways due to culture. Advocates in this domain believe behaviour is influenced by both biological and cultural factors. Theoretically, they view that similarities arise because the basic behavioural process is panhuman, whereas differences, are derived from the cultural dissimilarities between people. Thus concepts can be defined context-free but they have to be assessed by modifying and adapting them to cultural specific concepts or contexts. Comparison can therefore be achieved under a controlled environment but at the same time awareness is needed of the danger of non-equivalence. Therefore, if the aim is to identify differences, a theoretical analysis or preliminary research is needed before the full investigation in order to define common dimensions on which to capture the common concepts for both countries. Researchers following this methodological procedure adopt the *derived etic* approach (Craig and Douglas, 2000; Malhotra, et al., 1996; Berry, et al., 1992; Berry, 1969). This approach enables quantitative instruments

to be used after they have been constructed and pre-tested for their concept equivalence in both cultures. Moreover, qualitative interpretation can also be made as long as it is within the dimensions of a domain, in which the phenomenon of interest is similar. From a closer inspection of the above discussion, one can identify that both types of comparative studies, as well as their theoretical perspectives, distinguish the issue of culture in a conceptual and operational manner. 'Conceptual' here refers to the actual definition and interpretation of culture, and 'operational' is the means utilised for measuring it.

Taking into account the above, and in order to address the issue of culture in this study, the following approach is taken. The researcher will employ a cross-national comparative study by adopting a Universalism perspective, as this standpoint allows a degree of subjectivism in interpreting culture according to the needs of the research. Thus, the conceptual context of culture in this thesis disregards it as society's "collective mental programming of values" (Hofstede, 1980) and views it from a retail context. Specifically, the issue of cultural variation will be customised to the aim and objectives of the research. Thus from now onwards, this study adopts the notion of 'retail cultural differences', where 'cultural' is defined as any country variation that is related to consumers' retail shopping activities i.e. grocery shopping patterns, store expectations etc. and could have an affect on the shoppers' perceptions regarding store image. Moreover, the focus will be primarily on identifying common retail concepts for the construction and employment of equivalent instruments between the target countries. However, the actual process of measuring this "retail cultural variation" will be based on the conventional methods employed for "national culture."

5.5 RESEARCH DESIGN

Having provided an overview of the different philosophical perspectives and methodological strategies for social science and comparative studies, this section will outline the research design advocated in this study.

The aim of this thesis is to contribute to the debate on standardisation versus adaptation of store brand image in international retailing with a particular interest in the grocery sector. To achieve this, a consumer survey will be employed to compare the domestic store image of the Spanish discounter DIA with its subsidiary in Greece. In addition, this study examines whether the competitive advantage of the domestic operations have been successfully transferred overseas via store image. As such, each store's market position is examined relative to a named competitors' store image, and an "ideal" store in each country. When comparing the views of the respective samples (domestic versus foreign), this will shed light on whether the issue of store brand image standardisation exists in international retailing, in which form (image or positioning) and whether the domestic competitive advantage has been successfully transferred.

In previous chapters, it was stated that the measurement of store image is far from easy, as questions rise as to what actually composes a store image. Keeping the notion that store image comprises the sum of dimensions where these dimensions are the sum of common components and attributes, the literature suggests that caution should be made regarding store image comparison since these parts may vary through time and space i.e. countries, industries, sectors and consumers (McGoldrick, 2002; Hofstede, et al., 2002; Birtwistle and Shearer, 2001; Tompson and Chen, 1998; Smith and Burns, 1996; Joyce and Lambert, 1996; Davies, 1992; Hansen and Dautcher, 1977; Doyle and Fenwick, 1974). Thus, to overcome these dilemmas a pluralist research design is adopted for this thesis.

According to Patton (1990), this pluralist approach, called triangulation, arises by combining different theoretical perspectives and various methodological, investigative or data collection strategies, into one single study. The outcome of such an approach is a more concrete and valid conclusion. In this study, the research is divided into two phases. The first phase, by using a qualitative approach, examines the extent to which shoppers in the countries under investigation perceive a grocery store image in a similar way. This is done in order to construct a 'cultural free' questionnaire that will be used in the second phase of the research with the purpose of measuring and comparing DIA's store image in the corresponding countries.

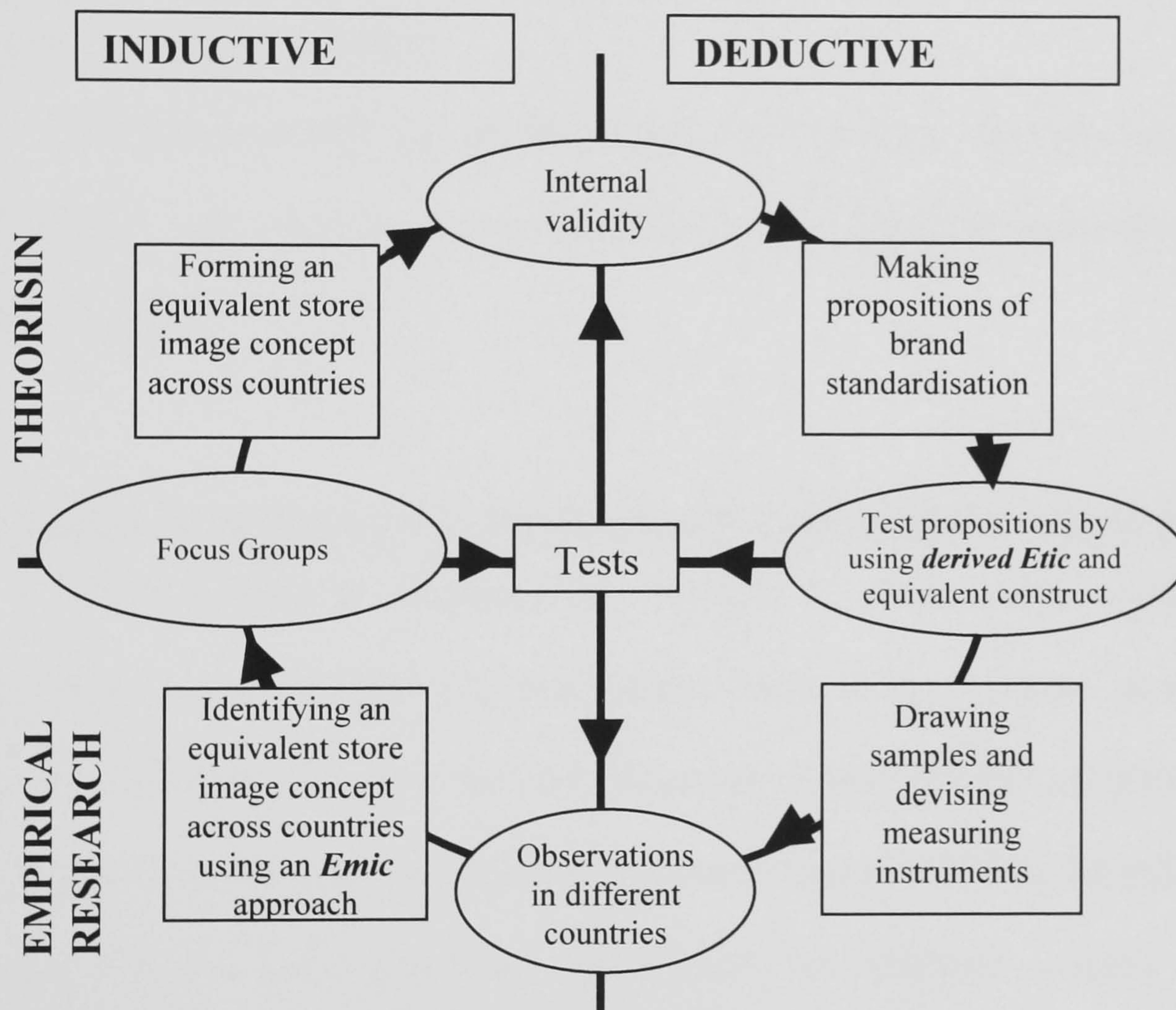
Returning to Patton's (ibid.) pluralist approach, and with respect to the theoretical triangulation, the research embraces Universalism, a standpoint between Positivism and Interpretivism. Specifically, concerning the first phase of the study (establishing country variations in store image construction) the issue of culture needs to be tackled. Consequently, as discussed in section 5.4.2, in order to overcome this problem the study adopts a stratagem that belongs in the domain of cross-national comparative studies by investigating this phenomenon from 'within' (i.e. Interpretivism). Regarding the second phase, (measuring and comparing consumers' perceptions of DIA's home and foreign store image), a more objective view is taken by employing a questionnaire. Arguably, this standpoint can be found in the domain of Positivism.

Regarding the methodological triangulation² and the logic of reasoning, the research again follows a pluralistic approach by advocating Wallace's (1971) combined model of deductive and inductive reasoning (see figure 5.2). The investigation starts in an inductive way, as observation is conducted within the specific countries of interest

² Lazar (1998) defines methodology as the overall process undertaken for a research problem, and looks at how theories are generated and what kind of logic and criteria are used.

for the sole purpose of identifying and generalising a common concept of store image between the countries. This is then used to construct a country-equivalent questionnaire that tests the research propositions concerning store brand image standardisation in the specific retail operations (deductive approach).

Figure 5.2 Advocated model of reasoning for the second phase of the research



Source: Adapted from Wallace, 1971

The final two aspects of triangulation are data collection and investigative triangulation. With reference to the latter, several forms of data collection techniques are employed: desk research, qualitative research, and quantitative research. Research begins with focus groups in Spain, and Greece. This qualitative method, which uses an

Emic approach³, is employed in order to overcome any cultural issues that might exist between these countries on the concept of store image. Following this, and by using a *Derived Etic*³ approach, an equivalent context-free questionnaire is designed and administered where consumers' perceptions of store image are measured and compared in the countries of interest. Moreover, because participant cases are from different countries, data collection is accomplished by the use of native speaking investigators to achieve construct equivalence.

Having presented the research design for this thesis, the following sections of this chapter will describe in more detail the data collection methods employed for phases I and II.

5. 6 PHASE I. ACHIEVING STORE IMAGE CONSTRUCT EQUIVALENCE

Methodologically speaking the problem of store image conceptualisation, measurement, and comparison, particularly when it is executed between various countries can be found within the wider literature on international comparative research. One of the most difficult tasks for such research and specifically regarding consumer surveys, is the achievement of equivalence for different cultural units under investigation, to ensure meaningful results (Craig and Douglas, 2000; Malhotra, et al., 1996; Berry, et al., 1992). It has been proposed that equivalence should be examined under three distinctive parts, construct, measurement, and data collection equivalence (Craig and Douglas, 2000; Malhotra, et al., 1996; Berry, et al., 1992; Brislin, et al., 1973). Hence, in this section the issue of construct equivalence will be addressed with its implications for composing store image.

³ An *Emic* approach is the avoidance of imposing *a priori* notion and ideas from one's own culture over the people studied. A *Derived etic* approach enables quantitative instruments to be used after they have been constructed and pre-tested for their concept equivalence in both cultures (Berry, 1969; Berry, et al., 1992; Malhotra, et al., 1996; Craig and Douglas, 2000).

Construct equivalence ensures that constructs have the same meaning and significance in various cultural settings, and can be examined through three different aspects: functional, conceptual and category equivalence (Craig and Douglas, 2000; Malhotra, et al., 1996). Pertinent to this study and store image research, construct equivalence sets the following objective:

To construct an equivalent questionnaire for the countries under investigation that will measure an equally meaningful concept of a grocery store image

5.6.1 FUNCTIONAL EQUIVALENCE

Functional equivalence has an anthropological origin with a macro-cultural scope. It refers to the roles and functions of concepts, objects, activities, or behaviours that are being undertaken within different cultural settings. The topics under investigation may signify different roles or functions between countries thus endangering the desired comparability (Berry, 1969; Frijda and Jahoda, 1966). Concerning this study, and since the retail company under investigation operates within the retail grocery sector, functional equivalence can be utilised to identify the role and functions grocery stores have in the eyes of shoppers. Although one can include an endless list of topics, the researcher chose to investigate three aspects that were viewed as most important. These were: what items are included in a grocery list; the frequency of doing grocery shopping; and in which places shoppers do their grocery shopping. With reference to the last aspect, special attention was given to identifying whether different store formats might influence a shopper's perceptions regarding the composition of a store's image. For example, if Spanish and Greek shoppers view that a limited line discounter possesses completely different characteristics from a supermarket, then the selected store image attributes used in the questionnaire should correspond to the description of a

limited line discounter. Therefore, the research questions that need to be answered here are:

- *What are the key functions of grocery shopping (frequency and products) for each country?*
- *What role do different store formats play in grocery shopping?*
- *Do shoppers view these formats as composed of different store image characteristics?*

5.6.2 CONCEPTUAL EQUIVALENCE

Conceptual equivalence focuses on a more individualistic level, as it is concerned with the actual interpretation of concepts that individuals have for certain objects. It focuses on measuring attitudes and behaviours and addresses the question of whether these are expressed in a similar or universal way within different countries (Lonner and Berry, 1986). For the purpose of this research, conceptual equivalence can be applied in order to identify how shoppers in the countries under investigation perceive a grocery store and what it is actually composed of, in terms of store image dimensions, components and attributes. Regarding the latter, Malhotra et al. (1996) define this as instrument equivalence where attention is focused on the actual meaning these identified categories have in each country. For example, one might identify that a "grocery store" in two countries is one that offers "good quality" (conceptual equivalence), however the researcher should then examine the actual meaning shoppers attribute to "good quality" (instrument equivalence). Thus to achieve conceptual equivalence the following research questions are addressed:

- *What do shoppers view as the most important dimensions that a grocery store should possess and what is their actual meaning?*
- *Which are the components and attributes that compose these dimensions?*

5.6.3 CATEGORY EQUIVALENCE

This third type of construct equivalence aims to identify, select and place objects/concepts found in the previous task in common categories (Craig and Douglas, 2000). This process requires subjective judgement from the researcher as the classification may be done on his personal criteria. With respect to this study, the role of category equivalence will be to detect whether the dimensions that compose store image are assembled from the same attributes for all countries. For example, if merchandising is detected as a general dimension of store image, then the researcher needs to select and place under this heading appropriately identified attributes so as to construct a similar dimension for all countries. Hence, the research question should aim to answer:

- *For the countries under investigation, what are the most important but also similarly meaningful components and attributes that compose an equivalent store image dimension?*

One of the most reliable and valid ways to achieve construct equivalence in international comparative studies is via focus groups (Craig and Douglas, 2000; Lonner and Berry, 1986; Brislin et al., 1973; Manaster and Havighurst, 1972). In respect of store image measurement, the researcher views that focus groups apart from providing equivalent constructs, can also eliminate the issue of researcher subjectivism in the selection of store image attributes (Birtwistle, et al., 1998; Amirani and Gates, 1993; Zimmer and Golden, 1988; Palmer, 1985; McDougall and Fry, 1974). Alternatively this problem, as discussed in previous chapters, can be overcome by using conjoint analysis (Amirani and Gates, 1993). However, this approach was rejected, as its quantitative nature does not ensure construct equivalence. Although focus groups have been neglected in previous studies of store image, it can be argued, that this method falls

under the heading of other well accepted unstructured methods that have been used in the past for elucidating store image dimensions (see Zimmer and Golden, 1988). As such, and in order to achieve the objective set for this part of the research, focus groups are used in each country to identify a common store image construct.

5.6.4 THE FOCUS GROUPS

The focus group or group interview is a tool that social science researchers consider utilising when the desire is to obtain phenomenological data in natural settings. It is a qualitative research technique that involves a number of people who are representative of the target market and who are brought together to respond to questions and to discuss a topic of particular interest (Goldman, 1962). The discussion is lead by an interviewer or moderator, who plays the role of stimulating the discussion about feelings, attitudes, and perceptions relating to the topic being studied. The purpose of this technique is not limited only to exploratory inquiry or to develop questionnaire items. It is a technique that can stand alone as a procedure for obtaining data on any social context that is being studied in an ethnographic manner (Greenbaum, 1998; Morrison, 1998; Krueger, 1994; Morgan, 1993; Stewart and Shamdasani 1990; Goldman, 1962).

There are many reasons why one should utilise focus group interviews such as generating attitude scales, interpreting previously obtained quantitative data, stimulating new ideas and concepts, diagnosing problems, pre-setting questionnaires or as an exploratory research process (Frey and Fontana, 1993). With regards to this thesis, this technique is employed to identify across countries common impressions concerning grocery stores, and to generate and develop an equivalent instrument of store image attributes. Although individual interviews were an alternative approach to achieve the above objective, focus groups were selected due to a number of reasons. Firstly, the

superiority of focus group when compared to other qualitative techniques and particularly with face to face interviews, lies in the advantage of group dynamics (Goldman, 1962). Due to this group interaction, stimuli such as synergism, snowballing, security, and spontaneity will emerge during the interview that will generate a considerable amount of quality information (Stewart and Shamdasani 1990). Moreover, the participants' interaction between themselves reduces the interaction with the moderator, thus leading to a greater emphasis on the participants' point of view (Morgan, 1988). Group interviews are also viewed as less costly in terms of time consumption as within a specific time period, one may interview between six to eight people compared to a single person when employing personal interviews. Thus on the one hand the sample size is increased significantly while on the other, the time consumed is the same (Krueger, 1994; Patton, 1990). The final major advantage of employing focus groups compared to face to face interviews is that they tend to be less formal and enjoyable for the participants, as the power differential is reduced and friendship patterns increase between the group and the moderator. Thereby, the information retrieved increases since participants feel freely able to express their opinion (Frey and Fontana, 1993).

Despite the advantages that group dynamics provide, a number of trade-offs have also been identified one of which, according to Patton (1990), is the dilemma of depth versus breadth. He suggests that with personal interviews, as the encounter is one on one, the information gained regarding the topic of interest will be more profound. However, Krueger (1993) argues that this threat to the quality of the data gathered from focus groups is due to certain operational reasons as special attention should be given to the number of interviews conducted, the size and composition of the groups, the ability of the moderator and the discussion guide being used.

5.6.4.1 Number of interviews conducted

Regarding the number of focus groups that need to be conducted three general rules are applied (Greenbaum, 1998; Morrison, 1998; Krueger, 1994; Krueger, 1993; Morgan, 1993; Stewart and Shamdasani 1990; Morgan, 1988). The first rule implies that the exact number of interviews is determined by the objectives of the research. Thus, the number will vary whether focus groups are used for exploratory reasons or as the primary method of data collection. The second rule is determined by the actual information gathered. If the moderator feels that after a number of interviews new ideas or concepts are not being produced then the process should be terminated. The final rule is concerned with the number of different population subgroups that are involved in the study under investigation. Consequently, the more diverse the target population is, the more focus group interviews are deemed necessary.

Concerning this study, five focus groups were conducted in each country (the first being a pilot test). This number was seen as adequate as the objective of this phase is viewed as exploratory. Moreover, while conducting the fifth focus group the researcher recognised that information was being repeated.

5.6.4.2 Size and composition of the groups

Determining the size of groups is also a major consideration when conducting focus groups as it might jeopardise the quality of the interview. Two different types of groups exist according to their size; the large or full group, where 8 to 12 people are recruited; and the moderate or mini group, where 4 to 8 participants are involved (Greenbaum, 1998; Morgan, 1988). The problem with group size is that if it is too small the risk of being productive is very low. In contrast, when a group is too large the danger of losing control is evident and the discussion could be inconclusive.

An interrelated issue with the size of the group is its composition and sampling procedure. Composition involves selecting participants that represent the study under investigation (Krueger, 1993). Within the domain of qualitative research, the sampling procedure usually tends to be non-probabilistic, as emphasis is on the appropriateness of the informants and their knowledge of a topic rather than on the 'equal possibility of being selected'⁴. The two most widely employed techniques for focus group research are purposeful and convenience sample (Seidman, 1998; Kvale, 1996; Minichiello, et al., 1990; Patton, 1990; Morgan, 1988; Strauss, 1987). Convenience sampling selects cases by pure chance/convenience thus saving time, money, and effort on the part of the researcher. However, it also employs the poorest selection rationale therefore yields information-poor cases and low credibility. On the other hand, with purposeful sampling the researcher selects only cases that are viewed as being information-rich and this can provide a great deal of information about the issue under study. Krueger (1993) argued that this biased sensitive approach should be undertaken with caution as the end results may not be a true representation of the population being studied. Nevertheless, the determination of the actual size of the group, its composition and the sample process being employed, is once again, primarily set by the objectives of the research (Greenbaum, 1998; Morrison, 1998; Patton, 1990; Morgan, 1988).

With respect to this study, the size of the groups varied from six to eight people. The reason for this size of group was primarily due to the limited experience moderators had with conducting focus groups. Thus, as the risk of losing control over the discussion increases, if large numbers of participants are used, these average size groups were employed.

⁴ Population sampling strategies can be divided into two basic types, probability, and non-probability. While the former ensures that every potential case under study has the same and non-zero possibility of being selected, the latter type does not guarantee this⁴(Sudman, 1976; Stephan and McCarthy, 1958). However, these two types and overall the whole topic of sampling will be addressed in more detail in the quantitative phase of the research.

Since the topic of interest was grocery stores, the recruitment process employed a purposive sampling procedure where the only screening characteristic imposed on the participants was to possess considerable experience of grocery shopping. As such, the composition of the groups consisted of male and female participants who were familiar with grocery shopping and were over the age of twenty years old (see Table 5.1). A mixed composition in terms of gender was employed in order to capture the different perceptions of grocery stores held by males and female. Concerning age composition, the first and last focus groups were of mixed age, whereas the other three groups were conducted by employing age quotas of 20-35, 35-50 and over 50 years of age.

Table 5.1 Demographic characteristics of focus group participants

Greece –Athens		
Participants age	Participants gender	Total No. of participants
Mix age group*	Mix gender	6
20-35	4 men – 4 women	8
35-50	5 men - 3 women	8
Over 50	3 men – 5 women	8
Mix age group	Mixed group	7
Spain –Barcelona		
Mix age group*	Mix gender	6
20-35	2 men – 4 women	6
35-50	3 men – 3 women	6
50 over	3men - 5 women	8
Mix age group	Mixed group	6

* Used for pilot testing

The first group in each country was a mixed group as its purpose was to pilot test the discussion guide and to see whether the questions were understood by all age groups. One of the issues that the pilot test highlighted in all countries was that participants belonging to the older age groups seemed to be less proactive than the younger participants who were more dominant in the discussion. Therefore, age quotas were imposed for the next three groups. The final focus group was employed in order to assess the reliability of the previous four groups. This can be achieved by conducting a ‘sum-up’ focus group where the data generated from existing interviews are cross-

checked by a group that consists of similar characteristics to those in the previous groups (Knodel, 1993). After a brief analysis of the previous four interviews, a mixed age group was employed in order to test reliability. Findings indicated that the concepts previously identified from the other groups were repeated. As repetition was observed and since this indicated that a satisfactory level of reliability was achieved, the focus group data collection process was terminated.

5.6.4.3 Ability of the moderator and the discussion guide used

The ability of the moderator and his/her dependency on the quality of focus group is well cited (Greenbaum, 1998; Morrison, 1998; Krueger, 1994; Krueger, 1993; Morgan, 1993; Patton, 1990; Stewart and Shamdasani 1990; Morgan, 1988; Goldman, 1962). The moderator is no more than an interviewer whose key role is to stimulate the group discussion on the related topic (Morgan, 1988). According to Krueger (1993), the moderator can jeopardise the quality of the focus group if he/she does not listen, is not warm and energetic, uses telegraphic or wrong verbal and non-verbal cues, and does not maintain control over the group. Thus, the moderator needs to ensure that an equal balance is maintained in terms of group dynamics between and within the group (Frey and Fontana, 1993). Moreover, the moderator needs to keep the conversation relevant to the topic under study. This can be achieved through the discussion guide. A moderator's discussion guide is an agenda of all the relative topics needed to be discussed and covered by the group (Greenbaum, 1998; Krueger, 1997b). It is always prepared prior to the interview based on desk research, and it takes the form of a set of questions that can be combined with other probing or projective techniques (showing cards, pictures etc.) to stimulate discussion. It is usually broken down into three sections: the introductory part, where participants are introduced and are informed about the topic to be discussed. In this section, some general questions can also be put forward in order to 'warm up' the

conversation and 'break the ice' between the participants and the moderator. The second part, addresses the main topic areas that need to be covered, whereas in the third section, which involves the ending of the interview, special attention is made so as the participants do not feel that they have been mentally abused. Depending on the level of control the moderator wishes to have over the group, the discussion guide, can be structured, semi-structured, or unstructured (Krueger, 1997a; Morgan, 1983). However, preferences are towards a semi-structured guide as the other two forms either suppress group interaction (structured), or endanger the depth of the interview (unstructured) particularly if the moderator has little experience over controlling groups (Krueger, 1997b). Finally, a discussion guide should also consider the time needed to cover a topic since the length of focus groups should be between 1 to 2^{1/2} hours. Although no specific time constraint exists when conducting a focus group, it is argued that, in less than 1 hour not much information can be retrieved, and if above 2^{1/2} hours participants tend to become tired (Greenbaum, 1998; Morrison, 1998; Krueger, 1994; Krueger, 1993; Stewart and Shamdasani 1990).

From a cross national perspective, when conducting focus groups it is essential that the moderators are natives of the specific country where the interviews are held so that there are no linguistic barriers and loss of information (Craig and Douglas, 2000; Malhotra, et al., 1996; Lonner and Berry, 1986; Brislin, et al., 1973; Manaster and Havighurst, 1972). Thereby, this study employed native moderators for Spain whereas for Greece the researcher conducted the focus groups. Although the intention was to recruit experienced or professional moderators, this was not feasible due to budget constraints. The next alternative option was to recruit native moderators who were familiar with the topic and had some relative experience in conducting focus groups. Thus, postgraduate retail students with previous experience in conducting focus groups were employed. Prior to the administration of the focus groups, a short briefing was

undertaken with the moderators in order to inform them of the aim and objectives of the research, to provide them with specific guidelines (e.g. they were asked to tape record the interviews and keep notes during the discussion) and to consult the discussion guide.

The discussion guide was based on previous literature concerning store image and was intended to identify key dimensions and attributes that have already been studied. This was viewed as necessary, as it would help moderators with the sequence and flow of the topics to be discussed in the focus groups. Overall, a list of eight general dimensions⁵ and their relative attributes were identified (see appendix 5.1). Moreover, this list was used as a probe card in the focus groups, in order to stimulate participants and enhance their conversation.

The discussion guide took a semi-structured form and consisted of four parts (see appendix 5.2). The first part, the warm-up, was the introductory phase of the guide where participants were informed about the topic area. The second part, questions 1 to 5, examined the issue of functional equivalence. Particularly, these questions tried to shed light on whether the functions of grocery shopping and the role grocery stores play in such activity, are the same in both countries (see section 5.6.1). Questions 6 to 12, addressed the main objectives of this part of the research which is to identify for all countries, an equally meaningful concept of a grocery store that was composed of similar dimensions and attributes. As discussed in sections 5.6.2 and 5.6.3 this deals with conceptual and category equivalence. The notion of the 'ideal store' was used in these questions in order to stimulate participants to discuss the most important features that they believed that a grocery store should possess. Thus, questions 6 and 7 attempted to discover the most important general dimensions that compose a store image.

⁵ These dimensions were service, merchandising, pricing, atmosphere, reputation, personnel, physical characteristics, and convenience.

Question 8 was a follow-up question and was employed if any of the dimensions identified from the literature were not mentioned. Question 9 tried to rank the dimensions highlighted in terms of level of importance. Questions 10 to 12, followed the same route as the previous four questions but special effort was made to recognise the attributes that comprised the identified dimensions. Finally, the last question (Q.13) was asked in order to encourage participants to include any further information that they felt was not brought up.

As mentioned previously a pilot focus group was conducted in both countries in order to verify whether the discussion guide was effective. In general, no major alterations were deemed necessary, however a few issues arose. First, for question 5 some participants got confused when asked to classify grocery stores. Hence, a probe statement was introduced explaining to them how to classify the store in terms of format, size, or merchandise being sold. Second, in question 6, participants tended to mention more than one dimension as the most important, as they provided a thorough description which sometimes overlapped with other dimensions. For this reason, a probe statement was imposed reminding them to keep their description to a general concept. Finally, confusion was detected when the terms ‘dimensions’ and ‘attributes’ were mentioned. Thus, the word ‘aspects’ and ‘characteristics’ replaced the words ‘dimensions’ and ‘attribute’. Overall, for both countries the discussion guide appeared to function well and without any ambiguity and the total time required to cover all the topics was between 1^{1/2} to 2 hours.

5.6.4.4 Analysis of the focus groups

The analysis of focus groups, varies according to the purpose of the research, the complexity of the topic and to the extent to which conclusions are easily reached (Kreuger, 1997c; Knodel, 1993; Stewart and Shamdasani, 1990).

The most common form of analysis for qualitative research involves the generation of interview transcripts followed by discussions of the conclusions that can be drawn. Transcription is usually done for the entire interview. The moderator documents word by word the respondents answers and includes any additional information observed during the interview (e.g. non-verbal communication). Once the transcript is finished it can be used as the basis for further analysis. One of the most common analytical techniques, which was also employed in this study, is the cut-and-paste technique as it is viewed as quick and cost effective method that provides accurate results (Greenbaum, 1998; Kreuger, 1997c; Patton, 1990; Stewart and Shamdasani, 1990; Morgan, 1988). Based on this method, a classification of the major topics and issues that were developed are identified and coded by reading the transcripts. Coded material may be phrases, sentences or words. After the coding process is complete, the coded materials are sorted and placed together under the relevant topic. It is then easy for the researcher to go over the newly formed topics, identify relative information and derive conclusions.

This study employed this method. However, one additional consideration needed to be addressed here and that was the language barrier. For this reason, the focus group transcriptions were produced in the original language by the native moderators. They were then asked to provide a brief analysis and present a summary of the major findings in English. Then, the original transcripts were translated into English using independent bilingual translators in order for the researcher to conduct a more thorough analysis and to check the reliability of the end results. The reliability was examined by cross checking the findings produced by both the native moderator and the researcher. Although a more detail discussion of the results derived from the focus groups will be presented in following chapters, table 5.2 presents the most important dimensions and

attributes identified as common in all countries and which were used to construct the scale to measure store image.

Table 5.2 Common dimensions and attributes selected and used for the survey

PRICING POLICY	MERCHANDISE OFFERED
Has prices cheaper than competitors	Wide selection of products
Attractive promotions	Good quality of fresh products
APPEARANCE	SHOPPING FACILITATORS
Well stocked shelves	Convenient location
Clean and tidy	Adequate parking
Pleasant atmosphere	Fast check out
Easy to shop in	Polite and helpful staff
REPUTATION	OWN LABELS
Reliable/credible image	Prices its own labels reasonable to their quality
Evokes trustworthiness /confidence	Good quality of own labels

Source: Focus Groups

5.7 PHASE II. MEASUREMENT EQUIVALENCE OF STORE IMAGE

Having identified, in the countries of interest, common and similar conceptually meaningful store image attributes, the next step was to measure and compare each company's store image from the shopper's perspective. This will be achieved by an interviewee-administrated questionnaire. This quantifiable measurement of store image is chosen for three reasons. First, as discussed in chapter 4, this method is the most widely chosen by scholars, since the outcome yields a number advantages⁶. Second, because human judgement in the selection of attributes was minimised by focus groups, it can be argued that the instrument will be relevant to time, country, and sector circumstances. Third, the use of qualitative research was rejected since the comparison is cross-national and the researcher lacks language fluency for Spain. As such, the danger of losing valuable information or misinterpretation is evident, making the

⁶ These advantages are: easy administration, minimum level of literacy required, easy of coding and analysing responses, easy treatment of data as interval and high levels of reliability and validity.

findings and conclusions vulnerable in terms of validity and reliability. Regarding the latter, again the issue of cultural bias arises, however this time special attention is aimed to the properties of the questionnaire. Such properties, according to Craig and Douglas (2000) and Malhotra et al. (1996), are translation, metric, and data collection equivalence.

5.7.1 TRANSLATION EQUIVALENCE

Translation equivalence is concerned with the equivalence of the construct in terms of linguistics. It ensures that the questionnaire intended to be used in different countries is translated in such a way that the questions have equivalent meaning for both source and target language. Brislin, et al. (1973) have identified two methods of translation, forward and back translation. Regarding the former method, a single translator is used to translate the questionnaire from its original version to the target language. However, this approach is subject to conceptual errors as cross-examination between the two questionnaires is absent. Therefore, original meanings could be poorly translated due to the translator's fluency in the language. To overcome these errors back translation is used. In this method, the questionnaire is translated from the source language to the target language by a native speaking bilingual translator from the target language. Then the process is repeated *visa versa* by translating the questionnaire from the target language to the initial language using once again a native speaking bilingual translator. In this way, wording errors are identified and resolved. However, one of the major problems of this method derives from the translators limited knowledge of the subject matter. As a result, a structured translation might occur where the wording of questions is a faithful translation from the source language, thus making respondents having difficulty to understand the questions. In order to achieve a 'context free'

translation Brislin (1986) recommends the usage of translators with experience on the subject under investigation.

With respect to this study, the original questionnaire was produced in English for three reasons. First, English was the common language between the researcher, focus group moderators and questionnaire translators. Consequently, if any uncertainties were to occur during the translation process the researcher could communicate directly with those involved members. Second, as mentioned previously, the transcription from the focus groups in Spain was made from the native language into English. Hence, the attributes selected for the questionnaire were in English. Finally, the native retail experts that were asked to proof-read the Spanish version of the questionnaire only spoke English as a second language. Thus, when asked to check the questionnaire for errors deriving from structured translation they asked for the original questionnaire in English.

Having designed the original questionnaire in English, bilingual translators were then used to develop the Spanish version. Following this, back translation was employed in order to crosscheck the quality of the translated questionnaires. Finally, the questionnaires were examined for 'context free' translation by employing bilingual people with knowledge of retail definitions and concepts, and by pilot testing the questionnaires on shoppers in the target countries. Comments from both cases indicated that there was confusion only in the Spanish questionnaire. Specifically, problems arose in the Likert scale statements for the attributes 'reliable image', 'evokes trustworthiness' and 'convenient location', due to structural translations errors. For this reason, a 'context free' translation using words derived from the Spanish focus groups were employed for these attributes. Thus, for the first attribute the wording '*imagen creíble*' was applied (the direct English translation is 'credible image'); the second attribute was translated into '*inspirar confianza*' (which in English it literally means 'inspires confidence'). The last attribute was viewed problematic by the respondents as it had a

broad meaning. For this reason it was changed to '*cerca casa/trabajo*' which signifies that a store should be close to home or work. In this sense the final version of the questionnaire (see appendix 5.3) used in this study, employed a *derived Etic* approach as it was adapted to the peculiarities of each country while at the same time maintaining its conceptual equivalence. Regarding the Greek questionnaire, this was directly translated by the researcher and crosschecked by an independent professional market researcher. In addition, it was pilot tested with Greek shoppers. Results did not indicate any ambiguity in wording.

5.7.2 METRIC EQUIVALENCE

Metric equivalence is concerned with the actual scale being used to measure the area of interest. It examines whether the scale (e.g. semantic differential, Likert or staple), when answered by different respondents in various countries has the same interpretative properties and meaning (Malhotra, et al., 1996). Variations can derive from a number of sources. One reason could be due to interval-level measurement (length of scale points), as there is evidence that some cultures favour different ranges i.e. 5-point rather than a 10-point (Craig and Douglas, 2000). A supplementary reason lies in the equal distance measurement interval (Malhotra, et al. 1996; Voss, et al., 1996; Yu, at al., 1993; Worcester and Burns, 1974). This aspect raises the question as to whether the scale interval distance is perceived as similar between different countries. A final reason derives from the level of importance anchor adjectives (i.e. good -bad) and statements (i.e. agree – disagree) have when placed on the two sides of the scale (Voss. et al., 1996; Yu. at al., 1993). Despite these concerns the literature in international research identifies that semantic differential and Likert scales are viewed as pan-cultural and free of cultural biases (Craig and Douglas, 2000; Malhotra, et tal., 1996; Lonner and Berry, 1986; Brislin, et al., 1973; Manaster and Havighurst. 1972).

For store image measurement, as mentioned in the relevant chapter, the most widely used scales are semantic differential scales, multidimensional scaling (MDS) and Likert scales (Amirani and Gates, 1993). This study employed the latter scale and rejected the first two due to the following reasons. The semantic differential scale was rejected as it was viewed as providing a higher degree of cultural bias compared to that of the Likert scale. As this specific scale requires respondents to express their opinion for an object on an n^{th} -point scale that is formed by a number of paired opposite adjectives (Osgood, et al., 1967), this increases the level of translation difficulty (Manaster and Havighurst, 1972). On the other hand, Likert scales measure direction and intensity of attitudes for a specific object, since they consist of a series of statements where respondents indicate their degree of agreement or disagreement with these statements. Consequently, complex wording is reduced (i.e. paired opposite adjectives). Moreover, a Likert scale was selected due to certain properties which this scale possesses. First, as this scale requires respondents to rate their extent of agreement/disagreement, it is argued that it encourages the retrieval of more detailed information from the respondent's memory compared to other scales (Albaum, 1997). Secondly, the Likert scale is a summated scale, thus it provides greater flexibility in terms of statistical analysis compared to the semantic differential scale, where analysis can be done only item by item (Churchill, 1999). Finally, there was no hesitation in choosing the Likert scale, compared to a semantic differential, as both are considered as possessing equal properties in terms of reliability and validity (Peterson, 1994).

MDS was rejected due to the analytical nature of this scale and its incompatibility with the aim and objectives of this study. This scale, which can also be a non-attribute scale, is an approach where respondents are asked to judge how similar they perceive a number of objects, on characteristics that they have freely identified (Churchill, 1999). Then, each object under investigation is positioned in a 'spatial map'

(perceptual map) where their captured geographical space indicates the respondents perceived distances for the objects being examined (ibid.). Thus, the only outcome from this approach is the construction of a perceptual map, neglecting other factors such as associations and differences, which this research tries to investigate⁷.

With regards to interval-level measurement, opinions vary as to the number of categories the interval should have. While Hulbert and Lehman (1972) argue that the interval-level of Likert scales should be determined from the underlying objectives and goals of the research, there is an indication that as the level increases so does the reliability of the scale (Churchill and Peter, 1984). Nevertheless, there is no evidence for an optimal number of category scaling (Mattel and Jacoby, 1972). A related issue to this, is the labelling of the categories. Although there is a view that one should only label the two extremes and middle points of the categories, Dixon et al. (1984) found that respondents are less confused and can more easily identify the differentiation between points when all categories are labelled.

Concerning this study, all sixteen attributes identified from the focus groups were transformed into statements and were measured by asking participants to indicate their level of agreement/disagreement on a seven point Likert scale (see appendix 5.4). A smaller or greater point scale was rejected, as the researcher viewed and identified within the literature (see, McGoldrick, 1995) that a five-point scale would constrain respondents' opinions and a larger scale would create confusion. Moreover, each point was labelled in order to help respondents distinguish the meaning of each category and its representative number. Therefore, 'Strongly Disagree' was connotative with 1, 'Disagree' with 2 and so forth. In addition, when shoppers were interviewed a card was

⁷ These objectives will be discussed further on.

shown reminding them of the corresponding answer/number according with their level of agreement/disagreement.

A last point that has to be brought up when talking about scales, but which is not related to metric equivalence, is the negative wording of the scale items. The literature suggests that within a scale half of the items should be negatively worded in order to avoid possible response patterns when using only positively worded statements (Garg, 1996; Friedman, 1988). Although initially this rule was applied when pilot testing the questionnaire in both countries, a notable level of confusion was indicated by the respondents. For this reason, only five out of the sixteen statements were negatively worded.

5.7.3 DATA COLLECTION EQUIVALENCE

The final aspect of measurement equivalence is related to the comparability of the samples drawn from different countries (Craig and Douglas, 2000; Malhotra, et al., 1996). This type of equivalence ensures that the cases under investigation are as similar as possible. This involves not only the comparability of the actual cases but also the geographical locations, and the external and internal environmental settings that the sample are drawn from (Lonner and Berry, 1986; Brilsin, et al., 1973; Manaster and Havighurst, 1972). For to this study special attention is given in defining the target population, the sampling procedure, and the selection of the stores where the questionnaires will be administrated.

5.7.3.1 Population defined

The previous chapter presented the reasons that this study chose to examine the operations of the Spanish limited line discounter DIA in Greece. Taking into account data collection equivalence, and since the debate of standardisation versus adaptation is

based upon the notion that markets are becoming homogeneous, it was deemed necessary to draw a sample from populations that share a similar background. Specifically, the researcher believed that these shared properties should be specified in terms of living environment, retail development, and shopping patterns. Therefore, the target population for this study was defined as ‘All DIA shoppers who live in the greater area of Athens and Barcelona’.

In terms of living environment, both cities are capital cities⁸ and have the characteristics of a metropolitan lifestyle (transportation and road infrastructure, pricing index, etc.). Concerning retail development, the researcher viewed that the target population in each city is exposed to a broadly similar retail environment. This implies, that the cities have a similar type of retail format development (i.e. the existence of hypermarkets, discounters, supermarkets), and a similar retail competitive market, etc. Assuming this is true in the selected cities, it can then be argued that in terms of retail shopping patterns Athenians and Barcelona’s shoppers share common general features e.g. exposure to similar retail formats, alternatives for store selection, etc. In addition, to further support the assumption of exposure to similar retail shopping patterns and formats, the researcher decided that the target population should be frequent shoppers of the stores under investigation. The reason for this narrowing of the population was to that the potential interviewees would have a clear opinion of the stores’ performance. This characteristic was viewed as highly important, since it can be a major influence on the participants’ perceptions of the store image of DIA.

⁸ Barcelona is the capital of Catalunya.

5.7.3.2 Sampling

Having defined the target population, the next step was to draw an equivalent sample that would participate in the survey. Sampling is defined as the procedure of selecting a part of a population under investigation, for the purpose of obtaining, describing and estimating certain properties and characteristics of the whole population (Stephan and McCarthy, 1958). Within marketing research, one can find two fundamental procedures for sampling, probabilistic, and non-probabilistic. The distinction between these two procedures lies in the basis for eliminating or reducing human judgement in selecting cases that are under investigation (Sudman, 1976). For a probabilistic sample, each member of the population is selected from a predefined frame list using a random method. Consequently, this ensures that all members have a zero-chance of being selected. On the other hand with a non-probabilistic sample, this is not applicable since human judgement is involved in the case selection (Moser and Kalton, 1971). This has two broad implications. First, if human judgement intervenes, questions arise over the results, as they are viewed as biased since no true representation of the population has been achieved. Second, and when using a probabilistic sampling procedure, statistical evaluation of the sampling error can be undertaken, which allows an the assessment of the exact under-representation of the results. Nevertheless, this does not guarantee that probability samples will result in more accurate results than a non-probability sample (Diamandopoulos, and Schlegelmilch, 1997).

Within the marketing research domain, the most widely used probabilistic sampling procedures are simple random, stratified, cluster, and area sampling. Whereas for non-probabilistic sampling there are convenient, judgmental, snowball and quota sampling (Churchill, 1999). These types are also applicable for international marketing research (Craig and Douglas, 2000; Malhotra, et al., 1996; Lonner and Berry, 1986; Manster and Havighurst, 1972).

For this study, the researcher's intention was to apply a probabilistic sampling procedure. This implied that cases would be selected randomly from a frame list that included all members of the target population (i.e. customers of DIA in Athens, and Barcelona). Unfortunately, this frame list was unavailable to the researcher. Anticipating this problem the researcher's second option was to employ area sampling⁹. However, this technique was rejected due to time constraints and cost parameters.

As such, cases were selected by employing a quasi-random quota sampling technique. Quota sampling while being a non-probabilistic method, ensures that the sample selected is proportionately represented to similar characteristics from the target population (Churchill, 1999; Moser and Kalton, 1971). Thus, when compared to other non-probabilistic procedures it guarantees, in terms of some obvious characteristics, a valid representation of the target population (Lehmann et al., 1989). These characteristics, called quotas, are determined from the information available on the target population and depend on the purpose of each investigation.

Regarding this study, quota controls were imposed based on the age and gender characteristics of the Athens and Barcelona populations. The reason for selecting these controls was threefold. First, the researcher viewed that the demographic list for the target populations was the only available and relevant frame list that could be used for the study. Second, by not using any controls the researcher would jeopardise the proportionate composition of the samples in terms of age and gender (i.e. more women than men). Thus, in order to capture a spread of cases under investigation, the demographic characteristics of the target cities were used. By imposing these quotas, equivalent samples across both countries would be achieved. Tables 5.3. 5.4 present the

⁹ This procedure substitutes the population frame list with a predefined geographical area. Consequently, the households within this area become the target population rather than the actual cases (Churchill, 1999).

populations on which the imposed quota controls are based; the sample size and how it is articulated according to gender and age groups. It should be mentioned here, that the researcher assumed that the age groups between (0-18) have no financial purchasing power for grocery products, thus excluding them from the sample selection.

Table 5.3 Quota Frame used for the selection of cases for DIA in Athens

Age	Male pop/ion ('000)	%	Quota for male	Actual Quota	Deviation	Female pop/ion ('000)	%	Quota for female	Actual Quota	Deviation
19-24	120,2	5.2	16	16	0	129,2	5.6	17	16	-1
25-34	224	9.8	29	25	-4	245,7	10.7	32	35	3
35-44	212,2	9.3	28	32	4	232,2	10.1	30	34	4
45-54	174,7	7.6	23	29	6	192	8.4	25	28	3
55-64	169,4	7.4	22	20	-2	196,2	8.6	26	21	-5
65+	165,7	7.2	22	18	-4	230	10.0	30	26	-4
Total	1,066	46.5	140	140	0	1,225,3	53.5	160	160	0

Source: Department of National Statistics of Greece; 1991 Census

Table 5.4 Quota Frame used for the selection of cases for DIA in Barcelona

Age	Male pop/ion ('000)	%	Quota for male	Actual Quota	Deviation	Female pop/ion ('000)	%	Quota for female	Actual Quota	Deviation
19-24	60,3	4.9	15	17	2	58,3	4.7	14	18	4
25-34	111	9.0	27	25	-2	111,7	9.0	27	25	-2
35-44	95,2	7.7	23	28	5	104,4	8.5	25	28	3
45-54	92,2	7.5	22	25	3	103,5	8.4	25	30	5
55-64	86,6	7.0	21	18	-3	99,5	8.1	24	20	-4
65+	119,5	9.7	29	24	-5	192,2	15.6	47	42	-5
Total	564,8	45.8	137	137	0	669,8	54.2	163	163	0

Source: Department Statistics of Barcelona City: 1998 Census

Despite the advantages that quota sampling has over other non-probabilistic techniques, it still carries the drawback of human judgement when selecting cases. For this reason and in order to reduce sampling bias, a random selection of cases was employed following Sudman's (1980) procedure. This procedure can eliminate/reduce time and location bias when selecting cases from a retail outlet.

The process starts by defining a rate for collecting questionnaires; i.e. how many questionnaires are expected to be answered within a certain time period. Based on this rate, the next step is to create time/location clusters according to the weekly opening

schedule of the stores. Having identified the clusters, the process continues by calculating the probability of the daily number of time/location clusters that will be used for conducting the interviews. According to Sudman (ibid.), in order to fulfil this task the researcher needs to have the estimated number of customer visits in these time periods¹⁰. The final task of this procedure is to select the predefined daily time clusters using a random selection.

For this study, the researcher decided that the collection of 300 questionnaires for each company's country operations would be adequate for the purpose of this research. Moreover, and in order to capture a disparate image of the companies' operations, it was also decided to use two stores in each target city as interview points for the gathering of the questionnaires. Thus, 2 X 150 questionnaires for each store in each city were collected. The time taken to answer the questionnaire was approximately 12 minutes. As such, it was determined that on average three interviews would be conducted per hour. This time rate included the respondents' rejection rate, which for this study was an average of 1/4.

Regarding the exact number of time/location clusters needed for each store, this was calculated by dividing the total number of questionnaires for each store (150) by the questionnaire time rate (3 per hour). Hence, 50 clusters were required for each store. Taking into account the opening hours of the stores and since the time rate was set on hourly intervals the following time/location clusters were identified: for DIA Greece 50 and for DIA Spain 48. This deviation between the stores is due to the different store opening schedule between the two countries. The probability of the daily number of time/location clusters for each target store was unavailable for all stores. The only

¹⁰ The probability of daily clusters is calculated based on the probabilities proportionate to the sample size by dividing the total number of weekly customers by the total number of clusters intended to be used for the interviews. Then the outcome is divided by the daily number of customers.

available information was the average weekly number of customers for the Greek stores of DIA, and the proportionate percentage of customer visits per day. For this reason, the number of daily customer visits was calculated by multiplying the daily proportionate percentage with the weekly number of customers. Having determined the daily customer visits for the DIA Greece stores, the exact daily time/location cluster used for each store was calculated as discussed previously. Thus, by assigning a number for each cluster and by using a table of random digits, a random selection of the time/location clusters was achieved (see table 5.5)¹¹.

Table 5.5 Time and location clusters for DIA Greece & Spain

Time Clusters	Mon.	Tues.	Wed.	Thru.	Fri.	Saturday Spain	Saturday Greece
9:00	X 1	9	X 17	25	X X 33	X X 41	X X 41
10:00	X 2	X 10	18	X 26	X 34	X X 42	X X 42
11:00	X 3	11	X 19	X 27	X 35	X X 43	X X 43
12:00	X 4	X 12	20	X X 28	X 36	X X X 44	X X X 44
13:00	X X 5	X 13	X 21	X 29	X 37	X X 45	X X 45
14:00	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	X X 46
15:00							X X 47
16:00							X X 48
17:00							49
18:00	X 6	14	X 22	30	X X 38	X X 46	50
19:00	X 7	X 15	X 23	31	X X 39	X X 47	CLOSED
20:00	8	X 16	24	32	40	X X 48	
Daily % of weekly visits	15%	10%	10%	10%	20%	35%	
Daily visit based on 3000 customers per week	450	300	300	300	600	1050	
Time clusters*	8	5	5	5	10	17	17
*3000/50=60 & Customers per day/60							

5.7.4.3 Environmental setting and stores selected for this study

As mentioned previously, it was decided that two company stores in each city would be used as data collection points. Five criteria were set for the selection of these stores. These were: company ownership of the stores, similar size and store format;

¹¹ Anticipating the problem of lack of information for the Spanish stores, it was decided, to employ the same information as in the Greek case. Although this can raise questions over the validity of the process, given the available information, it was viewed as the only way to reduce human judgement in the target sample selection.

similar selling proposition (product assortment); similar geographical location; and that the stores should be operating in the area for a considerable time.

After consulting a senior manager from DIA headquarters in Greece, who was familiar with the company's operations in both countries, two DIA stores fulfilling the criteria stated above were selected in the cities of Athens and Barcelona (see appendix 5.6 for address details). As such all stores were: owned by the mother and/or subsidiary company, located within the city, sales area of approximately 400m² and selling fresh products. Regarding the selected stores in Greece, they had been operating within these respective areas since 1997. This ensured that the DIA shoppers for these specific stores had been exposed to the stores for a considerable period, making them familiar with the DIA concept.

5.8 THE INSTRUMENT DESIGN: A MEANS OF ACHIEVING THE RESEARCH OBJECTIVES

Having considered conceptual, translation, metric and data collection equivalence of the questionnaire, the next step was to design an instrument that in accordance to the proposed research framework would accomplish the aim of this phase of the research. Since this would be achieved by examining the store images of DIA, the first objective of this part is:

To measure shoppers' perceptions of DIA in Spain and Greece, as well as that of their relative competitors and a hypothetical 'ideal' store in each country.

To achieve this, an interviewer administered questionnaire was designed to measure the stores' image in each country by using the sixteen attributes selected from the focus groups (see table 5.2). Although more attributes could have been included in the questionnaire, it was viewed that the number should be kept to the minimum to

prevent the procedure from being excessively long. Furthermore, and taking into account the process that they derived, the researcher believed that these attributes, while shedding light on different dimensions of a store's image (tangible/intangible), also captured a store's most salient attributes for each country.

Returning to the objective previously stated the following research question is posed:

- *How do Greek and Spanish DIA shoppers perceive their stores', their relative competitors' and their country's 'ideal' store image?*

In order to answer this, the questionnaire was developed to measure all three stores' image (i.e. DIA, the competitors, and the 'ideal' stores). According to the store image literature, there are three different questionnaire designs for measuring multi-entity store image (i.e. two or more stores): single-entity scaling, attribute based multi-entity scaling, and entity-based multi-entity scaling (see Teas and Wong, 1992, 2001). Single-entity scaling is the measurement procedure where a single store is rated by a single respondent in a single interview. In attribute based multi-entity scaling, two or more stores are measured simultaneously by a respondent for each attribute. Finally, the entity-based multi-entity scaling, is a procedure in which each of the stores is evaluated by the respondent separately on a set of attributes. The latter two approaches are recommended since they are viewed as more information rich and cost efficient (reduction of sample size and questionnaire length). Between these two designs, there is a notion that attribute - based scaling yields better results as it is a potential safeguard against the halo effect¹² response (Jaffe and Nebenzahl, 1984). However, Wu and

¹² Halo effects occur when there is a carryover of the individual's general impression on the items an object is being measured (Leuthesser, et al., 1995).

Petroshius (1987) found no differences between the two measurements and the halo effect.

Regarding this study, a pilot test was carried out using the two multi-entity designs. Results indicated that respondents using the attribute-base questionnaire followed a similar response pattern for all stores and attributes. For this reason, and since it is demonstrated that both procedures have the same risk regarding the halo effect, the research employed the entity-based multientity scaling design.

Specifically, the questionnaire was composed of three parts (see appendix 5.3). The first part contained a number of screening questions. Q1 and Q2 were introduced to ensure that interviewees were in accordance with the imposed quotas derived from the demographic characteristics of the target population. Q3, 4, 5, 6 and 7 were employed in order to ensure that the cases were adequate for the purpose of the research i.e. belonged to the defined population and were familiar with the selling proposition of DIA¹³. This was of particular importance, as the researcher believed that only participants with regular exposure to the stores could provide an unbiased opinion of the stores' performance.

The second part of the questionnaire included the scale composed of sixteen statements based on the attributes selected from the qualitative research. This part was divided in three sub-sections, designed to measure for each country the 'ideal'. DIA and their relative competitors' store image.

Specifically, Q8 was designed to examine each country's 'ideal' grocery store image. The reason for measuring the 'ideal' grocery store is primarily to investigate any "retail cultural variations"¹⁴ between the home and foreign country DIA operates in.

¹³ The advocated sampling procured is discussed further on.

¹⁴ As discussed previously cultural variation can be examined from a subjective point of view and depending on the scope of the research. This thesis examines 'retail cultural differences', where 'cultural' is defined as any country variation that is related to

This will contribute on the issue of standardisation versus adaptation since one of the arguments in this debate concerns the existence (or not) of homogenous markets. Moreover, by measuring the “ideal” stores in each country, it will shed light on the ‘expectations’ Greek and Spanish shoppers have for grocery stores, how similar they are, and how DIA’s selling proposition ‘fits’ to the needs of each country. For this reason, the Likert statement used to measure the “ideal” store included the word ‘should’ (i.e. a Supermarket should be easy to shop in), since according to Parasuraman et al. (1988), “...expectations are viewed as desires or wants of consumers, i.e. what they feel a service provider *should* offer rather than *would* offer” (p. 16). Thus, the objective and research questions set here are to:

Compare and contrast each country’s ‘ideal’ store in order to identify if any retail cultural variations exist between the target countries

- *Do Greek and Spanish shoppers have any similar/different expectations of their grocery stores?*
- *Do these similarities/differences influence the image of the stores under investigation?*

An additional reason for examining the ideal store is that it acts as a good reference point for an actual store (Omar, 1999). Thus, by comparing the image of an ideal and an actual store, one can derive more concrete conclusions concerning the perceptions shoppers have for the performance of the ‘real’ store.

consumers’ retail shopping activities i.e. grocery shopping patterns, store expectations etc. and could have an affect to the shoppers’ perceptions regarding store image

Q 10 is employed in order to tackle the core task of this study, which is, to measure the store image of the particular stores under investigation. Thus, the objective and research questions here are to:

Compare and contrast shoppers' perceptions of DIA Spain and Greece, in order to identify whether store image standardisation exists within the companies' home and foreign operations.

- *How do Spanish and Greek, shoppers perceive DIA's store image respectively?*
- *From this paired comparisons which store image attributes are perceived as significantly similar/dissimilar in the eyes of the shoppers?*
- *Are these similarities/dissimilarities based on the intangible or tangible assets of the store?*

The last section of this part of the questionnaire, deals with the measurement of DIA's relative competitors store image (see Q12). Prior to the evaluation of the competitor store, the participants were asked to name an alternative store where they purchased similar grocery products (see Q 11). This question was employed in order for the respondents to have a concrete perception of a store image when describing the competitor store. While for the Greek questionnaire a nominal scale indicating specific stores was used (due to the researcher's familiarity with the market), for Spain, an open-end question was employed. The reasons for measuring the competitors' store image two fold. First and as in the case of the "ideal" stores, to identify any market variation between the target countries for which DIA stores operate in. Thus, the objective and research questions here are to:

Compare and contrast each country's competitive market, to identify if any retail market variation exists between the target countries

- *Do Greek and Spanish shoppers perceive DIA's competitive environment similar/different?*
- *Do these similarities/dissimilarities influence the image of the stores under investigation?*

Second, to identify whether the home competitive advantage of DIA stores has been successfully transferred and standardised into their foreign operations. Thus, the objective and research questions set here are to:

Compare and contrast DIA's store image to that with its relative competitors in each country, to identify whether DIA has successfully transferred and standardised its home competitive advantage to its foreign subsidiary.

- *Which is the differential advantage DIA possesses in Spain and which in Greece?*
- *Is DIA's home differential advantage similar to that of its Greek operation?*

As mentioned previously one of the reasons for measuring the 'ideal' stores in each country is that it can shed light on whether DIA's offer fulfils the needs of the country in which it operates, with particular interest on DIA's competitive advantage. As such the objective and research question set here is:

Compare and contrast DIA's store image performance to that of its relative 'ideal' store in each country, to identify whether DIA's competitive advantage fulfils the needs of the market.

- *Does the differential advantage DIA possesses in Spain and in Greece fulfil the expectations of each country's grocery shoppers?*

Having measured the actual stores under investigation as well as the marketplace in which they are operating in ("ideal" and competitors), this will allow the examination of

whether DIA is following a standardised positioning strategy in Greece. As such, the objective and research questions set are:

Compare and contrast DIA's country of operation position to that of its relative marketplace in each country and identify whether positioning standardisation exists between the company's home and foreign operations.

- *What is the relative positioning of DIA in Spain and Greece compared to that of their competitors?*
- *Is the positioning of DIA in Spain similar to its operations in Greece?*

For the examination of DIA's positioning, perceptual maps will need to be projected. For this, the sixteen attributes used in the questionnaire will be aggregated into groups, where these groups will act as dimensions of the positioning maps. In addition these dimensions will allow the examination of the last objective of this study which is to:

Examine whether store image varies under an attribute and dimension store image perspective.

- Do the results of DIA's attribute store image comparison vary when comparing the stores' image under a dimension store image perspective?

Finally, the last questions in the questionnaire are concerned with the demographic characteristics of the interviewees (see Q 13, 14 & 15). These questions were introduced in order to aid future research purposes. Table 5.6 displays the proposed research framework and how it will facilitate to achieve the above mentioned objectives and research questions of this study.

Table 5.6 Proposed research framework for analysing store brand image standardisation

STANDARDISATION		FACTORS AFFECTING A STANDARDISATION STRATEGY	
PROCESS	MODE	OBJECTIVES	MAJOR RESEARCH QUESTIONS
<p>Store image <i>per se</i>: Comparison of the store image is conducted between the actual stores under investigation i.e. DIA Spain vs. DIA Greece, 'Ideal' Spain vs. 'Ideal' Greece, Spanish Competitor vs., Greek Competitor</p>	<p>Attribute Comparison: Compare the home store image with that of its foreign subsidiary</p>	<p>Measure and compare shoppers' perceptions for DIA Spain and DIA Greece, as well as that of their relative competitors and a hypothetical 'ideal' store in each country in order to identify if:</p> <ol style="list-style-type: none"> 1. "Retail cultural difference" exists between the target countries 2. Store image standardisation exists between DIA Spain and DIA Greece 3. Retail market variation exists between the target countries 	<p>How do Greek and Spanish shoppers perceive their stores', their relative competitors and their country's 'ideal' store image? Do Greek and Spanish shoppers have any similar/different expectations for their grocery stores? Do they perceive DIA's competitive marketplace for both countries as similar? Do these similarities/differences influence the image of the DIA stores? Do Spanish and Greek shoppers perceive similar/different DIA's store image respectively? Are these similarities/dissimilarities based on tangible or intangible assets of a store?</p>
	<p>Attribute performance: Examine the performance of each store's attributes and then compare them</p> <p>Tangible Vs Intangible: Compare the attributes that are classified as 'tangible' with those that are 'intangible'</p>		
<p>Relative marketplace: Comparison of the store image is conducted between the stores under investigation and their relative marketplace i.e. stores relative competitors and patrons "ideal"</p>	<p>Competitive advantage: Compare the stores under investigation with their 'relative competitor'</p>	<p>Identify whether DIA's competitive advantage fulfils the needs of the market it operates in.</p>	<p>Does the differential advantage DIA possesses in Spain and in Greece fulfil the expectations of each country's grocery shoppers?</p>
	<p>Performance Vs expectations: Compare DIA's competitive advantage with the level of impotence it signifies in each country.</p> <p>Positioning: Compare each stores market position in their respective market to that with their relative competitors and each market's "ideal"</p>		
<p>Store Image Dimension Perspective The two processes are compared under a dimension perspective where attributes are aggregate into dimensions.</p>		<p>Examine whether store image varies under an attribute and dimension store image perspective</p>	<p>Does DIA's attribute store image comparison vary when comparing the stores' image under a dimension store image perspective?</p>

5.8.1 QUESTIONNAIRE ADMINISTRATION

Having identified the target population, established the sampling procedure, and specified the questionnaire and stores that will be used for the data collection, a final concern is the administration of the questionnaire. As the first task was to ask permission from companies, letters were sent to each country's headquarters requesting accesses to the stores (see appendix 5.7). Following this (and depending on the reply given by the headquarters), a contact was made by telephone with the stores selected for the survey.

In order to overcome the researcher's linguistic problems and to accelerate the data collection process, four to six interviewers were recruited in each country. Each interviewer was given detail instructions regarding the sampling procedure (quota and time/location clusters) and the administration of the questionnaire. Furthermore, they were asked to stand outside the entrance of the stores and randomly stop shoppers entering the stores. The actual data collection took part for Greece in April 2000, and for Spain in August 2000. For the stores in Greece and Spain the desirable number of questionnaire was achieved by fulfilling both the quota controls (see tables 5.3 5.4) and time/location clusters (5.6).

5.8.2 ASSESSING EQUIVALENCE THROUGH RELIABILITY AND VALIDITY

Examination of reliability and validity are crucial in multi-country research as they indicate the equivalence quality of the scale being used (Lonner and Berry, 1986; Manster and Havighurst, 1972; Malhotra, et al., 1996; Craig and Douglas, 2000).

A scale is reliable when the same results are obtained from a number of repeated measurements that have been conducted under constant conditions (Bryman and Cramer, 1999). The most common way of assessing reliability is by measuring the internal consistency of a scale through Crombach's *alpha* (α) (ibid.). This test suggests

that the higher the coefficient α is, the more reliable is the scale. Within academia, there is a diversity of views concerning which level of coefficient α is acceptable. Peterson (1994) has proposed that if the scale is being employed for the first time α should be higher than .70. Since the scale employed in this study is used for the first time in store image measurement, Peterson's (ibid.) recommended level was utilised. When applied, the reliability analysis gave acceptable levels of coefficient α (DIA Spain = .88, DIA Greece = .85).

While a scale can be reliable, this does not mean that it is also valid. This is because validity signifies whether the construct being used actually measures what it actually intended to measure (Bryman and Cramer, 1999). The most common types of validity assessment are content, construct and convergent validity (Lehmann, et al., 1998).

Concerning the latter two types of validity, the researcher disregarded them for the following reasons. First, and with reference to construct validity, an existing and similar scale needs to be available in order for the new scale to be tested (Bryman and Cramer, 1999). To the knowledge of the researcher, no such scale existed prior to or after the research. Moreover, since this form of validity is the most difficult to establish (Churchill, 1999), it has been heavily criticised (Lehmann, et al., 1998). Second, convergent validity was also ignored, because of the multidimensional nature of store image construction. Lehmann, et al., (ibid.), argue that when a scale does not achieve convergent validity this could be due to extensive dimensionality of the concept being studied.

Having excluded these two types of validity, only content validity was examined. This type of validity refers to the appropriate logical process one follows for the construction and administration of the scale (Lehmann, ibid.). The only way to

assess this is purely judgmental. Regarding this study, the researcher believes that the steps taken to construct the scale (revising store image literature, identifying attributes through focus group, pilot testing of the questionnaire) as well as the process followed for the sample selection, ensured content validity.

5.8.3 DATA ANALYSIS

As Craig and Douglas (2000) state, an international comparative study can be examined at three levels: within country comparison; between country comparison; and an overall comparison. The first refers to identifying differences within a specific country and is viewed as conducting domestic research. The between country analysis identifies any variations between two or more countries by contrasting the within country results. The last level, is similar to the within country comparison, however it differs in the sense that cultural differences between countries are overlooked and the comparison is mainly focused on identifying any patterns or relationships between the countries under investigation.

Having in mind the objectives of this research, all three-research levels are employed. Specifically, data were coded and entered into the Statistical Package for Social Science (SPSS). The following statistical tests were utilised: descriptive statistics, paired T-test, Bivariate Correlation, Multiple Analysis of Variance (MANOVA), and Factor Analysis.

5.9 LIMITATIONS OF THE RESEARCH

Although every effort has been made to construct a rigorous research design in order to reduce as much as possible methodological errors, nevertheless some issues are raised as they could have an influence over the reliability of the findings.

1. When conducting international comparative studies the issue of culture and its effect on human attitudes is inevitable, making true comparability questionable. Although the study of culture *per se* is beyond the aim of this thesis, and despite attempts made to reduce any possible drawbacks deriving from the different cultural settings, the issue of national culture can not be discharged.
2. The original questionnaire was produced in English, as this language was the common vehicle of communication between the researcher, foreign moderators and translators. Consequently, an additional language was introduced in the process of translation thus increasing the potential for error of concept and text equivalence.
3. The sampling procedure employed can also be seen as a limitation despite following a process that reduced bias and the researcher's personal judgement as much as possible. Strictly speaking, a probabilistic sample should have been administered in order to reduce sampling error, however due to time constraints, and the absence of a sampling frame, the idea of selecting a random sample was abandoned.
4. The scale items used to measure the stores' image can also give rise to certain questions, if one takes into account that the same attributes were applied to two distinct retail formats. However, having in mind that one of the objectives of this research is the comparison of the two formats, it was viewed as appropriate to use the same scale items.

5.10 CONCLUSION

This chapter outlined the methodological strategy adopted for this thesis. Because this research involves a cross-national comparison, in order to overcome the issue of culture a pluralist methodological approach is used by adopting a Universalism perspective. To summarise, the research is divided into two phases. In Phase I, special attention was given to the design of an equivalence store image construct. This was

achieved by conducting focus groups in each target country. Phase II investigates the issue of store brand image standardisation by quantifiably measuring the store image perceptions of Greek and Spanish shoppers. The next chapter presents the major findings of phase I.

CHAPTER 6
FINDINGS & DISCUSSION
OF FOCUS GROUPS

6. INTRODUCTION

In this chapter, the findings of the focus group research are presented. As stated in chapter 5, this phase aims to construct an equivalent scale, which will be used to measure the stores' image in both target countries. In order to develop this pan-country store image questionnaire, three types of equivalence were examined via the focus groups: functional; conceptual; and categorical. In brief, and relative to this study, functional refers to the roles of grocery shopping; conceptual to the actual interpretation of the elements that compose store image; and categorical to the selection of common and similarly meaningful image attributes that are recognised in both target countries. As such, this chapter has been divided into three sections each one presenting the findings corresponding to the research objective stated above.

6.1 FUNCTIONAL EQUIVALENCE: FUNCTIONS OF GROCERY SHOPPING AND THE ROLE OF STORE FORMATS

When considering functional equivalence, particular interest was taken to identify whether Greek and Spanish shoppers viewed grocery shopping in the same way. Specifically, three aspects were examined, items included on a shopping list, the frequency of shopping; and the role different store formats have in grocery shopping.

6.1.1 ITEMS INCLUDED IN THE GROCERY LIST

Regarding the actual items that are included in a shopping basket of grocery products, both cultural units referred to the same product categories of food and non-food items. Concerning food, it was shown that food items are distinguished in three sub-categories dry, fresh and frozen/chilled. For the sub-category of dry food a common feature that characterised this in both countries, was the extensive expiry date found on these products. Regarding the second, fresh food, when analysing the transcriptions for both countries, it was evident that the group members projected a somehow different view. Greek participants, described fresh products as those products

that are bought over a counter/stand and where a store employee is involved in the transaction (vegetables, fish, meat, and dairy products). On the other hand, Spanish participants, while providing a similar description of fresh products, also frequently brought forward the notion of packaging for these products and the means of self-service (pre-packed vegetables, cheese, and meat). A possible explanation for this variation could be the amount of packaged fresh food being sold in the two countries. It may well be, that Spanish grocery stores are offering their fresh produce in packaged form, whereas Greek stores still have the traditional over-the-counter way for selling this product category. An additional explanation may lie on the perception of 'freshness'. It could be that Greek shoppers do not perceive pre-packaged fresh produces as fresh since the sensorial element of touch and smell is eliminated.

For non-food, in both countries a wide variety of categories were identified ranging from detergents, cosmetics, basic clothing to products that facilitate storage or small non- sophisticated electrical appliances. One quote that was mentioned in practically every focus group in both countries, which characterised the above notion was “ ...look my grocery basket will consist of all these products that are used for the daily consumption/usage of my house. This could be from bread, apples, yoghurts, frozen vegetables, toilet paper, toothpaste, batteries or even socks.”

6.1.2 FREQUENCY OF GROCERY SHOPPING

Although one can argue that the shopping baskets of Greek and Spanish shoppers includes the same items, when it comes to shopping frequency, the group discussions analysis revealed differences between the countries.

Specifically, if one is to describe the Greek shoppers in terms of shopping frequency, they could be characterised as the '**perpetual shopper**' when compared to Spain. Greek participants claimed that they would visit a store several times a week to

purchase goods. The reason behind this behaviour was the concept of 'freshness/hygiene', since in almost all discussions, the group members were very conscious regarding the quality of products, particularly those classified in the fresh category. When buying fresh products, Greek shoppers demand them to be as fresh as possible (meat and vegetables will be purchased almost on the date of consumption). They also viewed frozen food as unhealthy, and they would avoid purchasing a product that was close to its expiry date. Although this purchasing behaviour is only for fresh food, this affected their overall purchasing frequency. They argued that since they visited a store so frequently, there was no reason to buy other product categories (dry food and non-food) in quantities that will last them for several weeks. Other reasons given for the high frequency of store visits is the avoidance of storage (viewed as unhealthy) and dislike of travelling long distances (hence the need to buy larger quantities is reduced). These views were common in all age groups. The only difference found between younger and older clusters was on the willingness to shop so frequently. Greek participants aged between 25-35, viewed shopping as an "evil necessity", nevertheless, they compromised this view in order to buy 'today's fresh food'. On the other hand, older participants, and particularly Greek women, saw shopping as entertainment. As one stated, "men have their coffee bars to meet and gossip where we have the supermarkets".

The Spanish shoppers are viewed somehow similar to the Greek, since on average, they prefer to do their major grocery shopping once a week. In terms of emotions, their feelings regarding this action were neutral, as there was no strong indication of "dislike" or "enjoyment" as in the case of Greece (where younger shoppers viewed grocery shopping as an 'evil necessity'). This weekly purchasing behaviour is also primarily due to the concept of 'freshness'. and the utilisation of various services that are provided by the Spanish retailers. Concerning the former, as in the case with the

Greek participants, the Spanish also supported the notion of purchasing greengrocery items as fresh as possible. Therefore, they will visit a store once a week to purchase their fresh products. However, what was interesting regarding this cultural unit, is that they will take advantage of any service provided by an outlet in order to reduce the time duration for doing shopping. The majority of them claim that they use the home delivery service, as it saves them time and effort when doing their major shopping. Nonetheless, since this service is provided by stores only if one purchases a considerable amount in terms of value, Spanish shoppers will delay all major shopping activities until they reach the required amount (which is usually the weekly grocery). Following the same rational is also the service of free parking facilities (if x amount is spent, free parking is provided). As such, due to the utilisation of these services which make their visits more effective, Spanish participants could be characterised as **‘efficient shoppers’**.

6.1.3 THE ROLE OF DIFFERENT STORE FORMATS IN GROCERY SHOPPING

The final dimension of functional equivalence that needs to be examined is the role that different formats might have in the target countries when doing grocery shopping. This was achieved by identifying the outlets used for doing grocery shopping. An additional element that was also investigated was whether shoppers distinguish between the various grocery store formats. Special attention was given here, since if any significant differentiation were to be identified, this would also have major implications in the selection of the store image attributes used in the questionnaire.

When Greek participants were asked to mention where they did their grocery shopping, three broad formats were detected, supermarkets, neighbourhood markets and speciality stores. The latter two are used primarily for purchasing fresh products since there was a general agreement in all countries, that the quality of the products being sold

there is more consistent compared with supermarkets (their other alternative outlet). On the other hand, the major drawback with the above formats is that they are viewed as being more expensive and less convenient. It is worth mentioning here that Greek participants once again, as in the discussions concerning frequency and basket, brought up the notion of 'quality of fresh products'. This predicates that the concept of selling good quality of fresh products is considered as a core element of a grocery store in Greece.

With reference to supermarkets, when Greek shoppers were asked to name the specific outlets that they used for their major shopping the following stores were mentioned: Marinopulos, Sklavenits, AB Vasilopoulos, Continent, Altantic, Veropoulos, Metro, DIA and Trofo. Following this, they were asked if they could classify these pre-mentioned stores based on any criteria. The only classification that arose was that all of them are supermarkets with the only difference between them being the size of the store and the assortment offered. Thus, Marinopulos, Sklavenitis, AB Vasilopoulos and Continent were viewed as being big supermarkets with an extensive product assortment. Altantic, Veropoulos, were classified as medium supermarkets, and DIA, Metro, Trofo were seen as the small ones. Despite this categorisation, it should be stated that for the 'big supermarkets' there was a slight confusion between the participants. This was because the retailers included in this group have different store sizes within the greater area of Athens. Consequently, some members argued that they could also be included in the other identified store clusters. The most important outcome that is derived from these questions was that Greek shoppers perceived distinctive retail formats such as Continent (hypermarket) and DIA (discounter), as supermarkets. Although, some group members expressed their opinions that Continent is "something more than a supermarket", at the end of the discussion they agreed that it is also a big supermarket.

Concerning the Spanish participants' point of view as to where they do their shopping, the analysis indicated similar properties to those of the Greek groups as they will usually purchase their grocery shopping in supermarkets, markets, and speciality stores. The last two locations are visited primarily for their quality of fresh products and their exclusivity.

Despite this similarity of patronising the same outlets, Spanish participants are able to distinguish various formats in a more detailed manner than the Greek. Thus, when asked to provide examples of supermarket outlets, various names of stores were mentioned, each one belonging in a different format cluster. Thus, DIA, Contis and Lidl were viewed as discounters or small supermarkets. The main characteristics of these stores are their low prices, a limited range of branded products compared to the extensive own label range, and poor presentation of the stores. The next identified cluster was the supermarket such as Kampio and Caprabo. When asked to define what distinguishes these two formats, once again, the difference was found in the size of the stores, their pricing policy and their product assortment. The final cluster was the hypermarket. In this category, the most frequently named stores were Pryca, Continent and Hipercor. According to the Spanish focus group members, these stores are the so-called 'giant supermarkets' located outside the city and usually within a commercial centre. They have an extensive selling area with a large product assortment, particularly for non-food merchandising. Taking into account the detailed description given by the Spanish participants regarding the classification of grocery stores (discounters, supermarkets and hypermarkets), it seemed that this could have major implications for selecting store image attributes. Anticipating this problem, the moderators (in both countries) were instructed to introduce a probe question asking the participants if they viewed their pre-defined classifications as any broad store concept. This approach was employed for the Spanish focus groups. The analyses for all group discussions indicated

that the three identified formats, regardless of their given labels, fell into the format of a supermarket. As one participant stated “...whether big or small, cheap or expensive all these stores are supermarkets. The headings we have just told you (i.e. discounter/hypermarket) are names used by the press or the companies themselves. Don’t ask why they do that, but they do it!”

6.1.4 A SYNOPSIS REGARDING FUNCTIONAL EQUIVALENCE

Overall, the outcome that is derived from the focus groups was that Spanish and Greek shoppers share more or less similar activities and views of the above selected functions of grocery shopping. Concerning the first function, the composition of the basket, both cultural units included the same product families, with a special emphasis upon fresh products. However, for this specific product family, Spanish participants highlighted also the existence of pre-packed fresh products, indicating some degree of dissimilarity, either perceptual or functional, between the two countries.

With respect to the second aspect, the frequency of doing shopping, the findings suggest that there is a slight disparity between the target countries. Greek participants claimed that they do not have a specific timetable for doing grocery shopping and they will generally visit a store a couple of times per week. The main driving force behind this is the high standards they have regarding the quality of fresh products. As for the Spanish, they seem to do their shopping less frequently, once a week, since, while possessing a similar notion for fresh products as the Greeks, they will utilise any means in order to reduce the actual time of visit and increase the efficiency of the visit.

Finally, relating to the function of location and the role various formats play in grocery shopping, a minor deviation was observed. In both countries the outlets used for grocery shopping were identical: supermarkets; markets; and speciality stores being the primary locations. Particularly for the purchase of fresh products, markets and speciality

stores were the most frequent destination for Greek and Spanish shoppers. Nevertheless and despite this favouritism towards speciality stores, the fundamental format that both cultural units use for doing their grocery shopping were the supermarkets (in its broadest meaning). The term supermarket is applied here, since in all group discussions the participants utilised this word as the core reference point to distinguish various retail grocery formats. However, as the findings suggest, Spanish participants have a higher level of awareness regarding different retail grocery formats, compared to the Greeks.

Having analysed the functions of grocery shopping, an additional comment derived from the comparison of the two countries is that in terms of shopping habits (i.e. frequency, basket, location and store format role) it seems that Greek and Spanish shoppers share similar viewpoints which tend towards a conventional or traditional style of shopping. Both cultural units place great emphasis on freshness and as a result they will shop more frequently and utilise markets or speciality stores. This might be because both countries belong to the Mediterranean culture whose diet is based on fresh products. However, as found in the focus groups analysis, there is evidence that Spanish shoppers are drifting away from this conventional way of doing shopping, since they are looking for means in reducing the time spent for this activity (e.g. they utilise the home delivery service and they also acknowledge the packaging development of fresh products). One reason for this could be that the stage of retail development in this country is far more advanced than in Greece. This can be further supported, from the comments made by both cultural units when it comes to the retail knowledge of grocery shopping (i.e. format distinction). It appears that Spanish share opinions indicating a high level of awareness compared to the Greeks. Thus, if one could place these two cultural units in a matrix based on the two parameters discussed above the following table can be projected.

Table 6.1 Classification of Greek and Spanish Grocery Shoppers according to retail functions

		Grocery Shopping habits	
		Conventional	Progressive
Retail Awareness	Low	<i>Greece</i>	
	High	<i>Spain</i>	

Source: Focus groups

6.2 CONCEPTUAL EQUIVALENCE: IDENTIFYING CONCEPTS THAT COMPOSES THE STORE IMAGE OF GROCERY STORE

Having identified that functional equivalence regarding grocery shopping is in some respect broadly similar between the target cultural units, the next step was to investigate the issue of conceptual equivalence. As discussed in chapter 5, the reason for exploring this type of equivalence is twofold. First, to identify the major concepts that compose a grocery's store image in the minds of Spanish, and Greek shoppers. Second, to shed light on whether a common and equally meaningful store image concept exists between these two countries.

Since the data here are of a qualitative nature, special attention was given to the interpretation of the overall comments made by the participants in each country, by using as a reference point the concept of an "ideal grocery store." In order to avoid terminological confusion, the decomposition of the store image concept was achieved by employing Hansen and Deutscher's (1977) classification. According to these authors, an 'attribute' is the narrowest particle of a store's image, a 'component' the sum of common attributes and, 'dimension' a general aspect¹ of a store that is made up from common components.

¹ By aspect it is implied an overall theme or notion participants have for the operationalisation of store. For example, "the services" offered by a store could be an overall (general) aspect of a store. This aspect may be perceived (constructed) in the minds of participants as "after sales" services and "in store" services. As such, "Services" is 'coded' as a dimension "after sales" and "in

6.2.1 PERCEPTIONS OF GREEK SHOPPERS AS TO WHAT COMPOSES A GROCERY STORE IMAGE

Based on the comments made by the Greek focus group members as to which features are the most important that an “ideal” store should possess, the following dimensions were identified: *‘Merchandise Offer’*, *‘Fresh Products’*, *‘Reputation’*, *‘Store Appearance’*, and *‘Money Transaction’* (see table 6.2).

According to the analysis of the transcriptions, the most repeated key dimension of an “ideal” Greek grocery store is the merchandise it offers. As simply put by all focus group members, the purpose of a store is to sell products to its customers, hence if this aspect is poorly represented by a store, then there is no incentive to shop there. For this reason, they claimed that the *‘Merchandise Offered’* is the most important dimension a grocery store should possess. Based on the participants’ remarks, this dimension was initially composed of three components: **‘fresh products’**, **‘variety’**, and **‘availability’**. However, as the discussions went into more depth, it was acknowledged by the group members that the component **‘fresh products’** was equally, and in some cases more important than the dimension, *‘Merchandise Offered’*.

For this reason, the researcher decided to treat this component as a new dimension labelled, *‘Fresh Products’*. Furthermore, this was supported by the fact that when group members were describing this feature, two components emerged: **‘quality of fresh products’** and **‘variety of fresh products’**. With reference to the first, when asked to describe how they actually interpret the notion of “quality” their comments focused on the ‘freshness’ of fresh produce. Specifically, the main characteristics given were related to the taste, physical appearance, scent, and sense for the meat products (red, white), vegetables and fruits. Regarding the second component ‘variety’, the attributes

store” services as components of a store’s image. The characteristics used for describing the ‘components’ are classified as attributes.

that were provided focused on the range of fresh products that should be sold, including seasonal, exotic and local Greek products (see table 6.2).

Table 6.2 Most important dimensions, components and attributes for a Greek grocery store

1. MERCHANDISE OFFERED			
Variety		Availability	
Sell everything		Well stocked shelves	
Speciality products		Available stock	
Exclusive products		Good replenishment of shelves	
Variety of well brands		Adequate quantity	
Variety of local products		Consistent assortment	
Variety of own labels			

2. FRESH PRODUCTS	
Quality of Fresh Products	Variety of Fresh Products
F.P. Should look fresh	Variety of F.P.
F.P. Should look healthy	Sell everything
F.P. Should smell fresh	Seasonal F.P.
F.P. Should feel fresh	Exotic F.P.
F.P should taste natural	Local Greek F.P.

3. REPUTATION	
Trust	Reliable
Truthful	Consistent
Honest	Expected
Not to cheat on me	It is always the same
Sincere	As usual
Faithful	Responsible

4. APPEARANCE OF STORE			
Cleanness	Easy Layout	Atmosphere	Personnel
Clean store	Easy to find products	Soft music	Polite
Clean facilities/ departments	Logical display	Too warm	Helpful
Clean shelves	Organised shelves	Good lighting	Knowledgeable
Clean products	Visibility of products	Recent décor	Willing
Tidy store	Clear product display	Crowded store	Pleasant
Tidy aisles	Consistent display	Congested store	Available
Aisle without boxes	Wide aisles		
Not a messy store	Family Display of products		
	Inconvenient display of products		
	Logical layout		

5. MONEY TRANSACTION		
Pricing policy	Promotions	Cash Point Effectiveness
Cheaper than competitor	Attractive	Fast check point
Low prices compared to competitor	Appealing	Many cash points
Reasonable prices	Relevant	Available cash points
Price Vs quality of fresh products	Worthwhile	All of them open
		Express cash points

Source: Focus groups Greece

Returning to the dimension '*Merchandise Offered*' and its two remaining components '**variety**' and '**availability**', the former was related to the breadth and width of the products being sold in a store (speciality, exclusive products etc). whereas the latter, was based on the actual stock disposal of the products on a store's shelves (available stock).

The third most frequently repeated dimension mentioned in the Greek focus groups, was a store's '*Reputation*'. This dimension was related to the overall performance of the store and how consistent it is over time. When asked to further describe this dimension, several attributes were provided, that could be grouped in two broad components in terms of actual and quality performance. With reference to the former, the most frequent descriptor used was '**reliable**', signifying a store's constant performance, regardless of whether it was viewed as good or bad. While the other component of reputation was also associated with constant performance, emphasis was placed more on the '**trust**' a store generates. In this case, participants' comments focused on the quality and high standards of a store (see table 6.2). An example that was provided by one of the participants that clearly describes the differences between these two notions was as follows: "DIA for me is reliable because I always know what to expect from it. Prices are stable, the atmosphere of the store never changes and the staff will treat you the same way every time you will shop there. However, AB Vasilopoulos is a store I trust because its staff are always polite, the quality of the products is always good, and the store is always clean and tidy."

The next most important dimension mentioned by the Greek participants was the '*Appearance*' a store should have. As revealed by the views and gestures of the Greek group members, this dimension was associated with how a store's appearance helps towards making the shopping experience more pleasurable and easy. It consists of several components, three of them being related to the emotional and physical aspects a

store projects, and one to the role that store employees play. Specifically, the components that emerged were **'cleanness'**, **'atmosphere'**, **'easy layout'**, and **'personnel'**. Regarding the first component, participants claimed that a store's level of cleanness has a significant impact on patronage, since it creates a pleasurable feeling for shopping. Attributes provided for this component were related to the store's cleanness and tidiness of departments, aisles, shelves, and products. As with **'cleanness'**, the component **'atmosphere'** was also associated with the stimulation of positive emotions towards the shopping experience. In spite of this, the difference between these two components lies in the fact that for the latter when elaborated, the participants highlighted attributes that described the less physical aspects of a store. Overall, the most frequent attributes were related to the music, lighting, décor, temperature and crowdedness of the store, and how these attributes create a pleasant atmosphere within a store. With respect to the component **'easy layout'**, group members claimed that this element of a store's appearance, is associated with the ease of shopping. They further stated that the store's merchandising display, in terms of logic and organisation, and the aisles, will help them to move around a store more freely and find products easier. Thus, time for doing shopping is reduced making the experience easier and less frustrating. Finally, the last component **'personnel'** was included in this dimension since it was claimed that personnel are the mirror reflection of a store's appearance. It was viewed as essential for selecting a store as this reinforces and complements a pleasant and easy shopping experience. All the characteristics given by the group members for this component, were related to complaint, regarding staff attitude (not polite, not kind, unhelpful, thus making shopping unpleasant) appearance (not clean, not well presented), willingness and ability to assist (making shopping difficult) (see table 6.2).

The final dimension identified for a Greek grocery store was the **'Money Transaction'** that occurs between the shoppers and the store. This dimension revealed a

high degree of diversity in meaning between the focus groups. Some Greek focus group members related this dimension solely to the pricing policy of the store, whereas others also included the effectiveness of cash points. Arguably, and if one refers to the store image literature, this notion is usually classified within the services offered by a store. A substantial number of participants claimed that the perception of pricing was subconsciously influenced by the waiting time at a till. As one stated “ the more I wait for paying the more I get frustrated. As a consequence, this negative emotion affects my perceptions regarding the store’s prices.” As such, they argued that a store should have fast cash points either through having more tills open, or a greater number of them, etc. Taking into account these comments, the researcher included this component in the overall pricing policy of a store by labelling it ‘**cash point efficiency**’. The other two components that contributed to the dimension of ‘*Money Transaction*’ were ‘**pricing policy**’ of the store, and the ‘**promotions**’ which it offers. Concerning the first component, it emerged that the pricing policy of a store was always associated with the lowest prices it offers (low/cheap prices) compared to other similar stores. Then again, a considerable number of participants also argued that the price differentiation between stores, particularly for dry and non-food products, is almost identical. Thus, what one should look for is the relationship of prices relative to the quality of the fresh products being sold within the store. The majority of group members also agreed that the pricing policy of a store is influenced by its promotions and that this is a major incentive in store selection. However, they claimed that a promotion should be attractive and not irrelevant to their needs (see table 6.2).

A final remark that should be made out here is regarding the dimensions and attributes that were not mentioned by the Greek participants. The moderator used probe questions to stimulate concepts that were not highlighted in the discussions but had been identified in the literature on store image (see appendix 5.1). Out of this list, the notion

of convenience was rarely brought up. Comments such as “they are everywhere” or “I have three S/M next to me to choose from” indicated that this dimension was viewed as a less important factor in selecting a store. Likewise, the issue of parking facilities and opening hours were viewed as less important because as the participants argued, almost all stores have parking, and opening hours can not be changed.

6.2.2 PERCEPTIONS OF SPANISH SHOPPERS AS TO WHAT COMPOSES A GROCERY STORE IMAGE

According to the views of the Spanish focus group participants, an ideal store should have the following dimensions *'Shopping Facilitators'*, *'Store Appearance'*, *'Merchandise Offer'*, *'Own Labels'*, *'Pricing'* and, *'Reputation'* (see table 6.4).

Whereas in Greece the most important dimension was easily identified due to its consistent ranking by the groups, in Spain this was not the case. For this particular country, there was considerable variation between the focus groups as to what is the most important reason for selecting a store. Some groups underlined the issue of service whereas others mentioned convenience or layout. However, regardless of these differences, one common characteristic was associated with these features and that was the idea that a store should facilitate grocery shopping. Hence, the researcher decided to include all these aspects under one dimension called *'Shopping Facilitators'* (see table 6.4).

Table 6.3 Most important dimensions, components and attributes for a Spanish grocery store

1. SHOPPING FACILITATORS			
Services		Parking	Easiness of layout
<i>Checkout services</i>	<i>Home Delivery</i>	Parking facilities	Easy to find products
Fast Checkouts service	Home delivery service	Free parking	Easy layout
Checkout speed	Flexible time table for Home delivery	Unlimited Parking	Not to get lost between the store
Cues at checkout	Cheap home delivery	Adequate parking	Layout that reduces your shopping time
Number of checkouts	Reliable home delivery		Move freely
<i>Personnel</i>		Proximity	Well signed layout
Helpful		Close from work	Wide aisles
Pleasant		Close from home	Logical layout
Polite		Close to public transport	Well displayed products
Sufficient number		Walking distance from my home	Family Display of products
Knowledgeable			

2. APPEARANCE		
Atmosphere	Cleanness	Shelf condition
Pleasant	Clean store	Well stocked shelves
Enjoyable	Clean trolleys/baskets	Available stock
Not Chaotic	Clean toilets	Shelves always full
Not Hostile music	Clean personnel	Ample stock
Not Crowded store	Clean / Tidy shelves	No empty shelves
Not boring décor	Tidy aisles	Adequate quantity
Not standard		
Good Lighting		

3. MERCHANDISE OFFERED	
Variety	Quality of fresh products
Variety of well known brands	Will last long after I buy them
Variety of products	Well preserved fresh products
Variety of fresh products	Fresh products should look fresh
Variety of packed fresh products	Fresh products should look healthy
Exclusive products	Fresh products should smell fresh
	Fresh products should taste natural

4. OWN LABELS		
Quality of own labels	Pricing of own labels	Variety of own labels
Good quality of own labels	Price Vs quality of own brands	Variety of different qualities
Own labels taste good	Price relative to their quality	Variety of different prices
Similar to branded products	Pay less for same quality compared to brands	Different categories

5. REPUTATION	
Confidence	Credibility
Gives me confidence	Always the same
I can trust it	Consistence over time
Trust that it will not cheat me	It will never let me down
Trust the products	Every day the same
Think twice	

6. PRICING POLICY
Cheap prices
Low prices compared to competitor
Fair prices compared to what it offers
Never Changes
Price Vs quality relation

Source: Focus Groups Spain

One of the components describing this dimension was the same as that found in Greece. '**easiness of layout**'. This component was viewed as crucial for selecting a store since it decreases the time spent and reduces the shopper's frustration when doing shopping. The attributes used for elaborating this component were similar to the ones used in Greece. '**Proximity**' of the store was the second component identified. Opposite to the views held by the Greeks, the Spanish participants claimed that a store's closeness either from home or from work, plays a significant incentive in selecting a particular store. The next component identified was '**parking**'. This component focused on the parking facilities that a store possesses. From the remarks made in the discussions, it was evident that some group members would only select a store that has parking. Finally, the last component that made up the dimension of '**Shopping Facilitators**' was the '**services**' provided by a store. Although not cited explicitly in Greece, by examining the attributes that described it, it was apparent that '**services**' captured two notions that had already been identified in Greece. These were '*checkout services*', and '*personnel*'. Whilst the latter is equally defined in both countries, Spanish shoppers perceive '*checkout services*', as Greeks view the 'cash point' component (see table 6.2). Additionally, the Spanish group members provided a third notion of service, '*home delivery*'. This does not come as a surprise, since if one refers back to the section of frequency of grocery shopping, it can be seen that this service was also brought up as an important consideration there. As such they claim that a store should not only offer the service of home delivery but it should also be cheap, reliable and flexible in terms of delivery time.

The next most important dimension underlined by the Spanish group members was the '**Appearance**' of the store. This dimension was identified in a similar way to Greece, as it emphasised how the '**atmosphere**' and '**cleanness**' of a store, evokes a more pleasurable shopping experience (see table 6.4). As one group member

commented: "I hate it when in the aisles there are boxes, cardboard and promotions: it makes the store look so dirty, messy and unpleasant to shop in". As for the last component, '**shelf condition**', the Spanish group members claimed that a well-presented store is one that always has products on its shelves. Moreover, if a store runs out of stock or has insufficient quantities this has a negative impact upon shoppers' time and ease of shopping since they will have to go elsewhere to find what they are looking for (see table 6.3). A noteworthy remark made here is that in the minds of the Greek group members, this component was found under the dimension of '*Merchandise Offered*' as '**availability**'.

In spite of these similarities, it should be mentioned here that for Greece this dimension also captured the component of 'layout'. However as it has been stated previously, 'layout' was viewed by the Spanish participants more as a facilitator for doing shopping rather than as a means of stimulating positive emotions.

The third most important dimension that a Spanish store should have is the '*Merchandise it Offers*'. Like in Greece, this dimension was viewed as a 'must' for selecting a store. However, from a closer inspection of the transcriptions, in terms of the conceptualisation of this dimension some minor differences were identified. According to the remarks made by the group members, this dimension was made up of two components '**variety**' and '**quality of fresh products**' (see table 6.4). The reason behind this was that although Spain considered fresh products an influential aspect for selecting a store, it was not viewed so significant that it should be treated as a single dimension, as in the case of Greece. As such, the Spanish, integrated fresh products into the overall merchandise of a store. It should be mentioned here that for the Spanish, fresh products were the only way to distinguish the quality of a store's merchandising. As one stated: "What do you mean by quality of products? Quality is almost the same for all products except fresh ". For this reason, 'quality of fresh products' was treated as

a separate component of the above dimension. Overall, the attributes given to describe this component were similar to the ones found in Greece.

One interesting feature that was highlighted in the Spanish focus groups, and was emphasised when talking about the previous dimension, was the importance of own labels. According to their claims, some stores sell own labels that have good quality (taste good or similar to branded products), are reasonably priced (compared to their quality) and can be found in different product categories. Therefore, there was a general agreement between the members in all the groups, that own labels are a strong reason for selecting a store since it provides the opportunity for 'smart shopping' in terms of price versus quality. One statement that was captured in almost all focus groups and received recognition by all members was " Have you lately tried the Caprabo, (Corte Ingles or Mercadona) products? There have improved a lot! I have stopped buying brands because of them. They are tasty, cheap and you can find anything you want". Given this plethora of positive feedback for own labels, the researcher decided to treat this feature as an independent dimension, '*Own Labels*'. This comprised the following components '**quality**', '**pricing**' and '**variety**'. '**Quality**' referred to taste and was usually compared to that of branded products, '**pricing**', was related to the trade-off between price and their quality, and '**variety**' included selling different product categories, prices and qualities (see table 6.4).

From the analysis, it emerged that when the discussions were centred on own labels the issue of a store's reputation was raised. Though, starting in relation to the own labels the comments were then concentrated on a store's overall reputation and how influential it is for selecting a particular store. As such, the researcher treated '*Reputation*' as an independent dimension. In particular, participants stated that a store that has good reputation is the one that ensures '**confidence**' and '**credibility**' (see table 6.4). Confidence referred to the store's ability to win a customer's trust with its overall

performance, or that it would not cheat or disappoint them. Credibility on the other hand, addresses the issue of a store's functions, and how consistent they are over time. Interestingly, these two notions were also raised in the Greek focus groups for describing the dimension of reputation. However, instead of '**confidence**' the Greeks used the word '**trust**', and instead of '**credibility**', they used the word '**reliable**'.

The last dimension that was viewed by the Spanish participants as an important factor for selecting a store was its low '**Pricing policy**' (see table 6.4). Like in Greece, this dimension was perceived in the same manner, with comments stating that stores should always be cheaper compared to other similar stores. The only variation identified here, when compared to Greece, was that the Spanish group members did not consider that promotions were important or could influence a store's pricing policy.

6.3 CATEGORICAL EQUIVALENCE: ACHIEVING A PAN-COUNTRY STORE IMAGE

Having identified, for each country, the major dimensions, components and attributes that make up the store image of a grocery store, the final task is to ensure that the construct being used to measure it, is pan-country applicable, and free from any conceptual misinterpretation by the target samples. This is achieved through category equivalence whereby common and equally meaningful store image attributes found in Greece, and Spain need to be selected. For this, a subjective judgement by the researcher is required.

From an initial comparison of the major store image dimensions identified in the two countries, it can be argued that some differences exist in the conception of grocery store image. One difference could be due to the level of importance each country gives to some of the aspects of a store, thus making them country specific. This was apparent for 'own labels' and 'convenience' which were only cited in Spain and 'merchandise availability' which was only mentioned in Greece. Furthermore, because of the apparent level of importance, some aspects of a store were considered (by the researcher) to be

dimensions in one country while, in other they were classified as components or just attributes. For example, 'fresh products' was considered as a dimension in Greece, and as a component in Spain ('quality of fresh'); similarly 'personnel' and 'check out activities' were considered as components in Greece, and as attributes (describing the component 'services') in Spain.

A second reason in this conceptual discrepancy for store image can be found in the broad notion that each dimension captured. This can be easily identified by examining the actual components that these dimensions were made up from. For instance, while in Greece the notions of 'personnel' and 'layout' were viewed as contributing to the overall appearance of a store which made shopping more pleasurable, in Spain they were perceived more as a function that make shopping easier. The same can be stated for the notions of fast checkouts. For Greece it was viewed within the broad function of pricing (i.e. dimension of 'Money Transaction'), whereas in Spain it was seen as facilitating shopping (i.e. dimension of 'Shopping Facilitators').

What the above comments signify is that from a closer inspection of the components in each country, via their corresponding attributes, one can argue that both countries have similar perceptions towards the conceptualisation of a grocery store image. Regardless of under which dimension they were found, it is apparent that the concepts describing a store's 'personnel', 'cash point activities', 'pricing policy', 'cleanness', 'layout', 'variety of merchandise', 'atmosphere', 'trust /confidence' and 'reliable/credible', were assigned similar attributes indicating conceptual equivalence in both countries. It is evident that differences in store image perceptions between the countries, arise primarily in the composition of aggregate dimensions rather than in the overall store image conceptualisation. Moreover, it can be argued that within these countries, as well as sharing similar perceptions of components, certain dimensions are, to some extent, perceived as being equally important. These are a store's, '*Merchandise*

Offer, *Pricing Policy*, *Appearance*, *Shopping Facilitators*, *Own Labels*², and *Reputation*. These dimensions were therefore selected to construct a pan country store image questionnaire for this study.

Regarding the actual measurement of the above dimensions, the researcher decided to select 'components' rather 'attributes'. The reason behind this was twofold. First, to ensure conceptual equivalence of the aspects being measured. Given the definition of an attribute as the last particle of a store's image, this implies that no further analysis is required. Thus by selecting only attributes there was danger of measuring a notion that was not controlled in terms of conceptual equivalence. Second, and by securing conceptual equivalence, the usage of broader notions (i.e. components) is permitted for measuring store image³. Consequently, this overcomes the danger of not measuring important aspects of store, due to the fact that the questionnaire needed to be relatively short⁴. As such, table 6.5 presents the six dimensions and the corresponding components selected for this study. In order to avoid any confusion through the utilisation of multi-terminology, the word 'attribute' is now applied to the aspects that were included in the questionnaire.

Table 6.4 Attributes selected for measuring the dimension of a store image

PRICING POLICY	MERCHANDISE OFFERED
Has prices cheaper than competitors	Wide selection of products
Attractive promotions	Good quality of fresh products
APPEARANCE	SHOPPING FACILITATORS
Well stocked shelves	Convenient location
Clean and tidy	Adequate parking
Pleasant atmosphere	Fast check out
Easy to shop in	Polite and helpful staff
REPUTATION	OWN LABELS
Reliable/credible image	Prices its own labels reasonable to their quality
Evokes trustworthiness /confidence	Good quality of own labels

Source: Focus groups

² While not highlighted in the Greek focus groups a justification for selecting this dimension is provided further on.

³ When conducting quantitative research the statements used within a questionnaire should be undimensional

The dimension, '*Pricing Policy*', is examined by measuring the attributes '**has prices cheaper than competitors**' and '**attractive promotions**'. Regarding the first attribute, this was selected since in both countries it was perceived that the pricing policy of a store was always seen as a comparative factor relative to other similar stores. While '**attractive promotions**', was not viewed as important in Spain, in Greece its level of importance, encouraged the researcher to select this attribute. One remark that needs to be made here, which is also pertinent to one of the objectives of this study, is the distinction between the tangibility and intangibility of store image attributes. According to the features that these attributes are measuring, it can be argued that both attributes can be classified as tangible.

Regarding the dimension '*Own Labels*', one can question its selection and composition, since variations were found in its level of importance in both countries, and in Greece it was hardly mentioned. However, selection is justified by the level of importance given to this dimension by Spanish participants (own labels were classified a dimension), and because of its relevant importance in the store format under investigation. Since the store under examination in this study is the limited line discounter DIA, where own labels are core aspects of its selling proposition, the researcher believed that it had to be included in the questionnaire. For the dimension of '*Own Labels*', two attributes are selected to measure it. These are '**good quality of own labels**', and '**price's its own labels reasonable to their quality**'. Arguably these two attributes, can also be included in the measurement of the dimensions of a store's overall '*Pricing Policy*' and '*Merchandise Offered*'. However, given the reasons described above, they are treated as attributes for the dimension of '*Own labels*'. Finally, in terms

⁴ The time duration set by the researcher was not to exceed 10 minutes. Given that 16 attributes were finally selected, and having in mind that three store concepts were measured (ideal, target store, and competition) this resulted to the usage of 42 Likert scale statements.

of the tangible/intangible classification, both attributes are viewed as less tangible since they capture the notion of quality.

For the dimension '*Merchandise Offered*', while the attribute of own label quality could also be included, two more explicit attributes have been selected. These are '**wide selection of products**', and '**good quality of fresh products**'. From the analysis, it was evident that both these attributes were found to be similar in terms of importance and conception in both countries. Regarding the first attribute, this attempts to measure a store's product variety whereas the latter measures the quality of the fresh products being sold within the stores. As for their distinction in terms of tangible or intangible, it can be claimed that while '**wide selection**' can be considered as a tangible attribute, the attribute measuring product freshness tends to be intangible due to the notion of quality.

For the dimension '*Appearance*' four attributes are selected, '**well stocked shelves**', '**clean and tidy**', '**pleasant atmosphere**', and '**easy to shop in**'. Each one attempts to measure both the physical and emotional aspects of a store's appearance that make shopping more pleasant and efficient. With reference to the more physical aspects, the attribute '**well stocked shelves**', attempts to measure a store's product availability. However, as in the case for the attributes assigned to measure own labels, an overlap can be identified in the actual dimension this attribute can measure. Although Greek shoppers perceived it within a store's overall merchandising policy, the Spanish viewed it more as an aspect of a store's overall presentation. The attribute '**clean and tidy**' was selected to measure a store's physical appearance in terms of hygiene and organisation. While it can be argued that this attribute measures two different aspects, the focus group discussions in both countries indicated that notions of cleanness and tidiness are interrelated. The attribute '**pleasant atmosphere**', was selected as there was a general agreement between Greek and Spanish participants that a store's overall intangible

atmosphere (lighting, music, etc) has a significant impact on creating a pleasant shopping experience. The last attribute '**easy to shop in**', tries to measure the overall layout and merchandising display of a store, and how easy and pleasant this makes shopping experience. Arguably, once again an overlap occurs, since this attribute can also be utilised to measure the dimension of '*Shopping Facilitators*'. The reason for this is, that while the Greek groups referred to it when describing the appearance and presentation of a store, the Spanish viewed it as a store feature that makes shopping easier.

Regarding the dimension, '*Shopping Facilitators*' the attributes '**helpful and polite personnel**', '**fast checkout**', '**adequate parking**' and '**convenient location**' attempt to measure aspects of a store that facilitate shopping. For this dimension the attributes selected, could arguably raise questions since dissimilarities were observed between Greece and Spain in terms of their importance and classification. Specifically, the attributes of '**adequate parking**' and '**convenient location**', while viewed as unimportant in Greece, were selected since a store's parking facilities, as well as location, were perceived as important from a Spanish perspective. As for the other two attributes, '**helpful and polite personnel**' and '**fast checkout**', again an overlap could be observed between two dimensions. In Greece they were highlighted as describing a store's appearance and pricing policy respectively, whereas in Spain they were considered primarily as aspects that make shopping easier. In terms of the tangible and intangible distinction, apart from the attribute 'helpful and polite personnel' where some intangible features are captured, the remaining three can be viewed as tangible.

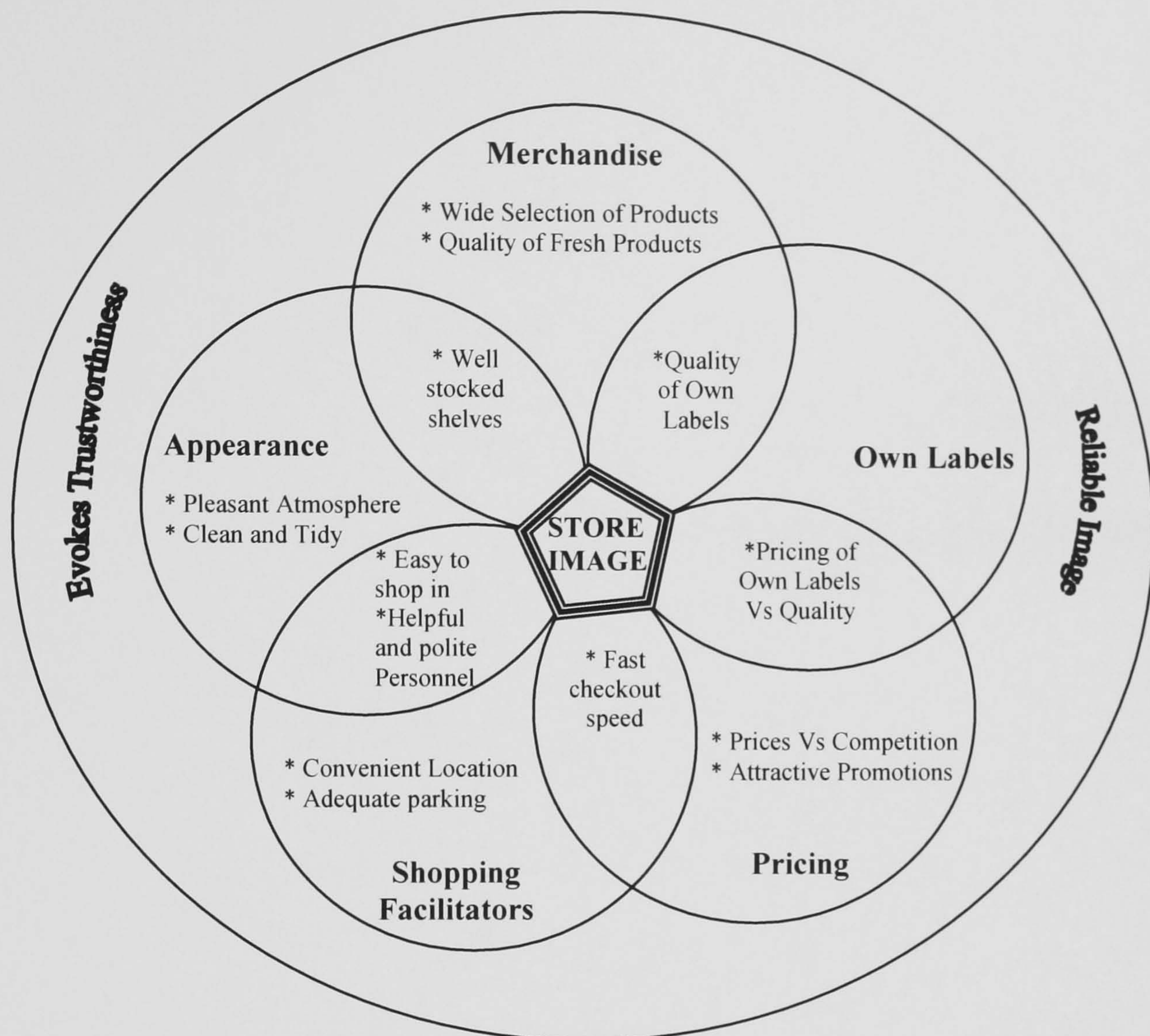
Finally, for the dimension, '*Reputation*' two attributes are selected '**evokes trustworthiness/confidence**' and '**reliable/credible image**'⁵. The reason for choosing

⁵ The adjectives/nouns of 'Trustworthy' and 'Reliable' were used for the Greek questionnaire, whereas 'Confidence' and 'Credible' in the Spanish.

this dimension and its corresponding attributes was twofold. First it was viewed similarly in terms of importance and conception in Greece and Spain (i.e. was perceived in a similar way, in terms of trust /confidence and reliability/credibility). Second, the researcher viewed it necessary to include within the questionnaire a dimension or attribute that captured the overall impression of shoppers for the stores under investigation. From the descriptions given by the Greek and the Spanish focus groups, the notion of reputation did this. As such, the attributes 'evokes trustworthiness/confidence' and 'reliable/ credible image' were selected. Both attributes can be viewed as highly intangible.

When considering categorical equivalence, it can be argued that the store image chosen to be measured for this study is almost pan-country applicable. Although some variations between the countries are apparent, if one compares the chosen dimensions *per se*, differences are primarily due to the attribute composition of the dimensions. However, as discussed above, when taking into account the actual conceptualisation of the selected attributes, there is evidence that Greek and Spanish shoppers share very similar perceptions of a grocery store image. In fact, between the selected dimensions and their corresponding attributes, overlaps are identified that allow the construction and measurement of a coherent grocery store image for the target countries. Having in mind that the objective of this phase of the research was to identify an equivalent store image for Greece, and Spain, Figure 5.1 presents this conceptualisation and the dimensions and attributes which contribute to it.

Figure 6.1 A schematic representation of the pan-country store image used for this study



6.4 CONCLUSIONS OF THE FOCUS GROUP ANALYSIS

This chapter has addressed the major findings regarding the focus group investigation. This phase was included in the research as it allowed the construction a pan-country construct for measuring store image in Spain and Greece. Overall, the findings indicated that although some variations exist between the target countries, when taking into account one of the objectives of this thesis (i.e. examination of a discount format), these were not so significant as to prevent the construction of a conceptually equivalent store image questionnaire. Having achieved this, the next chapter presents the findings of the quantitative part of the research.

CHAPTER 7
ANALYSIS & DISCUSSION

7. INTRODUCTION

Having ensured that conceptual equivalence exists in the questionnaire, the objectives of this chapter are twofold. First, through the proposed research framework, to present the major findings of the quantitative investigation, which is centred on DIA's home and foreign store image and second, to discuss and explain the outcomes of these findings. Craig and Douglas (2000) claim that an international comparative study can be examined at three levels: within; between; and as an overall country comparison. These three levels are employed in analysing the shoppers' perceptions of store image. However, due to the scale of the investigation and for reasons of simplicity, emphasis is given to the between and overall country comparison.

The chapter starts by exploring store image from an *attribute* perspective by comparing the marketplace in which the DIA stores operate, by comparing the store image attributes of the "ideal" stores, as well as DIA's major competitors in each country. This is done in order to identify the level of retail market homogenisation between Spain and Greece, as this may shed light on any possible store image variations found in the later examination of DIA's store image. Following this, a between country comparison of the DIA stores image attributes will be conducted, with the objective of identifying whether DIA has standardised its home store image in the host market. A within country analysis will then be made, comparing the store image attributes of DIA with that of the overall competitors' store image attributes in each market. The purpose here is to identify if the company, through its store image attributes, has transferred its domestic competitive advantage into Greece.

Having considered store image analysis from an *attribute* perspective, the chapter then continues by analysing the *positioning strategy* DIA has adopted in the markets. Here the aim is to identify if the company has adopted the other element of store brand image standardisation, positioning standardisation. This will be done by

objectively aggregating the store image attributes into meaningful groups (through principle component analysis), that can then be used as dimensions for the generation of the perceptual maps.

Finally, the analysis concludes by comparing DIA's store image from a *dimension perspective*. The reason for employing this perspective is twofold. First, it may shed light on the methodological debate over whether store image examination should be conducted from an attribute or a dimension perspective. Second, it can be used as an affirmation process, for the results found in the attribute and positioning analysis.

7.1 ANALYSIS OF STORE IMAGE USING ATTRIBUTE COMPARISON

This section considers the first comparative process of the proposed research framework, store image *per se*, where stores are compared by using the selected store image attributes. As such, a *between* country comparison is advocated for the store images under investigation i.e. "Ideal" Spain vs. "Ideal" Greece: Spanish "competitors" vs. Greek "competitors"; DIA Spain vs. DIA Greece.

7.1.1 COMPARISON OF "IDEAL" STORE IMAGE

The purpose of measuring the store image of the "ideal" store is to investigate the existence of any 'retail cultural differences' between the perceptions of Spanish and Greek shoppers. In order to identify if such differences exist between the countries, the sixteen attributes used for this survey will be analysed in terms of their perceived importance (comparison of attribute rank order), performance (comparison of the actual mean scores), and mean statistical significant difference.

On a Likert scale of 1 to 7, where 1 is strongly disagree and 7 strongly agree, table 7.1 displays the mean values given to the store image attributes in both countries, as well as their rank order based on mean scores. By observing the mean values, it is

evident that both Spanish and Greek DIA patrons believe that an “ideal” store should perform well on all sixteen attributes, as for almost all statements, their scores are well above six. However, by comparing the attribute rank order for these hypothetical stores, differences can be identified in the perceptions of Spanish and Greek DIA shoppers. For the Spanish participants, it is clear that an “ideal” store should focus more on the concept of facilitating shopping. Although the attribute of ‘prices versus competition’ received a high mean of 6.79 (ranked 3rd), it is the combined high mean scores (above 6.70) of ‘convenient location’ and ‘cleanness’ (ranked 1st), ‘easy to shop’ (3rd), ‘parking facilities’ (5th), and ‘checkout speed’ (6th), that signify a strong agreement between DIA’s patrons that the most important characteristic of an “ideal” store should be the offer of convenience. This notion of shopping facilitation can be further supported from the fact that this aggregated feature was also identified in the Spanish focus groups. In contrast, attributes such as ‘store atmosphere’, ‘product range’ and the ‘pricing policy adopted for own labels’, were viewed as relatively unimportant since they were ranked in the last positions. This is particularly true for the attribute ‘pleasant atmosphere’, where the mean score was the only one below six (5.94).

Regarding the Greek shoppers, it appears that they prefer a store that has ‘good staff behaviour’ (1st) and ‘low prices’ (2nd), followed by ‘cleanness’ (3rd) and ‘trustworthiness’ (3rd). The least important attributes are a ‘store’s own label ‘package’ (pricing 15th and quality 16th) and ‘parking’ (14th). The relative unimportance that Greek shoppers attached to these attributes, particularly the ‘own labels’ attributes, was also found in the focus group discussions. Whilst some coherence is found when comparing the quantitative and focus group findings regarding the “ideal” store profiles, from a closer inspection of both countries, it is evident that the results do not completely coincide. For instance, although in the focus groups both cultural units highlighted the importance of quality of fresh produces, the attribute that measures this notion was

perceived as relatively less important (ranked 8th in Spain, and 5th in Greece). One reason for this may be that the quantitative views arise from discount store patrons. Thus, any direct comparison of the two sets of results should be taken with caution since what may be being described here are the “ideal” stores of a discount shopper rather than that of a supermarket shopper.

Table 7.1 Mean scores and Ranking for “Ideal” Spain and “Ideal” Greece

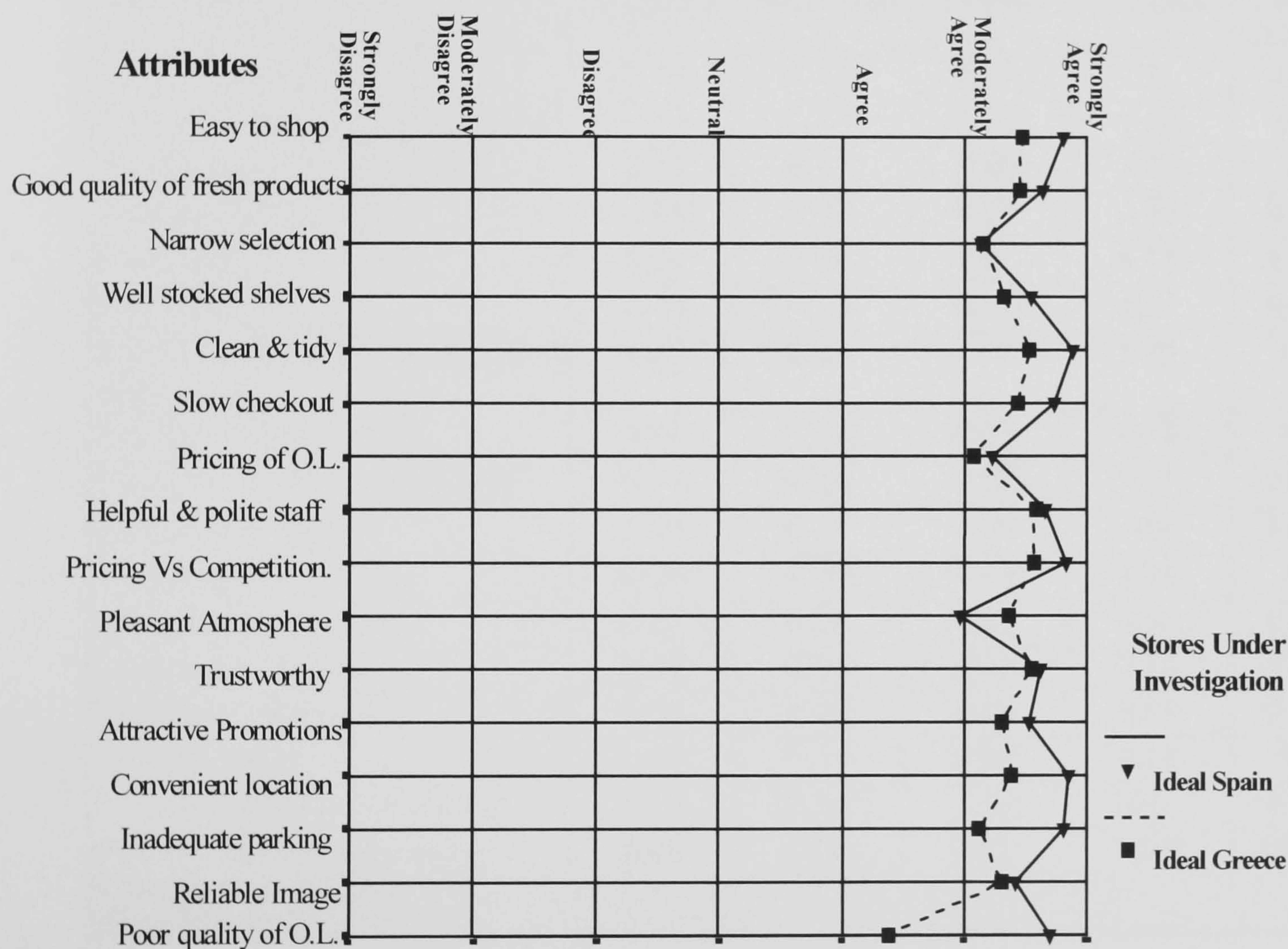
Attributes	SPAIN				GREECE			
	Mean	Rank	S.D	N	Mean	Rank	S.D	N
Easy to shop in	6.79	3=	.41	300	6.46	6	.67	300
Sell good quality of fresh products	6.63	8=	.85	300	6.47	5	.94	300
Narrow selection of products ^a	6.11	15	1.12	299	6.17	13	1.22	299
Well stocked shelves	6.56	11	.65	299	6.32	10	.82	300
Clean and tidy	6.85	1=	.49	300	6.53	3=	.76	300
Slow check out ^a	6.73	6	.84	300	6.43	7	.83	300
Price its own labels reasonable to their quality	6.23	14	.96	299	6.07	15	1.34	298
Polite and helpful staff	6.63	8=	.88	300	6.58	1	.74	300
Prices higher than competitors ^a	6.79	3=	.73	300	6.56	2	.78	300
Pleasant atmosphere	5.94	16	1.15	300	6.35	9	.90	300
Evoke trustworthiness	6.59	10	.64	300	6.53	3=	.73	300
Attractive promotions	6.52	12	.83	295	6.31	11	.98	300
Convenient location	6.85	1=	.57	299	6.39	8	.90	300
Inadequate parking ^a	6.77	5	.86	299	6.09	14	1.45	300
Reliable image	6.39	13	.97	300	6.30	12	.85	300
Sell poor quality of own labels ^a	6.68	7	.74	299	5.39	16	.98	300
Overall “Ideal” Store image	6.62		.39	300	6.30		.65	300

^a = Mean scores have been reversed

A clearer view of the actual attribute performance between the two “ideal” stores can be seen in figure 7.1. This snake diagram represents the store image profile for the “ideal” Spain and “ideal” Greece stores, based on the mean values and the differences of every paired attribute (see table 7.2). By visually observing this diagram, it is evident that the differences in mean scores between the two “ideals” suggest that Spanish DIA shoppers are more demanding compared to the Greek respondents. The Spanish “ideal” store has fourteen out of sixteen attributes with a mean score higher than the Greek

version, with the most apparent differences being in 'quality of own labels' (1.30), 'inadequate parking' (0.69) and 'convenient location' (0.47). Only for the attributes of 'narrow selection' and 'pleasant atmosphere', is the Greek "ideal" expected to perform better. As such, apart from the variation in attribute importance found previously, the two hypothetical stores seem to be different also in terms of expected performance.

Figure 7.1 Profile of "Ideal" Spain and "Ideal" Greece



Although easy to visualise, figure 7.1 does not indicate the statistical significance of these differences. In order to examine the extent to which the perceived "ideal" store image in Spain and Greece is similar, a series of paired t-tests are performed¹ for each attribute and for the overall mean score (table. 7.2). This analysis

¹ To accept if two means are statistically different two tests can be performed: independent sample t-tests or paired sample t-test. The first compares means that derived from different subjects while the latter from a same group of subjects or from subjects that have a common denominator (in this case all are DIA shoppers). The researcher chose to employ pair-sample t-test since this test has greater control over detecting unsystematic variation (random factors that exist between conditions) (Field, 2000).

further supports the view that major dissimilarities exist between the perceptions of Spanish and Greek DIA shoppers regarding the “ideal” stores. At the bottom of table 7.2 the overall mean scores for both “ideal” stores are compared, signifying that the Spanish perception of the “ideal” is statistically different and more positive than that of Greece ($t(299)=7.103, p<0.05$)².

Table 7.2 Paired T-Test comparison of “Ideal” Spain and “Ideal” Greece

Attributes	SP Mean	GR Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	6.79	6.46	0.33	7.31	0.00**
Sell good quality of fresh products	6.63	6.47	0.16	2.20	0.03*
Narrow selection of products ^a	6.11	6.17	-0.05	-0.53	0.60
Well stocked shelves	6.56	6.32	0.24	4.05	0.00**
Clean and tidy	6.85	6.53	0.32	6.13	0.00**
Slow check out ^a	6.73	6.43	0.29	4.21	0.00**
Price its own labels reasonable to their quality	6.23	6.07	0.15	1.59	0.11
Polite and helpful staff	6.63	6.58	0.05	0.78	0.44
Prices higher than competitors ^a	6.79	6.56	0.23	3.77	0.00**
Pleasant atmosphere	5.94	6.35	-0.41	-4.96	0.00**
Evoke trustworthiness	6.59	6.53	0.06	1.16	0.25
Attractive promotions	6.52	6.31	0.21	2.93	0.00**
Convenient location	6.85	6.39	0.47	7.28	0.00**
Inadequate parking ^a	6.77	6.09	0.69	6.93	0.00**
Reliable image	6.39	6.30	0.09	1.14	0.25
Sell poor quality of own labels ^a	6.68	5.39	1.30	10.65	0.00**
Overall “ideal” store image	6.62	6.30	0.32	7.103	0.000**
^a =Mean scores have been reversed Statistical significant * <0.05 ** <0.01					

Further observation of the attribute paired t-tests, suggests that these two groups only share statistically similar views for six attributes: ‘quality of fresh’ ($t(299)=2.20, p<0.01$), ‘product assortment’ ($t(299)=-0.53, p<0.05$), ‘pricing policy for own labels’ ($t(299)=1.59, p<0.05$), ‘personnel behaviour’ ($t(299)=0.78, p<0.05$), overall reputation (‘trustworthiness’ ($t(299)=1.16, p<0.05$) and ‘reliable image’ ($t(299)=1.14,$

² In social science, there are three different levels of confidence intervals of accepting null hypothesis: 99%, 95% and 90%. For more robust results $p<0.01$ should be used however there is danger for committing Type I error (the probability to reject H_0 when it should be accepted). As such, for this thesis findings will be discussed for both $p<0.05$ and $p<0.01$.

$p < 0.05$). For the remaining ten attributes, the Spanish and Greek DIA patrons perceive their “ideal” stores in a significantly different manner with the former cultural unit having more positive views or “higher expectations”. Only for the attribute of ‘pleasant atmosphere’ is the perception of Greek shoppers statistically different and more positive than that of the Spanish ($t(299) = -4.96$, $p < 0.05$).

From the findings in this section, there is an indication of a ‘retail shopping cultural difference’ between the Spanish and Greek DIA patrons, with the former group showing a clear tendency of being more demanding or having “higher expectations” for the performance of an “ideal” store. This implies that the retail environments in which the DIA stores operate are heterogeneous. This relative “retail cultural” heterogeneity was also observed in the focus group analysis, where Spanish grocery shoppers showed a higher degree of retail awareness (i.e. format development) and a shift towards a more progressive typology for grocery shopping habits (i.e. home delivery service, acknowledgment of packaged fresh food, acceptance of own labels) from its Greek counterparts. It could be that this tendency of Spanish shoppers towards having a higher level “retail expectations” could arise from the fact that they are more aware of how the retail grocery sector “should” function. However, for a more complete investigation of whether both markets are heterogeneous, each store’s competitive marketplace must also be analysed and compared.

7.1.2 COMPARISON OF COMPETITOR STORE IMAGE

The objective of this section is to identify how similarly perceived are the actual competitive environments of DIA Spain and DIA Greece, as viewed by their patrons. This was achieved by reference to named competitors in the markets³. Table 7.3

³ As mentioned in the methodology chapter, prior to the evaluation of the competitor store, respondents were asked to mention one single store that they would purchase similar grocery products to those bought in DIA (or Continent). The researcher identified as ‘major’ competitors, stores that received above 25% response rate (i.e. more than 50 out of 300 cases)

presents the major competitors identified by the DIA shoppers in Spain and Greece, all of them being medium to small sized supermarkets. Specifically, Spanish DIA patrons viewed three supermarkets, Caprabo, Kampio and Condis, as their main alternative for grocery shopping, whereas Greek DIA patrons identified four competitors, Marinopoulos, Veropoulos, Metro and Sklavenitis. Although one would assume that the competition for DIA would come from another discount format, particularly in Spain where other discounters (e.g. Lidl and Plus) are prevalent, it is evident that this was not the case. One explanation for this could be that all of the identified competitors were closely located to the sample stores under investigation, reinforcing the view that competition within urban areas is localised.

Table 7.3 Most important competitors for DIA Spain and DIA Greece as viewed by DIA patrons

SPAIN		
Competitors Stores	Number of Responses	%
Caprabo	114	38.0
Kampio	84	28.0
Condis	79	26.3
Others	23	7.7
Total	300	100
GREECE		
Marinopoulos	94	32.0
Veropoulos	64	21.3
Metro	63	21.0
Sklavenitis	52	17.3
Others	25	8.3
Total	300	100

Having identified the actual competitors for both DIA stores, the next step was to compare and contrast the “overall” store image of the two competitive environments. Arguably, this notion of an “overall” competitor store image may raise questions since several stores have been identified. However, as stated in the methodology chapter, the reason for asking shoppers to specify an actual competitor was to capture a specific store image (not just a hypothetical one) that would then be used to produce an aggregated competitive store image for each country. This aggregated competitive store,

derived from the sum of all the competitive stores found in each country, will from now onwards be called the “generic competitor” and will represent DIA stores’ overall competitive marketplace in each country⁴.

Table 7.4 Mean scores and Ranking for DIA’s “Generic Competitors” in Spain and Greece

Attributes	SPAIN				GREECE			
	Mean	Rank	S.D	N	Mean	Rank	S.D	N
Easy to shop in	6.19	1	0.81	300	5.92	2	0.87	300
Sell good quality of fresh products	6.08	5	0.91	300	5.82	4	1.51	300
Narrow selection of products ^a	5.30	13	1.62	299	5.10	12	1.59	299
Well stocked shelves	6.17	3	0.70	299	5.77	6	0.90	300
Clean and tidy	6.18	2	0.86	300	5.88	3	1.10	300
Slow check out ^a	3.87	16	1.28	300	3.77	16	1.77	300
Price its own labels reasonable to their quality	5.48	10	1.46	299	5.27	11	1.28	298
Polite and helpful staff	5.45	12	1.20	300	5.75	7	1.17	300
Prices higher than competitors ^a	3.72	15	1.66	300	4.59	14	1.64	300
Pleasant atmosphere	5.60	9	1.12	300	5.73	8	0.71	300
Evoke trustworthiness	5.96	6	0.86	300	5.95	1	0.81	300
Attractive promotions	5.47	11	1.19	295	5.60	10	1.19	300
Convenient location	6.16	4	1.41	299	5.71	9	1.27	300
Inadequate parking ^a	4.26	14	2.40	299	4.49	15	1.86	300
Reliable image	5.74	8	0.93	300	5.78	5	0.86	300
Sell poor quality of own labels ^a	5.84	7	1.38	299	4.84	13	1.46	300
Overall “Generic Competitor” Store image	5.03		0.58	300	5.02		0.58	300

a =Mean scores have been reversed

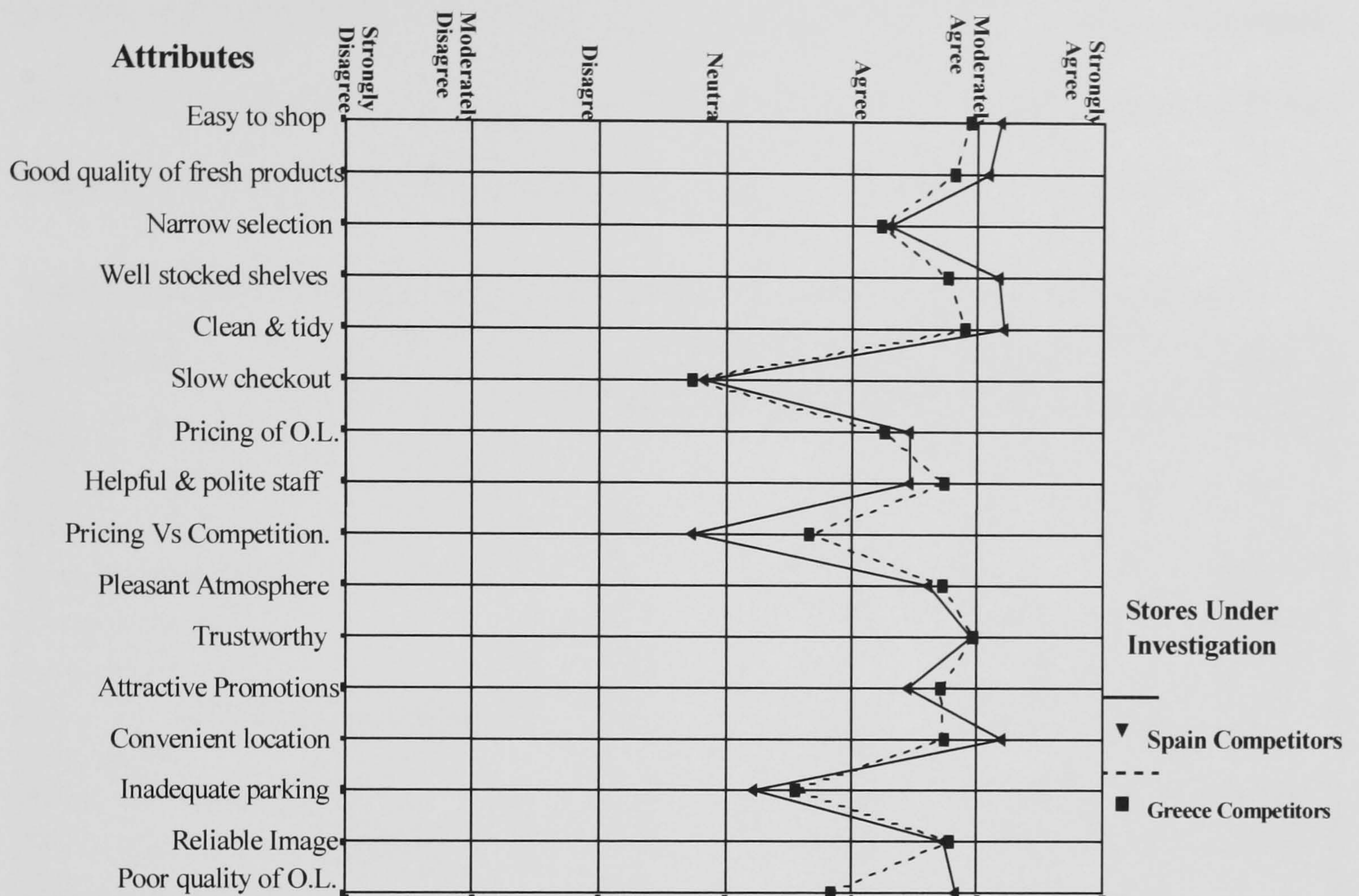
Following the same analysis as for the “ideal” stores, a rank order contrast reveals that in terms of attribute importance, the perceptions Spanish and Greek DIA shoppers have of “generic competitors” are more similar, compared to the “ideal” stores (table 7.4). Both competitive marketplaces are perceived to be performing well for the attributes 'easy to shop in' (1st in Spain and 2nd in Greece) and 'clean and tidy' (2nd in Spain and 3rd in Greece). Despite this similarity, it seems that DIA’s “generic competitor” in Spain is also performing well on the replenishment of shelves (3rd)

⁴ For a detail presentation of every identified competitor’s store image see appendix 7.1

whereas DIA's "generic competitor" in Greece is evoking trustworthiness (1st). In the opposite extreme, both competitive environments are performing less well for criteria such as providing shoppers with an 'effective checkout service', 'parking facilities' and 'prices that are lower than their competitive stores' (all three were ranked last in both countries). Overall, if one takes as a cut-off point a deviation in ranking of greater than two places, of the sixteen attributes, twelve have a similar ranking in both countries. Despite this relatively small deviation in the ranking of attribute scores by importance, when examining the actual mean scores it seems that the Spanish "generic competitor" has received higher mean values compared to the Greek version. This suggests that DIA's domestic competitive marketplace is more aggressive than its foreign counterpart. For instance, by taking the highest ranked attributes for both countries, the Spanish "generic competitor" has received five scores above six, whereas for the Greek "generic competitor" all scores are below six.

The above claim becomes more apparent by observing figure 7.2. It again appears that DIA's Spanish competitive marketplace is more 'advanced', since of the sixteen attributes ten have mean scores higher than those found in Greece. It seems that the Spanish competition is performing better on notions that are related to the merchandising policy (e.g. 'quality of fresh' and 'own labels', 'variety', and 'stocked shelves') and easiness to shop (e.g. 'easy to shop', 'cleanness', 'checkout speed' and 'convenience'). On the other hand the Greek competitive marketplace is performing better on the intangible aspects of the store (e.g. 'reliability', 'atmosphere', and 'personnel') as well as in the 'pricing policy' (attractive promotions and prices compared to other stores). Particularly for pricing policy, the attribute of 'prices versus competition', shows one of highest mean differences (-0.88), indicating that Greek DIA stores, compared to Spain, have to compete with supermarket stores that seem to offer low prices.

Figure 7.2 Profile of DIA Spain “Generic Competitor” and DIA Greece “Generic Competitor”



While DIA's Spanish patrons seem to perceive that their stores are operating in a more competitive marketplace, when performing a paired t-test analysis (see table 7.5), the results indicate that the difference between the "generic competitors" overall store image for both countries, is not statistically significant ($t(299)=-0.324$, $p<0.05$). Moreover, both competitive environments seem to have the same 'store atmosphere', 'parking facilities' and 'checkout speed', 'offer product assortment' and 'promotions', and are viewed as similarly 'reliable' and 'trustworthy'. Interestingly, most of the attributes found to be similar, are the same ones that have the highest mean scores in Greece. By examining the remaining attributes, that were viewed as statistically different, it can be claimed that DIA Spain has to confront a "generic competitor" that is more 'advanced', compared to Greece, in terms of 'easiness to shop in' ($t(299)=3.847$, $p<0.05$), 'quality of fresh products' ($t(299)=2.809$, $p<0.05$), 'stock replenishment'

($t(299)=6.061$, $p<0.05$), ‘cleanness and tidiness’ ($t(299)=3.759$, $p<0.05$), ‘convenient location’ ($t(299)=4.032$, $p<0.01$), and ‘offers own labels with better price’ ($t(299)=2.060$, $p<0.05$) and ‘quality’ ($t(299)=8.463$, $p<0.05$). In contrast, DIA’s “generic competitor” in Greece is viewed as more price aggressive with regards to other stores ($t(299)=-6.988$, $p<0.05$), and has politer and more helpful staff ($t(299)=-3.171$, $p<0.05$).

Table 7.5 Paired T-Test comparison of DIA’s Spanish and Greek “Generic Competitors”

Attributes	SP “Generic Comp.” Mean	GR “Generic Comp.” Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	6.19	5.92	0.26	3.847	0.000**
Sell good quality of fresh products	6.08	5.82	0.24	2.809	0.005**
Narrow selection of products ^a	5.30	5.10	0.19	1.464	0.144
Well stocked shelves	6.17	5.77	0.41	6.061	0.000**
Clean and tidy	6.18	5.88	0.30	3.759	0.000**
Slow check out ^a	3.87	3.77	0.08	0.625	0.532
Price its own labels reasonable to their quality	5.48	5.27	0.22	2.060	0.040*
Polite and helpful staff	5.45	5.75	-0.30	-3.171	0.002**
Prices higher than competitors ^a	3.72	4.59	-0.88	-6.988	0.000**
Pleasant atmosphere	5.60	5.73	-0.13	-1.593	0.112
Evoke trustworthiness	5.96	5.95	0.01	0.216	0.829
Attractive promotions	5.47	5.60	-0.13	-1.279	0.202
Convenient location	6.16	5.71	0.45	4.032	0.000**
Inadequate parking ^a	4.26	4.49	-0.24	-1.409	0.160
Reliable image	5.74	5.78	-0.04	-0.492	0.623
Sell poor quality of own labels ^a	5.84	4.84	0.99	8.463	0.000**
Overall “Generic Competitor” store image	5.03	5.02	0.01	0.324	0.746

^a=Mean scores have been reversed
Statistical significant * <0.05 ** <0.01

The overall result indicates that the store image of DIA’s “generic competitor” in Spain and Greece is perceived as fairly similar. However, from the attribute comparison, differences are observed that indicate that DIA Spain is operating in a more ‘advanced’ marketplace compared to Greece. This can be further supported by taking into account the previous analysis of the “ideal” stores, where the results showed that the Spanish DIA shoppers are more demanding than their Greek counterparts.

By comparing the overall marketplace (“ideal” and “generic competitor”) of the two countries, the results indicate that the DIA stores operate in environments where only the stores’ shelf replenishment and reputation (trustworthiness and reliability) are perceived in a similar way (for all three attributes there was no statistically significant difference). Interestingly, reputation was also described in a similar way by both cultural units in the focus group investigation. According to the literature, if two markets are homogenous, a company can apply a standardised strategy of faithful replication of its offer. Thus, if DIA is following a purely standardised approach in Greece, the same outcome should be observed for the company’s reputation.

7.1.3 COMPARISON OF DIA STORE IMAGE

This section describes and compares the perceptions DIA shoppers have for their stores in Spain and Greece, with the objective of identifying whether DIA has standardised its home store image in the host market.

By comparing the attribute ranking order (see Table 7.6), it can be claimed that both Spanish and Greek DIA patrons have similar views regarding their stores’ attribute performance. Spanish DIA shoppers perceive that out of the sixteen attributes, their store is performing best in terms of convenient location; pricing policy it has compared to competition; and the pricing policy it has for its own labels in relation to quality (all ranked in the first three places). Regarding the attributes that received the lowest means (last three places), it seems that DIA Spain is performing less well in ‘product assortment’, its ‘checkout speed’ and ‘parking adequacy’. Likewise, DIA Greece is perceived by its shoppers as performing best on the attributes that capture the ‘pricing policy’ of the store (versus competition and attractive promotions) and its ‘convenient location’. As for the attributes that were viewed as the least favourably for DIA Greece, as in Spain, the stores received the lowest scores on ‘product assortment’, ‘checkout

speed', and 'parking adequacy'. It should be mentioned here, that in both countries these three attributes received mean scores below the average scale score employed (less than 3.50 on a scale of 1 to 7) indicating shopper dissatisfaction.

Table 7.6 Mean scores and Ranking for DIA Spain and DIA Greece

Attributes	SPAIN				GREECE			
	Mean	Rank	S.D	N	Mean	Rank	S.D	N
Easy to shop in	5.27	5	1.51	300	5.54	5	1.08	300
Sell good quality of fresh products	4.36	10	1.84	300	5.31	10	1.40	298
Narrow selection of products ^a	2.89	16	1.74	300	3.18	16	1.76	300
Well stocked shelves	4.40	9	1.76	298	4.94	11	1.60	300
Clean and tidy	4.31	11	1.95	298	4.82	12	1.68	300
Slow check out ^a	3.06	15	1.92	300	4.10	14	1.76	299
Price its own labels reasonable to their quality	5.74	3	1.22	299	5.49	7	1.15	295
Polite and helpful staff	4.27	12	1.81	300	5.44	8	1.42	300
Prices higher than competitors ^a	6.23	2	1.07	300	6.38	1	.88	300
Pleasant atmosphere	3.93	13	1.83	296	5.33	9	1.06	300
Evoke trustworthiness	5.09	6	1.44	299	5.54	4	.91	300
Attractive promotions	5.38	4	1.43	297	5.84	3	1.08	300
Convenient location	6.47	1	1.04	300	5.96	2	1.08	300
Inadequate parking ^a	3.33	14	1.72	299	3.32	15	1.89	300
Reliable image	5.06	7	1.34	300	5.52	6	.94	300
Sell poor quality of own labels ^a	5.04	8	1.61	300	4.25	13	1.60	300
Overall DIA store image	4.53		0.63	300	4.87		0.54	300

^a =Mean scores have been reversed

When comparing the attribute rank order, the majority (12 out of 16) do not deviate by more than two places in the rankings. The only ranking difference (deviation greater than two places) observed between the two countries can be seen for the attributes related to DIA's 'own labels', 'staff behaviour' and 'atmosphere'. Regarding the former it seems that DIA's own labels are performing better in Spain compared to Greece ('pricing' and 'quality' ranked 3rd and 8th in Spain, whereas 6th and 12th in Greece respectively). As for the remaining two ranking deviations, Greek shoppers have ranked 'staff behaviour' (8th in Greece compared to 12th in Spain) and 'store

atmosphere' (9th in Greece compared to 13th in Spain) higher than the Spanish DIA shoppers.

Keeping in mind the ranking taxonomy of the attributes, and taking into account their properties, one can argue that in both countries this pattern follows the expected characterisation of a discounter. Both stores are performing very well in the attributes that identify the pricing policy of the store and its convenient location (1st, 2nd for both countries). These attributes are not only ranked in the first two places in the minds of shoppers in both countries, but they have also received a mean value close to or well above six, indicating a general level of shopper satisfaction. In contrast, the worst performing attributes for both the Spanish and Greek DIA patrons are, 'wide selection' (16th for both countries) and 'parking facilities' (14th for both countries). Arguably, these attributes and their relative ranking can be viewed as the main pros and cons of a discount format.

Regarding the actual attribute performance of the two stores, the snake diagram (figure 7.3) and the mean differences of the attributes (see table 7.2) indicate that DIA Greece is outperforming its home (Spanish) operations. This can be supported by the fact that of the sixteen attributes, DIA Greece has received higher mean scores for twelve of them, with the widest 'gaps' being for 'pleasant atmosphere' (-1.40) and 'helpful staff' (-1.17). On the other hand, DIA Spain is viewed more positively for the attributes of 'own labels' (quality and pricing), 'location', and 'parking'. These differences coincide to some extent with the rank order analysis, in which, atmosphere, personnel, and own labels, were also seen as the attributes with the greatest ranking deviation.

Figure 7.3 Profile of DIA Spain and DIA Greece

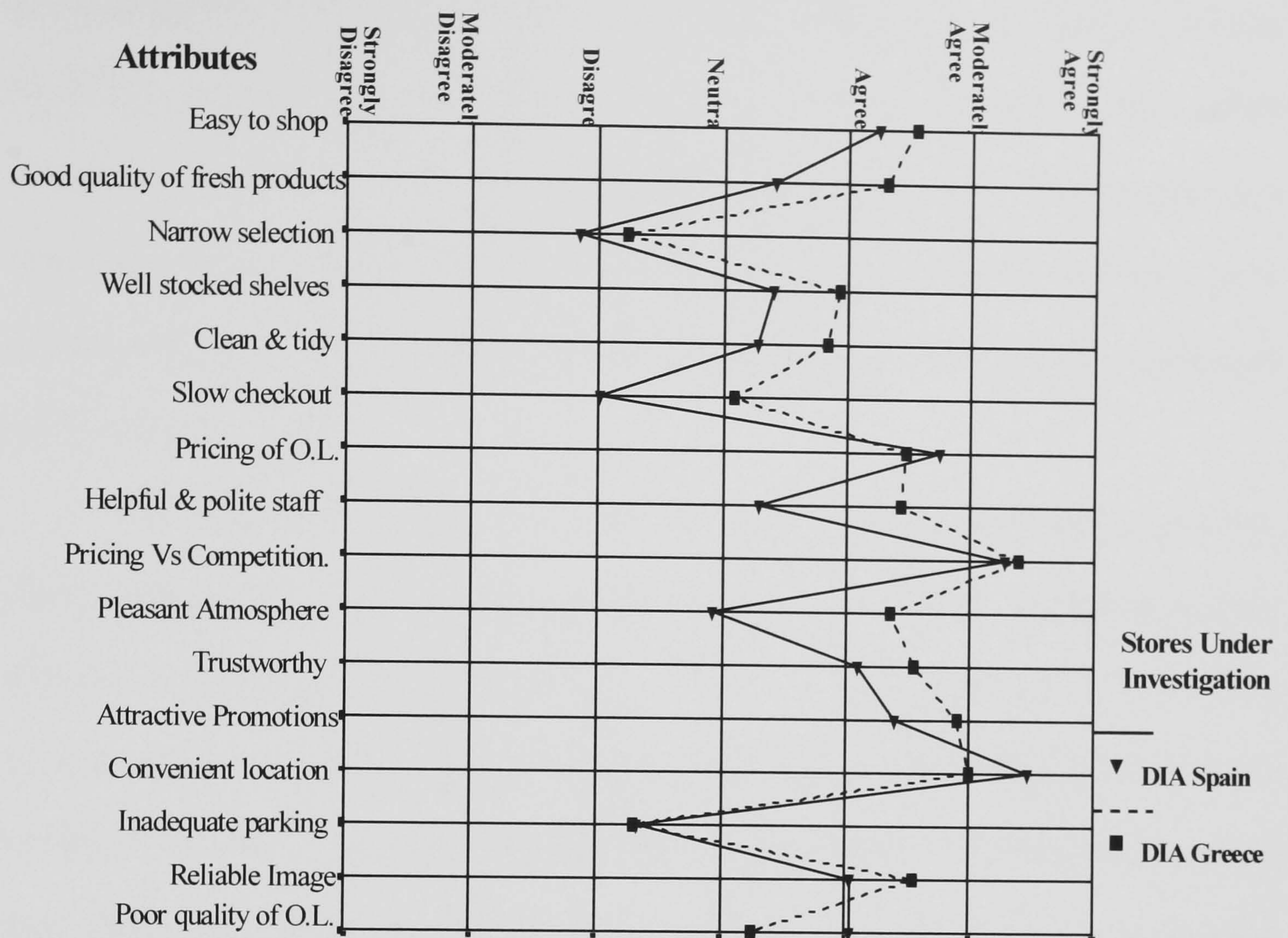


Table 7.7 Paired T-Test comparison of DIA Spanish and DIA Greece

Attributes	SP DIA Mean	GR DIA Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.27	5.54	-0.27	-1.213	0.261
Sell good quality of fresh products	4.36	5.31	-0.95	-7.176	0.000**
Narrow selection of products ^a	2.89	3.18	-0.30	-1.493	0.140
Well stocked shelves	4.40	4.94	-0.55	-3.966	0.000**
Clean and tidy	4.31	4.82	-0.52	-3.657	0.000**
Slow check out ^a	3.06	4.10	-1.04	-6.826	0.000**
Price its own labels reasonable to their quality	5.74	5.49	0.27	2.778	0.006**
Polite and helpful staff	4.27	5.44	-1.17	-8.605	0.000**
Prices higher than competitors ^a	6.23	6.38	-0.15	-1.908	0.057
Pleasant atmosphere	3.93	5.33	-1.40	-11.444	0.000**
Evoke trustworthiness	5.09	5.54	-0.46	-4.777	0.000**
Attractive promotions	5.38	5.84	-0.45	-4.480	0.000**
Convenient location	6.47	5.96	0.51	6.072	0.000**
Inadequate parking ^a	3.33	3.32	0.01	0.047	0.963
Reliable image	5.06	5.52	-0.45	-4.805	0.000**
Sell poor quality of own labels ^a	5.04	4.25	0.79	6.101	0.000**
Overall DIA store image	4.53	4.87	-0.33	-6.835	0.000**

^a=Mean scores have been reversed
Statistical significant *<0.05 **<0.01

Whilst DIA Greece seems to have a different and more positive store image than its home operation, this comparison does not indicate anything regarding the statistical significance of this difference. However, the results of the paired sample t-tests further support the above claim (see table 7.7). Specifically, a comparison of the overall DIA store image in Spain and Greece, shows that the Greek subsidiary not only has a more positive store image in the minds of the shoppers but this is also statistically significant ($t(299)=-6.835, p<0.05$).

This difference becomes even more apparent from the attribute comparison, where results suggest that out of the sixteen attributes the stores are perceived by their shoppers as similar in only four attributes: 'easy to shop' ($t(299)=-1.213, p<0.05$), 'narrow selection' ($t(299)=-1.493, p<0.05$), 'prices higher than competitors' ($t(299)=-1.908, p<0.05$), and 'inadequate parking' ($t(299)=6.07, p<0.05$). Since the stores' overall store image, as well as the majority of the attributes, are perceived in a statistically significantly different way by Spanish and Greek DIA patrons, it can be claimed that the DIA stores have a divergent store image.

One point that needs to be considered with respect to the relatively small number of similarly perceived attributes, is to their properties. All four of these attributes highlight some positive (pricing and layout) and negative (limited assortment and parking) core elements of a limited line discount store concept. Thus, it could be argued that although the stores have a different store image between the two countries, nevertheless, DIA Spain has managed to replicate some of its core positive and negative format selling propositions in Greece.

However, for other core attributes of the discounter philosophy, particularly those that can be characterised as positive, such as convenient location and own labels, t-test results contradict the above statement. For example, 'convenient location' although scoring high in both countries (Spain 6.49 and Greece 5.96), the differences

between the two mean scores was statistically significant ($t(299)=6.072$, $p<0.05$) in favour of DIA Spain. One explanation for this may be the fact that the DIA network in Greece is less dense (only 200 stores), compared to that of Spain (over 2.000 stores). Interestingly, this raises questions about the assumption that 'tangible' attributes are easier to standardise. Likewise, the 'own labels' comparison results indicated that there is a statistically different perception and that DIA Spain holds a more positive perception for both 'prices of own labels reasonable to their quality' ($t(299)=2.778$, $p<0.05$) and 'quality of own labels' ($t(299)=6.101$, $p<0.05$). A possible reason for this may lie in the relative unimportance placed on own labels by Greek shoppers, since both attributes also received the lowest mean scores in the "ideal" store analysis. A second reason could be the issue of time. Given the relatively short time that DIA has been present in this particular host market, it could be that Greek DIA patrons are not fully accustomed to their stores' overall view of own labels. This can be further supported if one takes into account the intangible aspects of own labels (branding) and the difficulty of establishing a brand within a short time period. In the same way, but from a company perspective, a similar argument might apply to the issue of 'convenient location'. If a company follows an organic growth strategy in the market, time will be required to expand the network in the host country. This may have particular consequences for a discount format where one way of developing the notion of 'location' and 'convenience' is achieved by a "cluster" strategy, where a considerable number of stores need to be present in a small geographical area. As such, what this implies is that even 'tangible' attributes may need time to reach their full potential in a host market.

Apart from these three attributes, where DIA Spain is viewed by its patrons as statistically significantly better than DIA Greece, for the remaining nine attributes DIA Greece has a statistically significant positive mean difference.

Even for the attributes which measure the stores' reputation, i.e. 'evokes trustworthiness' and 'reliable image', DIA Greece is viewed in a more positive manner compared to DIA Spain. This outcome raises two issues. First, since both of these attributes were found to be similarly judged in the case of both countries' "ideals" and "generic competitors", and assuming that DIA has decided to standardised its operations in Greece, the end result should have been equivalent for its overall reputation. Second, given the nature of these attributes, both falling into an intangible classification, where time is required for them to develop positively in a host market, one might not have expected this outcome. Yet from the results, it seems that DIA has managed to develop a positive reputation within a short time period.

This image variation between the two stores may be due to several factors. One possible explanation may lie in DIA's life cycle stage and the role of the innovative format within the two countries. Given DIA's 25 years of operation in Spain, it may be that the Spanish market has responded to this format. As other discount formats are now operating in Spain, DIA has, or is, reaching the maturity stage where its discount format has become very familiar to grocery shoppers. Hence, loss of part of its innovative nature may have occurred, resulting in it being less positively perceived. On the other hand, considering that DIA was the first discounter to operate in Greece, it introduced a new and innovative concept to the local market. Being at the initial stage of its life cycle, where the local market has yet to respond to this innovation, this may have created a favourable impression in the minds of Greek shoppers. As such, the innovative selling proposition that DIA brings to Greece might be reflected in a relative more positive store image.

A second reason could simply be that DIA has decided to adapt to the local market. One way to assess this is by examining the attribute ranking of DIA Greece, its "ideal" and "generic competitor" and comparing it with those found in Spain. By

observing table 7.8, some attributes arguably, have a ranking that could partially justify the view that DIA has followed an adaptation strategy in Greece, as it has responded to the needs of the local market. This is evident for the attributes: ‘pleasant atmosphere’, ‘evokes trustworthiness’ and ‘sells poor quality of own labels’, where the ranking order coincides to those of the Greek “ideal” and “generic competitor”. When comparing the ranking with that of DIA Spain, a positive or negative deviation can be observed. This could indicate DIA’s ‘willingness’ to adapt to the Greek market, since it seems that its Greek operations are trying to perform in accordance with the priority needs of the local market.

Table 7.8 Ranking of the attributers in the Greek market

Attributes	SPAIN			GREECE		
	Ideal	Generic Comp.	DIA	DIA	Ideal	Generic Comp.
Easy to shop in	3=	1	5	5	6	2
Sell good quality of fresh products	8=	5	10	10	5	4
Narrow selection of products ^a	15	13	16	16	13	12
Well stocked shelves	11	3	9	11	10	6
Clean and tidy	1=	2	11	12	3=	3
Slow check out ^a	6	16	15	14	7	16
Price its own labels reasonable to their quality	14	10	3	7	15	11
Polite and helpful staff	8=	12	12	8	1	7
Prices higher than competitors ^a	3=	15	2	1	2	14
Pleasant atmosphere	16	9	13	9	9	8
Evoke trustworthiness	10	6	6	4	3=	1
Attractive promotions	12	11	4	3	11	10
Convenient location	1=	4	1	2	8	9
Inadequate parking ^a	5	14	14	15	14	15
Reliable image	13	8	7	6	12	5
Sell poor quality of own labels ^a	7	7	8	13	16	13

^a =Mean scores have been reversed

However, for other attributes such as ‘clean and tidy’, ‘checkout speed’ ‘quality of fresh’, the findings suggest that DIA has not fully adapted to the Greek market, since these attributes are ranked as more important, either for the “ideal” store or for the “generic competitor” store, and DIA Greece has failed to respond. This can be further

supported, given the stores' heterogeneous marketplace. As DIA Greece operates in a retail environment that has less demanding shoppers and less advanced competition compared to Spain, the outcome of an adapted strategy, would arguably, not create such a positive store image as is found in Greece.

Further support for the claim that DIA has not deliberately followed an adapted strategy in Greece was that during the study, two informal interviews were held in the headquarters of DIA Hellas with a Greek and Spanish manager that were in charge of the operational activities of the company in Greece. While informal, their comments suggested that the company was following a standardised strategy in Greece, with a focus on the company's organisational structure, the store concept, and offer. The exhibit below summarises the main remarks that were derived from their comments.

Exhibit 7.1 Main comments from the informal discussions with two managers from DIA's headquarters in Greece

1. The organisational structure is standardised

Both managers claimed that the structure of the subsidiary company in Greece could be seen as a miniature version of the organisational structure found in the mother company in Spain. They argued that the tasks allocated in each department are the same as those found in both countries. While this structure is dictated by the mother company, the reason behind it was that this can facilitate the company's internationalisation process. As the Spanish manager explained:

"As we expand more the more we need people to be familiar with the company's philosophy and the know-how of a certain position and the obligations that go with it. So let us say that if we open stores tomorrow in a new country we will have people ready to fulfil the needs of this position and to train the local manager so at some point he can take over in the future".

A second reason for a standardised organisational structure was in order to ensure that the DIA store concept would be replicated alike in other countries. As such, this would ensure, in some way, that DIA's offer remained intact from any possible managerial conflict between the subsidiary and mother headquarters regarding the application of the foreign operations and its adaptability to local needs. As the operational manager of DIA Greece stated:

“Due to this standardised organisational structure, it obligates the store operations to be the same in order for the concept to be the same in all countries. Although this is difficult, as it has to do with many details however, it is a necessity in order to successfully communicate our concept to the consumer. We need to keep control of the whole network and that means starting from our headquarters here in Greece. So by having the same functions everywhere this makes it easier for us to apply the same DIA concept everywhere.”

2. The DIA concept is standardised

During these informal interviews, the Greek and Spanish managers were asked to describe the DIA concept for both Greece and Spain. Particular interest was given to the opinion of the Spanish manager since he had experience of both countries. In brief, the DIA concept was described as a store that offers very good relationship between the quality and price of products, covers the basic needs of the consumer, and has the characteristic that it is within a reachable distance for its target consumer. Overall, they highlighted two principal competitive advantages for the DIA concept in Spain and Greece: these are the relationship of price versus quality; and proximity. A quote given from the Spanish manager that captures the DIA concept as follows:

“Our customer will not need to move long distances to shop in our stores while at the same time he/she will find prices even cheaper than in a Hypermarket.

with the quality of our products very good in relation to the price of which we sell them. However, if someone is looking for a variety of products then DIA is not the place he/she should come. We offer only the brand leader of a specific category and our own label.”

3. The DIA offer is standardised

While both managers claimed that the DIA concept found in Spain and Greece is identical, they also claimed that some minor adaptations needed to be applied with regards to DIA's offer in Greece. This was deemed necessary as Spanish and Greek shoppers have different shopping requirements. As such, both managers agreed that the primary difference found between a DIA in Spain and a DIA in Greece would be in the assortment of the stores. As the Greek manager stated:

“Have you ever been to Spain? Have you seen what milk these people drink? It is unthinkable that we would offer our (Greek) clients this pasteurised milk instead of the fresh one. And it is even more unthinkable to have such an assortment and shelf allocation like DIA Spain has for this product family.”

The Greek manager also stated that the layout of a DIA in Spain and a DIA in Greece is also partially different. However, the Spanish manager claimed that this difference was of minor importance and that the layout strategy applied in both countries is the same:

“I would not say that it (DIA Greece layout) is similar to the DIA Spain but to the whole DIA operations. This means that where we operate in the world we have more or less the same layout in our stores. However, if you think that the layout is determined by the type and quantities of products you sell, then it is not always the same since in Spain different products are sold compared to Greece. So, some changes between layouts are evident. Nevertheless, the general layout, the structure of the stores as well as the criteria of where and

why to place something is the same. In addition the number of products we sell here and in Spain is more or less the same as well as the proportion of food and non-food”.

Apart from these minor differences highlighted by both managers, their opinions seemed to agree that the remaining aspects of the DIA offer is identical in both countries particularly when it comes to the operational aspects. They claimed that the pricing policy followed in Spain and Greece was similar, where the objective was to offer products up to 30 percent cheaper than other stores. They also indicated that the strategy employed for communicating this price difference to their customers was the same in both countries. This is done primarily through promotional leaflets and in store promotions followed by TV advertisements, In addition, the Greek manager stressed that the DIA loyalty card was ready to be launched in the Greek market, signifying that the two companies were becoming even more alike in terms of store operationalisation.

“To tell you the truth I don't see any difference at all. Now that we are about to launch the DIA loyalty card, you could say that the way our stores are run here in Greece is identical to Spain. I could easily go to Spain and be in charge of the Spanish operations! The opening hours are the same, the supply of the stores is the same, centralised distribution with delivery once a week, store personnel structure the same. Even the location and expansion strategy we have here in Greece is the same! ”

From the comments provided in these informal interviews there was an agreement between the two managers that although some alterations do exist between the DIA offer in Spain and Greece, this did not differentiate the stores' concept as a whole. As the Spanish manager stated:

“There are no substantial differences between the two DIAs. Ok some adaptation to the market is needed, but this does not affect the overall concept of the stores. It still remains the same, whether your shop in DIA Spain or in DIA Greece”.

4. Standardised process and its relationship with the length of time in Greece

A last outcome from these informal discussions was that the process of standardisation between the home and foreign operations was related to the length of time DIA had been operating in Greece. Interestingly, two different opinions were given by the managers. The Greek manager claimed that a standardisation mentality, or “obsession” as he stated, was more obvious in the beginning of the company’s operations in Greece, as there was lack of communication between the mother headquarters and its subsidiary in Greece. While he argued that there was only one-way communication from the Spanish headquarters, he defended this, as it was needed in order to transmit the company’s innovativeness.

“Now we have open communication. We can propose something that is more appropriate for the Greek market. However, when they first entered into Greece, in order to achieve the innovativeness that this company has, the communication was less open. You know, this is a bit difficult if you are not autocratic. When the company became more established, and in order to improve the concept of the company then the communication and the exchange of ideas became more open.”

On the other hand, the Spanish manager claimed that the more the company becomes familiar with the foreign country it becomes evident that the DIA concept fits without the need of any major alterations. This, reinforced the notion that the more a company internationalises the more it become standardised:

“Well as a whole I would say that the company is now 70% standardised in

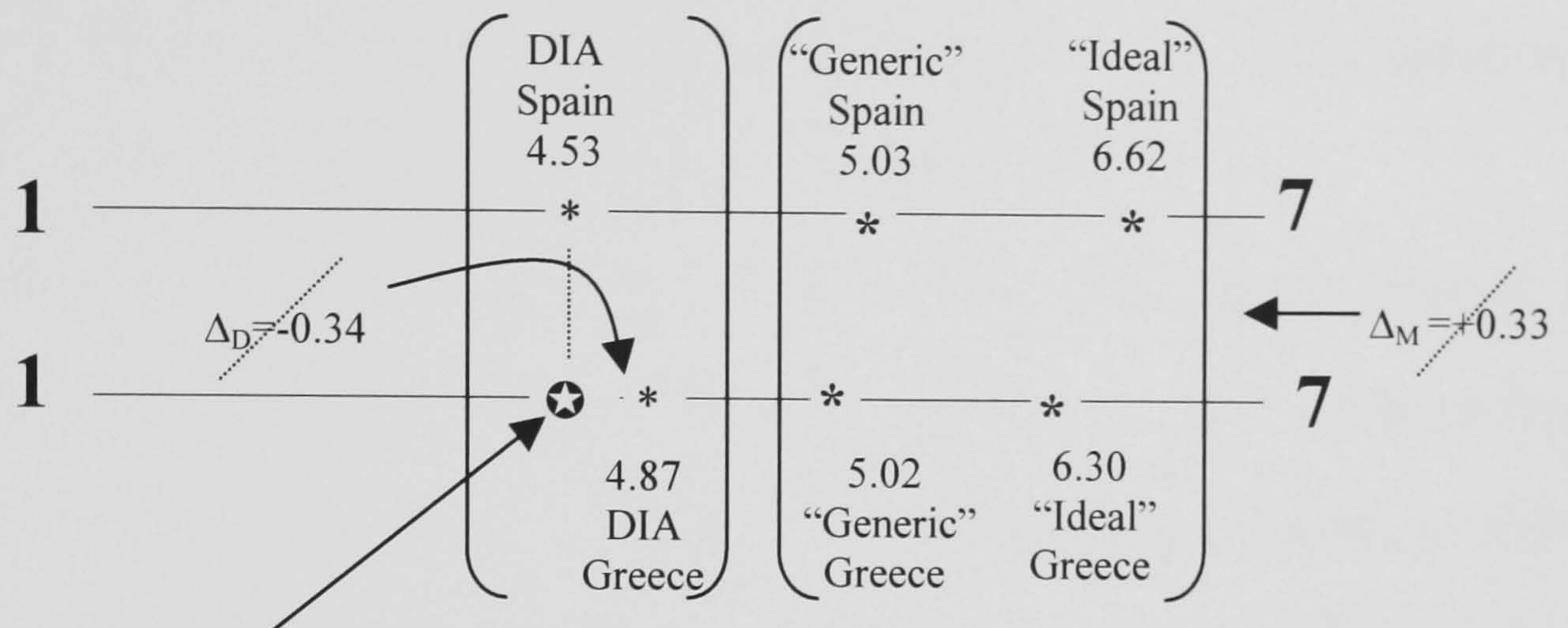
Greece. The process of internationalisation leads to the process of standardisation. The more you expand into countries the more you become standardised. For Greece, when we first entered we knew little about clients thus we were less standardised. However, the more you learn about the country the more you realise that you need to adapt less.”

Thus, from the rank attribute comparison of the DIA's stores (see table 7.8), as well as from the comments from the informal interviews with the management of DIA's headquarters in Greece (see exhibit 7.1), it could be argued that there is strong indication that DIA adopts a standardised strategy for its operations in Greece. While some degree of adaptation occurs in order to respond to local peculiarities, these alterations are of minor importance that do not affect the faithful replication of DIA's core concept in Greece.

A final reason for variation in the store image could be due to the significant 'market gap' observed between the two countries. The lower grocery store expectations found in Greece, combined with the country's relatively less aggressive competitive environment when compared to Spain, may have acted as a 'positive converter' upon DIA's image in Greece. It could be that although DIA Spain might have attempted to apply a faithful replication of its store image when entering Greece, the lower level of market expectation from the Greek DIA patrons, has positively converted DIA's store image in Greece. Thus, it could be assumed that it is the host market that in an unconscious way, has reinforced DIA's image in the market rather than DIA itself. In order for this assumption to hold, the gap difference found between the two DIA stores, and, the gap difference found between the Spanish and Greek marketplace, should give the sum of zero. Figure 7.4 provides a schematic illustration and arithmetical explanation for this assumption. Interestingly, the hypothetical "results" show that the

two ‘gaps’ are almost equally opposite and if they could be eliminated, DIA Spain and DIA Greece would have an almost identical overall image.

Figure 7.4 “Retail market variation” as a converter to DIA’s overall store image in Greece.



DIA’s **NEW** store image score in Greece based on the assumption that the ‘market variation’ between the two countries acts as a positive converter on DIAs’ store image when entering Greece.

$$SI_0 = \Delta_D + \Delta_M (\Delta_I + \Delta_{GC}) = [SI_{DIA\ Spain} - SI_{DIA\ Greece}] + ([SI_{‘ideal’\ Spain} - SI_{‘ideal’\ Greece}] + [SI_{‘Generic\ competitor’\ Spain} - SI_{‘Generic\ competitor’\ Greece}]) = [4.53 - 4.87] + ([6.62 - 6.30] + [5.03 - 5.02]) = (-0.34) + 0.32 + 0.01 = -0.01$$

SI= Overall store image for the stores under investigation (i.e. DIA, “Ideals”, “Generic competitors”

SI₀ = Zero difference between the store image (SI) of DIA Spain and DIA Greece i.e. standardisation

Δ_D = Observed overall store image difference between DIA Spain and DIA Greece

Δ_M = Observed overall store image difference between Spanish marketplace and Greek marketplace

Δ_I = Observed overall store image difference between “Ideal” Spain and “Ideal” Greece.

Δ_{GC} = Observed overall store image difference between “Generic competitor” Spain and “Generic competitor” Greece

Assuming that this scenario is true, this implies that the more the perceptions and expectations of Greek shoppers increase for the store image of the “ideal” and “generic” stores, the less positive will be their perceptions of DIA’s store image. In order to examine if such a negative relationship exists between DIA and its Greek marketplace influence a bivariate correlation is employed where DIA’s store image is tested for its relationship to the store image of “ideal” and “generic” Greece⁵ (see table 7.9).

Table 7.9 Bivariate correlation of DIA’s store image with its Greek marketplace

	“Ideal” Gr. overall image	“Generic” Gr. overall image
DIA overall image	- 0.011	- 0.045
** Correlation is significant at p<0.01 (2-tailed) * p<0.05		

⁵ Bivariate correlation examines whether positive or negative relationship exists between two variables. It is usually measured with Pearson product-moment correlation coefficient (*r*) where values lie between -1 and +1. +1 indicates that two variables are perfectly correlated where as -1 the opposite. A coefficient of 0 indicates that no relationship between two variables. In addition in order for *r* to be statistically significant, it is usually tested for p<0.01.

To some extent the results support this, since there appears to be a negative relationship between DIA's overall store image and the overall store image of "ideal" Greece and the Greek "generic" competitor. However, since this negative relationship is not significant, the argument that the lower stage of development of the Greek market acts as a positive converter to DIA's store image, can be questioned.

Overall, the comparison of DIA's Spanish store image against that of its subsidiary in Greece shows that substantial divisions exist between them, with the latter being perceived more positively by its patrons. The heterogeneous environment within which each store is operating may explain this difference. Additionally, this variation in store image may simply be explained by the innovative nature of the DIA format in the Greek market. However, despite the differences found in the attribute store image comparisons, there is evidence that DIA Spain has managed to standardise some of its core format-selling proposition in the Greek market. These are 'easy to shop in', 'selection of products', 'prices versus competition', and 'inadequate parking'. This view can be further justified from comparing the rank attribute performance observed for both stores (and the comments made by the managers from the DIA's Greek headquarters).

Taking into account the above attributes, in terms of the tangible versus intangible distinction, all four fall into the former category. The least tangible and more intangible attributes i.e. 'atmosphere', 'quality', 'trust', 'reliability' etc., were perceived as significantly different by both cultural units. This finding does not however demonstrate that tangible attributes are the ones that can be most easily copied in a host market, since a considerable number of attributes belonging to the tangible category were also perceived in a to be significantly different manner. Still, what can be said is that in the case of DIA it seems that the tangible attributes, particularly those that characterise the core selling proposition of a discounter have been or appear to be easier

to standardise. Thus, the ‘ease’ of standardisation could arise from the simplistic nature of the format’s unique selling proposition. Given this, the question now lies in the transferability of DIA’s competitive advantage into Greece.

7.1. 4 THE TRANSFER OF DIA’S COMPETITIVE ADVANTAGE IN TO GREECE

Until now, the analysis of store image has focused primarily on a comparison of the stores *between* the countries under investigation. While this process examines if DIA has adopted a standardised approach *per se* for transferring its store image into Greece, it does not shed light on the consequences this strategy has on the transferability of the store’s competitive advantage that is generated through store image.

In order to examine whether DIA Spain has transferred any of its competitive advantages into Greece, the second comparative process of the proposed research framework, *relative marketplace*, is employed. Here, a *within* country store image comparison between the DIA stores and its competitors in each country needs to be examined⁶. Moreover, the attribute rank order found for the “ideal” stores is also examined as this can provide information about which market-important attributes DIA is out-performing its competitors; and if so, do they (i.e. DIA’s competitive advantage) fulfil the most important needs of its patrons.

Table 7.10 presents the mean paired t-tests conducted between DIA’s home store image with that of the Spanish “generic competitor” as well the attribute rank order of “ideal” Spain. By observing the mean differences between DIA Spain and its “generic competitor”, it is apparent that DIA is outperformed in almost all attributes (13 out of 16). Not only is the store image of the “generic competitor” perceived to be better, but also these mean differences are statistically significant.

⁶ Additionally paired t-tests were employed for every major competitor identified in both countries. However, as results showed no major deviation from those found when comparing DIA with the overall competition these tables were included in the appendices (see appendix 7.1)

Table 7.10 Paired T-Test comparison of DIA Spain and “Generic Competitor” Spain

Attributes	Ranking of “ideal”	DIA Mean	Compet. Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	3=	5.27	6.19	-0.92	-9.862	0.000**
Sell good quality of fresh products	8=	4.36	6.08	-1.73	-16.090	0.000**
Narrow selection of products ^a	15	2.89	5.30	-2.43	-18.897	0.000**
Well stocked shelves	11	4.40	6.17	-1.80	-17.048	0.000**
Clean and tidy	1=	4.31	6.18	-1.87	-15.483	0.000**
Slow check out ^a	6	3.06	3.87	-0.80	-5.927	0.000**
Price its own labels reasonable to their quality	14	5.74	5.48	0.26	2.754	0.006**
Polite and helpful staff	8=	4.27	5.45	-1.18	-10.062	0.000**
Prices higher than competitors ^a	3=	6.23	3.72	2.53	22.321	0.000**
Pleasant atmosphere	16	3.93	5.60	-1.67	-14.089	0.000**
Evoke trustworthiness	10	5.09	5.96	-0.87	-9.835	0.000**
Attractive promotions	12	5.38	5.47	-0.07	-0.652	0.515
Convenient location	1=	6.47	6.16	0.31	3.396	0.001**
Inadequate parking ^a	5	3.33	4.26	-0.93	-5.585	0.000**
Reliable image	13	5.06	5.74	-0.67	-7.810	0.000**
Sell poor quality of own labels ^a	7	5.04	5.84	-0.80	-7.031	0.000**

^a=Mean scores have been reversed
Statistical significant *<0.05 **<0.01

DIA’s competitive advantage in Spain (i.e. where it outperforms the competition), lies only in the pricing policy it follows: ‘prices of own labels’ ($t(299)=2.754$, $p<0.05$), and ‘pricing versus competitors’ ($t(299)=22.321$, $p<0.05$), and in its ‘convenient location’ ($t(299)=3.396$, $p<0.05$). Having in mind DIA’s core selling proposition, as defined by the company manager, and that its major competitors were identified as supermarkets, this outcome does not come as a surprise, since the competitive advantage of a discounter arises primarily from price aggressiveness and proximity. Moreover, and if one takes into account the perceptions of DIA shoppers regarding their “ideal” store, DIA Spain has managed to fulfil two important aspects, which are location and prices versus competitors (ranked 1st and 3rd respectively). Thus, it could be argued that these two notions are the main driving forces for patronising DIA stores in Spain. For those attributes that are not so format specific or were viewed as the

basic functions of a grocery store, i.e. 'easy to shop in', 'quality of fresh', 'cleanness', 'stocked shelves', 'checkout speed', DIA Spain is perceived as performing less well compared to its competition. Particularly, for the attributes 'clean and tidy' and 'easy to shop in' (ranked 1st and 3rd in the "ideal" store respectively), it seems that DIA fails to provide these important aspects to its customers. Even for the attribute of 'quality of own labels', which is a core strategic element of the DIA offer, it is perceived as performing at a lower level than its competitors. Nonetheless, given that for the attribute 'prices its own labels reasonable to their quality' DIA's mean score is significantly better than its competitors, this indicates that, to some extent, own labels contribute to DIA's differential advantage in Spain.

Regarding the competitive advantage of DIA Greece, the results in table 7.11 indicate that DIA provides the same core competitive advantage as found in Spain, since for the attributes of 'prices of own labels', 'pricing versus competitors', and 'convenient location', DIA Greece is perceived more positively (and statistically significantly) than the "generic competitor". Moreover, DIA Greece seems to have two additional advantages that arise from the attributes of 'faster checkout' ($t(299)=2.574$, $p<0.05$), and 'attractive promotions' ($t(299)=2.958$, $p<0.05$). Interestingly, during the focus groups in Greece, these two attributes were discussed within the context of a store's overall pricing strategy. Thus, by aggregating these attributes it can be claimed that DIA Greece has the same competitive advantage, i.e. pricing and proximity, as in Spain.

When examining the rank importance of these attributes for the 'ideal', it appears that DIA Greece only fulfils one important aspect and that is 'prices versus competition' (ranked 2nd for "ideal" Greece). The remaining attributes in which DIA Greece is outperforming its "generic competitor", are perceived by shoppers as less important. Consequently, this may raise the question as to whether the discount format,

with its associated selling proposition, fulfils the true needs of the Greek market. However, given that ‘prices versus competition’ was perceived as one of the most important attributes in the minds of Greek shoppers (ranked 2nd for “ideal” Greece), and considering that for this cultural unit “pricing” includes other aspects as well (i.e. promotions, checkout speed etc.), this question can be answered affirmatively.

Table 7.11 Paired T-Test comparison of DIA Greece and “Generic Competitor” Greece

Attributes	Ranking of “ideal”	DIA Mean	Compet. Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	6	5.54	5.92	-0.38	-5.336	0.000**
Sell good quality of fresh products	5	5.31	5.82	-0.51	-5.237	0.000**
Narrow selection of products ^a	13	3.18	5.10	-1.92	-15.237	0.000**
Well stocked shelves	10	4.94	5.77	-0.83	-8.295	0.000**
Clean and tidy	3=	4.82	5.88	-1.06	-8.836	0.000**
Slow check out ^a	7	4.10	3.77	0.34	2.574	0.011*
Price its own labels reasonable to their quality	15	5.49	5.27	0.24	2.482	0.014*
Polite and helpful staff	1	5.44	5.75	-0.31	-3.386	0.001**
Prices higher than competitors ^a	2	6.38	4.59	1.79	17.233	0.000**
Pleasant atmosphere	9	5.33	5.73	-0.40	-5.272	0.000**
Evoke trustworthiness	3=	5.54	5.95	-0.41	-6.537	0.000**
Attractive promotions	11	5.84	5.60	0.24	2.958	0.003**
Convenient location	8	5.96	5.71	0.25	2.741	0.006**
Inadequate parking ^a	14	3.32	4.49	-1.17	-8.042	0.000**
Reliable image	12	5.52	5.78	-0.26	-3.794	0.000**
Sell poor quality of own labels ^a	16	4.25	4.84	-0.55	-4.957	0.000**

^a=Mean scores have been reversed
Statistical significant *<0.05 **<0.01

Overall, it is evident that DIA has managed to transfer its core domestic competitive advantage into Greece. When relating these results to the between country image comparison of the two DIA stores, an important question arises: how has DIA managed to successfully transfer its home competitive advantage into Greece, when the store images are perceived in a significantly different manner. One reason could lie in the simplistic nature of DIA’s competitive advantage (price and proximity) that is central to a discounter format. By “simplistic”, this refers to the level of difficulty or the time required for a competitive advantage to be recognised, or, to make a positive

impact in the shopper's mind. Taking the 'tangible versus intangible' classification, where price and proximity fall into the former category, and assuming that this category is more easily transferred abroad compared to 'intangible' factors, it can be argued that the simplistic nature of DIA's competitive advantage is one reason for the successful transfer to Greece.

Another reason, which is also related to the above claim, could be the stage of development of the Greek market and the acceptance of DIA's innovative selling proposition by the Greek shoppers. Given that Greek shoppers are less demanding compared to the Spanish in terms of 'retail expectations', that the Greek competitive environment is less 'aggressive', and that the Greek market still remains to be exploited by the discount format, all of these market related factors may have facilitated the transfer of DIA's competitive advantage in Greece. This facilitation is also aided by the fact that DIA's innovative concept, providing a unique selling proposition of low prices, has partially fulfilled the needs of the Greek shoppers.

These two factors, market and format related, may well explain the findings that DIA Greece is perceived as having a greater differential advantage over its competitors compared to its domestic equivalent. This could imply that DIA does not need to apply a faithful replication of its domestic store image in order to successfully transfer its competitive advantage into Greece. This can be supported as DIA has managed to transfer the competitive advantage of 'convenient location', and 'pricing of own labels' into Greece, without these attributes being standardised.

In contrast for the attribute of 'prices versus competition', it can be claimed that DIA has transferred this attribute by applying a standardised strategy, as it was perceived in a similar manner in both countries. If one considers that DIA Greece operates in a more aggressive environment in terms of pricing policy, it could be that

DIA has applied a standardised strategy for this specific element, as it is the only way to ensure the successful transfer of the core competitive advantage.

Keeping in mind the relationship between DIA and its marketplace, a final reason for the successful transfer of DIA's competitive advantage into Greece, may lie in the achievement of a similar market position. As such, the positioning strategy of DIA now needs to be examined.

7.2 ANALYSIS OF MARKET POSITION

In an attempt to establish further insight into whether DIA has adopted the other element of store brand image standardisation, positioning standardisation, when entering Greece, a perceptual map was produced. This was in order to establish the position that the DIA stores capture relative to their "generic competitors" and to the "ideal" grocery stores. While the positioning analysis remains in the *relative marketplace* comparison part of the proposed research framework, the difference between this analysis and the previous one (i.e. DIA store image attributes Vs "generic" store image attributes) is that shoppers perceptions are analysed in terms of a trade –off relationship (i.e. factor scores) rather than in absolute terms (i.e. mean scores). Before presenting the findings of DIA's positioning, a brief description of the method used for generating the perceptual maps is necessary.

7.2.1 GENERATING PERCEPTUAL MAPS FOR THIS STUDY

There are three main ways to generate positioning maps when using interval scales: Principal Component Analysis (PCA) or Factor Analysis⁷, multidimensional scaling (MDS), and Discriminant Analysis (Churchill, 1999). While all three techniques have the same principle behind them, being data reduction techniques to reduce a set of

⁷ Although a number of textbooks refer to PCA and Factor Analysis as being the same, these techniques differ in the way they calculate factors. Regarding this thesis PCA was employed due to the fact that it is less complex and psychometrically it is a sound procured (Field, 2000).

variables into common subgroups in order to generate map dimensions, each one uses different criteria for grouping variables. Thus, while PCA clusters variables according to their commonality, Discriminate Analysis classifies them in terms of how different they are⁸ (Aaker, 1971; Steves, 1992; Churchill, 1999; Craig and Douglas, 2000; Field, 2000). PCA was selected rather than Discriminant Analysis, since the latter technique contradicts with the aim and objectives of this thesis. That is to say that what is principally being investigated in this thesis is similarities (i.e. standardisation) rather than differences between stores.

PCA, as mentioned above, is a data reduction technique that can be used either for case reduction (i.e. like cluster analysis) or for variable reduction (i.e. scale items). The data reduction is achieved by classifying variables that correlate highly with a group of other variables but at the same time correlate very badly with variables outside this group. The result is the formation of a smaller set of uncorrelated group of variables called factors or dimensions. These dimensions, depending on their structure, can give a meaningful interpretation of the variable group's composition or can be used as axis for a positioning map. In addition, for the projection of a positioning map, factor scores need to be calculated. Conceptually, factor scores are viewed as a trade-off relationship between the cases and the factors as it represents the degree to which each individual scores high on the group of items that have high loadings on a factor⁹ (Aaker, 1971; Steves, 1992; Craig and Douglas, 2000; Field, 2000).

⁸ The reason for rejecting the Multidimensional Scaling technique was due to its analytic nature. A more detail discussion for this was given in the research methodology chapter.

⁹ For this study: individual scores derive from DIA patrons, cases are the stores, items are the attributes used to measure the store image, and factors the dimensions that have been composed from the aggregation of the items when employing PCA. For example a factor score, will signify what are the perceptions DIA patrons have for their store on a specific dimension in relation to their stores' competitors and "ideal" stores. Thus, the higher the factor score on a dimension for DIA the smaller the factor score will be for DIA's "generic competitor".

For this study, PCA was carried out by using varimax rotation for both country data sets. This was done in order to reduce the existing sixteen attributes that measure store image into fewer, more manageable, dimensions. The mean factor scores of each store for each country were then calculated and aggregated by store, so they could be used as co-ordinates for their position on the perceptual map. Then the actual factor scores were treated as raw data to assess whether significant differences existed between the store's positioning. Table 7.12 presents the outcome of PCA while table 7.13 provides in more detail the assessment of the PCA procedure and how it relates to this study.

Table 7.12 Factor solution for Spain and Greece

Rotated Component matrix						
	SPAIN			GREECE		
	Factor 1	Factor 2	Factor 3	Factor 1	Factor 2	Factor 3
Easy to shop in	.678			.690		
Sell good quality of fresh products	.717			.642		
Narrow selection of products ^a	.639			.711		
Well stocked shelves	.711			.784		
Clean and tidy	.833			.743		
Slow check out ^a			.757			.850
Price its own labels reasonable to their quality		.717			.433	
Polite and helpful staff	.678			.473		
Prices higher than competitors ^a		.561			.601	
Pleasant atmosphere	.814			.687		
Evoke trustworthiness	.788			.701		
Attractive promotions		.575			.689	
Convenient location		.455			.679	
Inadequate parking ^a			.627			.490
Reliable image	.664			.596		
Sell poor quality of own labels ^a	.547			.479		
Eigenvalues	34.8	11.7	11.6	35.81	9.65	7.32
	Total Variance Explained: 58.40			Total Variance Explained: 53.2		
Reliability of each factor:	0.90	0.50	0.60	0.86	0.55	0.46

Extraction method: principal component analysis with rotation method: Orthogonal Varimax.
^a = Scores have been reversed

Table 7.13 Assessing overall fit and assumptions of PCA for DIA stores

Assessing assumptions for PCA		
Task	Criteria	Propositions
Sample size	Kaiser-Meyer Olkin measure of sampling adequacy	> .80 meritorious > .70 middling > .60 mediocre
	Case per Variable Ration	At least 10/1 ration should exist between cases and variable
	Multicollinearity	The Determinant Value of R > 0.00001
No variable should be perfect or at all correlated	Singularity	Pearson's R correlation insignificant
Presence of some correlation among variables	Bartlett Test of sphericity	p < 0.05
Deriving and assessing overall fit for PCA		
Task	Criteria	Propositions
Factor Rotation	Desire of correlation between factors	<i>Orthogonal</i> : If derived factors wished to be independent
		<i>Oblique</i> : If derived factors wished to be independent
Number of Factors to extract	Total Variance Explained	In social science it usually accepted above 60% but in some instances even less
	Eigenvalues based on Sample Size	Eigenvalues should be greater than 1
Significance of Factor loadings	Examining high factor loadings	Sample size of ≥ 250 , variable loading should be greater than 0.300 at $p < 0.05$
		Identifying factor loadings > 0.30
Interpreting Factor Matrix	Desire of correlation between factors scores	Regression scores: derived scores are correlated within and between factors
		Bartlett or Anderson-Rubin scores: derived scores are correlated within and but not between factors
<p>Research application</p> <p>For Spain KMO = 0.924 For Greece KMO = 0.910</p> <p>For this study the ration was 300/16 = 18.75 cases per variable</p> <p>For Spain Determinant Value of is R > 0.008491 For Greece Determinant Value of is R > 0.004842</p> <p>For both countries R between variable correlation was insignificant</p> <p>For Spain: $\chi^2 = 6110.207$, df = 120, p < 0.00 For Greece: $\chi^2 = 9912.368$, df = 120, p < 0.00</p> <p>The theory of store image states that dimensions of store image are interrelated. For this reason Oblique rotation was performed. However the component correlation matrix (denotes the degree of independence between factors) showed high levels of independence between the Factors for both countries. For this reason Orthogonal Varimax rotation was performed. This method tries to load a smaller number of variables onto each factor thus generating more interpretable factors.</p> <p>Three Factors were extracted with Eigenvalues greater than 1 and Total Variance Explained Spain = 58.34 & Greece = 53.01</p> <p>For both Factor solutions variables loaded greater than 0.30</p> <p>Subjective interpretation of the three factors was performed according to the items' factor loadings. As a result the factors were labelled: Performance, Price/location, Time Effectiveness</p> <p>The theory of store image states that dimensions of store image are interrelated. For this reason, Regression scores were calculated from all cases for each factor.</p>		

Source: Aaker (1971), Hair, et al. (1995), Field, (2000)

From table 7.12 it can be seen that for both Spain and Greece, identical factors (dimensions) were extracted. The attributes, 'easy to shop', 'quality of fresh products', 'selection of products', 'well stocked shelves', 'clean and tidy', 'polite and helpful staff', 'pleasant atmosphere', 'trustworthiness', 'reliable image' and 'quality of own labels' loaded in factor 1. The attributes comprising this factor implied a dimension that essentially describes most of a grocery store's core functions, both tangible and intangible, and captures to some extent the concept of the fundamental added value that a store should offer. For this reason, this factor was named '*Core Performance*'. The second factor had fewer attributes loaded to it, namely 'pricing of own labels in relation to their quality', 'prices compared to competition', 'attractive promotions' and 'convenient location'. As this factor was largely composed of attributes measuring the pricing policy of a store as well as its location, and fall primarily into the 'tangible' category, this dimension was named '*Price/Location*'. The final factor included only two attributes, 'check out speed' and 'inadequate parking'. These two attributes, arguably, have to do with the time loss aspect of shopping at a grocery store. Therefore, this dimension was named '*Time Efficiency*' as it captures both tangible (time) and intangible (effectiveness) aspects of a store's image. From the above it is apparent that Spanish and Greek DIA shoppers essentially evaluate the store's overall image in the same manner, confirming that the scale used for this study has achieved, from a statistical point of view, construct equivalence.

When comparing these three dimensions to the dimensions identified in the focus groups, the outcome further supports the use of store image dimension (i.e. the sum of different attributes) rather than single attributes. However, at the same time, their composition does not directly relate to the dimensions found in the focus groups. The reason behind this, again, could be found in the specific characteristics of the store concept under investigation, since DIA is a discounter and in the focus groups

discussions was about grocery shopping and supermarkets in general. Furthermore, from a closer inspection of the outcome of this attribute aggregation an additional issue is raised. As each dimension represents a distinct concept, namely added value (performance), pricing and time, the traditional distinction found in the literature between ‘tangible’ and ‘intangible’ dimensions is questioned. This is most obvious in the of ‘core performance’ dimension which is made up of a range of attributes of different nature.

Having identified and labelled these three factors, a three-dimensional positioning map was then projected using each store’s factor scores as the co-ordinates (see figure 7.5). In order to identify the overall market position of each country’s marketplace, the average factor scores for the “generic competitors¹⁰” and “ideal” stores in both countries were calculated (see Table 7.14). To aid the visual comparison, and identify the competitive advantage that the DIA stores possess, two –dimensional maps were also projected (see figure 7.6, 7.7, 7.8).

Table 7.14 Mean factor scores of all stores used as co-ordinates for the perceptual map

	Core Performance	Price/Location	Time Effectiveness
Spanish “ideal”	0.52	0.43	1.08
DIA Spain	-1.00	0.27	-0.45
Spanish “Generic Competitor”	0.50	-0.67	-0.58
Greek “ideal”	0.46	0.32	0.83
DIA Greece	-0.80	0.26	-0.32
Greek “Generic Competitor”	0.29	-0.53	-0.56

From a visual inspection of the maps, it is evident that in both countries three distinctive clusters have emerged, the two DIA stores, their “generic” competitors, and the “ideal”

¹⁰ As in the case of the store image analysis, the stores that were identified as direct competitors for DIA in both countries were aggregated to generate the overall position of the “generic” competitor. For a more detail view for the exact positioning of these stores see appendix 7.2

stores. In addition, these maps also shed light on the market structure of the two countries.

Figure 7.5 Three-Dimension positioning map of DIA

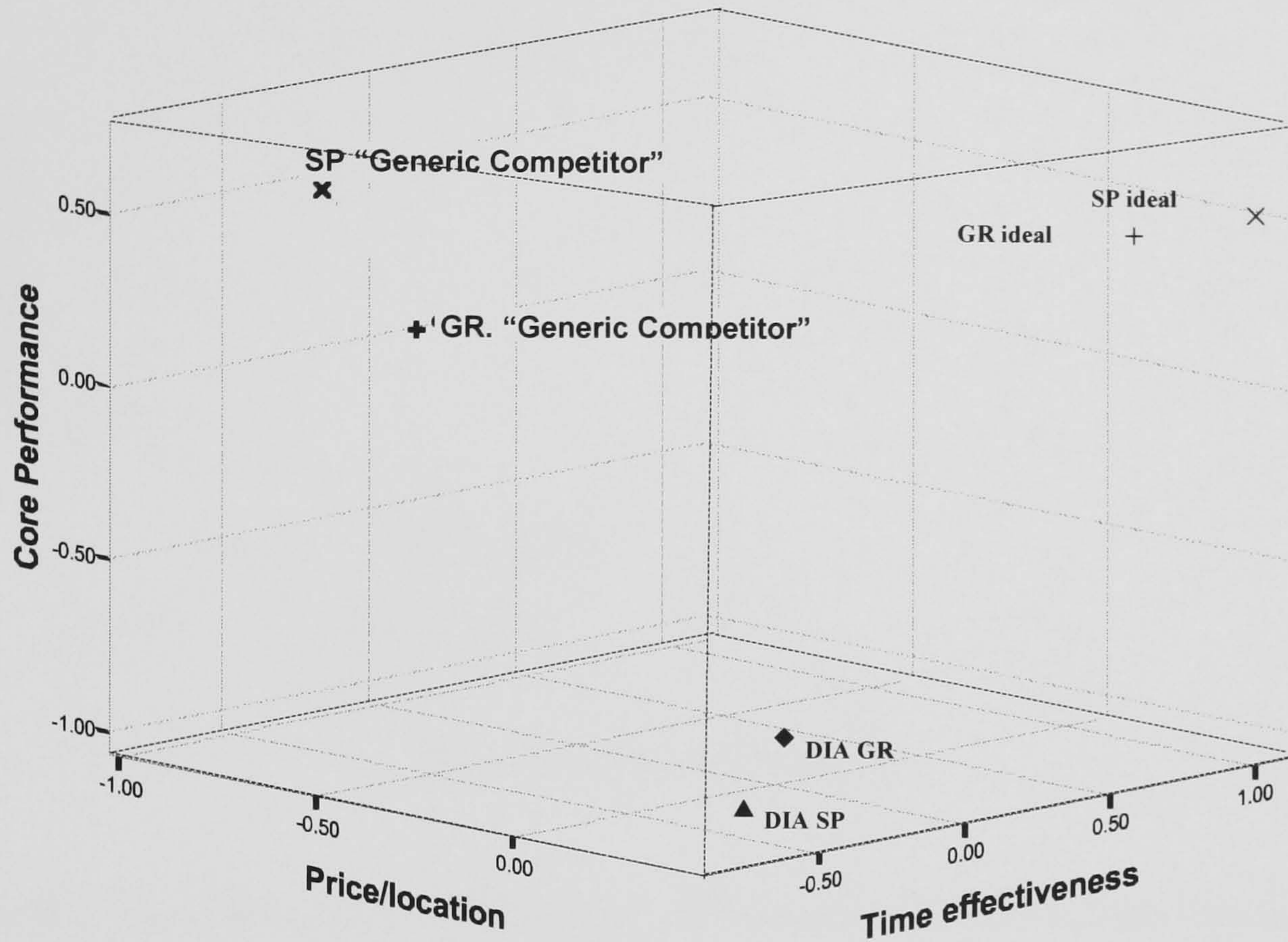


Figure 7.6 Two-Dimension positioning map of DIA: Core Performance Vs Price/location

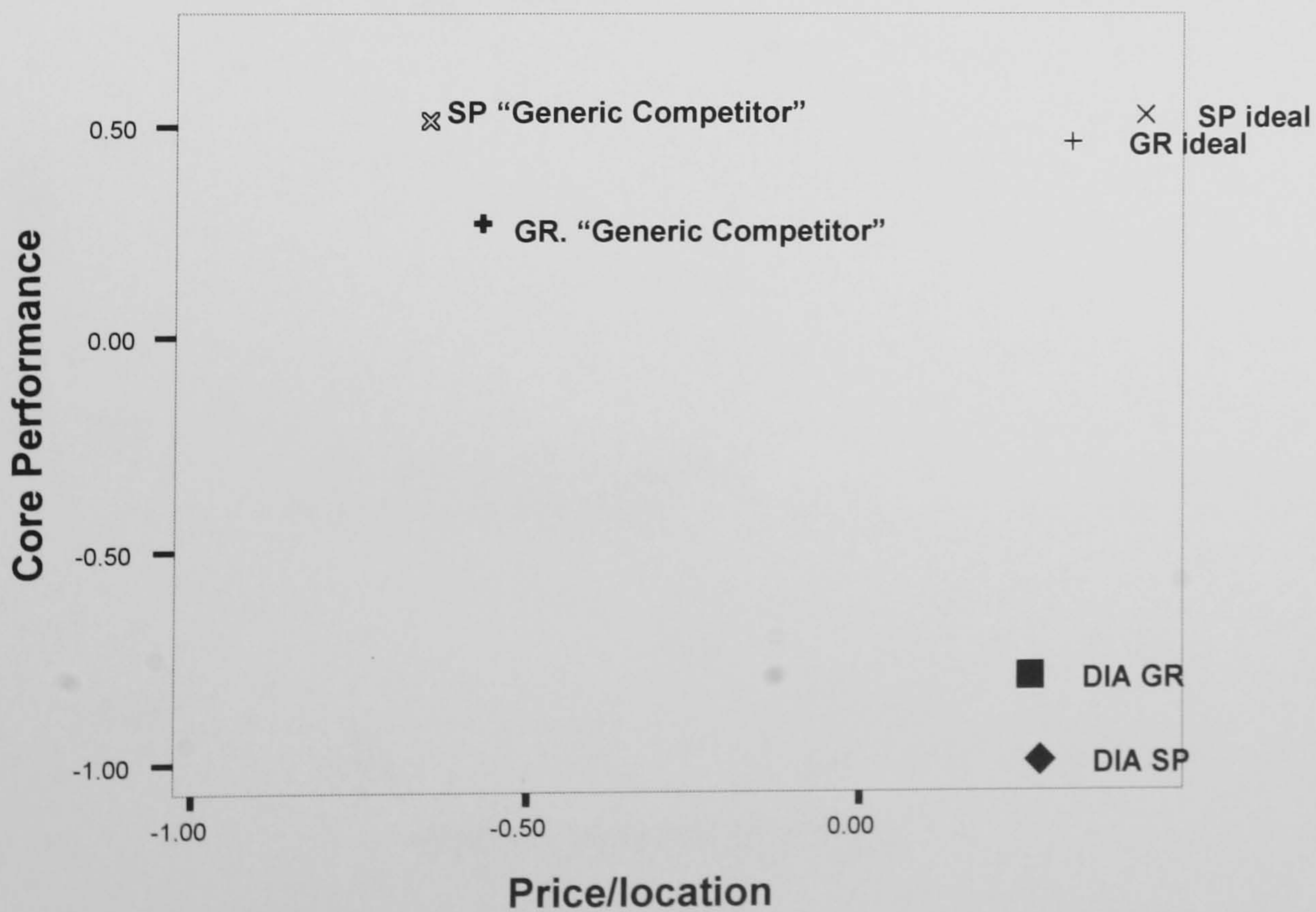


Figure 7.7 Two-Dimension positioning map of DIA: Core Performance Vs Time Effectiveness

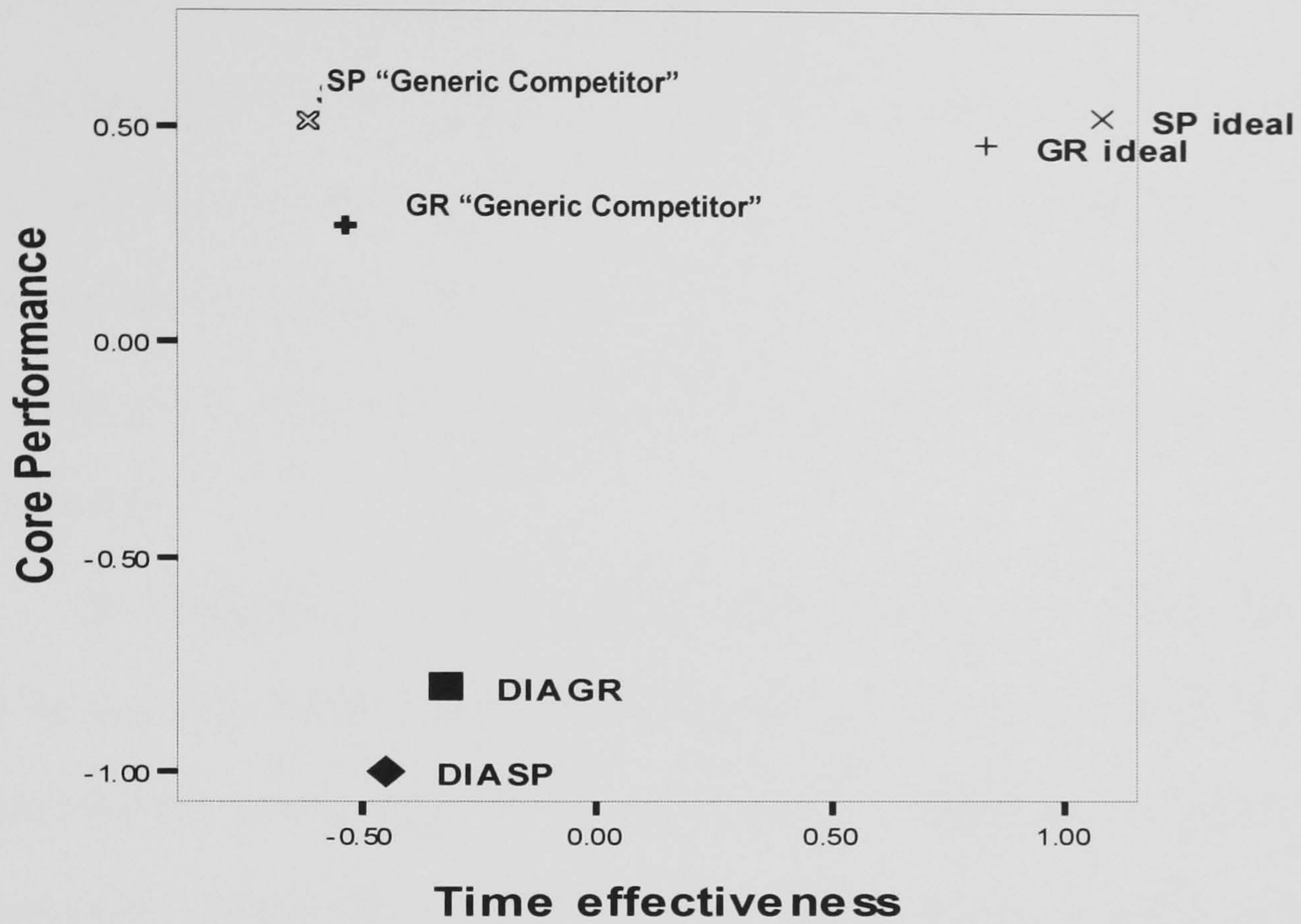
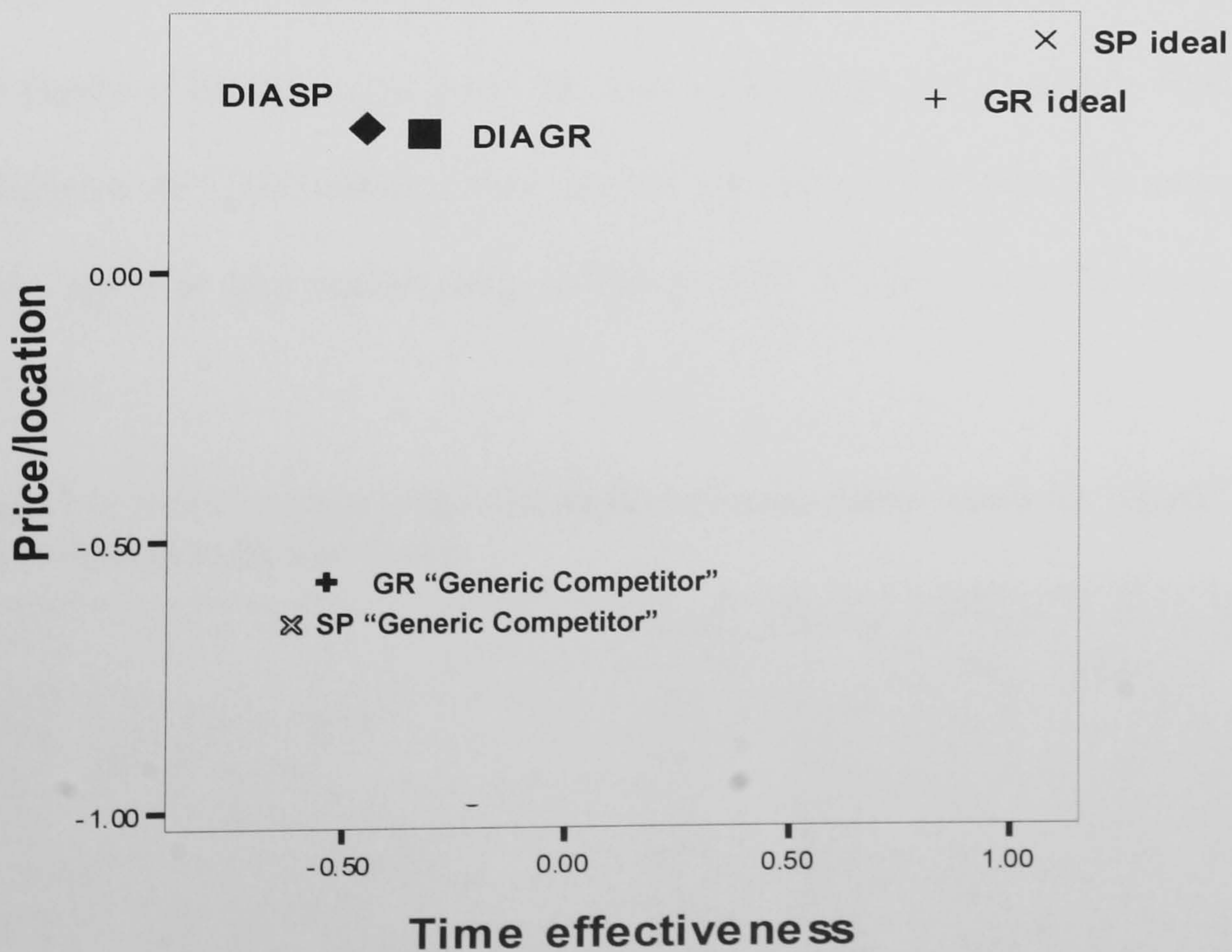


Figure 7.8 Two-Dimension positioning map of DIA: Price/location Vs Time Effectiveness



7.2.2 ASSESSING THE MARKETPLACE POSITIONING OF SPAIN AND GREECE

The positioning of the “ideal” Spain and “ideal” Greece stores, represents the expectations of Spanish and Greek DIA shoppers of a general grocery store. The space they capture in their corresponding markets is positively distinctive on all three dimensions relative to the actual stores under investigation (see figures 7.5, 7.6, 7.7 and 7.8). This can be further illustrated by the mean factor scores that these “ideal” stores have received on all three dimensions (see Table 7.15). Given this, they can be used as reference points when comparing the positioning of the DIA stores with their “generic” competitors.

By conducting a between country analysis for these two hypothetical stores, it can be seen that “ideal” Spain is located slightly higher than “ideal” Greece (i.e. has more positive scores). This implies that Spanish shoppers are more demanding of a grocery store compared to Greek DIA patrons. When analysing the actual store image of these two stores (see section 7.1) the same outcome is observed. However, when conducting paired t-tests between the mean factor scores of “ideal” Spain and “ideal” Greece, the results indicate that the apparent differences that these two stores occupy in the minds of Spanish and Greek DIA patrons are less clear (see table 7.16). Only on the dimension of ‘*Time Effectiveness*’ are the perceptions of Spanish shoppers found to be more superior and significantly different ($t(287)=6.541$, $p<0.05$) when compared to Greece.

Table 7.15 Paired sample T-test comparison of mean factor scores for “ideals” and “generic” competitors in Spain and Greece

	Spain	Greece	Mean Dif.	t-values	DF	Sig.* (2-tailed)
“Ideal” ‘Core Performance’	0.52	0.46	-0.05	-1.278	287	0.202
“Ideal” ‘Price/Location’	0.43	0.32	0.12	1.850	287	0.065
“Ideal” ‘Time Effectiveness’	1.08	0.83	0.25	6.541	287	0.000**
“Generic” ‘Core Performance’	0.50	0.29	0.21	3.305	254	0.001**
“Generic” ‘Price/Location’	-0.67	-0.53	-0.14	-1.697	254	0.091
“Generic” ‘Time Effectiveness’	-0.58	-0.56	-0.02	-0.347	254	0.729

Statistical significant * <0.05 ** <0.01

For the remaining two dimensions, both cultural units seem to position their “ideals” in the same relative perceptual space (*‘Core Performance’* ($t(287)=-1.278$, $p<0.05$), *‘Price/Location’* ($t(287)=1.850$, $p<0.05$). The reason for this perceptual discrepancy when comparing the store image and store positioning of the two “ideals”, lies in what these two notions measure and what means are used for measuring these concepts. The store image of the “ideal” stores measures and compares the ‘absolute’ perceptions found between Spanish and Greek DIA patrons since Likert mean scores are used, and comparison is made *per se* between the two stores. On the other hand, the concept of positioning measures the perceptions of Spanish and Greek patrons relative to the other two store clusters (i.e. DIA and the “generic” competitors), and a trade-off relationship is measured by employing factor scores.

Apart from the position of the “ideal” stores, the map also sheds light on the competitive market structure of both countries. When visually comparing the two markets, notable differences can be observed on all three dimensions. For the dimension of *‘Core Performance’*, the “generic” competitor in Spain is positioned higher (mean factor score 0.50) compared to its counterpart in Greece (mean factor score 0.29). In contrast, for the Greek “generic” competitor the map suggests that the competitive environment of DIA in this country has a more positive position regarding the dimensions of *‘Price/Location’* and *‘Time Effectiveness’*. Although judging from the space they occupy (see Figure 7. 5), a diverse position between the “generic” competitors can be observed, when comparing the mean factor scores for each country (Table 7.15), the results indicate that the two competitive environments are somehow perceived in a similar way. It is only on the dimension *‘Core Performance’* ($t(256)=3.714$, $p<0.05$) that the “generic” competitor of Spain is viewed as being significantly more ‘advanced’ relative to that of Greece, since on the other two dimensions although the Greek “generic” competitor is oriented towards a more

favourable price/location and time effective environment, the difference is not statistically significant. As such, and bearing in mind the attributes that comprise these dimensions, it is apparent that in Spain *vis-à-vis* Greece, grocery retailers are offering their customers added value, while sacrificing the pricing/location and time elements. This partial homogeneity between DIA's Spanish and Greek "generic" competitors was also demonstrated from the analysis of the "generic" store image (see section 7.2).

In summary, when comparing the positioning marketplace in Spain and Greece, the results suggest that the company is not operating in such a diverse retail environment as was found in the analysis of store image. Given this, the question now turns to the position of DIA in Spain and Greece.

7.2.3 ASSESSING DIA'S POSITIONING IN SPAIN AND GREECE

From a visual examination of the perceptual maps, (see figures 7.5, 7.6, 7.7 and 7.8) it can be argued that while DIA Spain and DIA Greece are capturing a similar market position, the Greek stores seem to have a more favourable position. Particularly for the dimensions of 'Core Performance' and 'Time Effectiveness'. It seems that DIA Greece is better positioned, since for these two dimensions the mean factor scores are higher (or less negative) compared to the ones received in Spain (see table 7.16).

Table 7.16 Paired sample T-test comparison of mean factor scores for DIA Spain and DIA Greece

	Spain	Greece	Mean Dif.	t-values	DF	Sig.* (2-tailed)
DIA 'Core Performance'	-1.00	-0.80	-0.20	-2.455	273	0.015*
DIA 'Price/location'	0.27	0.26	0.01	0.152	273	0.879
DIA 'Time Effectiveness'	-0.45	-0.32	-0.14	-1.767	273	0.078
Statistical significant *<0.05 **<0.01						

This notion that the DIA stores are perceived more positively in the foreign market was also supported by the attribute mean comparison of these two stores (see section 7.1.3). As stated earlier, one reason for the apparent superiority of DIA Greece

could be the 'retail cultural differences' between the two countries. When visually comparing the situation of the two "ideal" stores on the maps, the Spanish "ideal" is positioned slightly better than the Greek "ideal" (on the dimensions of '*Core Performance*' and '*Time Effectiveness*'). As in the case of the store image comparison, this implies that Spanish shoppers are more demanding towards a grocery store, thus when evaluating DIA's relative position, they might be expected to be stricter in their evaluation when compared to the Greek DIA patrons. However, from the paired t-test comparison of the "ideals" factor scores, the difference between the perceptions of Spanish and Greek DIA patrons indicates that their differences, particularly for the dimensions of '*Core Performance*' and '*Time Effectiveness*', are insignificant.

A second explanation could be found in the stores' competitive marketplace. The paired t-test factor score comparison between the two "generic" competitors indicated that the Spanish and Greek competitive environments differ significantly on the dimension '*Core Performance*'. Given that for this dimension, the positioning discrepancy between the two DIA stores is more evident (see figures 7.5, 7.6, 7.7 and 7.8 and table 7.16), it could be that the perceived positioning difference found between DIA Greece and DIA Spain arises from the differences in the countries' overall competitive structure.

Notwithstanding the positive market position DIA Greece has compared to DIA Spain, the most important insight drawn from the positioning maps is DIA's almost identical position in both countries. This signifies that their patrons perceive the stores as capturing an identical space within their corresponding marketplaces. This identical positioning of the DIA stores can be further supported by the fact that their mean factor score differences are statistically insignificant at $p < 0.05$ for the dimensions '*Price/Location*' ($t(273)=0.152$, $p < 0.05$) and '*Time Effectiveness*' ($t(273)=-1.767$, $p < 0.05$), and $p < 0.01$ for the dimension '*Core Performance*' ($t(273)=-2.455$, $p < 0.01$)

(see, Table 7.16). Regarding the latter dimension, it should be mentioned that the mean factor scores between DIA Spain and DIA Greece were found to be marginally statistically insignificant (for $p < 0.01$ but not for $p < 0.05$). Bearing in mind that the competitive market of DIA Spain was positioned significantly better than its Greek counterpart (i.e. has more demanding expectations), this could further support the argument that it is the competitive marketplace rather than the “retail expectation” that explains the difference in DIA’s positioning in Spain and Greece.

By taking into account the position both stores have in their respective markets, as well as the fact that the mean differences of their factor scores are statistically insignificant, it is evident that DIA has achieved a standardised position in Greece i.e. it occupies the same relative market position as in Spain. Interestingly, this outcome is in contrast to the findings from the store image comparison, where DIA Spain and DIA Greece were perceived as having a divergent store image.

The reason for the differences found between the store image and the store positioning comparison of the two DIA stores may lie in several factors. As explained previously, one reason may lie in the concepts of store image and store positioning. While these two concepts are interrelated, each one measures two distinct aspects of shoppers’ perceptions. The former measures and compares DIA’s store image in “absolute” terms, whereas the latter, measures perceptions relative to the marketplace. When employing the spectrum of ‘relativity’, the results depict that DIA has managed to achieve a standardised strategy in Greece. The word ‘achieve’ is deliberately used here instead of ‘apply’, since it appears that while DIA has not applied (i.e. dictated) its home standards in Greece (via its store image) it has managed to achieve standardisation (in its positioning). Given that positioning is the process (i.e. achievement) by which a company establishes its offer in a place in the minds of its shoppers, it can be argued that DIA has achieved standardisation rather than applied it.

Considering that DIA's marketplace context in Spain and Greece are viewed differently in 'absolute' perceptual terms, it seems that DIA has managed to overcome these 'retail differences' and relatively standardise its offer into Greece.

Then again, this discrepancy between the store image and positioning of DIA may be explained by the fact that in 'relative' terms the Spanish and Greek marketplace were found to be homogeneous. Taking into account that the positioning of the "ideal" and "generic" stores in Spain and Greece captured similar spaces on the maps, it could be argued that this market homogenisation may have facilitated or allowed DIA to achieve a standardised positioning in Greece.

Having identified that DIA Spain has achieved a standardised position with its Greek operations, the question now turns to how positioning relates to the transfer of the stores' competitive advantage.

7.2.4 ASSESSING DIA'S COMPETITIVE ADVANTAGE

From a visual inspection of the positioning maps, it is clear that DIA's competitiveness in Spain and Greece derives from the dimensions of '*Price/location*' and '*Time Effectiveness*', as its stores have achieved a significantly better market situation on these criteria than their competitors (see figures 7.5, 7.6, 7.7, 7.8 and table 7.17). Concerning the third dimension, '*Core Performance*', DIA is relatively poorer positioned compared to its competitors, indicating that its stores in Spain and Greece are neglecting to provide their shoppers with some fundamental aspects of a grocery store. This can be seen from the paired t-tests employed on the factor scores between the DIA stores and the "generic" competitors for this dimension. For both countries, it is apparent that DIA is significantly underperforming relative to its "generic" competitors ($t(269)=-23.265$, $p<0.05$) for Spain and ($t(259)=-13.776$, $p<0.05$) for Greece) (see table 7.17). This shortcoming becomes more evident when comparing the position DIA Spain

and DIA Greece capture in relation to their “ideal” stores. While, DIA’s “generic” competitors, in both countries, seem to fulfil shoppers’ expectations (i.e. they are positioned close to the “ideals), DIA Spain and DIA Greece have failed noticeably. However, taking into account the attribute composition and the notion that the ‘*Core Performance*’ dimension captures in relation to the overall concept of a discounter, this under position should not come as a surprise. Given the basic selling proposition that a discounter offers to grocery shoppers, it could be the intention of DIA to assign less weight to this aspect of a store, and focuses more on its format uniqueness which is price and location proximity. Thus, this underperformance may be a deliberate intention or outcome of the company’s strategy. In this way, it creates a clear distinction in the eyes of its patrons relative to other competitors such as supermarket formats.

Table 7.17 Paired sample T-test comparison of mean factor scores for DIA Spain and DIA Greece

	Dimensions	DIA	“Generic” Competitor	Mean Dif.	t-values	DF	Sig.* (2-tailed)
Spain	‘Core Performance’	-1.00	0.50	-1.50	-23.265	269	.000**
	‘Price/location’	0.27	-0.67	.90	11.893	269	.000**
	‘Time Effectiveness’	-0.45	-0.58	.13	3.160	269	.002**
Greece	‘Core Performance’	-0.80	0.29	-1.09	-13.776	259	.000**
	‘Price/location’	0.26	-0.53	.79	10.180	259	.000**
	‘Time Effectiveness’	-0.32	-0.56	.24	2.328	259	.021*

Statistical significant *<0.05 **<0.01

Indeed this idea of DIA focusing more on the competitive advantage that derives from its format selling proposition can be seen when examining the dimension ‘*Price/Location*’. For this dimension, DIA Spain and DIA Greece have received positive scores (0.26 and 0.27 respectively), whereas their “generic” competitors have received negative ones (- 0.67 and -0.53 respectively), making them positively significantly different ($t(269)=11.893$, $p<0.05$) for Spain and ($t(259)=10.180$, $p<0.05$) for Greece. This can be further supported by using as a reference point the market position of the two “ideal” stores. Given that the position of the “ideal” stores represents

the general expectations of DIA patrons, it appears that DIA has achieved a price/location strategy close to these hypothetical stores, indicating that the company manages to fulfil its patrons' expectations on price/location in both countries. This format related competitive advantage, which is generated in both countries, was also found in the store image attribute comparison (see section 7.1.4). Although, it can be argued that with the fulfilment of price/location expectations, the company manages to generate differential advantage from its competition, on the dimension '*Time Effectiveness*' DIA's competitive response might be questioned. Although both stores are positioned significantly more positively on this dimension compared to their "generic" competitors ($t(269)=3.160$, $p<0.05$) for Spain and ($t(259)=2.328$, $p<0.01$) for Greece), when using the market "ideals" as reference point, it is evident that both DIA stores (as well as their competitors) are performing far way from the expectations of Greek and Spanish shoppers.

This raises two issues. First, it could be claimed that the competitive position of DIA Spain and DIA Greece on the '*Time Effectiveness*' dimension derives from the poor performance of its competitors, rather than DIA's strategy. Second, and given that shoppers expectations on this dimension are far from being achieved by all the stores, this could raise questions about the potency that DIA has over its "generic" competitors from this source of competitive advantage. This claim can be further supported when examining the statistical significance of the '*Time Effectiveness*' dimension between DIA Greece with its "generic" competitor, where the difference is marginally significant (only for $p<0.01$). Thus, it could be argued that although DIA has managed to gain, in both countries, some form of differentiation on this notion, it still needs to improve considerably in order to declare it as a strong source of competitive advantage (as in the case of '*Price Location*').

From the above, and taking into account that DIA has achieved standardisation of its store positioning in Greece, it can be claimed that through this form of standardisation the company has managed to successfully transfer its competitive advantage into the host market. This arises primarily from the dimension “*Price/location*”, since for the dimension ‘*Time Effectiveness*’ questions arise regarding its vulnerability relative to competition.

The issue of DIA’s competitive strength on this particular dimension (i.e. ‘*Time Effectiveness*’) could also raise questions for the entire positioning strategy of DIA in both countries. Assuming that DIA manages to transfer its competitive advantage through standardised positioning, this could have major implications in the future if DIA’s positioning is weak in the minds of its patrons, since loss of competitiveness may occur. One way to check the strength of DIA’s positioning, is to examine the stability of the stores’ positioning across the “generic” competitors identified by its patrons. For this, the Multivariate Analysis of Variance (MANOVA)¹¹ test was employed (Table 7.18). What MANOVA will depict is whether the overall perceptions DIA patrons have for the DIA stores, fluctuate according to the competitors they have identified (e.g. Does DIA’s positioning fluctuate between the patrons who identified as its competitor Kampio, Caprabo, Condis, etc).

The results of the MANOVA test, show that the effect Spanish competitors have on the perceptions of DIA’s patrons with regards to its positioning is statistically

¹¹MANOVA is an omnibus test that informs us of whether groups of subjects can differentiate by a combination of several dependent measures. It has the power to look simultaneously the interaction of several depended variables and detect if groups differ from each other along a combination of dimensions. For this study, one set of dependent variables are DIA’s positioning on the three dimensions and the other one the identified competitors.

For examining the effect a group of dependent variables has on another four test statistics are used: Pillai’s, Wilks’, Hotellings’ and Roy’s. The power and robustness of these tests depends on the size composition of the sample groups and whether the assumption of equality of variance between groups is met. Regarding the sample size composition, if between group sizes are unequal (like in this study) Roy’s test robustness can not be assumed. Likewise, Roy’s test should not be used when the assumption of equality of variance between groups is not met. This assumption is examined by employing Levene’s and Box’s test for which both tests should be non significant. Since for this study, and specifically in the case of Greece this assumption is partially met, Roy’s test was not considered when reporting the results for MANOVA (Field, 2000; Hair, et al., 1995).

insignificant, indicating that DIA's positioning in Spain is consistent irrespective of the competition. In contrast, the results for Greece depict that the perceptions Greek DIA patrons have for their stores' positioning is significantly interchangeable between its identified competitors, indicating that DIA has an incoherent positioning in this country. Assuming that DIA's competitive advantage in Greece derives from its positioning strategy, it can be argued, that the lack of coherence found in the perceptions of its patrons could cause loss of competitiveness in the long run and make DIA Greece vulnerable to its competitors.

Table 7.18 MANOVA examination of DIA's positioning strength versus local competition

Positioning for DIA Spain				
Effect	Value	F	df	Sig.
Pillai's Trace	0.058	1.868	9	0.053
Wilks' Lambda	0.942	1.881	9	0.052
Hotelling's Trace	0.061	1.888	9	0.050
Roy's Root	0.050	4.726	3	0.003**
Levene's Test of Equality				
'Core Performance'		.866	3	.459
'Price/location'		1.968	3	.119
'Time Effectiveness'		.499	3	.683
Box's Test of Equality Sig. = .456				
Positioning for DIA Greece				
Effect	Value	F	df	Sig.
Pillai's Trace	0.096	2.321	12	0.006**
Wilks' Lambda	0.906	2.334	12	0.006**
Hotelling's Trace	0.101	2.339	12	0.006**
Roy's Root	0.068	4.752	4	0.001**
Levene's Test of Equality				
'Core Performance'		3.752	4	.005**
'Price/location'		.948	4	.437
'Time Effectiveness'		1.435	4	.223
Box's Test of Equality Sig. = .001**				
Statistical significant *<0.05 **<0.01				

This instability in the positioning of DIA Greece could reveal some new perspectives with regards to the relationship of 'time' and the impact it has on the DIA stores. Until now, it has been claimed that DIA's relatively short length of time in the Greek market (being in the initial stages of its life cycle), combined with its innovative

selling proposition may have had a positive impact on the perceptions of Greek grocery shoppers. In contrast, for DIA Spain, which has a less positive store image, one could argue that the extensive length of time that DIA has operated in Spain, might imply that DIA has reached the maturity stage of its life cycle and that the stores are starting to lose their innovative selling proposition. However, when taking into account the consistent positioning found in the home market, it could also be argued that DIA's length of time in the Spanish market has provided it with a consistent and clear positioning. Thus, DIA Spain has or is becoming an institution, rather than just a discount offer, in the minds of Spanish shoppers. Assuming that DIA Spain has reached a phase of institutionalisation, this might provide the company with a competitive advantage that is beyond its selling offer and that can help it to sustain differentiation from rivals and continue successfully in its home market. In the case of DIA Greece, it has not yet achieved a coherent positioning in the minds of its patrons. Given this, it could be that the company is reaching a critical stage of the internationalisation process, where its foreign operation has yet to be perceived as an institution. Thus, if its format innovativeness starts to fade away, due to response from the market, the company may find itself vulnerable to competition and will either need to find other ways to differentiate itself in Greece or decide to withdraw from this country.

This scenario of time and vulnerability becomes more apparent when the simplistic nature of DIA's competitive advantage is taken into account. As stated in previous sections, DIA's competitive advantage was defined as simplistic, since it is generated from 'tangible' attributes that need less time to be recognised by shoppers therefore creating a quicker positive impact in their minds. In addition, the simplistic nature of DIA's competitive advantage may have allowed DIA to successfully transfer and standardise its offer in Greece. Regardless of the advantages associated with a simplistic competitive advantage, its major drawback is that it can be easily copied by

competitors. Taking into account that most of the attributes that compose the dimensions of *'Price/Location'* and *'Time Effectiveness'* fall into the 'tangible' classification, and having in mind that DIA's positioning in Greece is inconsistent among its patrons, this might signify that DIA's positive image in Greece is temporal. It could only be a matter of time before competition will start copying its innovative selling proposition and the Greek DIA stores lose their differential advantage.

A final issue from the MANOVA results is related to the notion of time, is one of methodological implications for the standardisation versus adaptation debate. Given that this study is a snapshot in time, one could argue that DIA's standardised positioning into Greece is time relative, and if a similar study conducted in the future, results could be different.

The results of the comparison of DIA's positioning with that of its "generic" competitors in Spain and Greece, coincide with the ones found when analysing the stores' store image attributes. In both cases, it appears that DIA has managed to transfer its competitive advantage, which is its pricing strategy and location proximity. In the attribute comparison, it was also argued that although DIA Spain has not standardised its image in Greece, the innovativeness and the simplistic nature of the competitive advantage, may be the reasons for DIA's competitive transferability into Greece. Likewise, similar claims can be made from the results of DIA's positioning strategy. However, from these results one additional factor should be considered in respect to the transfer of DIA's competitive advantage, and that is that the company has managed to position the discount concept in both countries the same way. Thus, it can be argued that through a standardised positioning approach the company has successfully managed to transfer its domestic competitive advantage into the host market.

7.3 COMPARISON OF DIA'S STORE IMAGE ON DIMENSIONS

As mentioned previously the reason for employing PCA, was to classify, in an objective way, the sixteen store image attributes into groups so they can be used as dimensions for the analysis of DIA's positioning. In addition, these dimensions can be used for the analysis of DIA's store image but from a dimension rather than attribute perspective. The reason for employing this image examination perspective is twofold. First, it allows us to question whether store image examination should be undertaken from an attribute or a dimension perspective. Second, it can be used as an affirmation process for the results found up to now. As such, the actual attribute scores were summated according to the PCA factor solution, and an overall mean score was calculated for the three identified dimensions¹². Having done this, the mean score differences of the three dimensions was examined, for all stores, by using paired t-tests (see tables 7.19, 7.20, 7.21).

The results of this store image dimension analysis, to some extent, reinforces what has been claimed in the attribute examination. Specifically, with regards to the "ideal" Spain and "ideal" Greece, table 7.19 depicts a significant 'retail shopping cultural difference' between the Spanish and Greek DIA patrons, with the former group showing "higher expectations" for the performance of an "ideal" store. In addition, by observing the mean rank order of these dimensions, it appears that both cultural units have different expectations and priorities for a store. Greek DIA patrons seem to give more weight to the notion of price/location, followed by performance and time effectiveness. On the other hand, Spanish patrons prioritise the notion of time loss, followed by price/proximity, and seem less interested on the core performance aspects offered by a store.

Table 7.19 Paired T-Test comparison of “Ideal” Spain and “Ideal” Greece store image on dimensions

Store Image Dimensions	SP “ideal” Mean	Rank	GR “ideal” Mean	Rank	Mean Dif.	t-values	Sign* (2-tailed)
Core Performance	6.52	3	6.31	2	0.20	4.699	0.000**
Price / Location	6.60	2	6.33	1	0.26	5.457	0.000**
Time Effectiveness	6.75	1	6.26	3	0.48	7.097	0.000**
Statistical significant * <0.05 ** <0.01							

Table 7.20 Paired T-Test comparison of “Generic” competitor Spain and “Generic” competitor Greece store image on dimensions

Store Image Dimensions	SP Com. Mean	Rank	GR Com Mean	Rank	Mean Dif.	t-values	Sign* (2-tailed)
Core Performance	5.85	1	5.66	1	0.19	3.671	0.000**
Price / Location	5.20	2	5.28	2	-0.08	-1.195	0.233
Time Effectiveness	4.06	3	4.13	3	-0.07	-0.635	0.526
Statistical significant * <0.05 ** <0.01							

Concerning the dimension analysis of the “generic competitors”, the results indicate that the DIA stores operate in a similar competitive marketplace in terms of ‘*Price/location*’ and ‘*Time Effectiveness*’ since for these dimensions no statistical difference is observed in the perceptions of Spanish and Greek DIA patrons (see table 7.20). Only for the dimension ‘*Core Performance*’ is DIA’s home competitive marketplace more ‘advanced’ than its foreign counterpart.

When comparing these results with the ones found in the attribute analysis, some discrepancy can be observed particularly, between the dimension ‘*Price/Location*’ and the attributes that comprise this dimension. While in the attribute analysis the attributes of ‘convenient location’ ‘price of own labels’ and ‘prices higher than competitors’ were found to be statistically different between the two countries, the dimension that captures these store characteristics as a whole, is not perceived as significantly different. This

¹² According to the reliability analysis of these new summated scales (see table 7.11), questions rise whether they can be used as independent variables for further analysis. However, as this study is of exploratory nature and with no intention of creating a new construct, these summated scales are treated as new variables.

outcome raises the question of whether store image should be examined from an attribute or a dimension perspective

The debate over what level to conduct store image examination can be further raised when examining the paired t-test comparison of the dimension 'Price/Location' for DIA Spain and DIA Greece (see table 7.21). Once again, while in the attribute comparison the corresponding attributes implied that the perceptions of Spanish and Greek DIA patrons are significantly different, when aggregating them to compose the dimension of 'Price/location' the results suggest the opposite ($t(299)=0.704$, $p<0.05$), indicating that both cultural units share similar perceptions of this item. In addition, the differences in store image dimensions identified in the DIA stores contradicts the results found in the positioning analysis. While DIA was found to have a standardised positioning on all three dimensions, in this case it seems that DIA is only standardised on the dimension of 'Price/Location'. Hence, it could be argued that results not only can differ from an attribute and dimension perspective but also, from an 'absolute' (i.e. store image) and 'relative' (i.e. positioning) perspective.

Table 7.21 Paired T-Test comparison of DIA Spain and DIA Greece store image on dimensions

Store Image Dimensions	SP DIA Mean	Rank	GR DIA Mean	Rank	Mean Dif.	t-values	Sign* (2-tailed)
Core Performance	4.46	2	4.99	2	-0.52	-7.029	0.000**
Price / Location	5.95	1	5.92	1	0.03	0.704	0.482
Time Effectiveness	3.19	3	3.70	3	-0.52	-5.036	0.000**

Statistical significant * <0.05 ** <0.01

Nevertheless and despite this contradiction, when comparing the results from table 7.21 with the ones found in previous sections, certain claims can be reinforced. First, regarding the actual performance between the two stores, the mean differences of the dimensions indicate that DIA Greece is once again considerably outperforming its home (Spanish) operations. This was also seen in the comparison of the stores' attribute and positioning analysis. As such, the claim that DIA's life cycle stage and the

innovative nature of the format within the two countries, as well as the lower levels of 'retail cultural expectations' found in Greek patrons may act as a 'positive converter', can be reinforced.

Second, by observing the relative importance of the stores' dimensions (via their rank order) and mean differences, (see Table 7.21), it can be claimed that DIA Spain has managed to replicate some core elements of the limited line discount store concept in Greece. Thus, keeping in mind the notions which these dimensions capture, and taking into account that the mean differences for DIA Spain and DIA Greece on the dimension '*Price/Location*' is not statistically significant, this further supports the claim that DIA might only need to apply a standardised strategy to its unique format selling propositions, rather than for the whole .

When assessing the store image dimensions of the DIA stores within its respective marketplace, the results reinforce the claims for DIA to standardise only its unique selling proposition. As also suggested in previous sections, it seems that DIA's selling proposition 'fits' the Greek market. When examining the dimension rank order of the "ideal" Greece and DIA Greece, it seems that DIA's offer fulfils the expectations of Greek grocery shoppers, since both stores received similar ranking on all three dimensions. Thus, as DIA's main concern is to offer low prices and proximity, followed by '*Core Performance*' and '*Time Effectiveness*', this prioritisation of offer seems to be in accordance to the expectations of its Greek patrons (see table, 7.23). On the contrary, DIA's offer in Spain fails to fulfil its patrons' expectations since while DIA Spain ranks first on the notion of '*Price/Location*', its patrons give priority to '*Time Effectiveness*' (see table 7.22). This outcome might shed light on the motives for DIA's internationalisation into Greece. It could be that DIA has realised that in Spain, its format has reached the maturity stage where loss of its innovative offer might occur, and that the offer is not fulfilling all the needs of its local shoppers. As such, one way to

secure the company's future is to internationalise into Greece, where the country is still unfamiliar with the discount format, and the "retail culture" of Greek shoppers is ready to accept DIA's selling proposition. Given this, one way to ensure that DIA's offer fulfils the expectations of Greek grocery shoppers is to standardise the unique selling proposition of the format, which is price and proximity.

By standardising this notion, this could also ensure that DIA's innovative offer is easily identified by Greek grocery shoppers, thus ensuring the successful transfer of the stores' competitive advantage into the local market. While this was claimed from the attribute based store image and positioning comparison of DIA with its "generic" competitors, it can be further supported by the paired t-test comparison of the dimensions (see tables 7.22 and 7.23).

Table 7.22 Pair T-Test between DIA Spain and Competition on new dimensions

Store Image Dimensions	"Ideal" Ranking	DIA Mean	Competit. Mean	Mean Dif.	t-values	Sign* (2-tailed)
Core Performance	3	4.46	5.85	-1.39	-21.545	0.000**
Price / Location	2	5.95	5.20	0.75	12.811	0.000**
Time Effectiveness	1	3.19	4.06	-0.87	-8.270	0.000**
Statistical significant * <0.05 ** <0.01						

Table 7.23 Pair T-Test Between DIA Greece and Competition on new dimensions

Store Image Dimensions	"Ideal" Ranking	DIA Mean	Competit. Mean	Mean Dif.	t-values	Sign* (2-tailed)
Core Performance	2	4.99	5.66	-0.67	-13.020	0.000**
Price / Location	1	5.92	5.28	0.64	12.092	0.000**
Time Effectiveness	3	3.70	4.13	-0.43	-4.268	0.000**
Statistical significant * <0.05 ** <0.01						

For both countries, DIA's competitive advantage is found in the notion of price and proximity, indicating that DIA has managed to transfer its home competitive advantage into Greece. Hence, and if one considers that DIA Greece operates in a more aggressive environment in terms of pricing policy compared to DIA Spain, it could be,

that DIA has applied a standardised strategy for this specific element, as it is the only way of ensuring the successful transfer of this competitive advantage.

As for the remaining two dimensions, it seems that DIA's store image is failing significantly to provide a differential advantage when compared to its "generic" competitors. Interestingly, when relating these results with the ones found in the comparison of DIA's positioning some disagreement appears, particularly for the dimension of '*Time Effectiveness*'. While in the positioning analysis, the results indicated that DIA Spain and DIA Greece seem to be positively differentiated from their competitors on this dimension, this is not the case in the store image dimension comparison. One reason for this could be, once again, the nature of this evaluation in terms of the 'absolute' and 'relative' perspective.

A second reason could be the simplistic nature of DIA's competitive advantage. As claimed in the positioning analysis, the fact that DIA's competitive advantage is generated primarily from 'tangible' aspects could be seen as a drawback since it can be easily copied by competitors, and/or fade away quickly from its patrons' minds. Given that DIA Spain and DIA Greece are significantly underperforming on the store image dimension of '*Time Effectiveness*', although in the positioning comparison this notion seemed to generate some differentiation, this could partially further support the argument that tangible advantages are more vulnerable to market changes. Thus, due to the nature of the DIA concept, combined with the length of time it has operated in Spain and Greece, the company might be reaching a critical stage in both countries as its selling proposition is pressurized either from the market's reaction or from the evolution of its shoppers needs.

For DIA Spain, this threat can be seen coming from its patrons. As observed previously in the discussion of the rank order of the dimensions for the "ideal" Spain and DIA Spain, the DIA concept seems to be drifting away from its patrons'

expectations, as they place more importance on the notion of time effectiveness rather than price and proximity. Thus, it could be argued that while the innovative selling proposition for DIA in Spain still remains intact from competitors' response, over time it seems to be losing its uniqueness in the minds of its patrons as this criterion is no longer their number one priority. Despite the negative impact of time on DIA's home operations, it was also suggested that it might have acted as a positive factor as it may have allowed DIA to reach a stage where the stores are perceived as something more than their selling proposition (i.e. just a discounter). This stage was called institutionalisation where the competitive advantage deriving from this stage provides DIA with a sustainable and coherent positioning in the minds of its patrons when compared to its competitors. Indeed this claim can be further supported, since from the MANOVA analysis employed for DIA's dimension based store image in Spain leads to a similar outcome, where the store's store image dimension appears to be consistent in the minds of its patrons (see table 7.24).

Table 7.24 MANOVA examination of DIA's image strength versus local competition

Store Image for DIA Spain				
Effect	Value	F	df	Sig.
Pillai's Trace	0.049	1.624	9	.104
Wilks' Lambda	0.952	1.634	9	.102
Hotelling's Trace	0.050	1.640	9	.100
Roy's Root	0.043	4.286	3	.006**
Levene's Test of Equality				
'Core Performance'		1.729	3	.161
'Price/location'		2.478	3	.061
'Time Effectiveness'		3.429	3	.017*□
Box's Test of Equality Sig. = .069				
Store Image for DIA Greece				
Effect	Value	F	df	Sig.
Pillai's Trace	0.118	3.023	12	0.000**
Wilks' Lambda	0.884	3.082	12	0.000**
Hotelling's Trace	0.129	3.129	12	0.000**
Roy's Root	0.106	7.813	4	0.000**
Levene's Test of Equality				
'Core Performance'		2.371	4	.053
'Price/location'		3.119	4	.016*
'Time Effectiveness'		2.996	4	.019*
Box's Test of Equality Sig. = .000**				
Statistical significant *<0.05 **<0.01				

Concerning DIA Greece, while results until now depict that its innovative offer fits with the expectations of Greek shoppers, and that its relatively short time in the Greek market has provided its operations with a competitive advantage, questions are raised over if this advantage is temporal and whether it can resist future responses from local competition. These questions were raised as DIA's positioning in Greece showed inconsistency in the minds of its shoppers when compared to its identified competitors. This uncertainty over DIA's long term competitive advantage in Greece is reinforced, since the MANOVA analysis of DIA's store image dimensions (see table 7.24), indicate, once again, a significant inconsistency in the minds of its patrons. As such, it can be argued that while DIA Greece at this point of time is perceived as an innovator in the local market, it seems that it needs time to establish itself in the minds of Greek shoppers. Consequently, until DIA becomes established in the minds of its patrons, it could be claimed that the company is in a susceptible stage of its internationalisation life cycle in Greece, since the sustainability of its competitive advantage is open to question.

A further issue that is supported from these MANOVA results, and was also claimed in the positioning analysis, is related to the methodological implications regarding the standardisation versus adaptation debate and its relation to time. Assuming that the length of time influences the stores' store image in both countries, once again, questions arise over whether DIA has actually standardised its unique selling proposition in Greece, or is it a coincidence of the time when this study was conducted.

Overall, from the store image dimension analysis, one clear outcome can be claimed and that is DIA needs, or has, only to dictate a standardised strategy for its unique format selling propositions. Assuming this claim is true, this raises questions over whether DIA is applying or achieving a standardised strategy in Greece. In the positioning analysis, it was argued that under the spectrum of 'relativity' DIA has

managed to achieve a standardisation strategy for its concept in Greece as whole, since the company had not dictated its home store image standards into the foreign market. This was supported by the fact that positioning is viewed as an ongoing process rather than something predetermined. However, assuming that DIA has applied (dictated) a standardised strategy of its unique selling proposition, and since all positioning strategies start from the company's unique selling proposition, it could be argued that, by 'applying an absolute' standardised strategy on its core differential offer, DIA has managed to 'achieve a relative' standardised strategy of its whole concept. As such, this can be seen as the two ends of the same continuum for DIA's strategy in Greece, where the starting point is applying a standardised approach only to the unique selling proposition of the format in order to secure a clear competitive differentiation in the host market. As a result, DIA achieves a standardised positioning in both countries.

7.5 SUMMARY OF MAJOR FINDINGS

This section provides a summary of the major findings of the quantitative investigation of DIA's home and foreign store image. This will be achieved by applying the proposed research framework for examining the debate on store brand image standardisation in international retailing (see Table 7.25 end of section).

With reference to the first between country comparison, store image *per se* (i.e. DIA Spain versus DIA Greece), the findings suggested that DIA has a different image in Greece when compared to Spain. Out of the sixteen attributes used in this survey only four, 'easy to shop', 'selection of products', 'pricing policy compared to competition' and 'parking', were viewed by both cultural units as statistically similar, indicating a relatively low degree of standardisation between the stores. However, if one considers the properties of these four attributes, and taking into account the theoretical unique selling proposition of the discount store format, it is evident that DIA has managed to offer in Greece some of the core positive and negative components of a discount store.

This outcome introduces a new element into the proposed framework, which is that standardisation should be also examined with respect to the key properties of a format's unique selling proposition.

Reasons for the image deviation between the two countries may come from several sources. One explanation could lie in the fact that the discount concept is mainly focused on tangible values (e.g. price, limited range, convenient location) rather than on intangible elements. Given that intangible elements need a longer time to incubate in the mind of shoppers, and given the limited time DIA has been operating in Greece, the theoretical claim that tangible attributes are easier to standardise may be also pertinent for DIA.

Indeed when considering the findings with respect to the tangible versus intangible components of a store's image, it seems that the tangible components are those that are easier to standardise in a host market. This can be seen particularly in the attributes that measured DIA's own labels, as they were perceived significantly more positively by Spanish patrons. Assuming that own labels represent an intangible element of a brand, DIA might need more time to communicate the benefits of its own labels in the minds of its Greek shoppers. However, given that a tangible core element of a discounter, proximity, was also viewed significantly more positively by the Spanish representatives, the notion of time exposure may also be pertinent for tangible aspects of a store.

Another reason could be that DIA has not entered with a standardised strategy and efforts have been made to change their home offer in Greece. This can be claimed since the store image of DIA Greece was perceived significantly more positively for most attributes when compared to DIA Spain. While this outcome contradicts previous studies, where the domestic store image of an unfamiliar retailer will be viewed more positively when compared to that in its host market, the informal discussion held in the

headquarters of DIA Hellas indicated that DIA is following a standardised strategy in Greece.

The effort made by DIA to standardise its offer in Greece can be seen from the performance attribute comparison of the two stores, where out of the sixteen attributes, 12 were ranked similarly by both cultural units. A possible explanation for this finding may lie in two areas: first in the innovative nature of DIA's format; and second in the distinct retail environments within which the stores operate. DIA was the first discounter that operated in Greece, thus the introduction of a new and innovative concept in the local market, combined with the successful transfer of the core concept, may have created a favourable impression in the minds of Greek consumers.

Alternatively, this favourable impression could be due to the diverse retail environments within which both stores operate, since differences in the competitive marketplace as well as in consumers' shopping preferences can affect how a store image is perceived. In order to identify whether both stores operate in a distinct environment and if so, what the consequences were for their perceived image and differential advantage, the second perspective was explored – store image relative to the marketplace. For this, first the hypothetical “ideal” stores in each country were compared in order to identify whether any ‘retail cultural difference’ exists in the expectations of the two cultural units. From this comparison, the results indicated the existence of ‘retail shopping cultural difference’ between the Spanish and Greek DIA patrons, and with the former group showing a clear tendency of being more demanding or having “higher expectations” from the performance of an “ideal” store.

While this implies that the retail environments in which the DIA stores operate are in part heterogeneous, for a more complete understanding each store's competitive marketplace was also analysed and compared. Having identified the actual competitors for both DIA stores and by aggregating their store image attributes an overall image was

produced. This represented each country's competitive store image as a whole and was named "generic competitor". The results from this comparison indicated that the store image of DIA's "generic competitors" in Spain and Greece were perceived to be to some extent similar. However, differences were also observed, again signifying that DIA Spain is operating in a more "advanced" marketplace compared to Greece. The only superiority found in the Greek competitive market that could have implications for DIA's selling proposition, was for the attribute of 'prices lower than competitors'. Nevertheless, assuming that Greek shoppers are less demanding compared to the Spanish in terms of 'retail expectations', and that the Greek competitive environment is less 'aggressive' overall, it was argued that this could also have implications for the standardised strategy adopted by DIA as it could have played the role of a "positive converter" for DIA's store image in Greece.

Having identified and measured DIA's marketplace in both countries, this permitted an examination of the other two components of the framework which were whether DIA Spain has transferred any of its competitive advantages into Greece and if so did these fulfil the expectations of the Greek patrons? For this a within country store image comparison between the DIA stores and the "generic" competitors in each country was employed, and the outcomes were considered alongside the rank order of the "ideal" store attributes. For DIA Spain while the results showed that its "generic" competitor is outperforming it, its advantages were in accordance with the discount philosophy i.e. price aggressiveness and proximity ('prices of own labels', 'pricing versus competitors' and 'convenient location'). Moreover, through these advantages it could be claimed that DIA Spain fulfils two important expectations of its patrons, since location and prices versus competitors were ranked first amongst the attributes of the "ideal" store in Spain. Regarding the competitive advantage of DIA Greece, while the results indicated that it has the same competitive advantage as found in Spain ('prices of

own labels', 'pricing versus competitors', and 'convenient location'). two additional advantages were generated from the attributes: 'faster checkout' and 'attractive promotions'. However, when considering the rank importance of these attributes, it appears that DIA Greece only fulfils one of the most important expectations of its patrons and that is 'prices versus competition' (ranked 2nd for "ideal" Greece). Consequently, this raises questions over whether DIA's selling proposition, with its associated format advantages, fulfils the needs of the Greek market. When relating these results to the between image comparison of the two DIA stores, an important issue is brought forward and that is: how has DIA managed to successfully transfer its home competitive advantage into Greece, when the store images are perceived as significantly different by shoppers in the two markets?

One reason could lie in the simplistic nature of DIA's competitive advantage (price and proximity) that is a characteristic of a discount format. This relates to the level of difficulty or time a competitive advantage needs to be recognised, or make a positive impact in the shopper's mind. This can be related to the 'tangible vs. intangible' classification in the literature, where the former category is believed to be more easily transferred abroad. Another reason could be the low development stage of the Greek market and DIA's innovative selling proposition. These results imply that DIA Spain does not need to apply a faithful replication of its store image in order to successfully transfer its competitive advantage into Greece. This view can be supported since DIA has managed to successfully transfer the competitive advantage of 'convenient location', and 'pricing of own labels', without standardising these attributes. On the other hand, it could be argued that for the competitive advantage of 'prices versus competition', DIA has transferred this attribute by applying a standardised strategy, since this attribute was perceived as being similar by their patrons. If one is to consider that DIA Greece operates in a more aggressive environment in terms of pricing policy,

it could be that DIA has applied a standardised strategy for this specific element, as it is the only way to ensure the successful transfer of this competitive advantage.

Finally, from the relative marketplace examination (i.e. within countries) of the two DIA stores, another explanation might be that DIA's successful transfer of its competitive advantage into Greece may arise from the fact that DIA managed to achieve a similar market position in the Greek market. For this, a perceptual map was produced in order to establish the position that the DIA stores capture relative to their "generic competitors" and to the "ideal" grocery stores. By employing factor analysis, three dimensions were identified where each one signified a different concept according to the attributes that loaded on them. The first dimension, named '*Core Performance*', was composed of both tangible and intangible attributes, whereas the other two dimensions were composed primarily of tangible attributes and were named '*Price/Location*' and '*Time Effectiveness*'. This outcome, where each dimension represents a different concept, namely added value (performance), pricing and time, opens up for discussion the conventional ways used to define store image and the traditional ways employed to classify image dimensions (i.e. tangible versus intangible dimensions). This was most apparent for the dimension of '*Core Performance*'. Positioning analysis was undertaken using the mean factor scores.

While the positioning analysis showed that DIA Greece, once again, is perceived more positive than its home operations, the most important insight was DIA's identical position in both countries, indicating that the company has achieved a standardised (positioning) strategy in the Greek market. This was supported from a visual inspection, since both DIA stores captured a similar space in the positioning maps, as well as from a statistical examination as their mean factor score difference was not statistically significant. When relating DIA's position with the position of its "generic" competitors, for both countries the DIA stores' competitive advantage was generated from the

dimension of *'Price/Location'*. In addition, by using as a reference point the market position of the two "ideal" stores, it appeared that DIA achieved a price/location strategy close to these hypothetical stores, indicating that the company manages to fulfil its patrons' expectations on this factor in both countries. With respect to the other two dimensions, the DIA stores in both countries are either under-performing (for *'Core Performance'*) or were perceived by their patrons as having an advantage that is market circumstantial rather than company performance specific (for *'Time Effectiveness'*). Thus, it could be claimed that due to a standardised position, DIA has successfully achieved the transfer of its domestic, and format related, competitive advantage into Greece which is the *'Price/Location'* element.

Interestingly, this standardised positioning contrasts with the findings from the store image comparison, where DIA Spain and DIA Greece were perceived as having a divergent store image. The reason for this perceptual discrepancy between the store image and store positioning comparison of the two DIA stores may lie in several factors. One reason could be that DIA's marketplace in Spain and Greece did not appear to be heterogeneous, since from the positioning comparison of the "ideals" and the "generic" competitors, the results indicated that these stores capture a fairly similar position in their markets. Having in mind the argument that in homogeneous markets a standardised strategy may be achieved, this could explain DIA's standardised positioning. However, interference from the marketplace should not be dismissed since there was some evidence of it influencing DIA's positioning. This is argued from two observations. First from the fact that the overall positioning of the Spanish marketplace was viewed more positively compared to Greece. This may well have reflected on DIA's positioning in both countries and explains the outcome that DIA Greece was perceived as having a slightly better positioning compared to its home operations. Second, DIA's position difference on the dimension of *'Core Performance'* was marginally

insignificant. Given that for this dimension the “generic” competitors of Spain and Greece were viewed as significantly different, this may further indicate that the marketplace affects the positioning of the two DIA stores.

Another reason for the perceptual discrepancy between the store image and positioning comparison of the two DIA stores may lie in the concept of store image and positioning. While these two concepts are interrelated, it was claimed that each one measures two distinct aspects of consumer perceptions. The store image compared the two DIA stores in “absolute” terms, since Likert scale mean values were used for their measurement and the comparison was made between stores. In contrast positioning compared DIA Spain and DIA Greece relative to their respective marketplaces, and the trade-off relationship of their patrons’ perceptions was examined in relation to the stores’ corresponding environments by using factor scores. Arguably, when employing this spectrum of ‘relativity’, results depict that DIA has managed to achieve a standardised strategy in Greece.

These two different processes, apart from indicating an incongruity with regards to whether DIA has standardised or not in Greece, also raise questions over the actual concept of standardisation. Until now standardisation was assumed to be a company’s home standard being applied or dictated to its foreign operation. For this study, this implies that DIA Spain should have applied its home (domestic) store image in Greece. However, results from the ‘absolute’ perspective, indicated a low degree of this form of standardisation. On the other hand, DIA has managed a high degree of ‘relative’ standardisation through its positioning. Since positioning is an ongoing process for a company to establish its offer in a determined place in the minds of its shoppers, it was argued that DIA has achieved standardisation in the Greek market rather than applying it. Thus, what could be claimed here is that standardisation should be conceptualised in two different ways. One that already exists, and is, ‘*Absolute Standardisation*’ i.e. ‘a

standard to be applied'; and a new one '*Relative Standardisation*' i.e. 'a standard to be achieved'.

Although when applying the two investigative processes of the framework, 'store image *per se*' and 'relative to the marketplace', the argument is brought forward that standardisation should be considered in two distinct ways, when employing the dimension perspective for measuring these two processes, the results depict that these two concepts should be viewed as the two ends of the same continuum for DIA's standardised strategy in Greece. This is claimed since the results from this perspective, came to support and also contradict certain propositions that were derived from the outcomes of the two previous analyses.

In terms of contradiction, the most important was found with regards to DIA's standardisation positioning and the attributes that are related to the unique selling proposition of its format. Concerning the former issue, while in the positioning analysis DIA was viewed as having a standardised position in both countries on all three dimensions, in the mean score dimension comparison DIA appears to be standardised only on the dimension of '*Price/Location*'. Given this, and taking into account the attributes that composed this dimension, it was claimed that DIA has standardised its core unique selling proposition in Greece. However, from the attribute analysis between the two DIA stores the attributes of 'convenient location' 'price of own labels' and 'attractive promotions' were found to be statistically different. Thus, while in the attribute comparison the corresponding attributes implied that the perceptions of Spanish and Greece DIA patrons are significantly different for the stores' unique selling proposition, when aggregating them to compose the dimension of '*Price/Location*' the results suggest the opposite. These outcomes reinforce the debate over whether store image standardisation should be examined from an attribute or a dimension perspective

as well as, from an 'absolute' (i.e. mean scores) or 'relative' (i.e. positioning and factor scores) perspective.

Despite these contradictions, when comparing the results found under the dimension perspective with the two different processes employed in the framework certain claims could be reinforced. First, regarding the actual performance between the DIA stores, DIA Greece is once again considerably outperforming its home (Spanish) operations. Given that the Spanish marketplace was also found to be more advanced compared to the Greek one, it could be claim that DIA's life cycle stage and innovative format, as well as the lower levels of 'retail cultural difference' found in the Greek market may have acted as a 'positive converter' on DIA's operations when entering Greece.

Second, it can be claimed that DIA Spain needs to apply a standardised strategy only for its unique format selling propositions, i.e. '*Price/Location*', rather than for the entire selling concept. This view derived from two premises. First, as the results from this dimension perspective showed, this secures the successful transfer of DIA's competitive advantage into the local market, i.e. the notion of '*Price/location*'. Second, this will reinforce the notion that DIA's offer will fulfil the expectations of Greek shoppers', which is biased towards price and proximity. Thus, assuming that DIA has applied a standardised strategy for its unique selling proposition, and assuming that all positioning strategies start from the company's unique selling proposition, it could be argued that by 'applying an absolute' standardised strategy for its core differential offer. DIA has managed to 'achieved a relative' standardised strategy of the whole concept. As such, these two forms of standardisation can be seen as the two ends of the same continuum for DIA's standardised strategy in Greece.

Finally, the adopted research framework, apart from shedding light on the conceptualisation of standardisation, also provides insight into which factors affect

DIA's standardisation strategy in Greece. Thus, keeping in mind the assumption that DIA has tried to standardise its home operations in Greece, it can be concluded that one factor that has affected DIA's strategy is the heterogeneous markets in which both stores are operating. In all three comparisons, (i.e. attribute, positioning, and dimensions), it was evident that the Greek market, when compared to the Spanish, could be characterised as less developed, since Greek grocery shoppers had lower levels of expectations, and viewed DIA's competitors for this particular country as less aggressive. This outcome provides a new viewpoint with regards to the debate on whether standardisation is feasible in heterogeneous markets. Until now, the central theme surrounding this debate has been that the market should be viewed as a predetermined variable, where companies have to adapt their offer accordingly in order to meet local needs as they could jeopardise potential advantages deriving from the market specific peculiarities. Therefore, standardisation is not feasible, as companies themselves, will (or have to) adjust their offer to the alien environment. However, in DIA's case, there was evidence that the company is pursuing a standardised strategy in Greece, but due to the lower market standards found in this country, the company's foreign operations had found itself perceived more positively compared to the home operations. As such, it can be argued that standardisation can be affected by heterogeneous markets, but not because it is company determined (i.e. has to alter its offer) rather than market related. In other words, for this study it seems that DIA's strategy (i.e. standardisation) is the one that should be viewed as the predetermined variable, whereas market heterogeneity is the variable. Given this, the question becomes how the Greek market will affect DIA's standardised strategy after a period of time, as it continues to evolve.

A second factor that could be claimed to have affected DIA's standardised strategy in Greece, and which is related to the market conditions found between Spain

and Greece, is DIA's life cycle stage and the innovative nature of the format within the two countries. In Spain, DIA is reaching the maturity stage of its life cycle where the discount format is losing part of its innovative nature due to the response of the Spanish market to this format. Hence, as this format is becoming more familiar to Spanish grocery shoppers, a loss of innovation may have occurred, resulting in DIA being less positively perceived. On the other hand, DIA was the first discounter to operate in Greece, introducing an innovative concept to the local market where its selling proposition fits with the expectations of the Greek grocery shoppers. Considering also that DIA Greece is at the initial stage of its life cycle, where the local market has yet to respond to this innovation, this could further explain why DIA is not viewed as standardised (in absolute terms) and is perceived more positively than its home operations. However, as DIA's innovation is related to the fact that the local competition has yet to react to its offer, the question once again lies in the issue of time, and what will be the consequences when the market starts to develop the discount format in Greece.

As the results indicated that DIA's innovation has derived from applying a faithful replication of its format unique selling proposition, (price and proximity), it could be claimed that DIA's standardised strategy is also affected by the simplistic nature of the format. It is defined as simplistic since this core offer is derived from tangible elements, which are easier to transfer abroad. The level of difficulty in recognition by shoppers is low, and less time is required to make a positive impact in the shopper's mind. Taking into account that DIA had been operating in Greece for only five years, the simplistic nature of its core offer may have enabled the company to more quickly standardise its unique selling proposition in Greece. Arguably, all these positive characteristics associated with DIA's simplistic format are again highly related with the notion of time, since if the company's innovation and differentiation arise from less

tangible elements, a longer time period might have been needed for the concept to be acknowledged by Greek shoppers.

A further reason that could have affected DIA's standardised strategy in Greece may be methodological. As it has been claimed previously, depending on the process used to compare DIA's operations, the results depicted that DIA might have followed a low degree of 'absolute' standardisation, an entire 'relative' standardisation, or only a faithful replication of its unique selling proposition.

Despite these market, format, and methodological related factors that have been identified as affecting DIA's standardised strategy in Greece, all of them share one common feature and that is the notion of time. Time was considered an important element in the heterogeneous market factor, as the question was brought forward with regards to the implications it might have on DIA's Greek operations if the market evolves. Time was also highlighted as an important element in DIA's life cycle and innovative concept in Greece, which influences the reactions of the Greek market to DIA's discount format. The notion of time was also stressed in respect to DIA's simplistic format offer, as it allowed the company to transfer its unique selling proposition and competitive advantage in Greece. As all of these factors are related to time and given that this study is a snapshot in time, it can be argued that if a similar study is to be conducted in the future, the results could be different. This was also supported by the fact that due to the relative length of time in the host country, DIA Greece has yet to reach a stage of institutionalisation, where the company's performance will remain consistent and intact from local competition. As the perceptions of Greek shoppers were found inconsistent in relation to the relative marketplace, it could be argued that DIA's standardised operations in Greece are subject to one primary factor which is time relativity.

Table 7.25 Summary of results using proposed research framework for analysing DIA's store brand image standardisation strategy

FACTORS AFFECTING A STANDARDISATION STRATEGY				
Heterogeneous markets				
Format innovativeness				
Format simplicity				
Methodology				
T I M E R E L A T I V I T Y				
<p>STANDARDISATION</p> <p>↓</p> <p>'Absolute Standardisation' Standard to be applied</p> <p>→</p> <p>'Relative Standardisation' Standard to be achieved</p>	PROCESS	MODE	RESULTS	
	<p>Store image per se:</p> <p>Comparison of the store image is conducted between the actual stores under investigation i.e. DIA Spain versus DIA Greece</p>	Attribute comparison	DIA Spain and DIA Greece have a diverge store image with the latter being more positive perceived. 4 of 16 attributes are perceived as similar: 'easy to shop', 'narrow selection', 'prices vs. competition', 'inadequate parking'	DIA Spain has decided not to apply a standardised strategy when entering Greece.
		Attribute properties	The attributes that were perceived similar, characterised the selling proposition of a discount format	DIA has partly applied standardised its discount format into Greece
	<p>Relative marketplace:</p> <p>Comparison of the store image is conducted between the stores under investigation and their relative marketplace i.e. patrons "ideal" stores and "generic competitors."</p>	Tangible Vs Intangible	Of the 4 attributes perceived as similar, all of them could be classified in the 'tangible' category.	Tendency that tangible attributes are easier standardised. However, partly true, as others were perceived dissimilar
		Attribute performance	DIA stores seem to be performing in the same way in their countries since 12 out of 16 attributes received an analogous ranking	DIA Spain has partly achieved a similar performance in its host market Greece
	<p>Dimension perspective</p> <p>The two processes are compared under a dimension perspective where attributes are aggregated into dimensions. For the positioning, comparison is made in 'Absolute' and 'Relative' terms.</p>	Competitive advantage	DIA Spain has transferred all its home competitive advantages into Greece (price aggressiveness, and proximity). Only the advantage of 'prices vs. competition' is standardised.	DIA has achieved to transfer its competitiveness without the need of standardisation. However, for reassurance DIA has applied a standardisation of its core competitive advantage 'price'.
		Attribute expectations	DIA Spain fulfils most of its patrons' expectations (price and location) where as DIA Greece partially (only price).	DIA has partly achieved in fitting its concept in to the Greek market.
		Positioning	DIA Spain and DIA Greece capture identical position in the minds of their patrons when compared to their relative competitors on all three dimensions of 'Core Performance', 'Price/Location' & 'Time Effectiveness'	DIA has achieved a standardised positioning that allowed it to transfer its home and format competitive advantage in Greece.
				DIA needs to apply a standardise only to its format unique selling proposition. This will allow the company to achieve a standardised strategy as a whole.

7.5 CONCLUSION

This chapter focused on presenting and discussing the quantitative research findings of this study. By applying the research framework proposed in previous chapters, results are somewhat diverged with regards to whether DIA has standardised its operations in Greece. This was because standardisation could be conceptualised in different ways and depending under which investigative process was used to examine DIA's store image. Under the store image *per se* process, where the DIA stores are compared on their own, results showed that there is a low degree of 'absolute' standardisation. However, when comparing DIA's store image in relation to its operating environment 'relative' standardisation was found between the two stores. While these two processes, signified that standardisation should be considered in two distinct ways, when comparing DIA's store image by using the dimension perspective, it was argued that the two concepts of standardisation should be viewed as the two ends of the same continuum for DIA's adopted standardised strategy in Greece. In addition, through the proposed framework four factors have been highlighted that could affect DIA's standardised strategy in Greece. These were market heterogeneity, DIA's life cycle and innovative impact in Greece, its format simplicity, and methodological aspects all of them could be put under one heading that was time relativity.

Having presented the major findings of this research, the last chapter will provide a retrospective viewpoint of this study. Moreover, the major findings will be related to the existing literature so theoretical and managerial implications can be discussed, as well as, to present the contribution of this research to the topic area.

CHAPTER 8
CONCLUSIONS

8. INTRODUCTION

The aim of this thesis is to provide further insight into the debate on standardisation versus adaptation of store brand image transfer in international markets. This is achieved by examining the internationalisation of the Spanish limited line discounter DIA into Greece. The purpose of this final chapter is to highlight the theoretical, managerial, and methodological contributions of this thesis to the subject under investigation.

The chapter is divided into four sections. The first section focuses on the theoretical contribution of this thesis. It provides a summary of the major findings of this study and relates them to existing theoretical knowledge. The second section concentrates on the managerial applications of the findings and how they can aid companies in their decision to adopt a standardised or adapted approach in their international retail operations. Finally, the last section contributes to methodological development as the identified limitations of this study can be seen as avenues for further research.

8.1 MAJOR FINDINGS OF THE THESIS & THEIR CONTRIBUTION TO EXISTING KNOWLEDGE

This section presents the major findings of the thesis and considers how they have contributed to the existing theoretical knowledge on the standardisation, versus adaptation debate. From the findings of this study, and taking into account the wider literature on international marketing and retailing, three theoretical gaps were identified. These were: the process of examining store brand image standardisation; the conceptualisation of the notion of store brand image standardisation; and the factors that should be considered when examining standardisation.

8.3.1 THE PROCESS OF EXAMINING STORE BRAND IMAGE STANDARDISATION

From the review of the literature on international marketing standardisation, (chapter 3) it was observed that standardisation could be distinguished from three

different aspects: namely process, programme, and brand standardisation. Process standardisation refers to standardised decision making between the mother company and the subsidiary (Griffith, et al., 2000; Shoham, 1995; Kreutzer, 1988; Walters, 1986; Sorenson and Wiechmann, 1975), whereas programme standardisation deals with the extent to which individual elements of the marketing mix can be standardised in foreign markets (Theodosiou and Leonidou, 2003; Boddewyn and Grosse 1995; Jain, 1989; Wind and Douglas, 1986; Quelch and Hoff, 1986; Sorenson and Wiechmann, 1975). These two aspects of standardisation have received the majority of attention within the international marketing literature. Of less consideration is brand standardisation, which refers to the maintenance of a constant brand image across countries (O'Loughlin, 1999). While this aspect of standardisation has been investigated from a management point of view (de Chernatony, et al., 1995), there have been calls for more investigation of brand image standardisation from a consumer perspective (Roth, 1995).

This theoretical gap, was also highlighted within the wider literature on international retailing (chapter 3). Research around the standardisation versus adaptation debate within an international retail context has focused primarily on classifying and describing international strategies adopted by retailers (Colla, 2003; Goldman, 2001; Mukoyama, 2000; Kidachi and Dawson 1998; Sternquist and Kacker, 1994; Treadgold, 1990/1991; Burt and Dawson, 1989; Salmon and Tordjman, 1989; Martenson, 1987; Waldman, 1978). The central theme in these monographs is that standardisation in international retailing is characterised as the faithful replication of a domestic store/concept/format (however defined) within a foreign market. There is common agreement within the literature that a store represents the tangible and intangible values of the company's commercial and organisational philosophy, which has been inherited through time. Given this, it has been claimed that a store should be considered as a brand (chapter 2), with all the associated competitive advantages that correspond to this

entity (Boyle, 2002; Burt and Sparks, 2002; McGoldrick 2002; Dawson, 2000; Burt and Carralero-Encinas, 2000; Burt, 1999; Dupuis and Prime, 1996; Walters and Knee, 1989). Operationally, a store's brand competitiveness can be seen from the image it transmits and the impact it has in the minds of consumers. Given that markets and consumer tastes vary amongst countries, there have been calls for further inquiry into whether the domestic store brand image, with its inherited competitive advantage, can be transferred effectively abroad (Burt and Carraleros-Encinas, 2000; Burt, 1999; Simpson and Thorpe, 1999; McGoldrick and Blair, 1995; Dawson, 1993; Brown and Burt, 1992b; McGoldrick and Ho, 1992). One way to achieve this is by adopting a standardised strategy to store brand image transfer (Burt and Sparks, 2002; Burt and Carraleros-Encinas, 2000; McGoldrick and Blair, 1995; Brown and Burt, 1992b)

Brown and Burt (1992b) proposed a three-level framework for the examination of a standardised strategy when adopted by a retail organisation. The first level included the standardisation of management systems. This refers to the day to day operational and managerial level of the retail functions and can be linked to process standardisation described in the international marketing literature (i.e. organisational level). The other two levels refer to the examination of standardisation from a marketing strategy level and include the investigation of the transferability of retail concepts/formats, and the brand image which these concepts/formats generate. For these two levels, the authors argued that consumer perceptions and the foreign marketplace acceptance of the retail entity would ultimately determine the degree of standardisation.

This thesis used as cornerstone this framework of Brown and Burt (ibid.). Given that within the literature there have been claims that research on store brand image standardisation is scarce, and since questions still remain as to whether a domestic store image can be faithfully replicated in a host market, this thesis focused on examining

standardisation from a consumer perspective and with regards to the transferability of store brand image and its associated concept/format.

Although some empirical research into store image within the context of retail internationalisation exists (Burt and Carralero-Encinas, 2000; McGoldrick and Blair, 1995), these studies overlook three important issues that are related to the overall process of examining store image standardisation. First, and since this investigation requires a between country comparison of shopper perceptions regarding store image, both studies ignored the issue of culture and the implications it might have for the construction of an equivalent store image construct. Second, they failed to compare the domestic and transferred (foreign) image with competitors within the relative marketplace. For this study, the marketplace was explored at two levels. First, by assessing the store image generated by the competitors that were found within the domestic and foreign market, and second, by considering the store image generated by a hypothetically perceived “Ideal” store image (as defined by the shoppers in each country). Finally, these studies overlooked the conceptualisation of store image, and whether it should be considered from a store image attribute or store image dimension perspective.

Given these drawbacks, a new research framework was proposed (chapter 4) for examining store brand image standardisation. While the framework included the conventional process of comparing international store image from an attribute perspective, i.e. ‘Store Image *per se*’, two new elements were introduced that until now appeared to be ignored in previous studies. These were a comparison of the ‘Relative Marketplace’, where a comparison of the domestic and foreign store image is conducted within their relative markets; and a ‘Store Image Dimension’ perspective, which requires the two perspectives discussed above. ‘Store Image *per se*’ and ‘Relative Marketplace’, to be examined after the store image attributes were aggregated into store

image dimensions. From the juxtaposition of these three components of the framework, the results indicated that store brand image standardisation should be examined from two distinctive standpoints, the 'Absolute.' and the 'Relative'.

However, as this study involved a between country comparison of shoppers' perceptions of store image, the literature suggests that caution is needed in the conceptualisation of store image, since it may vary amongst countries (McGoldrick, 2002; Hofstede, et al., 2002; Tompson and Chen, 1998; Joyce and Lambert, 1996; Arnold et al., 1986; Hansen and Dautcher, 1977; Doyle and Fenwick, 1974). For this reason, a two-phase pluralistic methodological approach was employed (see chapter 5). Phase I, used the qualitative approach of focus groups, and examined the extent to which shoppers in Spain and Greece perceive grocery store image in a similar way. This was done in order to construct an equivalent and 'culture free' questionnaire that was then used in phase II of the research, where the purpose was to measure and compare DIA's store image in the corresponding countries.

8.3.1.1. Store Image Equivalence

From a theoretical perspective, the aim of achieving store image equivalence amongst various countries is to ensure that constructs being used in surveys have the same meaning and significance in various cultural settings (Craig and Douglas, 2000; Malhotra, et al., 1996; Berry, et al., 1992). Relative to this study, and the development of an equivalent store image questionnaire, three types of equivalence were examined via the focus groups: functional; conceptual; and categorical. Functional refers to the role of grocery shopping; conceptual to the actual interpretation of the elements that compose store image; and categorical to the selection of common and similarly meaningful image attributes that are recognised by shoppers in both target countries (see chapter 6).

In terms of functional equivalence, the findings suggested that Spanish and Greek shoppers shared more or less similar activities and views, with the greatest similarity being a conventional or traditional style of shopping, as both cultural units place great emphasis on the freshness of products. As a result, they tend to shop frequently and utilise markets or speciality stores. A reason for this might be that both countries belong to the Mediterranean culture (Kale, 1995). While this grouping of Spain and Greece raises questions over the applicability to retail shopping behaviour, as it uses Hofstede's (1980) model of national culture, a recent study by de Mooij and Hofstede (2002) demonstrated that this model can be valid within an international retail context since it can be used as a predictor for explaining similar shopping patterns between countries. In addition, both cultural units appeared to classify store formats by using the same criteria. These were size of the store and the assortment offered. The usage of store size and product assortment as being the preferred criteria for consumers to categorise store formats has been also identified by Uusitalo (2001). The author argued that these two functional criteria are used more frequently, since grocery shopping is perceived by consumers as a compulsory need. As such, by using simple perceptual criteria it will help consumers to accomplish their rational shopping goals.

Despite similarities in store selection, the findings also indicated that Spanish shoppers have a higher level of retail awareness, suggesting that the retail development in this country is more advanced than in Greece. Spanish group members were able to distinguish different retail formats and were more familiar with newer forms of retail selling techniques (i.e. home delivery services, packaging developments for fresh products, own labels). This difference in the degree of retail development appears to be in accordance with Tordjman's (1994) country taxonomy, where Spain is characterised as an intermediary market and Greece as a traditional market.

Conceptual equivalence was achieved by employing Hansen and Deutscher's (1977) store image concept classification. This required the comments made by Greek and Spanish focus group members regarding store image, to be deconstructed into 'attributes' (the narrowest particle of a store's image), 'components' (the sum of common attributes) and, 'dimensions' (general aspects of a store that are made up from common components). Overall, for Greece, five important dimensions were identified (merchandise offered, fresh products, reputation, appearance of store, money transaction), each one in turn comprised of several components (a total of 11) and attributes (a total of 73 attributes). For Spain, six important dimensions were identified (shopping facilitators, appearance, merchandise offered, own labels, reputation, pricing policy), derived from a total of 14 components and 85 attributes.

From an initial comparison of the major store image dimensions identified in the two countries, some clear differences existed in the conceptualisation of grocery store image supporting the view of Arnold et al., (1983) and Hirschman et al. (1978) that important dimensions in one market (defined geographically) may be unimportant in another. This was apparent for 'own labels' and 'convenience' which were only cited in Spain and 'merchandise availability' which was only mentioned in Greece. Reasons for these differences were due to the level of importance each country gave to these aspects of a store. Moreover, because of this apparent level of importance, some aspects were considered to be dimensions in one country while in the other they were classified as components or just attributes (e.g. 'fresh products' was considered as a dimension in Greece, and as a component in Spain 'quality of fresh').

A closer inspection of the components in each country, via their corresponding attributes, was undertaken. Results indicated that both countries had similar perceptions of the conceptualisation of a grocery store image. Differences in store image perceptions were primarily in the composition of the aggregated dimensions rather than

in the overall store image conceptualisation. These findings support the claims of Hofstede, et al., (2002) and Davies and Flemmer (1995) that a relative set of store attributes used by consumers in making store choice, can be consistent between countries, therefore helping retailers in the development of their stores overseas.

For this study six dimensions and sixteen attributes, that corresponded to these dimensions, were selected for the measurement of store image (see table 8.1). The dimensions of '*Merchandise Offer*', '*Pricing Policy*', '*Appearance*', '*Shopping Facilitators*', and '*Reputation*' were perceived as being similar and were allocated the same importance in both countries. The dimension '*Own Labels*' was found only to be important in Spain, but was included in this study because of its importance in the selling proposition of the store format under investigation. Since this study examined the store image of the limited line discounter DIA, where own labels are viewed as a core element of the commercial strategy, the researcher believed that it had to be included in the questionnaire. The importance between the store image of a food discounter and the notion of '*Own Labels*', has been also highlighted in previous studies (see McGoldrick and Ali, 1992).

Table 8.1 Attributes selected for measuring the dimension of a store image

PRICING POLICY	MERCHANDISE OFFERED
Has prices cheaper than competitors	Wide selection of products
Attractive promotions	Good quality of fresh products
APPEARANCE	SHOPPING FACILITATORS
Well stocked shelves	Convenient location
Clean and tidy	Adequate parking
Pleasant atmosphere	Fast check out
Easy to shop in	Polite and helpful staff
REPUTATION	OWN LABELS
Reliable/credible image	Prices its own labels reasonable to their quality
Evokes trustworthiness /confidence	Good quality of own labels

Source: Focus groups

Overall, despite claims in the store image literature that store image varies between markets, the findings of the first phase of the research draw a parallel conclusion with the findings found in Hofstede, et al., (2002), where store image is often found to be more similar between countries, rather than within countries. Having ensured that conceptual equivalence existed in the questionnaire, this permitted the researcher to proceed with the core (second) phase of the study, where the purpose was to measure and compare consumers' perceptions of DIA's store image in Spain and Greece.

8.3.1.2 Store Image Comparison: 'The Absolute' Standpoint

The process adopted for comparing DIA's home (Spanish) and foreign store image (Greek) involved using the proposed research framework for examining store image standardisation (see table 8.2). Drawing upon the work of Burt and Carralero-Encinas, (2000) and McGoldrick and Blair, (1995), the first objective was to compare DIA's home store image with that of its foreign subsidiary *per se*. This process adopts an '*absolute*' standpoint for examining standardisation since comparison of store image, for both attributes and dimensions, is done solely between the two DIA stores by using Likert scale means scores. This procedure initially included three modes of examination, which involved comparing the store image attributes/dimensions; their performance; and the tangible versus intangible classification. However, during the analysis of the data, one additional mode was developed which was the examination of store image attribute/dimension properties in relation to the format's selling proposition.

8.3.1.2.1 Standardisation of the Store Brand Image

According to Salmon and Tordjman, (1989) standardisation is defined as the faithful replication of a concept abroad. From a store image perspective, this implies that retailers who adopt a standardised strategy will pursue a faithful replication of their

domestic store image within the host market (Burt and Sparks, 2002; Goldman, 2001; Burt and Carralero-Encinas, 2000). From informal interviews with senior managers in DIA's head office in Greece, comments suggested that DIA is pursuing a standardised strategy in Greece. However, **the store brand image comparison indicated a relatively low degree of 'absolute' standardisation between the stores.** Out of the sixteen attributes, only four were viewed by both cultural units in a statistically similar manner. Similar results were found in the store image dimension comparison of the two stores. Out of the three identified dimensions, '*Core Performance*', '*Time Effectiveness*' and '*Price/Location*', only the latter was perceived in a similar way by shoppers in both countries. Taking into account the suggestions within the existing literature, that retailers who adopt a standardised strategy will apply a faithful replication of their stores' image, these findings are in conflict, as it appears that while DIA is adopting a standardised strategy in Greece (according to the management) this is not reflected in shoppers perceptions of store brand image.

Moreover, within the literature there is a notion that store image will be viewed more positively in the domestic market than in the host market where the retailer is unfamiliar (Burt and Carralero-Encinas, 2000; Burt 1999; McGoldrick and Blair, 1995). **Yet, this study indicated that the store brand image has the ability to be perceived more positively in the host market than in the domestic market.** Out of the sixteen attributes used in this study, Greek shoppers viewed the DIA stores more positively than Spanish shoppers on twelve of them. This was also reinforced through the results of DIA's store image dimension comparison.

8.3.1.2.2 Standardisation of Store brand Image Properties in Relation to the Format's Core Selling Proposition

Notwithstanding this relatively low degree of attribute standardisation, the four store image attributes that were viewed in a statistically significant similar way. ('easy to shop', 'selection of products', 'pricing policy compared to competition' and 'parking'), signified that DIA has managed to offer in Greece some of the core positive and negative components of the discount store format/concept. Taking into account the unique selling proposition of the discount store format (Colla, 2003), **findings suggest that standardisation of store brand image should also be examined with respect to the key properties that stem from the format's unique selling proposition.** This claim becomes even more valid from the results found in the store image dimension comparison, as DIA managed to replicate in Greece the core element of the limited line discount concept, '*Price/Location*'. Assuming that DIA has adapted its store brand image in Greece, because shoppers do not perceive it in the same way, this outcome supports the theoretical notion that even companies that follow an adaptive strategy, will try to standardise some core elements of their retail offer when going abroad (Goldman, 2001; Evans et al., 2000; Mukoyama, 2000; Brown and Burt, 1992b; Salmon and Tordjman, 1989).

While the dimension examination of store image reinforced the previous claim, when comparing the dimension results with the attribute results some discrepancies were also observed. Most of the attributes that composed the dimension '*Price/Location*' ('convenient location' 'price of own labels' and 'prices higher than competitors') were found to be different in the attribute analysis. This outcome reinforces the argument that **store brand image standardisation should be examined from both an attribute and dimension perspective.**

While this argument lacks theoretical support, it is well documented in the store image literature and can be found under the headings of definition and examination of store image (Amirani and Gates, 1993). The complexity in defining store image and in classifying its components was further supported from the outcome of the factor analysis, where the identified dimensions represented different concepts composed of both tangible and intangible attributes.

8.3.1.2.3 Standardisation of Store Brand Image: Tangible versus Intangible Components

Burt and Carralero-Encinas, (2000) suggest that one of the major difficulties in the transferability of store (brand) image is due to “The construction of store image, comprising both tangible and intangible dimensions, compounds problems of moving into international markets-as consumers in the host environment are less familiar with the intangible dimensions of image, which have been built up over time with exposure to the retail company” (p. 443). This complexity created by the intangible nature of store image can also become an obstacle for retailers pursuing a standardised strategy abroad (Burt and Sparks, 2002; Goldman 2001; Samiee, 1999; Mitton, 1987). For this reason, there is a general agreement within the literature that intangible elements of a store image are less easy to standardise in the host market (Burt and Carralero-Encinas, 2000; Burt 1999; McGoldrick and Blair, 1995). **The findings of this study were inconclusive with respect to the whether tangible or intangible components of a store brand image are easier to standardise**, since a considerable number of attributes within each category was found to be significantly different.

8.3.1.2.4 Standardisation of Store Image Performance

Burt and Carralero-Encinas, (2000) found that *relative* similarities in consumers' perceptions of store image may be observed if a comparison is done on the stores'

attribute rank order. Implicitly, this perspective (via the stores' attribute ranking) opened two new avenues in the standardisation debate of store brand image. First, that similarities or differences in consumers' perceptions should not only be seen in *absolute* terms but also in *relative* terms (i.e. beyond mean scores). Second, this type of store image comparison provides a better understanding of the actual performance of stores within their markets, and how similar this performance is between the markets. For this study, the results suggest that DIA is performing similarly in both countries. Although a strong indication of this was found in the attribute comparison (out of the sixteen attributes, twelve received a similar rank order), the compatible performance became more apparent from the dimension analysis. All three store image dimensions received an identical rank order. Thus, **the findings of this study suggest a high degree of store brand image standardisation performance.**

Overall results from the '*Absolute*' standpoint suggest **a low degree of 'absolute' store brand image standardisation, but a standardisation of the store's unique selling proposition and performance.** Given that the last element makes the distinction between an *absolute* and *relative* comparison, it can be seen as the introduction for the '*Relativity*' standpoint adopted in this study.

8.3.1.3 Brand Store Image Comparison: The '*Relativity*' Standpoint

Martenson (1987) claims that the degree of similarity and difference between countries is a relative concept, and one should consider comparisons and results from this perspective. Within retail internationalisation, these perspectives can be identified as supply and demand driven. Supply driven refers to the backline functions of the retailer operations (channel relationships). Demand driven refers to the frontline functions, where the competitive context of the foreign country as well as the peculiarities of the consumer tastes found within it, will to a great extent determine the performance of a formats (Goldman, 2001; 1981; Dupuis and Prime, 1996; Pellegrini.

1994; Kacker, 1988). Having adopted the shopper's perspective for investigation, this study focused on also establishing a demand driven perspective by measuring the relative marketplace within which the two DIA stores operate. This required measuring the "retail expectations" that DIA's patrons have of a grocery store image (i.e. an "Ideal" hypothetical grocery store) and the perceptions they have of alternative stores used for grocery shopping (i.e. DIA's competitors). McGoldrick and Blair (1995) claim that these two aspects influence the native consumers' internal reference standards and will determine the general expectations and predispositions they have towards an incoming retail format and its image.

Having identified and measured DIA's marketplace in both countries, this permitted the examination of standardisation by employing the second process of the framework: the 'relative marketplace'. Here, three types of comparison were undertaken. The first compared DIA's store image to that of its "generic" competitors within each country, in order to identify whether DIA has transferred its competitive advantage. The second comparison examined the previous outcomes alongside the attribute rank order of the "ideal" stores. Here a focus on a performance-expectation comparison was employed in order to identify whether DIA's offer 'fits' in the host market (Greece). Finally, the third comparison included an examination of DIA's position relative to their "generic competitors" and to the "ideal" grocery stores. For this, a perceptual map was produced by employing factor analysis. Three dimensions were identified: '*Core Performance*', '*Price/Location*', and '*Time Effectiveness*'. The positioning of the DIA stores was then examined by comparing the observed trade-off relationship that the stores have within their relative markets (i.e. factor scores). Given that this process compared the store image of DIA relative to its marketplace, and that the absolute value of a Likert mean score was replaced with the trade-off relationship

value of factor scores, a '*Relativity*' standpoint was used for examining store brand image standardisation.

8.3.1.3.1 Competitive Advantage Standardisation

The idea that the possession of a unique format/concept can be a strong source of differential advantage within a host market and thus push retailers to internationalise is well documented in the literature on retail internationalisation (Burt and Sparks, 2002; Goldman, 2001; Simpson and Thorpe, 1999; 1995; Kidachi and Dawson, 1998; Pellegrini, 1999, 1992, 1991; Williams, 1991; Treadgold, 1989b; Salmon and Tordjman, 1988; Martenson, 1987; Waldman, 1978; Jefferys, 1973; Hollander, 1968). However, as markets and consumers vary between countries, there have been calls for further inquiries into whether this form of competitiveness (i.e. one that derives from the formats store image branding strategy) can be transferred abroad (Burt and Sparks, 2002; Burt and Carraleros-Encinas, 2000; Burt, 1999; Simpson and Thorpe, 1999; McGoldrick and Blair, 1995; Dawson, 1993; Brown and Burt, 1992b; McGoldrick and Ho, 1992).

Dupuis and Prime (1996) claim that the decision to export a format abroad may drastically modify its domestic competitive advantage and the format could face three impacts when entering into a host market: transparency (no changes); amplification; and reduction. In the case of DIA, the findings suggest that the company's domestic competitive advantage has received amplification since for DIA Greece, while the results indicated that it has the same competitive advantage as found in Spain ('prices of own labels', 'pricing versus competitors', and 'convenient location'), two additional advantages were generated from the attributes: 'faster checkout' and 'attractive promotions'.

Despite this amplification of the company's competitive advantage in the host market, the **findings suggested that a company might need to apply 'absolute' standardisation only to its unique format selling propositions, for the successful transfer of its domestic competitive advantage.** This view was supported since DIA managed to successfully transfer its home competitive advantage without applying a standardised strategy across its entire store image, but only for the core format related element '*Price/Location*'. This outcome contrasts with previous claims that support the idea of format standardisation as being the only way to successfully transfer a domestic competitive advantage. It could be that this form of standardisation may provide an answer to the dilemma posed by McGoldrick and Ho (1992) where retailers are faced with achieving a balance between format standardisation and complete adaptation to local needs and competitive conditions.

8.3.1.3.2 Performance – expectations and the importance of 'fit'

Although store format/concept and store brand image have been recognised as being a key source of competitive advantage within a host market, questions have been raised over whether this form of competitiveness will attract customers (Williams, 1991; Kacker, 1988; Treadgold and Davies 1988; Ho and Sin, 1987; Goldman, 1981). Simpson and Thorpe (1999; 1995) argued that in order for a retail offer to appeal within the foreign country it has to fit to the lifestyle and expectations of the target group of the country. Relative to store image, Ho and Sin (1987) claim that only when the imported store image matches the local consumers' demands will the successful transfer of a retail concept occur.

While this comparison between competitive performance and local expectations, is not directly linked with the debate on store brand image standardisation, previous empirical studies on international store image have focused on the question of *whether*

the competitive advantage is transferred, and have overlooked a more important question which is *if* it ‘fits’ with the expectations of the host market. For this study, when comparing the attribute rank order of DIA Greece alongside that found for “Ideal” Greece, the results were somehow inconclusive as to whether DIA’s store image fulfils the needs of its Greek patrons. Even its competitive advantage was questioned, as only one out of the five attributes that are considered to be more positively viewed than the competition, is perceived as important in the expectations of Greek shoppers. However, from the store image dimension examination, the findings suggest that the priority DIA Greece gives to its selling proposition (i.e. first price/location followed by performance and time effectiveness) fits entirely to the needs of its patrons. While these results are in accordance with those found in Ho and Sin (1987), where a new retail concept can fit rapidly within a new market, these results highlighted two important issues. First, as discussed previously, store image comparisons should be undertaken from both an attribute and dimension perspective as results can deviate. Second, by taking into account the positive store image found for DIA in Greece as well as the observed ‘inflation’ in its competitive advantage it could be argued that **the success of the transferability of store brand image should be accounted for on its ability to fit and fulfil the needs of the foreign cultural unit.**

8.3.1.3.3 Positioning Standardisation

Waldman (1978) argued that international retail standardisation can be observed under the image positioning perspective. This means that, although a retailer may have some variations in their retail formula abroad, they will still have a standardised position relative to the competitors in the domestic market, as well as in the non-domestic market. Concerning the image positioning perspective of branding, Bunce (1989) argued that although some variations will occur in the tangible elements of the

retail formula (price, merchandising) its image (intangible) could be consistent across all geographical markets and product sectors. Likewise, Martenson (1987) argued that while prices, in their absolute form, are seldom standardised worldwide, the pricing positioning followed by a company is.

Following these suggestions, one of the tasks of the proposed research framework was to examine the relative positioning that DIA had achieved within its respective markets. The results indicated that DIA Spain had achieved an identical position for its Greek operations. Thus, **the findings of this study come to support the claims that store brand image standardisation should be examined by the ‘relative’ standardisation of the stores’ positioning within their respective markets.**

By examining positioning standardisation, this completed the second comparative process of the proposed research framework ‘relative marketplace’. When relating this outcome with the other two comparative modes in the ‘Relative’ standpoint, the results suggested that there is a relationship between them. Assuming that all positioning strategies start from the company’s unique selling proposition, it can be argued that, by applying an ‘absolute’ standardised strategy for its core differential offer, DIA has managed to achieved a ‘relative’ standardised strategy of the whole concept. Thus, by using the standpoint of ‘Relativity’ the **overall results suggest an ‘absolute’ store brand image standardisation of the store’s unique selling proposition will provide the brand with a high degree of ‘relative’ standardisation.**

From the process used to examine store brand image standardisation it is evident that depending the standpoint taken, the results suggest that standardisation can be conceptualised in different ways. As this is the second theoretical contribution of the thesis, the following section will summarise and define the new concepts of standardisation that were identified in this thesis.

8.3.2 THE CONCEPT OF STANDARDISATION

Buzzell (1968) defined standardisation as the identical offering of the entire marketing mix in several different countries (chapter 3). Since then, and depending on the degree of standardisation a company should adopt for its marketing mix, three different schools of thought have emerged: those that advocate 'pure standardisation' (Levitt 1983); those that argue for 'pure adaptation' (Whitelock and Pimblett 1997) and those that suggest a 'middle ground' approach with elements of standardisation and adaptation (Samiee and Roth, 1992). Despite this, in recent years there have been calls in search of the true meaning and conceptualisation of international marketing standardisation. Particularly when the terms 'globalisation' is also used creating confusion. Attempts have been made to distinguish standardisation as either a single marketing strategy that is applied in all markets, or as a domestic marketing strategy that is applied in a host market (Zou, et al., 1997; Cavusgil, et al., 1993; Samiee and Roth, 1992). This study adopted the definition provided by Medina and Duffy (1998) who viewed the concept of standardisation as a *home standard to be applied-dictated* within a single foreign market. They distinguished this from the concept of globalisation which they defined as a standard to be *achieved* for the creation of highly uniform products that can be adopted around the world.

Within the international retail context Martenson (1987) was one of the first to define standardisation as the coordination of the marketing mix between countries that will preserve the retailer's national identity or actively promote their "international life style" (chapter 3). However, it was Salmon and Tordjman's (1989) landmark article that referred to standardisation as the "faithful replication of a concept abroad", which corresponds to a formula that is already successful in the country of origin. Since then, this definition has been used as the reference concept when talking about standardisation in international retailing, something that was also done in this thesis.

Nevertheless, like in the international marketing literature there have been scholars questioning this approach to strategic expansion (O'Grady and Lane, 1997; Dawson, 1993; Treadgold, 1990/1991; Kacker, 1988; Hollander, 1968) and others suggesting a neither/nor approach (Goldman, 2001; Pellegrini, 1999; Bartlett and Ghoshal 1989; Waldman, 1978). Despite all these references within the literature on international retailing, it was observed that there was a lack of a clear definition of the concept of 'store brand image standardisation' as most of the studies referred to it as an overall stratagem for retailer wishing to internationalise. Thus, terms such as standardisation of format, concept, formula, offer, identity etc, created confusion of the concept of 'standardisation' (chapter 2). Even in the studies of store image transferability, where the debate was centred on whether store image can be standardised abroad, the notion is taken as being self-explanatory with insufficient attention given to the actual meaning. Recognising the absence on a clear conceptualisation of standardisation, this study attempted to contribute to this theoretical gap. This was achieved by examining the different forms store brand image has undertaken when transfer abroad.

By using the proposed research framework, **the findings of this study suggest that store brand image standardisation can be conceptualised in three different ways:**

- **'Absolute Standardisation'**
- **'Relative Standardisation'**
- **'Core Standardisation'**

Absolute Standardisation was identified by using the 'absolute' standpoint comparison, which embraces the conventional way for examining store image transferability, namely 'store image *per se*'. Moreover, throughout this thesis standardisation was defined by adopting the theoretical views of Medina and Duffy

(1998), - a standard to be applied (dictated) - and that of Salmon and Tordjman (1989) - “faithful replication of a concept (image) abroad”. Thus, from the findings of this study **‘Absolute Standardisation’ can be defined as: A standard to be applied by faithfully replicating the store’s domestic image into a host market.** This implies that a retailer will dictate its domestic offer (standard to be applied) by faithfully replicating the home store image into the host market and disregard any cultural peculiarities found within the host market.

When employing the comparative process of ‘Relative Marketplace’, the results depicted that the company had managed to achieve a standardised position within its respective markets. The word ‘achieve’ was deliberately used here instead of ‘apply’, since it appeared that the company while not dictating (i.e. applying) its home standards in the host market (via its store image) has managed to overcome (i.e. achieved) any ‘retail differences’ and relatively standardise its position in the host market. Given that this standardised position was identified under the ‘Relativity’ standpoint, where the trade off relationship of the stores was examined relative to their marketplace, **‘Relative Standardisation’ can be defined as: A standard to be achieved by faithfully replicating the store’s domestic positioning into the host market.**

While using the two investigative processes of the framework, ‘store image *per se*’ and ‘relative to the marketplace’, the results depicted that standardisation could be conceptualised in these two distinct ways, by employing the dimension perspective, findings suggested that store brand image standardisation can also be conceptualised in terms of **‘Core Standardisation’**. This form of standardisation implies that the company needs only to apply an ‘absolute standardisation’ (as defined above) for its unique selling proposition, thus allowing the retailer to adapt the remaining aspects of the offer according to the needs of the local market. As such, this can be equated with the ‘neither/nor’ approach found in the literature. However, differences can be observed

between the definition found in the literature and the one that is proposed above. From the findings, this aspect of standardisation secures the successful transfer of a company's core concept into the local market. In addition, this approach reinforces the idea that the offer can be adapted to local needs, thus fulfilling the expectations of the host target group. Given these properties, it can be seen as the transition point between the two concepts previously defined. While an 'Absolute Standardisation' is applied to the core domestic brand, a degree of freedom is permitted for the adaptation of the brand to local needs to allow the achievement of 'Relative Standardisation'. Consequently, the company by adopting 'Core Standardisation' can reach a global standing since a highly uniform brand is created that is adequate for multi-markets (through standardised positioning) while at the same time maintaining the whole concept of the offer. Taking into account the above, **'Core Standardisation' can be defined as: A standard to be secured by faithfully replicating the store's domestic unique selling proposition that satisfies the needs of global markets while maintaining the company's entire concept**

While all of these proposed aspects of store brand image standardisation can be conceptualised, depending under which process and standpoint we adopt, the results of this thesis suggested that they are also a result of certain preconditions. As such, the following section will present the factors that were found to have an impact on store brand image standardisation.

8.3.3 FACTORS TO BE CONSIDERED WHEN EXAMINING STANDARDISATION

Four factors were identified as influencing DIA's store brand image standardisation into Greece: the market; format innovation and stage of life cycle; format simplicity; and methodology. However, as the literature suggests, all of them are ultimately related to the notion of time.

8.3.3.1 *The Market*

Keeping in mind the assumption that DIA has tried to standardise its home operations in Greece, the first factor that was identified which could have affected DIA's standardised strategy is the heterogeneous nature of the markets in which both stores operate. The results of this study suggest that DIA is operating in divergent environments, with the home market characterised as a more "advanced" market compared to the host. This view is derived from observing that Greek grocery shoppers had lower levels of 'retail' expectations, and competition in this particular country was found to be less aggressive. Within the literature, the heterogeneous market factor has been well cited as a factor for preventing standardisation in international marketing (Whitelock and Pimblett, 1997; Czinkota and Ronkainen, 1993; Jain 1991; Douglas and Craig, 1986), and in international retailing (O'Grady and Lane, 1997; Davies and Flemmer, 1995; Dawson, 1993; Treadgold, 1990/1991; Kacker, 1988; Hollander, 1968). As Martenson claims (1988), retailers are more involved with cultural values than any other type of company, hence they have to find out whether there are any cultural differences, and if so decide to what extent they will affect the standardisation of their operations. Given the results from the quantitative analysis where some form of standardisation was achieved, **the findings of this study suggest that despite the observed divergence found between the markets a company can pursue a relative standardised strategy.**

Until now, the central theme surrounding the debate of standardisation versus adaptation has been that the market is viewed as a predetermined condition, whereas the company's strategy is a variable that has to adapt to local needs in order to succeed. However findings suggested that due to the lower market standards found in the host market the company's foreign operation found itself more positively perceived

compared to its home operations. These results imply that standardisation should be viewed as the predetermined variable, whereas market heterogeneity is the variable that has played the role of a “positive converter.” The positive impact, of a newly introduced ‘sophisticated’ concept, due to the low development of the local market, has been highlighted by McGoldrick and Blair, (1995); and Burt (1991). Nevertheless, the literature suggests that the entry of a foreign retailer will trigger a higher degree of competition within the host market as the local players adapt to the trading methods of the alien retailer (Burt 1993; Kacker, 1985). Thus, an argument is brought forward with regards to the implications this might have on the imported format.

8.3.3.2 Format Innovation and Life Cycle Stage

Another reason for this positive image within the foreign operation was the format’s life cycle stage and its innovative nature within the host market. For this study, while in the home market the format is reaching the maturity stage of its life cycle, in Greece the company has introduced an innovative concept which is at the initial stage of its life cycle. As this stage suggests that the local market has yet to respond to this innovation, this could further explain why DIA is not viewed as standardised (in absolute terms) and is perceived more positively in Greece than in its home environment.

Pellegrini (1999, 1994, 1991) refers to this form of innovation as ‘absolute innovation’ and he includes it within the overall product (formula) innovativeness that a retailer may possess as a motive to internationalise. In addition, this innovativeness will place the retail store concept (or institution as defined in the theory) at the early growth stage of its life cycle. However, due to macro-environmental factors that influence the concept, one of them being ‘imitation’ from competitors, the concept will gradually go

through the accelerated, maturity and decline stage (Davidson et al., 1976). This was also highlighted by Pellegrini (1994, 1991) and Davies (1992). They claim that it is very difficult for a retailer to protect its product innovativeness (formula) as there are no legal actions to defend it. As such, retailers will either lose their product innovativeness or they will need to focus more on process innovation (the expertise of producing and operating new formulas) which is less easily imitated by competitors. Arguably, this scenario could also be applied for this study. As such, it could be argued that **the format's life cycle stage and its innovative nature within the host market could affect the standardised strategy (in absolute terms) of a company.**

8.3.3.3 Format Simplicity

As the results indicated that DIA's innovation is derived from applying 'core standardisation' (only to its format unique selling proposition), it can be claimed that DIA's standardised strategy is also affected by the simplistic nature of the format. While Treadgold (1991) suggests that the creation of differential advantage within a host market should be easily recognised and perceived by the new target group, Williams (1991) argues that the more simple the format or competitive advantage (i.e. price) the easier it is to be imitated by competitors. Clearly, this could have implications for DIA's standardised strategy in Greece, as its 'Price/Location' competitiveness, according to Williams (ibid.), can be characterised simplistic.

8.3.3.4 Methodological Implications

A final factor that could have affected the study of DIA's standardised strategy in Greece may be methodological, as this research was of ad hoc nature. McGoldrick and Blair (1995) argue that while static investigations on store image provided valuable information, there is a need for studies that will study international store image development over time and phase. This was also identified by Kidachi and Dawson

(1998), where they found that while Yaohan first entered the UK market by adopting a standardised strategy of its retail offer, after a period of time the company changed and emphasised in advocating an adapted strategy.

8.3.3.5 *The Impact of Time*

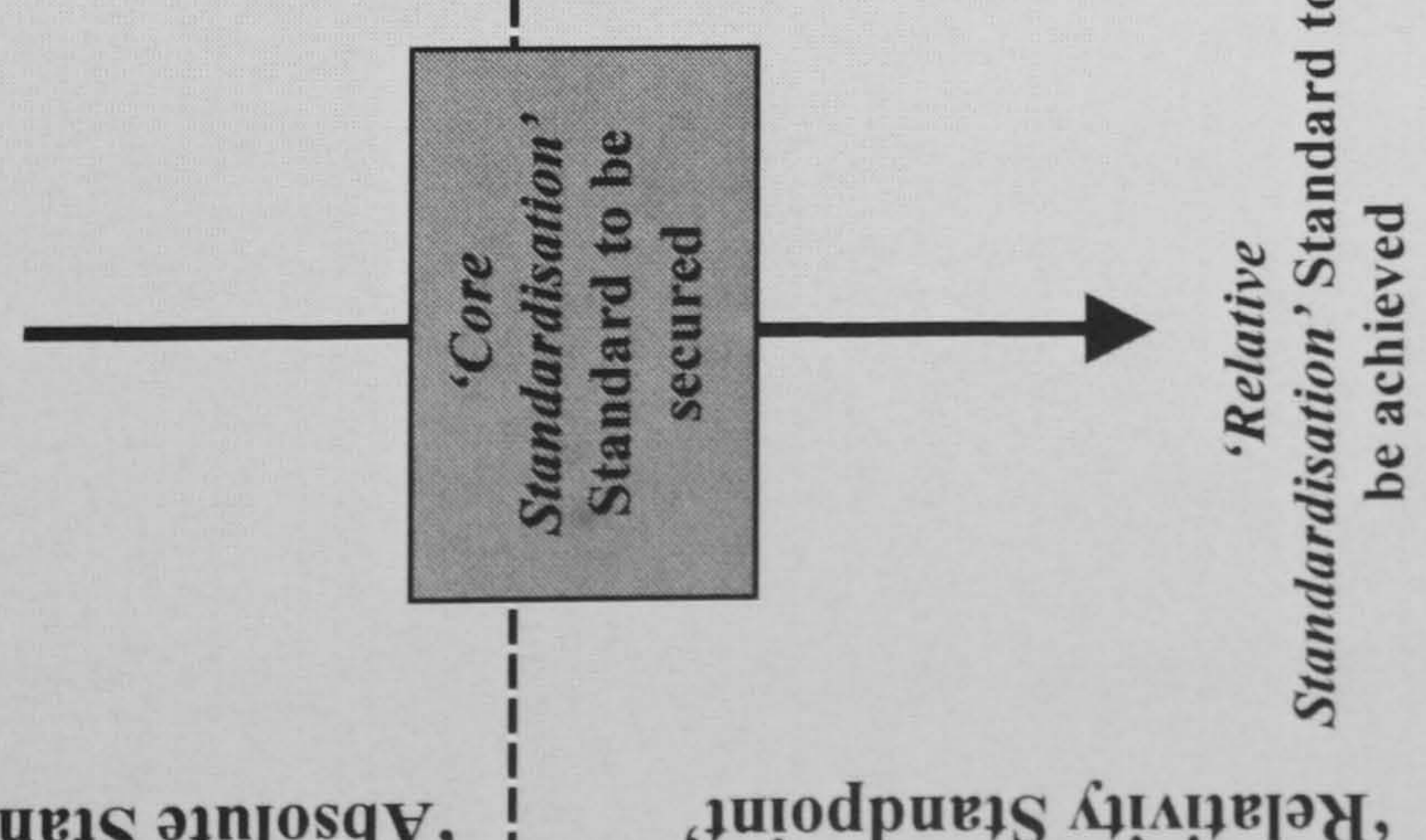
The time factor, has been used to explain the institutional change that occurs in a retail format (see Brown, 1987). More recently, time has been considered in respect of the transferability of the domestic store image into host markets. Extensive time exposure within a new market will help elements of the store image to develop and play an important role, as they became apparent to the minds of the alien target group (Pellegrini, 1999; McGoldrick and Blair, 1995). However, while time is required for a store brand image to reach its full potential in a host market, the literature suggests that incoming retailers could trigger a sequential change in the retail structure and shopping behaviour of the host country, obliging the incoming retail format to respond and sometimes adapt. While this conclusion could not be derived from the findings of this study, as it was an ad hoc research, the four factors that were identified above as influencing the transfer of DIA's store image into Greece suggest that the time dimension will have an effect on the company's operations in Greece.

Moreover, as all these factors are related to time the findings suggest that DIA's operations in Greece have yet to reach a stage of institutionalisation, like in the home country. For Markin and Duncan (1981), 'institutionality' for a retailer is when "the innovative norms and action patterns become valued by a larger society and are incorporated into the behaviour of linked organisations and other groups" (p. 63). According to Ho and Sin (1987), the stage when the retailer is viewed as an institution can be observed when there is a match between the retailer's store image with the demands of the consumer. The findings in this study found that the domestic store

image is drifting away from its home customers' demands and visa versa for its foreign operation. However, the results also indicated that while a more favourable and matching image is observed in the host market its coherence is questioned when put against its competitors. On the contrary, the domestic store image was found to be perceived by its patrons in a clear and consistent manner. As Burt and Carralero-Encinas (2000) claim, history and time within the (home) market create a stage of institutionalisation. Taking into account the overall results found from this study, DIA's situation in Greece may be captured by the comments made by McGoldrick and Blair (1995) for Marks & Spencer in Spain "While Marks & Spencer has been adopted enthusiastically as an innovation in Spain it may take a generation to become an institution" p. 186. Unfortunately, this outcome will remain unknown, as Marks & Spencer has withdrawn from the Spanish market.

Taking into account all the theoretical implications that have aroused from this study (see table 8.2), the question now lies as to how they can be interpreted within a managerial context and contribute towards the decision making of a company wishing to adopt a standardise or adapted strategy of its operations.

Table 8.2 Proposed research framework with major conclusions of this thesis

STANDARDISATION		FACTORS AFFECTING A STANDARDISATION STRATEGY	
		Heterogeneous markets Format innovativeness Format simplicity Methodology	
T I M E		R E L A T I V I T Y	
CONCEPTUALISATION	PROCESS	MODE	MAJOR CONCLUSIONS
'Absolute Standpoint' 'Absolute Standardisation' Standard to be applied 	Store image per se: Comparison of the store image is conducted between the actual stores under investigation	Attribute comparison Tangible Vs Intangible Attribute properties Attribute performance Attribute Competitive advantage	The store brand image comparison indicated a relatively low degree of 'absolute' standardisation between the stores in the two countries. Inconclusive with respect to the whether tangible versus intangible components of a store brand image are easier to standardise, Standardisation of store brand image should be also examined with respect to the key properties that stem from the format's unique selling proposition. High degree of store brand image standardisation performance.
	Relative marketplace: Comparison of the store image is conducted between the stores under investigation and their relative marketplace	Performance - Expectations Positioning	Findings suggested that a company might need to apply 'absolute' standardisation only to its unique format selling propositions, for the successful transferability of its domestic competitive advantage. The successfulness of the transferability of store brand image should be undertaken for on its ability to fit and fulfil the needs of the foreign cultural unit. The findings of this study come to support the claims that store brand image standardisation should be examined by the 'relative' standardisation of the stores' positioning within their respective markets.
'Relative Standpoint' 'Relative Standardisation' Standard to be achieved	Dimension perspective The two processes are compared under a dimension perspective where attributes are substituted by dimensions. For the positioning, comparison is made in 'Absolute' and 'Relative' terms.	All of the above but for store image dimensions	Store brand image standardisation should be examined from an attribute, dimension and positioning perspective

8.2 MANAGERIAL IMPLICATIONS

From a managerial perspective, the proposed research framework adopted in this study, and the results appear to offer contradictory views as to whether a company should standardise its store brand image. From the *'absolute'* store image comparison, the recommendation is to avoid a faithful replication of the entire domestic store brand image in the host market. If a company pursues this approach there is danger that its image may be perceived less favourably within the host market as it may have to lower the standards of its store image to meet the requirements of the marketplace. As such, returning to the question of whether a retailer should standardise or adapt its store brand image in order to successfully transfer its competitive advantage when going abroad, the findings of this study suggest a *'neither/nor'* answer.

What the retailer needs to do first is to identify which of the components of the home store image generates the store's competitive advantage, as only these elements need to be standardised in the foreign market. This examination should be considered from a dimension perspective rather than an attribute perspective, since it was observed that shoppers tend to group their perceptions and evaluations of stores by using broader notions of store image. The retailer should then carefully examine whether these components are of a tangible or intangible nature, since the differential advantage may require a period of time exposure in order to be recognised by local shoppers.

Having identified the source of competitiveness, the next step is to investigate the host market on a structural and shopper level as it is essential to see whether the elements that generated the domestic competitive advantage fulfil the needs of the host market. If they do, a standardised approach is recommended, as this will ensure the successful transfer of the domestic competitive advantage and lead to a relative standardisation of the entire concept. This relative standardisation is derived from the

position the stores obtain in both the domestic and foreign market, and will permit the company to achieve, if desired, a unified global image.

However, as the retailer will face different competitors in the host environment the question then lies on the sustainability of this competitive advantage as the risk of being imitated could be high. This is particularly true if the competitiveness stems from tangible elements and the unexploited opportunities of the concept within the host market. Thus, a standardised approach towards the competitive advantage should be seen as a strategic recommendation during the entry stage. This will protect and retain the innovativeness of the retail offer and will help the retailer to be recognised relatively fast in a market where his brand identity is unfamiliar.

As indicated in this study this strategy can be more effective since a harmonised approach is achieved between the domestic and foreign offer. Effectively this implies a combined standardised approach while at the same time an accepted level of adaptation is allowed without jeopardising the competitive advantage. However, the level of adaptation should be monitored consistently since the danger of drifting to an unwanted position is apparent.

8.3 LIMITATIONS AND (OR) AVENUES FOR FURTHER RESEARCH

As any thesis, this study has its limitations. However, since the aim of a thesis is to contribute to existing knowledge, the researcher views that by recognising the limitations of this study, directions for further research will be provided. For this reason this section highlights the limitations of the study and provides avenues for further research to overcome these weak points.

1. This thesis has a narrow focus concerning the format adopted for the topic under investigation. As discussed the discount format may be viewed as one of the most 'simple' forms found in the portfolio of a retail organisation. Given this, the conclusions deriving from this study may be less applicable to other more

- ‘sophisticated’ formats. As such, a primary avenue for further research would be to apply the research framework to more complicated grocery formats such as hypermarkets, or to concepts where the format’s competitiveness is more difficult to recognise e.g. supermarkets.
2. A second limitation is the sector chosen for this study. While it is argued that the food retail sector has resisted standardisation due to the high degree of ‘cultureness’ between countries, its operations are focused more on tangible aspects of differentiation thus making brand image standardisation easier to recognise. Given this, future research should concentrate on sectors where the intangible aspect of the brand plays a more significant role in shoppers perceptions, for example fashion retailing.
 3. Using countries with a similar geographical and perceived closeness (i.e. similar cultural characteristics in its broadest sense) may also raise questions over the findings of the research. It will be interesting to apply the framework to countries with more divergent cultural characteristics. Particularly as international retail activities are now observed for a relatively longer time in markets such as Asia, East Europe and Middle East.
 4. Since this study investigates the store brand image transfer of a domestic retailer through only one of its subsidiaries, the results fail to shed light on the notion of whether a retailer adopts a regionalisation approach to store brand image. Thus, further investigations could include retailers that have operations in different countries within various regions. Moreover, this could provide further insight as to whether integration and exchange of information between the mother company and its subsidiaries is feasible.
 5. One form of standardisation is process standardisation. While this study focuses solely on store brand image standardisation it has been argued that the former is

sometimes the prerequisite of latter. As such, an avenue for further research could be within the organisational culture of the companies. Investigation could focus on the decision making processes that companies adopt within their country of operation, the degree of independence from their head offices that subsidiaries have in making decisions, and what effect this has on the transfer of the domestic store brand image. This approach could also shed light on the claim that a store (as a brand) has a grounded history that derives from years of operations within the home market. Thus, investigation of the 'back end' of a store's operation could shed more insight on the business culture that is associated with the store as a brand.

6. The examination of a subsidiary that has recently entered a host country could also be seen as a limitation of this study, as it provided a unidimensional perspective of the transfer of store brand image. Future research should also focus on examining subsidiaries that are well established with the host market. This could provide further information on the issue of whether companies, after a considerable period of time operating within a foreign market, enter a stage where they develop their own brand identity and are viewed as a 'national' rather than 'foreign' brands.
7. During the last chapters, it was claimed that one of the primary factors that could influence a standardisation strategy was time, thus the findings of this thesis could be study-specific. Hence, it would be constructive if future research into store brand image standardisation, adopts a longitudinal approach where store image investigation between counties is repeated over a period of time.
8. There are several ways of measuring and comparing store image. While this thesis used an approach which was 'tailor made' to the aim and objectives of the research, this does not mean that it is the only or the correct way. Other well

established and robust techniques are used and can be also applied to the topic under investigation. For example, for the investigation of the most salient store image attributes between two or more cultural units, the quantitative method of conjoint analysis can be used. On the other hand, for more insight into the 'cultural' aspect of store brand image, qualitative approaches such focus groups and ethnography could be more appropriate.

9. Finally, it is recognised that by using only two stores within each country for measuring the company's store image, this could raise questions on whether the image transmitted by these stores actually represents the company's identity. It is recommended that for future research a more in depth investigation should be carried out, by selecting and measuring the store image from more than two stores within each country. This could provide a better understanding of the actual image the company transmits with each country.

8.5 CONTRIBUTION OF THE THESIS

In conclusion, this thesis attempted to contribute to the scarce, until today, knowledge of store brand image transferability. Drawing upon the well documented literature on the standardisation versus adaptation debate in international marketing, international retailing, and store image, a synthesized approach was undertaken in an attempt to provide further insight into the topic under investigation. I believe that the first and foremost contribution of this thesis is resting on the process undertaken to examine store brand image transfer. Second, based on a number of findings that arose from this process, some support, others contrast, and several add to existing knowledge. I trust that the contribution of this thesis will provide more 'food for thought'. in a constructive way, for future investigation into the international transfer of store brand standardisation.

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APPENDICES

List of categories and their relative attributes identified in previous store image literature

Reputation	Physical characteristics	Personnel
Good reputation Store is liked by others Has been in community long Provides help to the community High calibre Prestigious Company well known High social standing Overall impression General quality of store Trustworthy Reliable image Let you down Confidence Conservative image Modern image Loyalty Country of origin confidence Store name Store for younger people Store for older people High status customers	Good appearance Good physical condition Well stocked shelves Well display of merchandising Well layout of products Convenient layout Easy to move through store Easy to find items Easy to shop Width of aisles Clean store Hygienic store Attractive furniture Attractive shop Physical facilities of store appealing Number checkouts Tidy store Attractive décor	Well-presented Friendly Adequate number Helpful personnel, Sympathetic Knowledgeable Polite Trained Cheerful Pleasant
Atmosphere	Pricing	Service
Pleasant Enjoyable atmosphere Store brightness Store temperature Exiting store Attractive atmosphere Store is uncongested Store is crowded Store is junky looking Congested atmosphere In-store concessions	High/low prices Low prices versus competitors Competitive pricing Offers good bargains Fair price Constant Pricing Offers discount on merchandising Offers promotional activities Attractive promotions Believable promotions Reliable promotions Wide variety of pricing Pricing on products is well signed Pricing of Own Labels	Easy credit policy Acceptance of credit card Fast check out Short checkout lines Easy to return purchase Money back guaranty Good after service purchase Easy exchange purchase Home delivery Pleasant service Fair on adjustments Quality of service Easy to get answers
Merchandising	Convenience	
Quality of products Narrow/wide selection Poor / excellent selection Value for money products Selection of fresh products Quality of fresh products Good quality of Own Labels Selection/range of Own Labels Specialised products Exclusivity of brands Selection of brands Ordinary/unique products	Parking facilities, Number of stores, Operating hours Convenient Location	

Focus group discussion guide

Warm -up

Good morning (good evening), my name ... I am carrying out a research concerning retail outlets. I have contacted other persons who have gladly participated in this survey and I would appreciate if you participate too. We will have a discussion regarding grocery stores, and our discussion will last no more than one hour. I will not use your names or any other personal information in my report, your anonymity is guaranteed so, feel free to tell me your opinion. There are no correct or wrong answers; all I need is your opinion.

If you agree, and in order to concentrate on what you are saying and not take notes, I will use a tape recorder.

Q.1 Now, I would like to ask you, who in your household does the grocery shopping?

Answer...

Q.2 So, if it is you, what do you usually shop?

Answer...

Q.3 How often do you do you do your grocery shopping per month?

Answer...

Q.4 Where do you usually do your grocery shopping?

Answer...

Q.5 Out of the places you have just mentioned, can you classify them in any way?

Probe (classification in terms of format)

Answer...

Q.6 Based on your shopping experience in a grocery store, what is the FIRST thing that comes to your mind when you think of an “ideal” grocery store? Please feel free to tell me, whatever you think as important.

Probe (narrow the interviewees’ ideas into general features/properties)

Answer...

Q.7 Apart from these, what other things do you consider also as important for an “ideal” grocery store?

Answer...

Q.8 Some other shoppers have told us that ... (introduce the categories that were not mentioned in the previous question, but. are referred to in the literature concerning store

image) is (or are) also an important aspect of an “ideal” grocery store. What do you think? Is (are) they important for an “ideal” grocery store or not and why?

Answer...

Q.9 Well let us summarise; you have told me that an “ideal” grocery store are should have the following aspects... How would you rank them according to their significance? Give 1 to the most important and X (depending on the number they have identified) to the less important.

Answer...

Q.10 Now, can you please describe them to me in more detail? Lets start with the first

Answer...

Q.11 From the characteristics you have just given for each aspect, some other shoppers have mentioned ... (introduce the attributes that were not mentioned in the previous answers, but, are referred to in the literature concerning store image) as also significant. What do you think of them? Are they important or not and why? Please feel free to add any other characteristics that you think as important for each aspect.

Answer...

Q.12 From the characteristics you have just mentioned, could you please rank the first five according to their significance? Give 1 to the most important and 5 to the less important.

Answer...

Q. 13 OK I think we have covered and discovered a lot of issues here regarding grocery stores. Is there anything else you would like to add in our conversation?

Answer...

Thank you very much for your co-operation and I appreciate the time you have spent with me. You were very helpful.

Questionnaire Employed for the measurement of store image

ENGLISH VERSION FOR DIA

QUESTIONNAIRE

Dear Madam/Sir

I am currently carrying out a research regarding S/M stores. I would be grateful if you could take the time to complete this questionnaire. I have to ensure you that all the information provided will be treated with strict confidentiality.

Q.1 Gender:

Male _____ Female _____

Q.2 In which of the following age group do you belong?

- A. Under 19 _____ (If A terminate questionnaire)
 B. 19-24 _____
 C. 25-34 _____
 D. 35-44 _____
 E. 45-54 _____
 F. 55-64 _____
 G. 65+ _____

Q.3 Is this your first time you have visited/shopped in DIA?

Yes _____ No _____ (If YES terminate questionnaire)

Q.4 When was the last time you visited/shopped in DIA?

- A. Within year 2000 _____
 B. Within year 1999 _____
 C. Prior to 1999 _____ (If C terminate questionnaire)

Q.5 How would you classify your self?

- A. Frequent DIA shopper _____
 B. Occasional DIA shopper _____
 C. I rarely shop in DIA _____ (If C terminated questionnaire)

Q.6 Which of the following products do you usually purchase when visiting DIA?

- A. Food _____
 B. Non Food _____
 C. Both _____

Q.7 On an average, how often do you buy your major groceries?

- A. Every day _____
 B. 2-3 days a week _____
 C. Once a week _____
 D. Once every 15 days _____
 E. Less often _____
 F. Never _____ (If F terminate questionnaire)

IDEAL STORE

Q 8 Based on your shopping experience I would like you to indicate the extent to which you agree or disagree in the following statements for which a Supermarket should possess or have. You can express your opinion on a seven-point scale ranging from 1 "Strongly Disagree" to 7 "Strongly Agree".
(Show card)

	Strongly Disagree		Neutral			Strongly Agree		Don't Know
	1	2	3	4	5	6	7	_____
1. A S/M should be easy to shop in	1	2	3	4	5	6	7	_____
2. A S/M should sell good quality of fresh products	1	2	3	4	5	6	7	_____
3. A S/M should have a limited variety of products	1	2	3	4	5	6	7	_____
4. A S/M should have well stocked shelves	1	2	3	4	5	6	7	_____
5. A S/M should be clean and tidy	1	2	3	4	5	6	7	_____
6. A S/M should have slow checkout	1	2	3	4	5	6	7	_____
7. A S/M should price its own labels reasonably in relation to their quality	1	2	3	4	5	6	7	_____
8. A S/M should have helpful and polite personnel	1	2	3	4	5	6	7	_____
9. A S/M should offer higher prices versus competitor	1	2	3	4	5	6	7	_____
10. A S/M should have a pleasant atmosphere	1	2	3	4	5	6	7	_____
11. A S/M should inspire trustworthiness	1	2	3	4	5	6	7	_____
12. A S/M should have attractive promotions	1	2	3	4	5	6	7	_____
13. A S/M should have convenient location	1	2	3	4	5	6	7	_____
14. A S/M should have inadequate size of parking	1	2	3	4	5	6	7	_____
15. A S/M should have a reliable image	1	2	3	4	5	6	7	_____
16. A S/M should sell poor quality of own labels	1	2	3	4	5	6	7	_____

Q. 9 In this part of the questionnaire I would like to ask your opinion regarding DIA. I will read you a set of statements and I would like you to indicate the extent to which you agree or disagree with them". You can express your opinion on a seven-point scale ranging from 1 "Strongly Disagree" to 7 "Strongly Agree". **(Show card)**

	Strongly Disagree		Neutral			Strongly Agree		Don't Know
	1	2	3	4	5	6	7	
1. DIA is easy to shop in	1	2	3	4	5	6	7	_____
2. DIA sells good quality of fresh products	1	2	3	4	5	6	7	_____
3. DIA has a limited variety of products	1	2	3	4	5	6	7	_____
4. DIA has well stocked shelves	1	2	3	4	5	6	7	_____
5. DIA is clean and tidy	1	2	3	4	5	6	7	_____
6. DIA has a slow checkout	1	2	3	4	5	6	7	_____
7. DIA prices its own labels reasonably in relation to their quality	1	2	3	4	5	6	7	_____
8. DIA has helpful and polite personnel	1	2	3	4	5	6	7	_____
9. DIA offers higher prices versus the competitor	1	2	3	4	5	6	7	_____
10. DIA has a pleasant atmosphere	1	2	3	4	5	6	7	_____
11. DIA inspires trustworthiness	1	2	3	4	5	6	7	_____
12. DIA has attractive promotions	1	2	3	4	5	6	7	_____
13. DIA has convenient location	1	2	3	4	5	6	7	_____
14. DIA has inadequate size of parking	1	2	3	4	5	6	7	_____
15. DIA has a reliable image	1	2	3	4	5	6	7	_____
16. DIA sells poor quality of own labels	1	2	3	4	5	6	7	_____

Q. 10 Can you please tell me a store that you have shopped in and you think is an alternative to DIA, for your grocery shopping?

Q. 11 Having in mind the store you have just mentioned can you please express your opinion on the extent to which you agree or disagree in the following statements. You can express your opinion on a seven-point scale ranging from 1 “Strongly Disagree” to 7 “Strongly Agree” (**Show card**).

	Strongly Disagree		Neutral			Strongly Agree		Don't Know
1. _____ is easy to shop in	1	2	3	4	5	6	7	_____
2. _____ sells good quality of fresh products	1	2	3	4	5	6	7	_____
3. _____ has a limited variety of products	1	2	3	4	5	6	7	_____
4. _____ has well stocked shelves	1	2	3	4	5	6	7	_____
5. _____ is clean and tidy	1	2	3	4	5	6	7	_____
6. _____ has a slow checkout	1	2	3	4	5	6	7	_____
7. _____ prices its own labels reasonably in relation to their quality	1	2	3	4	5	6	7	_____
8. _____ has helpful and polite personnel	1	2	3	4	5	6	7	_____
9. _____ offers higher prices versus the competitor	1	2	3	4	5	6	7	_____
10. _____ has a pleasant atmosphere	1	2	3	4	5	6	7	_____
11. _____ inspires trustworthiness	1	2	3	4	5	6	7	_____
12. _____ has attractive promotions	1	2	3	4	5	6	7	_____
13. _____ has convenient location	1	2	3	4	5	6	7	_____
14. _____ has inadequate size of parking	1	2	3	4	5	6	7	_____
15. _____ has a reliable image	1	2	3	4	5	6	7	_____
16. _____ sells poor quality of own labels	1	2	3	4	5	6	7	_____

Demographics

Q. 12 Marital status

- A. Single _____
- B. Single with children _____
- C. Married _____
- D. Married with children _____

Q. 13 Education

- A. None _____
- B. Primary school _____
- C. High school _____
- D. University _____
- E. Post graduate studies _____

Q.14 Which category do you fall under?

- A. Unemployed _____
- B. Student _____
- C. Self-employed _____
- D. Housewife _____
- E. Private sector employ _____
- F. Public sector employ _____
- G. Retired _____

GREEK VERSION OF THE QUESTIONNAIRE FOR DIA

Ερωτηματολόγιο – DIA

Καλημέρα / καλησπέρα. Κάνουμε μια έρευνα για Σ/Μ και θα θέλαμε τη γνώμη σας όσον αφορά αυτά τα καταστήματα. Θα θέλαμε να αφιερώσετε λίγο από το χρόνο σας ώστε να συμπληρώσετε ένα ερωτηματολόγιο. Πρέπει να σας ενημερώσω ότι όλες οι απαντήσεις σας θα είναι

E.1 Φύλο:

Αντρας _____ Γυναίκα _____

E.2 Σε ποια από τη παρακάτω ηλικιακή ομάδα ανήκετε;

- A. Α. Κάτω των 19 _____ (Εάν Α τερματίστε το ερωτηματολόγιο)
B. 19-24 _____
Γ. 25-34 _____
Δ. 35-44 _____
E. 45-54 _____
Z. 55-64 _____
Θ. 65+ _____

E.3 Είαι η πρώτη σας φορά που επισκέπτεστε/ ψωνίζετε από τα DIA;

Ναι _____ Όχι _____
(Εάν Ναι τερματίστε το ερωτηματολόγιο)

E.4 Πότε ήταν η τελευταία φορά που επισκεπήκατε / ψωνίσατε από τα DIA;

- A. Μέσα στο 2000 _____
B. Μέσα στο 1999 _____
Γ. Πρίν το 1999 _____ (Εάν Γ τερματίστε το ερωτηματολόγιο)

E.5 Πως θα χαρακτηρίζατε τον εαυτό σας;

- A. Ψωνίζω συχνά στα DIA _____
B. Ψωνίζω τακτικά στα DIA _____
Γ. Ψωνίζω σπάνια στα DIA _____ (Εάν Γ τερματίστε το ερωτηματολόγιο)

E.6 Ποιες από τις παρακάτω κατηγορίες συνήθως αγοράζετε όταν επισκέπτεστε ένα DIA;

- A. Μόνο τρόφιμα _____
B. Μόνο μη τρόφιμα _____
Γ. Και τις δύο κατηγορίες _____ (Εάν B τερματίστε το ερωτηματολόγιο)

E.7 Πόσο συχνά ψωνίζετε τρόφιμα για το σπίτι κατά μέσο όρο;

- A. Κάθε μέρα _____
B. 2-3 φορές την εβδομάδα _____
Γ. 4-5 φορές την εβδομάδα _____
Δ. 1 φορά την εβδομάδα _____
E. 1 φορά το δεκαπενθήμερο _____
ΣΤ. Σπανιότερα _____
Z. Ποτέ _____
(Εάν Z τερματίστε το ερωτηματολόγιο)

ΙΔΑΝΙΚΟ ΜΑΓΑΖΙ

Ε.8 Θα ήθελα τη γνώμη σας για τα Σουπερ Μαρκετ καταστήματα. Σε μια κλίμακα από το 1 ως το 7 όπου 1 είναι «Διαφωνώ Απολύτως» και το 7 « Συμφωνώ Απολύτως» πόσο θα λέγατε ότι συμφωνείτε σε κάθε μια από τις παρακάτω φράσεις (ΔΕΙΞΕ ΚΑΡΤΑ);

	Διαφωνώ Απολύτως	Διαφωνώ	Διαφωνώ Μάλλον	Ουδέτερος	Συμφωνώ Μάλλον	Συμφωνώ	Συμφωνώ Απολύτως	Δεν Ξέρω
1. Ένα Σ/Μ πρέπει να είναι έτσι διαμορφωμένο ώστε να κάνεις εύκολα τα ψώνια σου	1	2	3	4	5	6	7	___
2. Ένα Σ/Μ πρέπει να πουλάει καλής ποιότητας φρέσκα προϊόντα	1	2	3	4	5	6	7	___
3. Ένα Σ/Μ πρέπει να έχει περιορισμένη ποικιλία προϊόντων	1	2	3	4	5	6	7	___
4. Ένα Σ/Μ πρέπει να έχει γεμάτα ράφια	1	2	3	4	5	6	7	___
5. Ένα Σ/Μ πρέπει να είναι καθαρό και περιποιημένο	1	2	3	4	5	6	7	___
6. Ένα Σ/Μ πρέπει να αυξημένη αναμονή στα ταμεία του	1	2	3	4	5	6	7	___
7. Ένα Σ/Μ πρέπει να τιμολογεί τα προϊόντα ιδιωτικής ετικέτας αντάξια με τη ποιότητα τους	1	2	3	4	5	6	7	___
8. Ένα Σ/Μ πρέπει να έχει εξυπηρετικό και ευγενικό προσωπικό	1	2	3	4	5	6	7	___
9. Ένα Σ/Μ πρέπει να έχει τιμές ακριβότερες από αυτές των ανταγωνιστών	1	2	3	4	5	6	7	___
10. Ένα Σ/Μ πρέπει να έχει ευχάριστη ατμόσφαιρα	1	2	3	4	5	6	7	___
11. Ένα Σ/Μ πρέπει να μου εμπνέει εμπιστοσύνη	1	2	3	4	5	6	7	___
12. Ένα Σ/Μ πρέπει να έχει ενδιαφέρον προσφορές	1	2	3	4	5	6	7	___
13. Ένα Σ/Μ πρέπει να είναι σε βολική τοποθεσία	1	2	3	4	5	6	7	___
14. Ένα Σ/Μ δεν χρειάζεται να έχει επαρκές πάρκινγκ	1	2	3	4	5	6	7	___
15. Ένα Σ/Μ πρέπει να έχει αξιόπιστη εικόνα	1	2	3	4	5	6	7	___
16. Ένα Σ/Μ πρέπει να πουλάει χαμηλής ποιότητας προϊόντα ιδιωτικής ετικέτας	1	2	3	4	5	6	7	___

Ε.9 Τώρα θα ήθελα τη γνώμη σας για τα καταστήματα DIA. Σε μια κλίμακα από το 1 ως το 7 όπου 1 είναι «Διαφωνώ Απολύτως» και το 7 « Συμφωνώ Απολύτως» πόσο θα λέγατε ότι συμφωνείτε σε κάθε μια από τις παρακάτω φράσεις (**ΔΕΙΞΕ ΚΑΡΤΑ**);

	Διαφωνώ Απολύτως	Διαφωνώ	Διαφωνώ Μάλλον	Ουδέτερος	Συμφωνώ Μάλλον	Συμφωνώ	Συμφωνώ Απολύτως	Δεν Ξέρω
1. Το DIA είναι διαμορφωμένο ώστε να κάνεις εύκολα τα ψώνια σου	1	2	3	4	5	6	7	___
2. Το DIA πουλάει καλής ποιότητας φρέσκα προϊόντα	1	2	3	4	5	6	7	___
3. Το DIA έχει περιορισμένη ποικιλία προϊόντων	1	2	3	4	5	6	7	___
4. Το DIA έχει γεμάτα ράφια	1	2	3	4	5	6	7	___
5. Το DIA είναι καθαρό και περιποιημένο	1	2	3	4	5	6	7	___
6. Το DIA έχει αυξημένη αναμονή στα ταμεία του	1	2	3	4	5	6	7	___
7. Το DIA τιμολογεί τα προϊόντα ιδιωτικής ετικέτας αντάξια με τη ποιότητα τους	1	2	3	4	5	6	7	___
8. Το DIA έχει εξυπηρετικό και ευγενικό προσωπικό	1	2	3	4	5	6	7	___
9. Το DIA έχει τιμές ακριβότερες από αυτές των ανταγωνιστών	1	2	3	4	5	6	7	___
10. Το DIA έχει ευχάριστη ατμόσφαιρα	1	2	3	4	5	6	7	___
11. Το DIA μου εμπνέει εμπιστοσύνη	1	2	3	4	5	6	7	___
12. Το DIA έχει ενδιαφέρον προσφορές	1	2	3	4	5	6	7	___
13. Το DIA είναι σε βολική τοποθεσία	1	2	3	4	5	6	7	___
14. Το DIA δεν έχει επαρκές πάρκινγκ	1	2	3	4	5	6	7	___
15. Το DIA έχει αξιόπιστη εικόνα	1	2	3	4	5	6	7	___
16. Το DIA πουλάει χαμηλής ποιότητας προϊόντα ιδιωτικής ετικέτας	1	2	3	4	5	6	7	___

Ε.10 Θα ήθελα να μου πείτε το πρώτο Σ/Μ το οποίο έρχεται στο μυαλό σας από το οποίο έχετε αγοράσει και κατά τη γνώμη σας είναι κυριότερος ανταγωνιστής του DIA

Βερόπουλος _____
 Μαρινόπουλος _____
 Σκλαβενίτης _____
 ΑΒ Βασιλόπουλος _____
 Ατλάντικ _____
 Μπακάλικο της γειτονιάς _____
 DIA _____
 LIDL _____
 Άλλο..... _____

E.11 Έχοντας στο μυαλό σας το κατάστημα το οποίο μόλις αναφέρετε σε μια κλίμακα από το 1 ως το 7 όπου 1 είναι «Διαφωνώ Απολύτως» και το 7 « Συμφωνώ Απολύτως» πόσο θα λέγατε ότι συμφωνείτε σε κάθε μια από τις παρακάτω φράσεις (ΔΕΙΞΕ ΚΑΡΤΑ);

	Διαφωνώ Απολύτως	Διαφωνώ	Διαφωνώ Μάλλον	Ουδέτερος	Συμφωνώ Μάλλον	Συμφωνώ	Συμφωνώ Απολύτως	Δεν Ξέρω
1. Το _____ είναι διαμορφωμένο ώστε να κάνεις εύκολα τα ψώνια σου	1	2	3	4	5	6	7	___
2. Το _____ πουλάει καλής ποιότητας φρέσκα προϊόντα	1	2	3	4	5	6	7	___
3. Το _____ έχει περιορισμένη ποικιλία προϊόντων	1	2	3	4	5	6	7	___
4. Το _____ έχει γεμάτα ράφια	1	2	3	4	5	6	7	___
5. Το _____ είναι καθαρό και περιποιημένο	1	2	3	4	5	6	7	___
6. Το _____ έχει αυξημένη αναμονή στα ταμεία του	1	2	3	4	5	6	7	___
7. Το _____ τιμολογεί τα προϊόντα ιδιωτικής ετικέτας αντάξια με τη ποιότητα τους	1	2	3	4	5	6	7	___
8. Το _____ έχει εξυπηρετικό και ευγενικό προσωπικό	1	2	3	4	5	6	7	___
9. Το _____ έχει τιμές ακριβότερες από αυτές των ανταγωνιστών	1	2	3	4	5	6	7	___
10. Το _____ έχει ευχάριστη ατμόσφαιρα	1	2	3	4	5	6	7	___
11. Το _____ μου εμπνέει εμπιστοσύνη	1	2	3	4	5	6	7	___
12. Το _____ έχει ενδιαφέρον προσφορές	1	2	3	4	5	6	7	___
13. Το _____ είναι σε βολική τοποθεσία	1	2	3	4	5	6	7	___
14. Το _____ δεν έχει επαρκές πάρκινγκ	1	2	3	4	5	6	7	___
15. Το _____ έχει αξιόπιστη εικόνα	1	2	3	4	5	6	7	___
16. Το _____ πουλάει χαμηλής ποιότητας προϊόντα ιδιωτικής ετικέτας	1	2	3	4	5	6	7	___

Δημογραφικά

E.12 Είστε....

Ανύπαντρος _____
 Παντρεμένος χωρίς παιδιά _____
 Παντρεμένος με παιδιά _____

E.13 Μόρφωση σας είναι....

Δημοτικού _____
 Γυμνασίου _____
 Λυκείου _____
 Ανώτερης Εκπαίδευσης _____
 Ανώτατης Εκπαίδευσης _____
 Μεταπτυχιακού _____

E.14 Είστε....

Φοιτητής/ Μαθητής _____
 Άνεργος _____
 Νοικοκυρά _____
 Δημόσιος Υπάλληλος _____
 Ιδιωτικός Υπάλληλος _____
 Ελεύθερος Επαγγελματίας _____

SPANISH VERSION OF QUESTIONNAIRE: DIA

CUESTIONARIO DIA

Buenos días/ tardes Sr./Sra.

Actualmente estoy haciendo un estudio de Post-grado acerca de los hábitos de compra de distintos supermercados. Estaría muy agradecido si usted dedicara tan sólo unos minutos a completar este cuestionario. Le aseguro por otra parte, que la información de dichas preguntas se tratará con estricta confidencialidad.

Q.1 Sexo:

Hombre _____ Mujer _____

Q.2 A cuál de los siguientes grupos de edad usted pertenece?

- A. 19-24 _____ (Si responde A, fin del cuestionario)
B. 25-34 _____
C. 35-44 _____
D. 45-54 _____
E. 55-64 _____
F. 65+ _____

Q.3 Es la primera vez que compra en DIA?

Si _____ No _____ (Si responde Sí, fin del cuestionario)

Q.4 Cuándo fue la última vez que compró en DIA?

- A. Durante este año 2000 _____
B. En el 1999 _____
C. Antes del 1999 _____ (Si la respuesta es C, fin del cuestionario)

Q.5 Cómo definiría su compra en DIA?

- A. Frecuente _____
B. Ocasional _____
C. Raramente (a veces) _____ (Si la respuesta es C, fin del cuestionario)

Q.6 Qué productos suele comprar en DIA?

- A. Alimentación _____
B. No alimentación _____
C. Ambos _____

Q.7 Con qué frecuencia hace la compra?

- A. Cada día _____
B. 2-3 veces a la semana _____
C. 4-5 veces a la semana _____
D. Una vez a la semana _____
E. Una vez cada 15 días _____
F. Con menor frecuencia _____
G. Nunca _____ (Si la respuesta es F, fin del cuestionario)

ESTABLECIMIENTO IDEAL

Q. 8 Con su experiencia como comprador, me gustaría que me indicara en qué grado de acuerdo o desacuerdo está usted con las siguientes frases, en las que se indica las características que un supermercado debe tener. Puede expresar su opinión en una escala del 1 al 7, desde 1 "Totalmente en desacuerdo" hasta 7 "Totalmente de acuerdo". **(Mostrar carta)**

	Totalmente Desacuerdo		Neutral			Totalmente de acuerdo		NS/NC
	1	2	3	4	5	6	7	_____
1. Un S/M debe facilitar la compra	1	2	3	4	5	6	7	_____
2. Un S/M debe vender productos frescos de calidad	1	2	3	4	5	6	7	_____
3. Un S/M deber tener una limitada variedad de productos	1	2	3	4	5	6	7	_____
4. Un S/M tiene que tener las estanterías llenas de producto	1	2	3	4	5	6	7	_____
5. Un S/M tiene que estar limpio y ordenado	1	2	3	4	5	6	7	_____
6. Las cajas de salida deben de ser lentas en un S/M	1	2	3	4	5	6	7	_____
7. Las marcas propias de un S/M deben ofrecer el mejor precio e igual calidad que el resto de marcas	1	2	3	4	5	6	7	_____
8. Un S/M debe tener personal que ayude y sea amable	1	2	3	4	5	6	7	_____
9. Un S/M debe ofrecer precios altos en relación a otras tiendas	1	2	3	4	5	6	7	_____
10. Un S/M debe tener un ambientación agradable	1	2	3	4	5	6	7	_____
11. Un S/M debe inspirar confianza	1	2	3	4	5	6	7	_____
12. Un S/M debe tener promociones atractivas	1	2	3	4	5	6	7	_____
13. El S/M debe estar cerca casa/trabajo	1	2	3	4	5	6	7	_____
14. Un S/M debe tener difícil aparcamiento	1	2	3	4	5	6	7	_____
15. Un S/M deber tener una imagen creíble	1	2	3	4	5	6	7	_____
16. La calidad de las marcas propias de un S/M deberá ser pobre	1	2	3	4	5	6	7	_____

Q.9 En esta parte del cuestionario me gustaría preguntarle su opinión respecto a los establecimientos DIA. Le leeré un listado de frases y me gustaría que usted me indicara en que grado de acuerdo o desacuerdo está usted con éstas. Puede expresar su opinión en una escala del 1 al 7, (desde 1 “Totalmente en desacuerdo” hasta 7 “Totalmente de acuerdo”).

	Totalmente Desacuerdo		Neutral			Totalmente de acuerdo		NS/NC
	1	2	3	4	5	6	7	_____
1. Comprar en DIA es fácil	1	2	3	4	5	6	7	_____
2. La calidad de los productos frescos en DIA es buena	1	2	3	4	5	6	7	_____
3. DIA tiene una limitada variedad de productos	1	2	3	4	5	6	7	_____
4. DIA tiene las estanterías llenas de producto	1	2	3	4	5	6	7	_____
5. DIA está limpio y ordenado	1	2	3	4	5	6	7	_____
6. DIA tiene unas cajas de salida lentas	1	2	3	4	5	6	7	_____
7. Los precios de la marca DIA son buenos en relación a su calidad	1	2	3	4	5	6	7	_____
8. DIA tiene un personal que ayuda y es amable	1	2	3	4	5	6	7	_____
9. DIA ofrece precios altos en relación a otras tiendas	1	2	3	4	5	6	7	_____
10. DIA tiene una ambientación agradable	1	2	3	4	5	6	7	_____
11. DIA inspira confianza	1	2	3	4	5	6	7	_____
12. DIA ofrece promociones atractivas	1	2	3	4	5	6	7	_____
13. DIA está cerca de casa/trabajo	1	2	3	4	5	6	7	_____
14. DIA tiene parking inadecuado	1	2	3	4	5	6	7	_____
15. DIA tiene una imagen creíble	1	2	3	4	5	6	7	_____
16. La calidad de los productos DIA es pobre	1	2	3	4	5	6	7	_____

Q. 10 Puede usted decirme en qué otro S/M suele usted comprar y cree que es una alternativa a su compra en DIA? (especificar tan sólo un establecimiento)

Q. 11 Teniendo en cuenta el supermercado que usted acaba de mencionar, me gustaría que me indicara en qué grado de acuerdo o desacuerdo está usted con las siguientes frases. Puede expresar su opinión en una escala del 1 al 7, (desde 1 "Totalmente en desacuerdo" hasta 7 "Totalmente de acuerdo").

	Totalmente Desacuerdo		Neutral			Totalmente de acuerdo		NS/NC
	1	2	3	4	5	6	7	_____
1. Comprar en _____ es fácil	1	2	3	4	5	6	7	_____
2. _____ vende productos frescos de calidad	1	2	3	4	5	6	7	_____
3. _____ tiene una limitada variedad de productos	1	2	3	4	5	6	7	_____
4. _____ tiene las estanterías llenas de producto	1	2	3	4	5	6	7	_____
5. _____ está limpio y ordenado	1	2	3	4	5	6	7	_____
6. _____ tiene unas cajas de salida lentas	1	2	3	4	5	6	7	_____
7. Los precios de la marca _____ son buenos en relación a su calidad	1	2	3	4	5	6	7	_____
8. El personal de _____ ayuda y es amable	1	2	3	4	5	6	7	_____
9. _____ tiene precios altos en comparación con otras tiendas	1	2	3	4	5	6	7	_____
10. _____ tiene una ambientación agradable	1	2	3	4	5	6	7	_____
11. _____ inspira confianza	1	2	3	4	5	6	7	_____
12. _____ tiene promociones atractivas	1	2	3	4	5	6	7	_____
13. _____ está cerca casa/trabajo	1	2	3	4	5	6	7	_____
14. _____ tiene parking inadecuado	1	2	3	4	5	6	7	_____
15. _____ ofrece una imagen creíble	1	2	3	4	5	6	7	_____
16. La calidad de las marcas propias en _____ es pobre	1	2	3	4	5	6	7	_____

Datos demográficos

Q. 12 Estado civil

- A. Soltero _____
B. Soltero con hijos _____
C. Casado _____
D. Casado con hijos _____

Q. 13 Educación

- A. No tiene graduado escolar _____
B. Graduado escolar _____
C. Bachillerato _____
D. Universitaria _____
E. Estudios de Postgrado _____

Q.14 A cuál de las siguientes categorías usted pertenece?Cuál es su profesión?

- H. Parado _____
I. Estudiante _____
J. Trabajo cuenta propia _____
K. Trabajo en casa _____
L. Trabajo sector privado _____
M. Trabajo sector público _____
N. Retirado _____

APPENDIX 5.4

Scale Cards used for the questionnaire

SCALE CARD TRANSLATED INTO ENGLISH						
Strongly Disagree 1	Disagree 3	Moderately Disagree 2	Neutral 4	Moderately Agree 5	Agree 6	Strongly Agree 7
SCALE CARD IN SPANISH						
Totalmente Desacuerdo 1	Desacuerdo 2	Casi Desacuerdo 3	Neutral 4	Casi de acuerdo 5	de acuerdo 6	Totalmente de acuerdo 7
SCALE CARD IN GREEK						
Διαφωνώ Απολύτως 1	Διαφωνώ 2	Διαφωνώ Μάλλον 3	Ουδέτερος 4	Συμφωνώ Μάλλον 5	Συμφωνώ 6	Συμφωνώ Απολύτως 7
						Δεν Ξέρω

Time and location clusters for DIA Greece & Spain

Time Clusters	Mon.	Tues.	Wed.	Thur.	Frid.	Satur. Spain	Satur. Greece
9:00	X 1	9	X 17	25	X X 33	X X 41	X X 41
10:00	X 2	X 10	18	X 26	X 34	X X 42	X X 42
11:00	X 3	11	X 19	X 27	X 35	X X 43	X X 43
12:00	X 4	X 12	20	X X 28	X 36	X X X 44	X X X 44
13:00	X X 5	X 13	X 21	X 29	X 37	X X 45	X X 45
14:00	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	X X 46
15:00							X X 47
16:00							X X 48
17:00							49
18:00							X 6
19:00	X 7	X 15	X 23	31	X X 39	X X 47	CLOSED
20:00	8	X 16	24	32	40	X X 48	
Daily % of weekly visits	15%	10%	10%	10%	20%	35%	
Daily visit based on 3000 customers per week	450	300	300	300	600	1050	
Time clusters*	8	5	5	5	10	17	17
*3000/50=60 & Customers per day/60							

Appendix 5.6

Addresses' of the stores that were selected for the quantitative part of the study

DIA Hellas Stores	
DIA Pireas Ypapandis 124 & Dimitrakopoulou, Pireas-Tabouria	DIA Peristeri Pelasgias 13, Peristeri, Athens
DIA Spain	
DIA Sarria Dante Alighieri, 142 Sarria, Barcelona	DIA Les Corts Sants, 228 Les Corts, Barcelona

Company letter

Mr Alexis Mavrommatis
University of Stirling
Faculty of Management
Department of Marketing
Stirling FK9 4LA
Scotland, UK

Date 08/02/00

Dear Sir/Madam,

Ref.: Ph.D. Research

My name is Alexis Mavrommatis and I am currently studying for a Ph.D. degree at Stirling University. The topic of my thesis involves the standardisation of the retail industry in an international context. One of the companies that I have chosen to investigate is your company DIA. As part of this study I am required to complete a research project which includes the investigation of your company's managerial organisation behaviour as well as the measurement of your store's image. In order to base this report on factual data, it is necessary for me to undertake a comprehensive survey at a customer's perception level concerning store image.

As regards to the survey concerning store image, a questionnaire survey will be employed. It will cover 300 subjects outside the entrance of two of your stores in the wide area of Barcelona/Athens. It is my intention that colleagues and myself would approach customers entering the stores using uppermost courteousness whilst remaining unobtrusive to the operation of the store. All members of the public who volunteered to be questioned would be given an explanation as to the purpose of the questionnaire.

Moreover, I have enclosed a copy of the questionnaire for approval prior to the survey. If deemed necessary I am also prepared to meet and discuss the content of the planned survey. Finally, **I would like to inform you that the results of the survey would remain strictly confidential and anonymous at all times**, and I would be more than happy to share the results with yourselves, since I strongly believe that they could provide you with interesting managerial implications.

I look forward to hearing your response.

Yours sincerely

Alexis Mavrommatis

Teaching assistant/Ph.D. Researcher
Department of Marketing
Faculty of Management
University of Stirling
Stirling FK9 4LA,
Scotland, UK.
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Fax: 01786 464745
E-mail: alexis.mavrommatis@stir.ac.uk

Comparison of DIA's store image with its major competitors in Spain and Greece

SPAIN

Paired T-Test comparison of DIA Spain and Caprabo

Attributes	DIA ¹ Mean	Caprabo Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.19	6.20	-1.01	-6.666	0.000**
Sell good quality of fresh products	4.07	6.30	-2.23	-12.675	0.000**
Narrow selection of products ^a	2.75	5.90	-3.15	-16.620	0.000**
Well stocked shelves	4.44	6.27	-1.88	-10.222	0.000**
Clean and tidy	3.87	6.28	-2.41	-12.970	0.000**
Slow check out ^a	2.72	3.63	-0.89	-4.202	0.000**
Price its own labels reasonable to their quality	5.65	5.33	0.32	1.914	0.058
Polite and helpful staff	4.12	5.45	-1.32	-6.898	0.000**
Prices higher than competitors ^a	6.01	3.06	2.93	17.518	0.000**
Pleasant atmosphere	3.63	5.67	-2.04	-10.402	0.000**
Evoke trustworthiness	4.98	6.00	-1.02	-6.652	0.000**
Attractive promotions	5.28	5.44	-0.15	-0.833	0.407
Convenient location	6.36	6.24	0.12	0.939	0.350
Inadequate parking ^a	3.57	5.30	-1.73	-7.358	0.000**
Reliable image	5.01	5.84	-0.82	-5.863	0.000**
Sell poor quality of own labels ^a	4.71	5.97	-1.26	-6.684	0.000**

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1 = N is 114

Paired T-Test comparison of DIA Spain and Condis

Attributes	DIA ¹ Mean	Condis Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.41	6.11	-0.71	-4.395	0.000**
Sell good quality of fresh products	4.71	5.80	-1.09	-5.783	0.000**
Narrow selection of products ^a	3.33	4.82	-1.49	-6.599	0.000**
Well stocked shelves	4.00	5.89	-1.89	-8.978	0.000**
Clean and tidy	4.58	5.99	-1.41	-5.606	0.000**
Slow check out ^a	3.38	3.96	-0.62	-2.299	0.024*
Price its own labels reasonable to their quality	5.82	5.82	0.00	0.000	1.000
Polite and helpful staff	4.51	5.25	-0.75	-3.549	0.001*
Prices higher than competitors ^a	6.43	4.96	1.52	6.859	0.000**
Pleasant atmosphere	4.20	5.42	-1.22	-5.667	0.000**
Evoke trustworthiness	5.08	5.78	-0.71	-4.395	0.000**
Attractive promotions	5.27	5.66	-0.39	-1.664	0.100
Convenient location	6.47	6.44	0.04	0.349	0.728
Inadequate parking ^a	3.28	3.41	-0.13	-0.338	0.737
Reliable image	4.92	5.33	-0.43	-2.280	0.025*
Sell poor quality of own labels ^a	5.03	5.42	-0.39	-1.688	0.095

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1=N is 79

Paired T-Test comparison of DIA Spain and Kampio

Attributes	DIA ¹ Mean	Kampio Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.39	6.20	-0.81	-4.355	0.000**
Sell good quality of fresh products	4.37	5.96	-1.60	-8.354	0.000**
Narrow selection of products ^a	2.78	4.83	-2.06	-8.367	0.000**
Well stocked shelves	4.71	6.20	-1.51	-8.683	0.000**
Clean and tidy	4.70	6.14	-1.44	-6.634	0.000**
Slow check out ^a	3.31	4.18	-0.84	-3.134	0.002**
Price its own labels reasonable to their quality	5.85	5.26	0.58	3.776	0.000**
Polite and helpful staff	4.31	5.60	-1.29	-5.935	0.000**
Prices higher than competitors ^a	6.36	3.59	2.80	13.369	0.000**
Pleasant atmosphere	4.17	5.68	-1.51	-7.350	0.000**
Evoke trustworthiness	5.25	5.96	-0.71	-4.248	0.000**
Attractive promotions	5.63	5.17	0.48	2.531	0.013*
Convenient location	6.60	6.29	0.31	1.662	0.100
Inadequate parking ^a	3.13	3.21	-0.08	-0.307	0.760
Reliable image	5.23	5.92	-0.69	-4.772	0.000**
Sell poor quality of own labels ^a	5.54	5.87	-0.33	-1.882	0.063

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1= N is 84

Paired T-Test comparison of DIA Spain and Major Competition

Attributes	DIA ¹ Mean	Major C. Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.31	6.18	-0.86	-9.012	0.000**
Sell good quality of fresh products	4.34	6.05	-1.71	-15.491	0.000**
Narrow selection of products ^a	2.93	5.27	-2.35	-17.746	0.000**
Well stocked shelves	4.40	6.14	-1.77	-16.077	0.000**
Clean and tidy	4.32	6.16	-1.83	-14.448	0.000**
Slow check out ^a	3.09	3.89	-0.80	-5.644	0.000**
Price its own labels reasonable to their quality	5.76	5.45	0.31	3.256	0.001**
Polite and helpful staff	4.29	5.44	-1.15	-9.602	0.000**
Prices higher than competitors ^a	6.23	3.76	2.49	21.015	0.000**
Pleasant atmosphere	3.96	5.60	-1.64	-13.656	0.000**
Evoke trustworthiness	5.09	5.93	-0.84	-8.968	0.000**
Attractive promotions	5.38	5.42	-0.03	-0.256	0.798
Convenient location	6.46	6.31	0.16	1.850	0.065
Inadequate parking ^a	3.35	4.13	-0.77	-4.485	0.000**
Reliable image	5.05	5.72	-0.67	-7.412	0.000**
Sell poor quality of own labels ^a	5.05	5.78	-0.73	-6.206	0.000**

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1= N is 277.
 "Major competitor" has derived from the aggregation of competitor stores that were identified from more than 50 cases

GREECE

Paired T-Test comparison of DIA Greece and Veropoulos

Attributes	DIA ¹ Mean	Ver/plos Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.50	5.80	-0.30	-1.493	0.140
Sell good quality of fresh products	5.38	5.70	-0.33	-1.444	0.154
Narrow selection of products ^a	3.05	4.92	-1.88	-6.266	0.000**
Well stocked shelves	4.61	5.55	-0.94	-3.372	0.001**
Clean and tidy	4.81	6.06	-1.25	-5.000	0.000**
Slow check out ^a	3.95	4.38	-0.42	-1.295	0.200
Price its own labels reasonable to their quality	5.53	5.27	0.27	1.255	0.214
Polite and helpful staff	5.13	5.63	-0.50	-2.510	0.015*
Prices higher than competitors ^a	6.41	4.45	1.95	7.198	0.000**
Pleasant atmosphere	5.44	5.66	-0.22	-1.490	0.141
Evoke trustworthiness	5.67	5.84	-0.17	-1.590	0.117
Attractive promotions	5.72	5.41	0.31	1.877	0.065
Convenient location	5.88	5.34	0.53	2.435	0.018*
Inadequate parking ^a	3.23	4.64	-1.41	-4.250	0.000**
Reliable image	5.59	5.50	0.09	0.637	0.527
Sell poor quality of own labels ^a	4.11	4.54	-0.43	-1.753	0.085

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1= N is 64

Paired T-Test comparison of DIA Greece and Marinopoulos

Attributes	DIA ¹ Mean	Mar/los Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.69	6.06	-0.38	-3.470	0.001**
Sell good quality of fresh products	5.38	5.88	-0.49	-2.826	0.006**
Narrow selection of products ^a	3.33	5.74	-2.41	-10.285	0.000**
Well stocked shelves	5.22	5.92	-0.70	-4.355	0.000**
Clean and tidy	4.88	5.88	-1.00	-3.867	0.000**
Slow check out ^a	3.94	2.98	0.99	4.203	0.000**
Price its own labels reasonable to their quality	5.69	5.13	0.54	2.961	0.004**
Polite and helpful staff	5.50	5.69	-0.19	-1.047	0.298
Prices higher than competitors ^a	6.53	4.96	1.57	9.747	0.000**
Pleasant atmosphere	5.32	5.81	-0.49	-3.720	0.000**
Evoke trustworthiness	5.60	6.14	-0.55	-4.854	0.000**
Attractive promotions	6.01	5.92	0.09	0.633	0.528
Convenient location	6.07	5.86	0.21	1.336	0.185
Inadequate parking ^a	3.34	4.65	-1.30	-4.475	0.000**
Reliable image	5.59	5.95	-0.35	-3.197	0.002**
Sell poor quality of own labels ^a	4.31	5.25	-0.92	-4.712	0.000**

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1= N is 94

Paired T-Test comparison of DIA Greece and Sklavenitis

Attributes	DIA ¹ Mean	Skla/tis Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.48	6.10	-0.62	-3.779	0.000**
Sell good quality of fresh products	4.98	6.02	-1.02	-4.218	0.000**
Narrow selection of products ^a	3.35	5.46	-2.12	-7.013	0.000**
Well stocked shelves	4.83	5.98	-1.15	-4.872	0.000**
Clean and tidy	5.13	6.06	-0.92	-4.668	0.000**
Slow check out ^a	4.37	3.83	0.54	1.976	0.054
Price its own labels reasonable to their quality	5.40	5.38	0.02	0.087	0.931
Polite and helpful staff	5.54	5.88	-0.35	-1.925	0.060
Prices higher than competitors ^a	6.38	4.60	1.79	8.183	0.000**
Pleasant atmosphere	5.38	5.81	-0.42	-1.864	0.068
Evoke trustworthiness	5.46	5.90	-0.44	-2.090	0.042*
Attractive promotions	5.94	5.40	0.54	3.553	0.001**
Convenient location	6.10	5.33	0.77	3.659	0.001**
Inadequate parking ^a	3.69	5.08	-1.35	-3.821	0.000**
Reliable image	5.40	5.94	-0.54	-2.242	0.029*
Sell poor quality of own labels ^a	4.21	4.98	-0.71	-2.190	0.033*

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1 = N is 52

Table 7.27 Paired T-Test comparison of DIA Greece and Metro

Attributes	DIA ¹ Mean	Metro Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.63	5.84	-0.21	-1.439	0.155
Sell good quality of fresh products	5.37	5.78	-0.41	-2.342	0.022*
Narrow selection of products ^a	3.03	4.48	-1.44	-6.627	0.000**
Well stocked shelves	4.98	5.63	-0.65	-3.386	0.001**
Clean and tidy	4.37	5.83	-1.46	-6.303	0.000**
Slow check out ^a	4.13	3.97	0.16	0.592	0.556
Price its own labels reasonable to their quality	5.44	5.52	-0.08	-0.559	0.578
Polite and helpful staff	5.65	5.83	-0.17	-0.900	0.372
Prices higher than competitors ^a	6.22	4.29	1.94	8.977	0.000**
Pleasant atmosphere	5.40	5.63	-0.24	-1.539	0.129
Evoke trustworthiness	5.57	5.87	-0.30	-3.087	0.003**
Attractive promotions	5.79	5.73	0.06	0.434	0.666
Convenient location	6.08	6.14	-0.06	-0.414	0.680
Inadequate parking ^a	2.87	3.75	-0.87	-3.990	0.000**
Reliable image	5.62	5.79	-0.17	-1.663	0.101
Sell poor quality of own labels ^a	4.49	4.58	-0.02	-0.118	0.907

^a=Mean scores have been reversed
 Statistical significant *<0.05 **<0.01
 1 = N is 63

Table 7.28 Paired T-Test comparison of DIA Greece and Major Competition

Attributes	DIA ¹ Mean	Major C. Mean	Mean Dif.	t-values	Sign* (2-tailed)
Easy to shop in	5.59	5.96	-0.36	-4.861	0.000**
Sell good quality of fresh products	5.30	5.84	-0.53	-5.259	0.000**
Narrow selection of products ^a	3.20	5.21	-2.01	-15.143	0.000**
Well stocked shelves	4.95	5.78	-0.83	-7.811	0.000**
Clean and tidy	4.79	5.94	-1.15	-9.156	0.000**
Slow check out ^a	4.07	3.69	0.38	2.724	0.007**
Price its own labels reasonable to their quality	5.54	5.30	0.24	2.413	0.016*
Polite and helpful staff	5.45	5.74	-0.29	-3.001	0.003**
Prices higher than competitors ^a	6.40	4.62	1.79	16.807	0.000**
Pleasant atmosphere	5.38	5.73	-0.36	-4.469	0.000**
Evoke trustworthiness	5.59	5.96	-0.38	-5.834	0.000**
Attractive promotions	5.88	5.66	0.22	2.822	0.005**
Convenient location	6.03	5.71	0.33	3.533	0.000**
Inadequate parking ^a	3.28	4.52	-1.24	-8.132	0.000**
Reliable image	5.56	5.81	-0.24	-3.308	0.001**
Sell poor quality of own labels ^a	4.29	4.88	-0.56	-4.932	0.000**

^a=Mean scores have been reversed

Statistical significant *<0.05 **<0.01

1 = N is 273

“Major competitor” has derived from the aggregation of competitor stores that were identified from more than 50 cases

Positioning Maps of all stores recorded in the survey

Factor scores used as co-ordinates

Stores	Core Performance	Price/Location	Time Effectiveness
Ideal Spain	0,52	0,43	1,08
DIA Spain	-1	0,27	-0,45
Caprabo	0,7	-0,9	-0,57
Condis	0,14	-0,21	-0,46
Kampio	0,56	-0,76	-0,78
SP "Generic" Competitors	0,50	-0,67	-0,58
Ideal Greece	0,46	0,32	0,83
DIA Greece	-0,80	0,26	-0,32
Veropoulos	0,14	-0,97	-0,21
Marinopoulos	0,46	-0,33	-0,81
Sklavenitis	0,48	-0,82	-0,35
Metro	0,13	-0,37	-0,65
GR "Generic" Competitors	0,29	-0,53	-0,56

