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Store Image Perceptions in International Retailing: an Empirical Comparison of IKEA's Management and Customers in Sweden and the Czech Republic

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ABSTRACT

Title Store Image Perceptions in International Retailing: an Empirical Comparison of IKEA's Management and Customers in Sweden and the Czech Republic

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Keywords Store Image, Management and Customer Perceptions, IKEA Case Study, Transfer of Store Image in International Retailing, Sweden and the Czech Republic

Purpose
The main aim of this study is to examine to what extent there are differences or similarities in the store image perceptions of customers of international retailers' in the home market and host market. Contrastingly to similar previous studies, this thesis also examined how management perceive store image, and sought to investigate to what extent a congruence exists between retailers' management and customers' store image perceptions.

Methodology
A quantitative strategy was followed with a case study research design. The data was collected by two customer surveys in Sweden and the Czech Republic employing a self-completion questionnaire. The collected data was then analysed using SPSS.

Theoretical perspective
Burt and Carralero-Encinas (2000), Parasuraman et al. (1985) and Samli et al. (1998) constituted the main theoretical basis for this thesis, supported by a vast variety of literature about "Retail Internationalisation" and "Store Image". A self conceptualised model has been developed and furthermore 5 hypotheses were generated in order to fulfil the aim of this thesis.

Empirical foundation
The empirical results are founded on surveys collected from 215 Swedish and 195 Czech IKEA customers in addition to 8 Swedish and 9 Czech IKEA managers.

Conclusions
It has been found that customers in the home market perceive the retailer's store image more positively than customers in the host market, even though this study has found that the retailer's store image is generally perceived very positively by customers in both examined markets. In addition, this thesis has found that there is a significant difference in how IKEA's management and customers perceive its store image. It can also be concluded that IKEA management perceived store image more positively than customers.

This thesis suggests several practical implications for international retailers, in addition to supporting the bulk of existing theory in this area as well as somewhat filling identified research gaps not sufficiently addressed by previous research.

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Chapter 1

INTRODUCTION

This chapter gives a brief introduction to the thesis and provides a general overview of the topic. In addition, it discusses the research problem and research gaps resulting from previous studies. Finally the research aim of this thesis is presented.

In the last half century the retailing sector has been affected by two major developments – one of these developments is that overwhelmingly power has shifted from manufacturers to retailers, with the other development being that a speedy wave of internationalisation has drastically changed the composition of this sector.

Increasing retailer power and the subsequent power shift from manufacturers to retailers has resulted in a rapid evolution within the sector (McGoldrick 2002, p.2-5). Retailers have become no longer subservient to manufacturers as they have acquired a stronger position against both manufacturers and wholesalers during this stage, through gathering greater or complete control over each element of their marketing mix. (McGoldrick 2002, p.2-5) Pommerening (1979, in McGoldrick 2002, p.2) portrays the transition of channel power as follows: In the 1950s, the primary focus was supply and manufacturing to answer shortages. In the 1960s, focus was placed on marketing activities and brand developments due to increased competition. In the 1970s, a more concentrated and powerful retailing sector increasingly took over the functions of marketing. Consequently, retailers have become the biggest customers of manufacturers and gained bargaining power from manufacturers, thus weakening the power of manufacturers' in negotiations with retailers. The weakening power trend of manufacturers and wholesalers over retailers is ongoing, and this has also led to small retailers losing power to larger retailers. (McGoldrick 2002, p.2-5)

Globalisation is a dominant trend in the world economy which has been brought about by the opening up of global markets, facilitating vast new opportunities for the marketing of goods and services internationally. An inevitable result of globalisation in the world economy has been a speedy wave of internationalisation of firms. Internationalisation is the process that involves the moving of a firm's operations from its domestic market into an international market (Javalgi, Griffith & White 2003), and there are many motives for doing so - such as seeking new markets, resources and economies of scale (Dawson 2001) that have driven and continue to drive organisations to internationalise. Accordingly, retailers have followed this trend, with many having had operations in foreign markets for several years; which has lead to extensive research attention in regards to the retail internationalisation process.

Globally, retailing is one of the fastest growing sectors, with the global retailing market growing by 5.8 percent in 2006 to reach a value of USD 9,969.5 billion. This trend is estimated to continue in the future, and by 2011 it is predicted that retailing sector will be worth USD 13,162.5 billion globally, indicating an increase of 31 percent since 2006. (Datamonitor, 2006)

Consequently to increasing internationalisation by retailers, an important issue that has been the focus of some academic research is the area of store image in retail internationalisation. The image of a retail store is its perceived appearance to its target customers (Samli, Kelly & Hunt al, 1998), and this is something that has consistently represented a challenge to retail organisations, mainly due to dissimilarity in perceptions of different parties. Traditionally these differences in perceptions involved contrasting views between the retailer's perception of their own store image and consumers' perceptions of the particular store (Parasuraman, Berry & Zeithaml 1985). However, with the rapid increase of global retailing over the last few decades, an additional and significant difference has emerged – that of consumers' perceptions of retail store image in one of the retailer's countries of operation compared to consumers' perceptions in another of the retailer's countries of operation. Investigating differences and similarities in consumer perceptions of retail store image has gained some academic attention in recent years, and will also be examined in detail by this paper.

1.1 Problem Discussion

Most previous store image literature has been taken from a single domestic market standpoint, where store images of different retailers have been compared, and then positioned on perceptual maps that deal with several store attributes – such as price, product quality, service (Burstiner 1974 in McGoldrick 2002, p.200). The remaining research from a domestic market standpoint has investigated either the image of a single store, or the image of more than one store belonging to a particular retailer (Marcus 1972, in McGoldrick 2002, p. 201). Little attention has been paid to store image perceptions towards a particular retailer in an international context with the exception of McGoldrick and Ho (1992), McGoldrick (1998), Burt and Carralero-Encinas (2000) and Burt and Mavrommatis (2005). Due to limited research in regards to store image perceptions in an international retailing context, there is a considerable knowledge gap in this area. Thus in conjunction with continued retail internationalisation it is hence essential from both a practical and theoretical standpoint that this gap is filled by additional multi-country research.

International transferability of retail store image perceptions is as an interesting area for investigation as it is an important element in developing a retail brand identity and is a source of competitive advantage for the retailer (Burt & Mavrommatis 2006, p.395, Burt & Carralero-Encinas 2000, p.433). Moreover, the authors argue that in today's global environment, it is essential for retailing to be viewed in an international sense rather than just in a single market sense in order to grasp the actual situation. Furthermore the authors argue that due to limited previous research little is known about the differences between store image perceptions in the home and host markets.

It is also the case that most existing research has examined store image perceptions from the customer's point of view; with only a limited number of researchers having taken into consideration a managerial perspective (for example Samli et al. 1998, Birtwistle, Clarke & Freathy 1999). According to Samli et al. (1998) the success of a retailer depends on how realistically it sees itself and how carefully it examines the market for a better understanding of its customers and their needs; thus necessitating the need to examine whether a gap exists between management and customers' store image perceptions. Although the gap between management and customer perceptions of store image is certainly not a new issue (McClure & Ryans 1968), it is an area that requires renewed addressing - particularly as it has never been addressed from an international retailing point of view, something that this thesis seeks to rectify.

A managerial aim in international retailing is to develop, achieve and maintain the organisation's desired store image in foreign markets through the employment of both tangible store image aspects (such as product and store environment) and intangible store image aspects (such as service and character and reputation). In order to accomplish this, it is critical for the internationalising retailer to understand which dimensions of image might transfer easily and quickly and which dimensions might take longer to develop, and also to gain a proper understanding of the host market's customers and their needs and preferences.

One way to address the knowledge gap in international transfer of store image is to evaluate different store image dimensions as being either tangible or intangible and to then examine the international transfer of these in parallel. Addressing store image dimensions in this manner will enable retailers to gain a clearer understanding of which dimensions are more difficult to transfer and should receive priority for corrective action. Limited previous research in this area has so far been unable to substantiate significant results, and thus there is a need for further more specific research.

In addition it is also important to investigate consumer perception differences. One can not expect that a company, brand or store will always be perceived in the same way, especially in an international market. Burt and Carralero-Encinas (2000) and McGoldrick and Ho (1992) found that home market consumers perceive a retailer's store image more positively than host market consumers. This thesis will endeavour to substantiate to what extent consistency exists between the home and the host market in regards to customer perceptions of an international retailer's store image.

There have been a number of studies examining the retail internationalisation process, though very few of these have investigated the internationalisation of retail image, image transfer and image perceptions of an international retailer at the store level in different markets simultaneously. Thus there is an undeniable need for additional studies that simultaneously explore store image perceptions in an international context and likewise not just from a customer perspective but also from a managerial perspective.

1.2 Research Aim

In summary, the main aim of this study is to investigate to what extent there are differences or similarities in how international retailers' home market and host market customers perceive store image. Contrastingly to similar previous studies, the authors also aim to gain insight into how management perceive store image, and thus to examine to what extent there is congruence between retailers' management and customers' store image perceptions.

Chapter 2

THEORETICAL BACKGROUND

In this chapter, a theoretical background gathered from the authors' literature review is presented. The discussion begins with an overview of retail internationalisation and store image conceptualisations. Then, the authors' conceptual model is introduced and finally, based on the theoretical findings and conceptual model, several hypotheses are proposed.

2. Theoretical Background

The basis for this study departs from a vast quantity of reviewed literature that has dealt with retail internationalisation and store image theories. Nevertheless, three main retailing sources have significantly contributed to the inspiration and theoretical development behind this thesis: firstly Burt and Carralero-Encinas (2000), and additionally Samli et al. (1998) and McGoldrick and Ho (1992). Furthermore, within the service management area, Parasuraman et al.'s (1985, cited in Parasuraman et al. 1991) conceptual model of service quality (the Gap Analysis Model) has been a significant source of inspiration.

2.1 Concepts of Internationalisation and Retail Internationalisation

Undoubtedly, the rate at which internationalisation of firms is occurring has never been as great as it is presently, nor has it occurred in as many different ways (Axinn & Matthyssens, 2001). This topic has received a great deal of attention in the literature namely by Johanson and Vahlne (1977); Bilkey and Tesar (1977); Cavusgil (1980); Czinkota (1982); Reid (1981, cited in Andersen 1993); Dunning (2000); and Javalgi et al. (2003).

Over the last few decades several theories have been constructed regarding the internationalisation process of firms; however, very few of these have stood out and been able to acquire prominence amongst practitioners.

2.1.1 Traditional Internationalisation Theories

One prominent theory is Dunning's (2000) Eclectic Paradigm (OLI[1]) Theory, which has been widely used as a framework for understanding and implementing internationalisation in firms for last three decades. The Eclectic Paradigm Model states that geography, and the extent to which industrial composition of foreign production is undertaken by a multinational company is determined by the interaction of three interdependent sub-paradigms. The first sub-paradigm, *Ownership* (O) relates to the ownership specific competitive advantages of the firm, asserting that, the greater the competitive advantages of the investing firm, the more likely it is that they are able to engage in, or increase, their foreign production. The second sub-paradigm, *Location* (L) relates to the locational inducements of the countries that the firm intends to enter. Dunning argues that firms tend to exploit their ownership specific competitive advantages in foreign locations with stable and attractive economic and political factors. The third sub-paradigm, *Internalisation* (I), deals with the fact that firms prefer to

[1] Ownership, Location and Internalisation

engage in production via foreign direct investment (FDI) rather than dealing with other modes of entry such as licensing, if the benefits of internalising cross-border product markets are greater. In addition, Dunning (2000) identifies four objectives for internationalisation: market seeking (new customers); resource seeking (such as natural resources, raw materials and unskilled labour); efficiency seeking (productivity); and strategic asset seeking (augmenting existing competitive advantages).

Another significant theory is the Uppsala Internationalisation Process Model, which is a gradual model based on experiential learning and commitment building. The Uppsala Model asserts that the internationalisation of the firm should be seen as a process in which the firm gradually increases its involvement in foreign markets. This model distinguishes between two different patterns in internationalisation of firms – The first is where internationalisation of a firm is implemented according to an establishment chain. The second is where firms enter new markets with successively greater psychic distance, meaning that they first expand to markets which are physically close, where the geographical, cultural, economic, political and legal distances are short. Later, retailers are more capable of successfully entering into more distant markets. (Johanson & Vahlne 1977, Andersen 1993)

The Uppsala Model's Establishment Chain was developed based on case studies of Swedish companies and states that firms often develop their international operations in small steps rather than by making large foreign product investments at a single point in time. Typically firms start exporting to a country via an agent, later establishing a subsidiary, and eventually beginning production in the host country. Psychic distance, comprised of differences in language, education, business practices, culture and industrial development is an important obstacle in the internationalisation process; and thus can be reduced once knowledge is developed through experience (Johanson & Vahlne 1977).

Additionally, the dynamic Uppsala Model can be explained by the presence of two aspects: "state aspects" and "change aspects" – *state aspects* are "host market knowledge", gathered through experience, and "market commitment"; whereas *change aspects* represent resource commitment decisions and performance of current activities. It is assumed that there is a reciprocal relationship between market knowledge and market commitment, as both affect commitment decisions and current activities; which in turn affect market knowledge as well as commitment. (Ahoroni 1966, Cited in Johanson & Vahlne 1977)

2.1.2 Retailer Internationalisation

Retail internationalisation is not a new phenomenon in international marketing; however over the last few decades international retail activities have expanded dramatically.

2.1.2.1 Internationalisation Specific to Retailing

There has been an unabated discussion in regards to how the internationalisation process of retailers occurs and works, with most of the literature within the internationalisation area having been written in accordance with the needs of the manufacturing sector (for example the Eclectic Paradigm, and the Uppsala Model). As a consequence, there has been an ongoing debate about the applicability of such theories to the retailing sector. Sternquist (1997) and others argue that internationalisation theories for manufacturing firms can be directly applicable to the retailing sector, and as a result Sternquist (1997) has developed the Strategic International Retail Expansion (SIRE) model based on Dunning's Eclectic Paradigm (explained above). Conversely, other researchers argue that since retailing has its own unique characteristics, existing theories relevant to the internationalisation of manufacturing firms cannot be applied, and therefore argue that new theories are necessary in order to explain retail internationalisation (Dawson 1994, cited in Alexander & Myers 2000).

Undoubtedly, the internationalisation process of retailers is both complex and risky, and is different from that of manufacturers' as there are several added barriers for successful internationalisation in terms of macro environment, task environment and organisational environment (Burt & Sparks 2002, p.201). Additionally, Elg (2005, in Jonsson & Elg 2006) argues that an international retailer needs to operate on three organisational levels – on a global corporate level, on a national market level, and on the level of each individual store. Moreover, Burt and Sparks (2002) discuss how the internationalisation of retailers differs from the internationalisation of manufacturing firms', citing the following reasons: the place of decision making is different; the relative component sizes of the business units are different; there is a faster process and greater potential for change; and retailing can have considerable spatial dispersion including international sourcing and shop development.

Jonsson and Elg (2006) also argue that it is more essential for retailers (as opposed to manufacturers) to understand cultural differences that influence the buying behaviour of the target market's consumers. Therefore, coming up with new and more relevant theories is seen as being more useful than applying the existing traditional (manufacturing) internationalisation theories to the internationalisation process of retailers'.

2.1.2.2 Retail Internationalisation Motives

McGoldrick (2002, p.553-554) classifies the motives for retail internationalisation into three categories - "push factors", "pull factors" and "enabling factors". Firstly, *push factors* are those factors that lead a firm to actively seek international expansion, and can be due to home market features, such as mature or saturated domestic markets, adverse demographic and economic conditions, and legislative constraints; or the belief that an innovative business model can be transferred internationally. Secondly, *pull factors* are those factors that make it appealing to the firm to expand internationally due to favourable economic and demographic conditions, an attractive business environment or where existing competition is weak. Lastly, *enabling factors* can be competencies such as the technology of the firm, growing internationalisation of suppliers, the existence of support agencies, the removal of traditional trade barriers, and favourable exchange rates. According to McGoldrick (2002), all these factors ease the internationalisation decision of the firm.

2.1.2.3 Methods and Typologies of Retailer Internationalisation

There have been some attempts to explain the process of retailer internationalisation. For instance, the Product, Lifestyle, Image and Niche (PLIN) Model, proposed by Simpson and Thorpe (1995), is one approach for global expansion of speciality retailing that asserts that retailers need to have a full understanding in terms of the role of product, and the lifestyle, image and niche in creating a competitive advantage in their domestic markets, before attempting to go international. They also suggest that the ability to have a competitive advantage in the delivery of the offerings in the domestic market is crucial for the firm's success in international markets.

Another study that tries to simplify the burden of an internationalising retailer is Dupuis and Prime's (1996) Business Distance Model. The Business Distance Model asserts that, gaps between the host and home environments can occur in four areas: consumer behaviour, retail store, channel mix, and environment which all were deeply grounded and built up over the years in the home market. Therefore retailers must examine whether they can sustain their competitiveness in these four areas in potential foreign markets, otherwise the decision to transfer their retail format to a foreign market may not be logical. Dupuis and Prime (1996) use Carrefour's entrance to the US market as an example, and argue that even though Carrefour had significant advantages in its home market (France), these could not be sustained in the US due to competition and differences in consumption. Additionally they argue that the channel did not work well so there were weaknesses in logistics, and furthermore that the firm were unable to manage relationships with the public and local authorities. As a result of under-estimating the business distance factors mentioned above, the retail giant Carrefour failed in the US market.

Burt (1991) suggests that the internationalisation of many European retailers appears to have been more successful since they have largely been involved in the exportation of their business concepts that were new to the host markets (such as hypermarkets or limited line discount stores). Thus Burt stresses that once retailers clearly understand their competitive advantages, then replication or modification of their retail operation in a foreign market becomes a more reasonable choice.

Bearing in mind the above discussion, retailers need to gain a clear understanding of what is being internationalised and what the competitive advantages of the firm are (McGoldrick 2002, p.575). As stated in Brown and Burt (1992) "…*What do retailers actually internationalise? Is their competitive advantage or unique selling proposition based upon an innovative format, effective management skills and/or a distinctive brand and customer proposition?"* are the questions which must be clarified. Being able to answer these questions is important since the so called assumption is generally that what works at home can transfer, and will succeed abroad. However, real life cases have revealed that a number of leading British retailers who had built almost iconic domestic brands, such as Marks & Spencer, WH Smith and J Sainsbury failed in some international markets. (Burt et al. 2005)

2.1.2.4 Global versus Multinational Strategy (Standardisation or Adaptation?)

One prominent study which tries to explain how retail firms should internationalise is Salmon and Tordjman (1989), who suggest three approaches. Firstly, retailers should develop an "*investment strategy*", meaning that the firm makes a financial investment and operates in a foreign country with little involvement, and later begin to be involved more directly through either a "*global*" or "*multinational" strategy*. Based on Levitt's (1983) assumption of the commonality of consumer needs, the global strategy requires a high degree of standardisation in marketing strategies, while the multinational strategy requires a greater degree of adaptation to host market differences. Levitt (1983) also suggests that the firm will benefit from standardisation as this enables them to take advantage of economies of scale, in turn leading to competitive advantages due to cost savings and price differentiation from competitors. The global approach was also supported by Treadgold (1991, in Burt &

Carralero-Encinas 2000), who claimed that a retailer with a differentiated product or trading concept and strong confidence in its global appeal could find new international marketing opportunities and expand its operations through the use of a standardised strategy.

On the other hand, there are several opponents of standardising in retail internationalisation who support adaptation of the offerings to local markets. Martenson (1988, cited in Burt & Mavromatis 2006) suggests that the use of a standardised strategy is not suitable in the retail sector, particularly in food retailing, due to inherent characteristics, in comparison to many other industries. Moreover, according to the Business Distance Model (Dupuis & Prime 1996), a considerable period of time is required to build a strong retail image in a foreign market, thus this characteristic does not enable the applicability of standardisation to the retailing industry. Finally, another argument is that due to retailing's intangible and heterogeneous nature, it is thus a perfect example of a service business, and accordingly it cannot be standardised in an international context, and it may even be difficult to succeed in a domestic context (Samiee 1999).

It is therefore necessary for retailers to carefully study the market they potentially want to enter in order to decide to what extent standardisation can be implemented or to what extent adaptation is needed for a strong existence in the market. As an example, Brown and Burt (1992) argue that retailers should examine the standardisation strategy at two levels: the "strategic level" and the "operational level", and provide a framework to deal with the degree of standardisation in retail internationalisation. At the *strategic level*, Brown and Burt point out that retail formats are easier to standardise than brand or store image transfer since the latter requires the same understanding of the meaning of the brand by the local consumers, which takes time to establish. On the other hand, at the *operational level*, retailers need to think about consumer and market place characteristics. Brown and Burt argue that after examining the product range, pricing, service policy, supply chain management and employee capabilities, retailers are better able to gain an understanding in regards to what degree of standardisation is necessary / possible in the particular market.

2.1.2.5 Retailing Specific Entry Strategies

One last discussion within the retail internationalisation area deals with entry strategies specific to retailers, as only limited options are available, arising from the differences between manufacturing and retailing. Dawson (2001) suggests six means for a retailer to establish a presence in a foreign market: foreign direct investment (FDI) by internal expansion, a merger or takeover, franchise-type agreements, store swaps, joint ventures, and strategic investment without operational control. FDI by internal expansion is also referred to as organic expansion, and involves a retailer opening individual stores using the company's own resources. A merger or takeover is the acquisition of control of a firm in the host country, whereas store swaps are bilateral exchanges of retail outlets between two retailers. Franchise-type agreements are those in which the franchisee in the host country uses the business model that the franchiser has established in its home market. Joint ventures entail cooperation between a firm in the host country and in the home country in order to transfer a retail store format into the host market. Strategic investment without operational control is one last possibility for entry in which a firm invests in a host country firm without taking any operational control, and this option may mean less risk than would have been the case if the retailer set up their own operations. These strategic entry options each have different advantages and disadvantages and require different levels of resource commitment, allow different rates of market entry, entail different degrees of local knowledge and offer varying degrees of control over operations (McGoldrick 2002, p.551).

2.2 Store Image

The image of a retail store is basically its appearance to the target market (Samli et al. 1998), and this is seen to be one of the most important and challenging issues retailers need to concentrate on. Today, retailers struggle to develop a favourable store image, which requires continuous monitoring and improvement due to intense competition in the retailing industry. Once the retailer succeeds in developing and maintaining a store image that is positively perceived by its customers, this then reduces the retailer's chances of suffering from a store failure, and enhances store performance. (McGoldrick 2002, p.187).

2.2.1 Definition of Store Image

While it is not easy to provide a practical and standard definition of store image, many researchers have attempted to define store image from the following perspectives.

Martineau (1958, in Samli et al. 1998, p.28) was one of the first researchers to define store image as *"…the way in which the store is defined in the shopper's mind, partly by its functional qualities and partly by an aura of psychological attributes"*. Martineau also states that retail stores have a "personality" combined of "functional and psychological attributes", and retailers conveying an image directed towards the target consumer's self image will, as a consequence, increase loyalty towards the store. Functional attributes refer to store elements including the product range, store atmosphere, and service level. On the other hand, psychological attributes can be positive or negative feelings toward the store.

Kunkel and Berry (1968) also attempt to clarify store image by finding that store image is developed in the mind of consumers through the totality of their experiences while shopping in that particular store. The overall image is dependent on the value that the consumers place on different attributes of the store (such as store convenience, staff, products, and store atmosphere). Kunkel and Berry (1968, p.21) also add that once a store image has been created, it needs to be maintained, and suggest that according to their 'Behavioural Model of Man', it thus should be reinforced by providing continuous rewards. Therefore, a consumer's image of any retail store is an outcome of every experience (be it rewarding or adverse) that they have had with the store. Since norms vary across cultures a pleasant experience for one person may be an adverse or insignificant experience to another.

Mazursky and Jacoby's (1986, p.149) formal and commonly accepted definition states that: "*store image is an individual's cognitions and emotions that are inferred from perceptions or memory inputs that are attached to a particular store and which represent what that store signifies to an individual.*

In addition to this, Oxenfeldt (1974) postulates that store image is more than the sum of its parts and is a combination of both factual and emotional substance. In particular, Oxenfeldt argues that customers react to the characteristics of a store in an emotional way. An example of this being that a customer may think that a store is warm, trustworthy and friendly, whilst thinking that other stores seem dishonest, unpleasant and unfriendly.

Moreover, Linquist (1974, p.31), who conducted a review of previous studies, argues that store image is a complex concept and that the overall consumer impression toward a retail store is created by a combination of tangible and intangible factors. Where *tangible components* consist of a consumer's perception of the functional qualities of the store (such as the physical environment and products), and where *intangible components* refer to the way a consumer feels about a store (such as store reputation, character, and associations).

Finally, the most recent and sophisticated definition of store image was developed by Hartman and Spiro (2005, p.1113) who incorporate earlier theories of learning, perception, and integration into the store image concept. Hartman and Spiro describe a store image as "… *the total impression represented in the memory as a gestalt of perceived attributes associated with the store, which are both independent and interdependent in consumer's memory, learned from current and previous exposure to stimuli.*"

2.2.2 Prominent Store Image Literature

As stated above, various researchers have studied the notion of retail store image from several different perspectives; some prominent examples of these studies are as follows.

One perspective is that store image plays an important role in the decision processes regarding store evaluation, selection and patronage behaviour (Mazursky & Jacoby 1986, Porter & Claycomb 1997, Birtwistle et al. 1999, McGoldrick 2002, and Thang & Tan 2003). For example, Thang and Tan (2003) examine the relationship between store image and consumers' store preference and conclude that stores that try to enhance the consumers' favourable perceptions are likely to increase their preference.

Baker et al. (1994) examined the relationship between the store environment and perceptions of store image; and found that ambient and social elements in the store environment are crucial constructs in the understanding of the inferences of store and product quality, which together enhance the store's image in the mind of customer.

Another perspective frequently mentioned in existing store image literature is that store image is firmly tied to the creation of the retailer's competitive advantage; and more specifically that developing a strong and positive image is crucial for achieving a sustainable competitive advantage (Birtwistle et al. 1999, Oppewal & Timmermans 1997, and Burt & Carralero-Encinas 2000).

A further area that has been explored is the association between store image and consumer self-image, with some attempts having been made to determine whether a similarity exists between a consumer's self image and the chosen store's image. It has been found that customers often prefer brands and products that are coherent with their conceptualised ideal self and thus prefer to shop at stores with images similar to their own. (Stern et al. 1977)

Furthermore, a recent study has revealed that a positively perceived store image leads to customer satisfaction which in turn creates loyalty towards the store (Chang & Tu 2005).

Consumer perceptions of the retailer's national origin is another element within the store image area. According to McGoldrick (1998), some companies operating internationally seem comfortable to become identified with the nationality of their host market, whereas others are eager to stress their national origins, because as Kapferer (1986, in McGoldrick 1998, p.193) explains, for some retailers, country of origin makes up an important part of their identity. For example: Marks & Spencer uses its British origin to appeal to consumers in its host markets, while C&A is content as being seen as a local institution, rather than promoting its Dutch origins (McGoldrick 1998).

2.2.3 Determinants of Retail Store Image

Components (or attributes, dimensions, and elements) of store image have been another consideration in previous literature, with a number of studies having revealed several elements which may individually or collectively enhance customer store image perceptions. Some authors have identified and divided store image attributes into tangible and intangible elements (Burt & Carralero-Encinas 2000), functional and psychological elements (Martineau 1958), or cognitive and emotional elements (Mazursky & Jacoby 1986). Appendix 1 lays-out the most commonly examined store image dimensions, matched with the names of the researchers who have discussed each. As it is understood by the authors, some of these attributes are sector specific whilst others are universal for the entire retailing industry. In addition Arnold et al. (1983) state that it is difficult to identify a standardised set of store image elements since the relative importance of each element may differ not only between retail sub-sectors (such as fashion stores and grocery retailers) but also between markets depending on whether they are international, regional or local. It is also argued that as markets are affected by differences in market structure, competitive strategies, and consumer preferences, it is the case that differences in store image elements are inevitable. Dependent on a retailer's strategy, one dimension may be more important for that retailer than for another retailer; thus this can be used in the differentiation of the retailer from its competitors.

2.2.4 International Transfer of Store Image

Although there are several well documented case studies of retail internationalisation, there is little evidence regarding international transfer of store image (McGoldrick & Ho 1992, McGoldrick 1998, and Burt & Carralero-Encinas 2000). Previous studies have largely involved an examination of customer image perceptions towards a single store, different departments or outlets of a particular retailer, different retailers' stores or shopping centres within a national context (KPMG 2000, Burstiner 1974, Marcus 1972, McGoldrick 1972, McGoldrick & Thompson 1992 in McGoldrick, 2002, p.199-203). Conversely, not that many multi-country image comparison studies for a particular retailer have been conducted. A significant finding however as Burt and Carralero-Encinas (2000) point out, is that customer perceptions of store image are more positive in the home market than in the host market. They also claim that a totally standardised store image transfer is not possible in the short term since the intangible, more experience-related components of store image are the most difficult to establish, and require a long period of time to be understood and perceived positively in a foreign host market.

On the contrary, Burt and Carralero-Encinas argue that the more tangible or functional dimensions of store image can be much more easily developed in the short run to construct a coherent store image. Hence it is thus inferred that the intangible dimensions of store image would be the source of a wider incongruence between perceptions in the home and host markets, than the tangible dimensions of image. In addition, McGoldrick (1998) theorises in regards to international image development, that the overall image can not be easily transferred from the home market to a host market, as it needs time to be developed and maintained. McGoldrick also discusses the determinants of international image which depict the path of improving store image in a foreign market. According to this theory, customers' initial impressions are heavily effected by their general expectations and predispositions which are a result of existing shopping habits and competition, but they are also influenced by spending power, culture, climate, lifestyles, and national stereotypes. The media can contribute significantly at this stage to the development of name/location awareness, and to the communication of core values. As experience grows, word-of-mouth communication increases and the images of more attributes are developed. (McGoldrick 1998)

2.2.5 Management Perceptions of Store Image

Although the majority of earlier studies have examined store image perceptions from a consumer perspective, there are a few prominent studies that have investigated store image from a managerial perspective.

The first study to mention is Kapferer's (2002, p.98) Brand Identity-Image model which illustrates an assumed gap between 'brand identity' and 'brand image', and an adaptation of this model whereby "store" is substituted for "brand" is presented in Appendix 2. Store identity is on the management (sender) side, as management communicates, the organisation's ideal store identity through the tangible and intangible store image dimensions (transmitted signals). In contrast, the store image is the way in which consumers decode the signals emanating from the tangible and intangible store dimensions sent by management. Once these signals are received by customers, they can be perceived either coherently or differently. Additionally, extraneous factors such as competition and noise can lead to an incongruence occurring between store identity and store image.

Another prominent study that was taken from a managerial point of view is Parasuraman et al.'s (1985 cited in Parasuraman et al. 1991) study which resulted in the development of the "Gap Analysis Model"[2] for organisations concerned with service management to enable them to further understand how service quality can be enhanced. Parasuraman et al. developed a conceptual model (see the Appendix 2) which suggests that customer perceptions of service quality are influenced by five distinct gaps. The gaps are as the follows:

Gap 1 represents the difference between management perceptions of customer expectations and customer expectations which are generally a result of word of mouth communication, personal needs or past experiences. The gap exists due to the fact that management perceives the consumers' expectations inaccurately for a number of reasons, such as inaccurate information from market research, inaccurately interpreted information about expectations, nonexistent demand analysis, or too many organisational layers (Grönroos 2000, p.100-102).

Gap 2 represents the difference between management perceptions of customer expectations and translation of perceptions into service quality specifications, meaning that service quality specifications are not consistent with management perceptions of quality expectations. (Grönroos 2000, p.102)

[2] The model was originally developed by the same authors in their 1985 study.

Gap 3 is based on the difference between service quality specifications and the service actually delivered. This gap generally occurs when service quality specifications are not met by performance in the service production or delivery process. (Grönroos 2000, p.103)

Gap 4 stands for the difference between service delivery and external communications to consumers. A possible reason for such a gap could be that management over-promise during market communication and thus what is communicated about the service to consumers is not consistent with the delivered service. (Grönroos 2000, p.105)

Finally, Gap 5 represents the difference between customer expectations and customer perceptions of service quality, since perceived or experienced service is inconsistent with the expected service. (Grönroos 2000, p.105)

The Gap Analysis Model is useful since it provides management with the ability to detect where a problem (gap) in the quality of service arises and to take corrective actions in order to effectively close the gap. It is also a suitable way to identify disparities between the service provider (management) and customer perceptions of service performance. (Grönroos 2000, p.106)

Even though it is necessary to explore the gaps which may exist between retailers' and consumers' store image perceptions from an international retailing point of view, limited research even in the domestic context has been conducted (Oppewal & Timmermans 1997, Samli et al. 1998, Birtwistle et al. 1999, Birtwistle & Shearer 2001). For example Samli et al. (1998) state that the success of a retailer depends on how realistically it sees itself and how careful it examines the market for a better understanding of its customers and their needs. Samli et al. also make the assumption that for successful retailers, the difference between management and customer perceptions of all dimensions of store image are expected to be narrow, as management are close to customers. Furthermore, it is argued by Samli et al. that when an inconsistency is recognised, corrective actions should be taken to provide congruence of perceptions between these two groups; thus requiring continuous monitoring and development by the retailer. It is also stated that the congruence between managerial and customer perceptions can be identified as a competitive advantage of the firm.

2.2.6 Measurement of Store Image

Back in 1974, McDougall and Fry stressed that measuring store image is challenging since it is difficult to find an appropriate method for doing so. Several studies have attempted to measure store image, however, essentially three approaches from the literature stand out: scaling techniques, open-ended techniques, and the multi attribute model (McGoldrick 2002, p.191).

These techniques have mainly been used to make comparisons between the store images of different retailers and/or the images of individual retailers' stores in different international markets. The following discussion will review the most widely used store image measurement approaches.

- Scaling Techniques

Three scaling techniques have been extensively accepted and employed by a large number of researchers (Osgood et al. 1957, James et al. 1976, and Likert 1932, in McGoldrick 2002, p.192-193); with the logic behind these being simple: researchers select a set of items, design a questionnaire in the light of these chosen variables, and stores are then rated on these items by respondents.

The first type of scaling techniques is the “semantic differential”, which is still thought to be the most widely used scaling system in retail image research. The model was developed by Osgood et al. (1957 in McGoldrick 2002, p.192) and normally consists of a number of bipolar scales with either five or seven points. The extremes on the end of each scale are defined by contrasting adjectives, such as high quality - low quality, or, attractive – repellent.

A second scaling technique is to employ unipolar attitude scales (James et al. 1976, in McGoldrick, 2002, p.192) whereby respondents rate individual attributes on a scale, such as very good - very bad. An alternative to this scale is a staple scale which may run from ‘+5’ to ‘-5’.

A third scaling alternative is the ‘agree’ – ‘disagree’ scale, which was firstly developed by Likert (1932, in McGoldrick 2002, p.193) and thus extensively well-known in academia as the Likert scale. Likert scales measure respondents’ levels of agreement for a specified set of statements. The model is generally managed as a five or seven point scale, wherein the respondent is asked to react to each statement by providing his/her level of agreement on a strongly agree - strongly disagree interval scale. The Likert scale can be particularly useful when the attitude or belief of the respondent cannot be reduced to one or two adjectives.

Within the area of store image measurement, these scaling techniques are employed where a pre-determined list of store dimensions already exists. Researchers use two different methods to decide which store dimensions or attributes will be used in the scale. One way is to select the elements which are relevant (to the type of retailer that they have chosen) from previous literature, and the other way is to select them by directly asking customers. Opponents of the first method propose that the suggestion of store image attributes by customers rather than the use of pre-determined categories is beneficial as there is a need to evaluate the relative strength and importance of the store image attributes by weighting each rather than treating each attribute as equally important (Doyle & Fenwick 1974, Birtwistle et al. 1999). Furthermore, Kunkel and Berry (1968) and Keaveney and Hunt (1992) argue that scaling techniques utilise forced-choice measures that may not detect the most salient image components, since they employ dimensions which may not be comprised of the customers’ actual store image perceptions.

However, scaling techniques are seen as easy to administrate and analyse, as they provide quantifiable data, require minimal verbal skills from respondents (McDougall & Fry 1974), and have a reasonably high validity and reliability (Osgood et al. 1957, in McGoldrick 2002). In addition, according to McGoldrick (2002), scaling techniques have substantial advantages as they allow comparisons to be made between different groups of respondents, in relation to common and defined attributes of particular stores. Additionally, Menezes and Elbert (1979) analysed these three scaling techniques and disclosed that there is not enough evidence to support that any of these scaling formats is clearly superior to the other types in obtaining a pure measure of retail store image.

- Open Ended Techniques

As a solution to the short comings of the various scaling techniques, a second approach to store image measurement, "Open-ended techniques" is suggested by Zimmer and Golden (1988). This approach encourages respondents to freely discuss and build their own image structures, by noting the stores mentioned and adjectives (dimensions) used to describe them. Content analysis (Zimmer & Golden 1988) and unstructured elicitation techniques such as free association, picture interpretation, describing the brand/store as a person/animal/activity/magazine; describing the use experience, describing what the brand/store user is like, describing the decision process, and describing what distinguishes brands/stores from one another and the means-end analysis (adapted from Aaker 1991, p.137-146) are the main examples of the open-ended approach which provide in-depth discussion, and decrease the possibility of respondent unwillingness, or problems with verbalising image associations of a store. Reardon et al. (1995) explain the advantages of this approach as follows. Firstly, the respondents are not imposed by a structured language or a set of dimensions. Secondly, each respondent is able to express dimensions of store image individually according to importance, thus reducing errors of omission on the part of the researcher. Lastly, the researcher captures a richer and healthier picture of the image of a store. Although open-ended techniques have various advantages over scaling techniques, they are much more difficult and complex to administrate.

- Multi-attribute Model

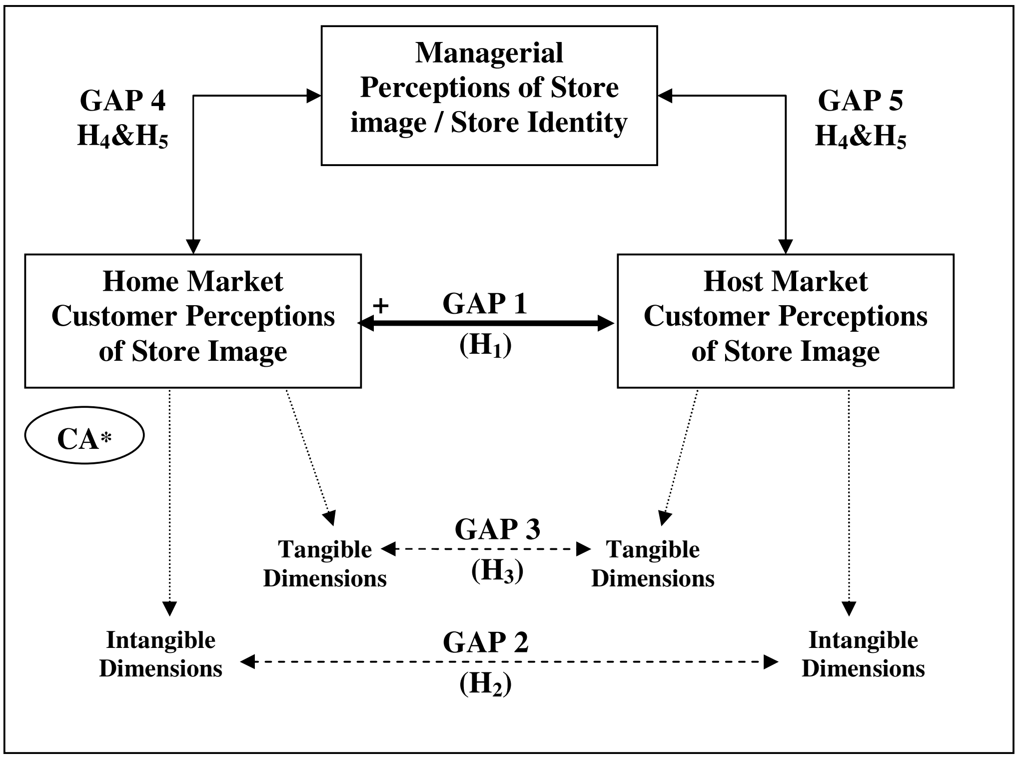
A third approach is the Multi-attribute Model which is an adaptation of the "Attribute-Toward-Object" model originally developed by Fishbein (1967 in Kasulis & Lusch 1981, Birtwistle et al. 1999). The Multi-attribute Model was first adapted by Bass and Talarzyk (1972, in Birtwistle et al. 1999) to measure attitudes of consumers towards brands. It was their belief that the model dealt with attitude as a unidimensional concept, providing a holistic measurement of the individual's attitude towards a brand, suggesting that the model was "*a function of the relative importance of each of the product attributes and the beliefs about the brand on each attribute*" (Bass & Talarzyk 1972, in Birtwistle et al. 1999, p.5). Later, James et al. (1976) re-adapted the existing model to explain store image, by substituting stores for brands. Hence, the re-adapted model measures store image as a summation of multiplications of rating and importance (weights) for a number of store attributes.

The Multi-attribute Model assumes that the researcher knows the salient attributes to be tested, and as discussed above these can be gathered through either an extensive literature review or through the use of open-ended techniques. The Multi-attribute Model is a practical technique for the description and prediction of store image (James et al. 1976). James et al. also conclude that by identifying the key attributes, the quantification of the importance of each attribute, and the evaluation of the store based on these attributes, will better enable the retailer to gain an understanding of its own target market.

2.3 The Authors' Conceptual Model

The authors' own conceptual model, which has been developed as an outcome of this literature review, is illustrated in Figure 1. The authors' assumptions in regards to gaps are indicated by arrows, which in turn have been used to create hypotheses, which were then tested through the collection of data, in order to fulfil the aim of the thesis.

Figure 1: The Authors' Conceptual Model



**Competitive Advantage*

The conceptual model consists of three parts. These are management store image perceptions, customer store image perceptions in the home and host markets and tangible and intangible dimensions of store image. To fulfil the purpose of the study, five gaps are presented and appraised in the light of a customer survey.

Gap 1 represents the variation in customer store image perceptions between the retailer's home market (where it is believed the retailer has a strong competitive advantage and is perceived more positively) and in a host market that the retailer has entered. Resulting from a lengthy period of investment and development in the home market, it is assumed that the retailer has gained competitive advantage through either their retail trading format or their image, in the home market (Burt & Carralero-Encinas 2000). Thus, this gap is based on the assumption that the retailer has developed and maintained a domestic image that they seek to successfully transfer to another market (Burt & Carralero-Encinas 2000).

In addition, store image dimensions consist of both tangible and intangible dimensions. Burt and Carralero-Encinas (2000) suggest that intangible store image dimensions are likely to be a greater source for an incongruence between home market and host market consumer perceptions. Hence these two gaps, gap 2 and 3, represent the differences between customers' perceptions of tangible and intangible store image dimensions in the home and host markets, taking into account that there is a potentially smaller gap between perceptions of tangible dimensions.

Finally, gaps 4 and 5 between management store image perceptions and customer store image perceptions in both the home and host markets are based on Parasuraman et al.'s (1985 in Parasuraman et al. 1991) study which developed the gap between consumer expectations and management perceptions of consumer expectations. It is assumed that an indirect relationship between customers' expectations and perceptions exists and thus this model has been applied to the authors' conceptual model. Samli et al. (1998) make the assumption that for a successful retailer, there should not be a gap between management and customer perceptions of store image, when management are close to customers and continuously monitor self-perceived image in comparison with the image perceived by customers.

2.4 Research Hypotheses

Based on the literature review and the subsequent conceptual model presented above, the following research hypotheses have been generated.

The main aim of this thesis is to examine possible similarities and differences in store image perceptions of an international retailer's customers in the home and host market. Based on Burt and Carralero-Encinas' (2000) finding that customers in the home market perceive store image more positively than customers in the host market, a gap is thus theorised to exist, and this has lead to the generation of the following hypothesis.

Hypothesis 1

H_1: Customers in an international retailer's home market perceive store image differently and more positively than host market customers.

Moreover, Burt and Carralero-Encinas (2000) argue that a totally standardised transfer of store image is difficult in the short term since the intangible dimensions of store image (such as character and reputation, and service) are the most difficult to establish, as these dimensions require a longer period of time to be understood fully and hence perceived positively by the host market.

Burt and Carralero-Encinas (2000) reason that tangible store image dimensions (such as products and the store environment) can be more quickly and easily developed to build a consistent store image. Hence, it is further argued that intangible dimensions are the source of a wider incongruence between customers' perceptions in the home and host market than is the case for tangible dimensions of store image; leading to the generation of the following hypotheses:

Hypothesis 2

H_2: A gap exists between an international retailer's customers' perceptions of intangible store image dimensions (character and reputation, and service) between the home and host markets.

Hypothesis 3

H_3: No gap or a lesser gap exists between the customers' perceptions of tangible store image variables (products and store environment) in the home and host market compared to the gap that exists between perceptions of intangible dimensions (character and reputation, and service).

The second objective of this thesis is to investigate whether or not an incongruence exists between customer and management store image perceptions. The Gap Analysis Model developed by Parasuraman et al. (1985), details five gaps that exist in service quality. One of the identified gaps (Gap One) - The Management Perception Gap, means that management perceives the consumers' expectations inaccurately due to a number of possible reasons. Based on this gap the authors have created the following hypotheses in regards to international retailing:

Hypothesis 4

H_{4a}: A store image perception gap exists between the retailer's management and customers in the home market.

H_{4b}: A store image perception gap exists between the retailer's management and customers in the host market.

Conversely to this, Samli et al. (1998) argue that for successful retailers, the difference between management and customer perceptions of all store image dimensions are expected to be narrow. Founded on the assumption that the retailer examined in this study is successful, and based on Samli et al.'s theory, the following (contradictory) hypothesis has been generated:

Hypothesis 5

H_{5a}: A store image perception gap does not exist between the retailer's management and customers in the home market.

H_{5b}: A store image perception gap does not exist between the retailer's management and customers in the host market.

Chapter 3

RESEARCH METHODOLOGY – Part A

Part A of the methodology chapter focuses on the general methodological approach employed, starting with a description of the philosophy of the research, research approach, research strategy, and research design.

3.1 Methodology Part A

3.1.1 Philosophy of the Research

According to Easterby-Smith, Thorpe and Lowe (2004, p.28), there are two main contrasting philosophical traditions in research; positivism and social constructivism. The authors' ontological stance is believed to be one where assumptions have been made about reality and the question of what reality is has been dealt with. Thus the authors' approach employs positivism where it is believed that the world exists externally, is objective and the right information exists independently of them. The consequential epistemological position (assumptions about how to gain information and what is the correct knowledge in a discipline) that results in the adoption of this paradigm means that the authors have strived to be objective and independent of the research they conducted. Following this type of viewpoint, quantitative research is usually the main type of research carried out, as its key focus is on elements such as numbers, data, and measurements. (Easterby-Smith et al. 2004, p.30-31, Bryman & Bell 2003, p.13)

The authors of this thesis have chosen to follow the philosophical approach of positivism, combined with a quantitative research strategy as these were deemed most appropriate since their aim is to obtain and compare store image perception data for an international retailer, with a reasonably large number of respondents in the retailer's home market and selected host market. Furthermore, the researchers preferred to strive for objectiveness and independence from the research conducted, with a strong belief that the world exists externally, and consequently that appropriate information is therefore independent of them.

3.1.2 Research Approach

Deductive and inductive are the two main though contradictory approaches used for considering the relationship between the theory and the actual research. A deductive approach is most commonly utilised when quantitative research is conducted, with researchers adopting this approach following a certain step-by-step process, which is described below. (Bryman & Bell 2003, p.10-12)

1. Theory → 2. Hypothesis → 3. Data Collection → 4. Findings → 5. Hypothesis Substantiated or Rejected → 6. Revision of Theory. (Bryman & Bell 2003, p.11)

This thesis clearly follows a deductive approach as based on theoretical findings presented in this thesis, several hypotheses (see page 23) have been generated and will subsequently be tested. Conversely, if an inductive approach had been followed the authors would have started with observations, and consequently generated theory from these observations. (Bryman & Bell 2003, p.12)

As the authors evaluated the previous theory thoroughly before the model was conceptualised, with the dimensions included in the questionnaire also being consequently based on existing theory, and the objective behind the data collection being to examine the existing theory, it is therefore the case that a deductive approach has largely been followed. However, the main purpose of this thesis is not only to test existing theory but also to generate both theoretical and practical contributions, particularly in areas where research gaps have been identified. Thus this thesis does not entirely follow a deductive approach, as it also partly utilises an inductive approach. Combining both a deductive and inductive approach can be described as an interactive approach (Bryman & Bell 2003, p.12), enabling the authors to simultaneously examine theory and empirical findings.

3.1.3 Research Strategy

There are two types of research strategies available to researchers - quantitative or qualitative. A quantitative strategy usually emphasises quantification in the collection and analysis of data and is commonly deductivist, objectivist and positivistic; whereas a qualitative strategy usually emphasises words rather than quantification in the collection and analysis of data and is commonly inductivist, constructivist and interpretivist. (Bryman & Bell 2003, p.573) As discussed above, this study follows a positivistic philosophical stance, and employs an approach that is more inclined towards deductivism than inductivism, thus the study's nature deems a quantitative research strategy to be highly suitable.

Employing a quantitative strategy over a qualitative strategy enables this research to benefit from several advantages stemming from a quantitative study. The prime capacity of a quantitative strategy is its ability to measure, enabling the researcher to find differences between various respondent groups. In addition, it enables the researcher to estimate differences and make accurate predictions of the relationships between the variables. Although it is true that a qualitative strategy is more capable of capturing nuances of consumer attitudes, motives and behaviour, it (in contrast to a quantitative strategy) is unlikely to employ a large sample, thus limiting its reliability (Malhotra & Birks 2003, p.132).

However, a quantitative strategy also enables the examination of social structures and processes that are not directly observable (for example, perception of store image is a non-observable process in the mind of consumer), and the analysis of (causal) dependencies between social phenomena. (Mamia 2006) Additionally, employing a quantitative research strategy has allowed the authors to obtain a large sample, quantify data, and apply some form of statistical analysis (Malhotra & Birks 2003, p.132); thus facilitating the drawing of conclusions.

3.1.4 Research Design

As a good research design is essential to ensure that the relevant research is conducted efficiently and effectively (Malhotra & Birks 2003, p.58), the choice of research design was a fundamental decision for the authors.

Five different research designs – experimental, cross-sectional, longitudinal, case study or comparative can be utilised by business researchers (Bryman & Bell 2003, p.39). An *experimental research design* is rarely used in business research due to control issues

(Bryman & Bell 2003, p.39) and thus will not be discussed further. With the aim of this thesis being to investigate whether there are any differences or similarities in store image perceptions of an international retailer's home and host markets, the authors argue that an appropriate way to do this is through the use of a case study research design, to illustrate an example of a particular retailer. It is worth noting, that where a case study investigation is based exclusively upon quantitative research, it can be difficult to determine whether it is better described as a case study or as a cross-sectional research design (Bryman & Bell 2003, p.54). First and foremost, the authors of this study have chosen a case study research design, and although they have used a consumer survey, this is not seen as a cross-sectional research design, but as a case study design that utilises a consumer survey as a research method.

A *case study* research design has been chosen as it enables the authors to closely examine one particular retailer and investigate customers and management in both the home and host markets. Using a case study organisation allows the authors to standardise their investigations in both markets, meaning that the research is able to draw valid conclusions for the case of the chosen retailer. However, a commonly discussed drawback of this type of research design is that it can be difficult to generalise the results from a single case study to other similar cases.

Longitudinal research involves surveying a sample on at least two occasions (Bryman & Bell 2003, p.52), thus in contrast to cross-sectional research, longitudinal research is not merely a snapshot of one particularly point in time. However, given the authors' 10-week timeframe constraint, it was deemed to be both inappropriate and too difficult to draw reliable conclusions utilising longitudinal research. If a longer period of time had been available to the authors then this would have been a highly viable research design for investigating the area of store image perceptions in international retailing. A longitudinal study would be able to investigate how perceptions change over time, and closely examine the development of consumer perceptions of intangible store attributes.

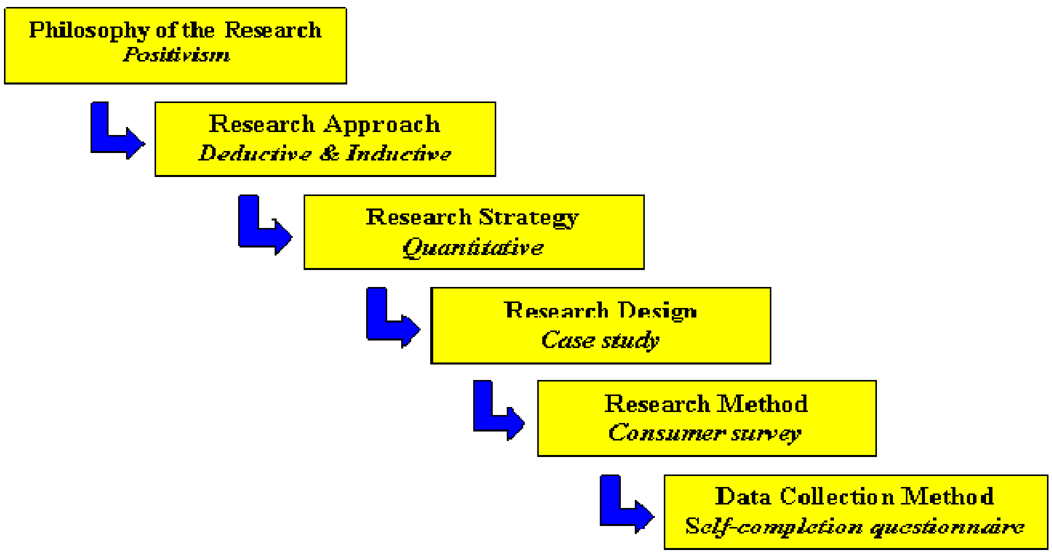
A comparative design is commonly employed in cross-cultural research for comparing two countries, thus making it seem highly suitable for this study. The reason that it has not been selected is that it generally tends to focus on gaining a deeper understanding of cross-cultural differences (Bryman & Bell 2003, p.57), which is something that the authors have chosen not to focus on.

A *cross-sectional research design* suits researchers interested in variation since it requires the collection of data on more than one case (Bryman & Bell 200, p.48); and thus this type of design may have been appropriate given the aim of this thesis. A cross-sectional research design was seen as suitable as it would also have enabled a large sample of quantifiable data to be collected at a single point in time, thus providing a snapshot of the variables of interest (Churchill & Iacobucci 2005, p.115). However, there are also limitations associated with a cross-sectional design – firstly, findings may not be replicable as they represent only a snapshot at a single point in time; secondly, it is difficult for the researcher to explain why the observed patterns occurred (Easterby & Smith 2002, p.45); and thirdly, it is only possible to investigate a relationship between variables but the researcher can not be sure if this shows a casual relationship.

Although a cross-sectional design could have been suitable, the authors felt that it was more appropriate to select a case study design and combine this with a consumer survey research method. Furthermore it is argued that combining the selected research design and research method, enables this thesis to benefit from the advantages of a cross-sectional research design without actually employing it.

The specific details of the authors chosen research method and data collection method will be discussed in Part C of the methodology. The following figure illustrates the overall study approach.

Figure 2: Overall Study Approach



RESEARCH METHODOLOGY - Part B

In Part B, the chosen case study company is introduced and the home market and selected host market are consequently discussed.

3.2 Methodology Part B

3.2.1 Choice of Case: IKEA

In order to select an appropriate and representative retailer for the case study, the authors employed the following set of criteria. Firstly, it was deemed that the chosen retailer had to have a long history of internationalisation, a large international presence, a standardised strategy, and a well established presence not only in their home market but also in the host market. Secondly, for convenience the authors sought to choose a Swedish retailer to enable enhanced accessibility.

After the above criteria were applied to possible case study organisations, two potential retailers were identified - IKEA and H&M. Primarily these two retailers were selected as it was not felt that other Swedish retailers had a particularly strong international presence, or that they were not as well known outside Sweden as IKEA and H&M. Eventually the fashion clothing retailer H&M was excluded as it was clear that IKEA served a wider range of customers, thus enabling the authors access to a wider group for sampling, meaning that any conclusions from this thesis are more likely to be generalisable than would have been the case if only a narrow sample was possible. Thus, IKEA - the world's leading home furnishing retailer with a long and proud tradition of retail internationalisation (Datamonitor, 2006) was chosen for this thesis' case study to illustrate the existence of differences or similarities in store image perceptions in international retailing.

In the following 3 pages a detailed case study about the chosen retailer is presented.

IKEA CASE STUDY

Introduction to IKEA

IKEA was founded by Ingvar Kamprad in the province of Småland in southern Sweden in the late 1940s, and today is the world's leading home furnishing retailer, with a product assortment of over 9,500 different and constantly changing items (IKEA Koncernen 2006, p.15). The initials in IKEA, stand for the founder's name, followed by the name of the farm he grew up on and his village/parish. IKEA's innovative concept is based on offering home furnishing products of a good function and design at prices much lower than competitors by using simple cost-cutting solutions that do not affect the quality of products (franchisor.ikea.com). IKEA was originally a mail order company with an annual catalogue, and although the focus changed to retail stores in 1958, the annual catalogue remains an important part of the IKEA concept to this day.

Today's IKEA concept is based on providing functional, well-designed furniture at prices so low that as many people as possible will be able to afford them (franchisor.ikea.com). Thus IKEA's conceptual mission is to create 'a better everyday life for the many people' (franchisor.ikea.com). This mission lies at the heart of everything IKEA does, from the way it develops and purchases products to the way it sells and distributes them in IKEA stores around the world (Konzelmann, Wilkinson, Craypo & Aridi 2005, p.12).

According to IKEA's current CEO Anders Dahlvig (Guest Lecture at Lund University, October 2006), the organisation is focussed on providing high quality, low priced products; and is obsessed with lowering costs. In keeping with this focus, one of IKEA's internal goals is to have 20 percent lower prices on comparable products that competitors offer. In order to provide customers with the lowest possible prices for their home furnishing needs, IKEA does all that it can to reduce costs, so that these savings can be passed on to consumers. Reducing costs begins before a new product is designed, with the price tag being designed before the product is (franchisor.ikea.com).

As IKEA does not own any manufacturing facilities, products are sourced from the lowest cost suppliers around the world. This often involves IKEA partnering with suppliers to develop innovative manufacturing processes. IKEA products are packed as compactly as possible and then shipped globally to IKEA stores, thus ensuring that extra costs are not incurred from shipping or warehousing empty space (Solomon 1991, p.12).

One of IKEA's essential strategies for reducing costs is self service. Although IKEA personnel are readily accessible in-store, customers are armed with catalogues, tape measures, pencils and note paper and are largely encouraged to fend for themselves. Once customers have made their decisions they are expected to collect their choice of flat packed furniture off the selves of an IKEA-style warehouse, load it into their car, and assemble it at home. In this way IKEA customers can be said to be 'pro-sumers' in that they are half producers, half consumers (Normann & Ramirez 1993, p.70); with the customers' participation in the production process creating cost savings for IKEA which are in turn passed on to customers.

Another of IKEA's cost saving strategies is to locate its stores on the outskirts of large cities, enabling them to purchase both a less expensive and potentially bigger site. In most regions, IKEA expects its consumers to drive themselves to the store and accordingly has a large number of car-parking spaces available, though in some markets (such as China) car ownership is less common, and thus easy linkages to public transport systems are important.

IKEA communicates its offerings via three main channels: The IKEA Catalogue, IKEA website and Word of Mouth. The IKEA catalogue contains product range details such as measurements and prices and in 2006, 175 million copies of the catalogue were produced in 55 editions and 27 different languages (franchisor.ikea.com). The IKEA website which provides product range details and in selected markets also offers online shopping facilities, was visited by over 278 million visitors in 2006 (franchisor.ikea.com). Another important means of communication is Word of Mouth, with satisfied customers spreading the IKEA message to friends and family (Dahlvig 2006); thus not only are IKEA customers pro-sumers but also an integral part of IKEA's communication channel.

IKEA is also unique in the family friendly facilities provided in-store to ensure a happy, comfortable and of course long shopping experience. The availability of good quality, low cost meals and snacks is of fundamental importance to IKEA's founder Ingvar Kamprad, and these are supported by a children's play area, and toilets with baby changing facilities (Solomon 1991, p.12). The provision of these facilities/services enables a visit to an IKEA store to be a family day out.

The organisational structure of IKEA is unique in that it is a registered foundation (the Stichting INGKA Foundation) as opposed to a publicly listed company. Not being a publicly listed company means that IKEA is not forced to publish profit figures and is not vulnerable to shareholder pressures (Konzelmann et al. 2005, p.13). The IKEA ownership structure is relatively complex, with different subsidiaries responsible for different functions.

IKEA Internationalisation

IKEA has a long history of both purchasing and selling products beyond the Swedish border. IKEA opened its first store outside of Sweden in Oslo, Norway, back in 1963, and its first store outside of Scandinavia in Switzerland in 1973. In 1961 IKEA began using their first non-Scandinavian supplier in their quest to source products as inexpensively as possible; and today the vast majority of products are sourced from outside of Sweden, with more and more products coming from manufacturers in Asia and lower cost European nations.

Today IKEA is the world's leading home furnishing retailer employing 104,000 employees (co-workers) and is present in 36 countries, with 250 stores (as at the end of March 2007) with another 17 new store openings planned in 2007 (www.ikea.com). In terms of sales, the European region accounts for 80 percent of IKEA's sales, North America 17 percent, and Asia and Australia 3 percent (IKEA Koncernen 2006, p.14). See Appendix 3 for a detailed depiction of IKEA's international store presence. Additionally, IKEA now sources 93 percent of its products from outside of Sweden with 28 percent from Asia, 3 percent from North America, and the remaining 62 percent from the rest of Europe (IKEA Koncernen 2006, p.14).

IKEA Internationalisation Strategy

One motive for IKEA's internationalisation was that with a home market population of just over 9 million, in order to achieve economies of scale to in turn be able to deliver the lowest possible priced goods to consumers, they needed to be able to source and sell their products in high quantities – thus with the local market quickly saturated, the need to internationalise was born.

Furthermore, once IKEA has entered a host market, they are able to achieve additional economies of scale by opening new stores utilising existing distribution systems/channels.

In terms of retail internationalisation IKEA pursues a global strategy whereby the store network is not a collection of domestic operations but a series of linked stores. (McGoldrick 2002, p.573). A global strategy generally entails using similar product lines, price level, distribution system, communication, service level and store design and décor in several different countries. In accordance with a global strategy IKEA use a high level of standardisation in their marketing strategy, and although IKEA realise that target consumers are not homogenous they recognise that consumers around the world share fundamental home furnishing needs, and these are what the company seeks to fulfil (Solomon 1991, p.12). This is one of the keys to IKEA's success, as in marketing the same basic products in all of its stores, instead of tailoring furniture to regional tastes, it is able to focus on making furniture that is universally attractive (Solomon 1991, p.10). In saying this though, IKEA appreciates that different markets do not have identical needs, and makes adaptations where necessary to account for fundamental variables such as size of living space down to smaller but still important variables such as the standard size of pillows in the particular market.

In addition to the standardisation of the IKEA product range, the layout and design of IKEA stores is also standardised with each individual store expected to meet the current design and layout requirements every five years (Jöunerheim 2007). These store design and layout requirements are developed centrally in Sweden, in addition to the product range and catalogues.

Market Entry / Growth

By far and large IKEA's most common market entry and growth strategy is organic growth through the opening of 100 percent company owned subsidiaries in both existing and new markets. Franchising has also been used by IKEA to enter markets that are less attractive due to factors such as higher risk, or for smaller or more distant markets. As of August 2006 there were 27 IKEA franchise stores in 15 countries. Additionally, IKEA have also used franchising in markets where they have had company owned subsidiaries, but wanted to exit the market – for example IKEA began operations in Hong Kong as early as 1975, and then sold the IKEA Hong Kong franchise in 1988 (www.ikea.com.hk/about/about.html).

The following figure summarises the ongoing internationalisation process of IKEA; including global turnover in given years and the corresponding number of stores.

Table 1: Turnover and Stores Worldwide Growth of IKEA

	1954	**1964**	**1974**	**1984**	**1994**	**1999**	**2005**	**2006**
Turnover €M	1	25	169	1.216	4.396	8.220	15.212	17.658
No. of stores	0	2	9	52	114	152	221	245

(Source: www.ikea-group.IKEA.com)

3.2.2 Choice of Home Market: Sweden

Following in the footsteps of Burt and Carralero-Encinas (2000) who compared customer store image perceptions in an international retailer's home market and in a selected host market; this study also sets out to make a similar comparison in the case of the chosen retailer – IKEA. Thus this study compares customer store image perceptions of IKEA in the home market with a host market. In the case of IKEA, identifying the home market is not as arbitrary as it may first appear, as the retailer has its corporate headquarters in the Netherlands, whereas its origins and arguably its heart are in Sweden. As the organisation projects itself as being patriotically Swedish, the home market of Sweden has been selected.

3.2.2.1 IKEA in Sweden

As IKEA's home market, a great deal of attention was paid to the Swedish market in the early years, though for a significant period (1993-2004) there were no new store openings whilst IKEA focussed on expanding its international operations. Recently there has been a resurgent interest in the home market with three new stores opened since 2004, with an additional new store planned to open in Karlstad in 2007. (www.ikea.com)

IKEA opened its first retail store in Älmult (20,000m²) in 1958, and now has 16 stores in Sweden, with its most recent store opening in 2006 in Kalmar (24,000m²). The size of IKEA's Swedish stores varies vastly, with its largest store Stockholm Kungens Kurva (1965) measuring a whopping 55,200m², and its smallest Gävle (1981) measuring 12,500m². (www.ikea.com)

3.2.3 Choice of Host Market: The Czech Republic

As detailed above, IKEA has been selected as the case study for this thesis, with Sweden being the retailer's home market; an additional country needed to be chosen as the host market to be illustrated in this thesis' case study.

In order to select an appropriate host market for the case study, the authors developed a set of criteria. Firstly, that the European Union (EU) is frequently viewed as a reasonably homogeneous block of countries is something that the authors believe warrants further investigation. Thus according, the choice of a new EU country was considered to be both interesting and rational, with the authors intentionally setting out to choose an EU market which was potentially not homogeneous with Sweden. Secondly, it was deemed that IKEA needed to have been operating in the chosen host country for at least ten years in order to be well established in this market; and additionally it was deemed necessary for the retailer to be operating at least two stores in the host market in order to ensure a reasonably large presence in this market. The last criterion was that the potential host market had to have a population reasonably similar in size to the home market's population.

After carefully considering the 'new EU' countries in which IKEA has operations (see Appendix 3), Slovakia was excluded as a potential host market since IKEA presently operates only one store in this country; Poland due to it's large population; and finally the potential set of host markets was reduced to the Czech Republic and Hungary. The Czech Republic was eventually chosen not only because it offered increased convenience and accessibility to the authors, but also because of IKEA's larger presence in this market.

3.2.3.1 Background Information about the Czech Republic

Post-communist countries such as the Czech Republic, (and Poland, Hungary and Slovakia) are currently experiencing steady economic growth and democratic transition (Yoder 2006, p.200). The Czech Republic has one of the most stable and prosperous economies of the post-communist countries, and in 2006 had Gross Domestic Product (GDP) of USD 221 billion and per capita GDP of USD 21,600 (CIA World Factbook 2007). (See Appendix 4 for a comparison with other countries).

Before World War II, the former Czechoslovakia was a developed European country with a retail network that was not notably different from those of other western countries at the time. However, when the communist regime took power in 1948 the retail network changed dramatically, mainly because the whole private sector was practically eliminated in favour of centralised state control. (Drtina 1995, p.192). Since the "Velvet Revolution[3]" in 1989, the Czech Republic has experienced a major transformation, and has made the transition from a centrally (government) planned economy to a western oriented and market driven economy (OECD/IEA 2005, p.9). This transition, in addition to the peaceful division of the former Czechoslovakia into the Czech Republic and Slovakia in 1993, proceeded relatively easily, and on 1 May 2004 the Czech Republic entered the EU.

Drtina (1995, p.191) emphasises that after the communist regime fell, a period of economic change began. The process of privatisation again entirely changed the ownership structure, resulting in fragmentation of the retail network. Since January 1991 foreign trade has been completely liberalised, positively impacting the quality of the retail sector and leading to foreign retail chain investment (Drtina 1995, p.191). The biggest benefits from foreign investment in the retailing sector have included international know-how, networks with international suppliers and capital resources. IKEA, together with other foreign companies such as Obi, Baumax-X, Europa-Moebel and ASKO, serve as an example of how the former Czechoslovakian furniture and DIY sectors have been flooded by foreign investment after the revolution of the early 1990s. As a result of this heavy foreign investment, the retail sector in the Czech Republic has begun to reflect western patterns. (Drtina 1995)

Research which examined shopping habits and consumer attitudes towards the retail network in the Czech Republic after the fall of the communist regime in the early 1990s revealed that consumers were firstly interested in the quality of products and services, followed by emphasising the importance of a wide selection of merchandise and prices. (Drtina 1995, p.194)

3.2.3.2 IKEA in the Czech Republic

After the fall of communism in Eastern Europe, IKEA recognised an opportunity to expand their concept into some of these emerging capitalist markets, and focussed their attention on

[3] The Velvet Revolution was an uprising of citizens against the communist regime that occurred in November 1989.

Hungary, Poland, and Czechoslovakia (now the Czech Republic and Slovakia); and more recently on Russia.

IKEA entered the former Czechoslovakia not long after the fall of communism, with the first IKEA store, Prague Zlicin (19,800m²) opened in 1991, and have since opened an additional three stores – Brno 1998, Ostrava 2001, and Prague Černý Most 2004. The largest of the Czech Republic IKEA stores is also the newest – Prague Černý Most measuring 23,500m², and the smallest is the Brno store measuring 11,800m².

RESEARCH METHODOLOGY - Part C

Part C examines the specific aspects of the research methodology; research method; data collection method; validity, reliability and replication; and gender concerns.

3.3 Methodology Part C

3.3.1 Research Method

The authors have chosen to conduct a consumer survey, deeming it to be the most suitable research method with regards to the selected case study research design, in order to gather the necessary data. The case study research design will be used to illustrate store image perceptions of an international retailer and a consumer survey will be conducted to gain data within the boundaries of the case study. As this study mainly focuses on "who", "what", "where", "how many" or "how much" questions, it is argued that these can be effectively answered by conducting a survey (Yin 1994, p.6).

The main purpose of a consumer survey is to obtain information from a defined population (Easterby-Smith et al. 2002, p.135) and consequently this is a suitable way to study consumers and their perceptions. Hence, by conducting a survey, the authors will be able to gather information about customers' behaviour, intentions, attitudes, awareness, motivations and demographic and lifestyle characteristics (Malhotra & Birks 2003, p.224). Additionally, a survey is a type of research where data is usually collected through questionnaires or structured interviews (Bryman & Bell 2003, p.49).

3.3.2 Data Collection Method

3.3.2.1 The Questionnaire

Easterby-Smith et al. (2003, p.130) identify four main quantitative means of collecting data – conducting interviews, using questionnaires, testing or measuring something, and observation. Both using questionnaires and conducting interviews were feasible options given the research aim being investigated, as either technique would enable the researchers to examine customers' attitudes towards store image. Each technique has a central advantage; firstly the conduction of interviews enables greater in-depth knowledge to be generated, whereas the use of questionnaires enables a greater number of responses to be generated. Thus self-completion questionnaires were chosen because they allowed a larger potential sample size, resulting in increased generalisability.

Additionally, self-completion questionnaires were chosen because they have been widely employed in previous similar studies, and because the responses generated would be quicker and easier for the researchers to code and process. Another advantage of using self-completion questionnaires is that the influence of the interviewer is not reflected in the respondents' answers (Bryman & Bell 2003, p.142). The questionnaire can be seen in Appendix 5.

An in-store face-to-face self-completion questionnaire was used as this enabled a higher response rate than a potential mail survey, and also it allowed responses to be collected immediately. A face-to-face questionnaire was also chosen as it is less expensive than a mail survey, and potential respondents do not have to be repeatedly chased. One disadvantage of using a face-to-face questionnaire is that there is potential for respondents to be influenced by the researcher who approaches them and explains the study that is being conducted. A common disadvantage of a self-completion questionnaire is that respondents are unable to get help from researchers if they have a query when filling out the questionnaire; however as this is a face-to-face situation researchers were available to clarify anything thing that was unclear.

3.3.2.2 Respondents

The respondents sought for this study were ordinary IKEA customers, and as IKEA actively aims its products at "the many people" no specific types of customer groups were targeted. In addition to getting customers to complete the questionnaire, managers from the two IKEA stores used for data collection were asked to complete the same questionnaire as customers. The purpose being that this enabled a gap between managerial perceptions and customer perceptions in each country to be identified in a simple, quick and effective manner. The advantage of asking managers to complete the questionnaire rather than interviewing them is not only that time is saved, but also that responses were far easier to code and process particularly given that multiple languages were involved.

3.3.2.3 Time and Place

The data collection took place on two different Saturdays (on non-holiday weekends) in April 2007. On one Saturday data was collected inside IKEA's Prague Černý Most store, and two weeks later inside IKEA's Helsingborg store. Customers were approached outside the store restaurant, and were invited to participate in the research by filling out a questionnaire.

In order to examine customer's store image perceptions it was determined that customers must be surveyed inside the store so that store image perceptions would be fresh in their minds. Additionally, it was felt that if customers were surveyed before they entered the store (or at a location other than the store), then individual responses would not be highly comparable to one another as customers would be basing responses on previous visits to IKEA stores that occurred varying periods of time ago. The exact position for data collection - outside the store restaurant, was chosen in order to take advantage of the hot food discount coupon provided by store management as an incentive for customers to complete the questionnaire. According to the authors' observations, an additional advantage of collecting data outside the store restaurant is that participation rates are likely to be higher, as customers are more relaxed, and it is less inconvenient for them to spend a couple of minutes filling out a questionnaire compared to if they were approached on leaving the store.

3.3.2.4 Choice of Questions

The questionnaire used in this study has employed several questions that have been used in previous research. As the Burt and Carralero-Encinas (2000) article is the main inspiration behind this study a considerable number of the article's Marks and Spencer questions have for this reason been borrowed and adjusted to be suitable for IKEA customers. Additionally, many of these questions have also been used by two previous theses – those of Ranelid and Rivera Bello (2006), and Strömbäck and Sällström (2003) which both sought to compare customer perceptions of IKEA in the home market and a host market.

There are many significant benefits behind employing questions that have been used in similar research. For a start, using existing questions means that the questions have already been piloted, and that the measurement qualities of the questions will be known if reliability and validity testing has already taken place. Furthermore, the usage of existing questions enables the current research results to be compared with the results of the previous research (Bryman & Bell 2003, p.171).

It should additionally be mentioned that as was the case with the statements employed by Burt and Carralero-Encinas (2000) this thesis has also used positively worded statements and as a result, high levels of agreement can be taken to represent some degree of satisfaction with the attribute concerned (Burt & Carralero-Encinas 2000, p.440).

After an extensive literature search (see Appendix 1), the seven most important store image dimensions have been chosen and each of these dimensions is evaluated by several store attribute statements. Additionally, as this thesis seeks to investigate any possible differences in the perceptions of tangible and intangible store image dimensions, it has been necessary to categorise the chosen dimensions as being either tangible or intangible. The classification of each of the dimensions has been established based on the store attribute statements. Where the dimension is being examined by statements that are clearly tangible the dimension has thus been classified as tangible (as was the case with the product and store environment dimensions). Likewise where the dimension is being examined by statements that are clearly intangible the dimension has been classified as intangible (as was the case with the service and character and reputation dimensions). The remaining dimensions could not be classified as either tangible or intangible since the store attribute statements used to examine them contained both tangible and intangible components (as was the case with the personnel, price, and convenience dimensions).

Ranelid and Rivera Bello (2006), and Strömbäck and Sällström (2003) employed the Burt and Carralero-Encinas questions in a modified form, in both instances they chose to ask only half of the original questions. Thus in addition to modifying the Burt and Carralero-Encinas questions it was deemed necessary to add new original questions in order to be better able to determine differences / similarities in customer perceptions, as examining variables additional to those used by Ranelid and Rivera Bello (2006), and Strömbäck and Sällström (2003) hopefully aid this study in making a more significant contribution.

3.3.2.5 Types of Questions

The questionnaire consisted of three types of questions: attitudinal questions (statements), a question that asked respondents to rank the importance of the store image dimensions and personal factual (profiling) questions.

- Questions about Attitudes

Respondents were asked questions about their attitudes regarding their perception of IKEA's store image. These questions were closed questions employing a 5-point Likert scale (strongly agree, agree, neutral, disagree, strongly disagree), enabling the researchers to easily process the responses and increasing the comparability of the answers (Bryman & Bell 2003, p.158). The usage of open questions would have enabled the researchers to gain a deeper insight into the individual attitudes of customers, but this comes at the expense of being much more difficult to code and process, and additionally in the case of a questionnaire respondents may be less inclined to participate due to the greater effort required (Bryman & Bell 2003, p.157).

-Questions of Importance:

As well as being asked attitudinal questions about individual store image attributes, respondents were also asked about the overall importance of the seven pre-determined store image dimensions (price, product, personnel, character and reputation, service, convenience, and store environment) to themselves. Instead of asking customers to just identify the most important dimension, they have instead been asked to rank the dimensions in order of importance (from 1 to 7); enabling the researchers to gain an insight not only into the most important dimension, but the importance of all the given dimensions.

- Personal Factual Questions

In addition to asking the respondents about their attitudes towards IKEA's store image, a series of personal factual questions for the purpose of profiling have also been asked. Personal factual questions rely on the respondent's memory and are likely to involve clear cut answers and thus are not difficult to answer (Bryman & Bell 2003, p.161). It is necessary to ask profiling questions in order to be able to classify customer responses into different groups.

The questionnaire used personal factual questions in order to obtain demographic information from respondents, and to inquire about their experience with IKEA. Experience questions were employed to identify both the length of the customer's experience with IKEA, and the number of visits they had made to IKEA stores.

The authors have attempted to use profiling questions that were thought to be important to the IKEA concept – thus age, gender and household size have been included; but commonly used demographic questions relating to house size and income have been excluded. The reason being that it is very difficult to create a scale for responses that is useful and comparable on a cross-cultural basis, particularly given the vast variation in incomes and house sizes between the Czech Republic and Sweden.

Answer bands have been employed for several of the personal factual questions – such as for age, number of visits and length of IKEA experience, for the purpose of making classification and inputting of the data more efficient. Although the authors have tried not to include any overlapping bands, this has not been avoided for the question relating to the length of store experience, as here it was felt that it was more useful and practical to employ an overlapping scale; though it is freely acknowledged that this had the potential to generate confusion.

The only open question included in the questionnaire was in regards to the number of adults and children living in the respondent's household; and this has been formulated as an open question so that the exact household size and composition is illustrated rather than a range.

3.3.2.6 Questionnaire Layout

The questions in the questionnaire have been grouped into different categories (the seven selected store image dimensions), as Bryman and Bell (2003, p.126) recommend that longer questionnaires should do this in order to facilitate a better flow than skipping from one topic to another. Furthermore Bryman and Bell also examine the issue of question order, and determine that it usually found to have very limited if any affect on a respondent's answers. Thus for the purpose of this study, the order of the store image dimensions in the questionnaire was entirely arbitrary.

The questionnaire employed horizontal Likert scales in order to take up as little space as possible so that the questionnaire appeared to be short, meaning that a potential respondent was more likely to fill it out, thus possibly increasing the overall response rate. The usage of vertical Likert scales would have provided the advantage of reducing unintentional responses as a result of respondent haste, and would have made coding the questionnaire responses easier (Bryman & Bell 2003, p.148-149).

3.3.2.7 Language of Questionnaire

As it was thought that in the Czech Republic relatively few IKEA customers would be easily able to complete a questionnaire in English, it was decided that the questionnaire must be written in the Czech language as this was deemed to be the only way to easily generate a large number of high quality responses. Contrastingly, in Sweden it was thought that most IKEA customers would probably be able to complete a questionnaire in English, and although the questionnaire could realistically have employed English, it was decided that the questionnaire should be written in Swedish as the use of a local language would increase the comparability and validity of the results.

3.3.2.8 Pilot Study

According to Bryman and Bell (2003, p.170) it is always desirable to conduct a pilot study before administering a self-completion questionnaire to identify any issues before the mass sampling occurs, particularly as unidentified errors can be costly in both monetary and research result terms. Hence the authors of this thesis have conducted a small pilot study in both the Czech Republic and Sweden in order to identify any problems with the proposed questionnaire. In each case a small group of native speakers of either Czech or Swedish were asked to fill in the questionnaire and point out any grammatical weaknesses, and not well understood terms, as well as being asked to suggest terms/phrases that may have been more appropriate. Thus the chief purpose of the pilot study was to aid in the finalisation of a strong questionnaire.

3.3.2.9 Sample

Although it is the case that probability sampling is usually the ideal sampling method (Churchill & Iacobucci 2005, p.115), as it leads to fewer sampling errors and allows more accurate inferences regarding the target population to be made (Bryman & Bell 2003, p.94-200), due to the limited time-frame available for the conduction of this study, a non-probability convenience sampling technique has been used out of necessity and for simplicity's sake. According to Bryman and Bell (2003, p.105), a convenience sample is one that is simply available to the researcher by virtue of its accessibility.

Further it is argued by Churchill and Iacobucci (2005, p.326) that although generalisation is difficult where this type of sample has been used, it still plays a much more prominent role in research in the field of business and management than most suppose. Clearly, the issue of lack of generalisability is a problem; but the authors believe that the ease of using a non-probability convenience sample has enabled them to involve many more respondents. Moreover, given that non-probability convenience sampling is commonplace and generally accepted in academic research, the authors believe that the negating effect is hence reduced.

Additionally, as the respondents have been profiled based on demographics and experience with the retailer, it is possible that the generalisability of the findings from the non-probability convenience sample are thus enhanced, due to the increased transparency of the sample respondents.

The authors sought to collect a sample of 150 respondents in each country; and to make sure that enough valid responses were collected, the target was set at 200 respondents per country. Selecting a target of 200 allowed for the fact that some customers would take a questionnaire but choose not to return it to the researchers, and that other respondents would fill out the questionnaire in a manner which forced their responses to be disregarded.

3.3.2.10 Incentive

IKEA store management provided respondents with discount cards for hot meals in the Czech Republic and with coupons for a free hot dog and soda in Sweden, as an incentive to fill out the self-completion questionnaire.

3.3.2.11 Statistical Analysis

The raw data resulting from the questionnaires has been manually input into Microsoft Excel, and then feed into SPSS, allowing advanced statistical analysis to take place.

3.4 Gender Aspects

It should also be mentioned that the authors of this thesis were aware of gender issues when they were planning and conducting the research. Firat and Dholakia (1998) describe the process of establishing the dichotomy between men and women in the western world in relation to the high valued production (public domain, associated with men) and underestimated consumption (private sphere including shopping and housework, associated with women). Therefore, the researchers strived to avoid these typical western world gender prejudices and tried not to subconsciously connect women with the shopping activity and thus bias the sample of respondents.

3.5 Evaluation of Research Methodology

Bryman and Bell (2003, p.33-35) specify that the three most important criteria in the evaluation of business and management research are – reliability, replication, and validity.

Reliability refers to whether the results of a study are repeatable and if there is consistency in the measurement of a concept (Bryman & Bell 2003, p.33&76). A factor that improves the reliability of this thesis is that actual IKEA customers shopping at an IKEA store have been utilised as respondents, instead of using a student sample, or randomly approaching people in public places. This choice has enhanced overall reliability, since it does not rely on the respondents' recall of store image perceptions (based on past experience) as customers are able to base their responses on their present in-store experience.

Validity consists of measurement validity, which Easterby and Smith (2002, p.53) further name as construct validity, internal validity, and external validity; thus being very similar to what Easterby and Smith (2002, p.53) call generalisability, and ecological validity.

Firstly, *internal validity* refers to whether the conclusions including the causal relationships between variables are consistent (Bryman & Bell 2003, p.34), though Bryman and Bell (2003, p.48-49) point out that it is only possible to investigate relationships between variables, and that the researcher can not be sure if this shows a casual relationship. Nevertheless, since statistical analysis has been utilised by this thesis to test the hypotheses and present the results, internal validity of this study can be said to be strengthened.

External validity/generalisability refers to whether the results can be generalised beyond the specific research context (Bryman & Bell 2003, p.34). Several factors contributed to improving the external validity of the current study. Firstly, a self-completion questionnaire was chosen as the means to collect data because it allows a larger potential sample size, increasing the generalisability of the findings. Additionally, this study employed convenience sampling, and as argued by Churchill and Iacobucci (2005, p.326), generalisation of results is difficult for convenience samples. However, external validity has been improved by using relatively large samples in both countries.

This thesis utilises a case study research design and the single case organisation's store image perceptions have been examined and analysed in two different markets. The most often discussed drawback of the case study research, is that it is difficult to generalise the results from a single case study to other similar cases (Bryman & Bell 2003, p.55), which may reduce external validity/generalisability of the study. It is however possible to make analytical generalisations, (as opposed to statistical generalisations), as the chosen retailer can be said to be representative – firstly, since IKEA has a long history of retail internationalisation; and secondly, that it has a standardised marketing strategy in each market. Thus, in choosing a representative case, the external validity of the results are more likely to be generally applicable to other international retailers.

Ecological validity, which refers to whether the research instruments are able to capture people's everyday life conditions (Bryman & Bell 2003, p.34), could be deemed to be somewhat weak, as filling in a self-completion questionnaire can hardly be considered a natural activity.

Furthermore, in creating the self-completion questionnaire the authors were inspired by the Burt and Carralero-Encinas' (2000) study, and accordingly *measurement/construct validity* (which refers to whether a measure devised of a concept really reflects the concept (Bryman & Bell 2003, p.33)), is likely to be strong.

Finally, *replicability,* refers to the degree to which findings can be reproduced, and is most achievable where the researcher spells out his or her procedures in great detail (Bryman & Bell 2003, p.33). The findings of this thesis should be easy to replicate as the authors have constructed, conducted and discussed the study in transparent manner.

Chapter 4

RESULTS

This chapter presents the results of the conducted research study. Descriptive statistics are firstly examined, then reliability measurement is conducted, and finally the thesis' hypotheses are tested.

4.1 Descriptive Statistics

This section presents firstly profiling characteristics occurring among respondents, and then descriptive information about the home and host market customer and management samples.

4.1.1 Profiling Characteristics of Samples

As previously stated, the study includes two customer samples – with the sample of customers in the home market (Sweden) consisting of 215 respondents; and the sample in the host market (the Czech Republic) consisting of 195 respondents. Additionally, 8 managers from IKEA's Helsingborg store in Sweden and 9 managers from IKEA's Prague Černý Most store in the Czech Republic also participated in the study. The commonly used statistical analysis software – SPSS, has been employed in order to obtain the statistical information required.

Before the results of the study are presented, the authors believe that it is necessary to first evaluate differences in profiling question responses that exist between the two customer samples. As can be seen in Appendix 6, the samples were categorised in terms of gender, age, number of adults in the household, number of children in the household, number of visits made to IKEA stores, and experience with IKEA stores. These profiling categories have been employed in order to increase the transparency of the findings, particularly as a convenience sampling technique was used for data collection.

<u>Gender:</u> Males made up 31 percent of the Swedish sample, and 35 percent of the Czech sample. Thus the majority of customers in both samples were female – 69 percent and 65 percent respectively.

<u>Age:</u> The most common age group in both samples was 26-35 years – representing 24.2 percent of the Swedish sample and 46.2 percent of the Czech sample. The second most common age group was 36-45 years – accounting for 21.9 percent of the Swedish sample and 22.1 percent of the Czech sample. One interesting difference between the two samples is that customers over the age of 55 accounted for 20.9 percent of the Swedish sample whilst accounting for only 8.7 percent of the Czech sample.

<u>Number of Adults in Household:</u> In both samples the highest occurring frequency was for "two adults at home" – accounting for 54.4 percent of the Czech sample and 24.2 percent of the Swedish sample. Another interesting occurrence was that households made up of three to five adults accounted for more of the customers in the Swedish sample than in the Czech sample. Conversely, the rate of single adult households was higher in the Swedish sample (17.7 percent) in comparison to (10.8 percent) in the Czech sample.

Number of Children in Household: Approximately half of the customers sampled in each country had no children at home – 50.7 percent in Sweden and 47.7 percent in the Czech Republic. Customers with one or two children in the household constituted the second biggest groups in both samples – 35.4 percent in Sweden, and 48.2 percent in the Czech Republic.

Number of Visits to IKEA Stores: Customers having made 20 or more visits to an IKEA store accounted for the largest group in each sample – 86.5 percent in Sweden and 44.6 percent in the Czech Republic. First time visitors accounted for 2.6 percent of Czech respondents, whereas there were none present in the Swedish sample.

Experience with IKEA Stores: 53 percent of the Swedish sample had experience with IKEA stores dating back over 20 years, whilst Czech customers had experience dating back 2 to 5 years (37.4 percent) or 5-10 years (29.2 percent).

4.1.2 Descriptives for Home and Host Market Customers

A five point Likert scale (where five equals strongly agree and where one equals strongly disagree) was employed in the first part of the questionnaire for 25 store attribute statements and 2 overall attitudinal statements. The means, standard deviations and mean differences for each statement are delineated in the Table A of Appendix 7 for both the Swedish and Czech customer samples.

Firstly, according to the results, both customer samples rated most of the statements highly. 23 out of 27 attribute statements were rated over (4.00) by the Swedish sample, whilst this rate was 16 out 27 in the Czech sample. Another indication of favourable ratings is that the average rating across the 27 statements was 4.27 in the Swedish sample and 4.08 in the Czech sample. Although the Czech sample rated the statements less favourably, it is the case that only one statement achieved a mean below 3.5. It was also found that the Swedish sample rated 22 out of 27 statements more positively than the Czech sample; and in order to determine whether this positive difference between samples was statistically significant, t-test analysis has been conducted and the results are discussed in the following chapter.

In addition, the statements which had the highest means in the Swedish sample, were related to the product dimension, the convenience dimension *("IKEA stores have convenient opening hours":* (4.76)), the product dimension *("IKEA stores stock an extensive range of home furnishing products":* (4.71)) and the convenience dimension (*"IKEA stores offer a wide range of facilities"*: (4.68)). On the other hand, for the Czech sample the highest means were related to the product dimension *("IKEA stores stock an extensive range of home furnishing products"*: (4.52)) and the store environment dimension *("IKEA products are displayed in an inspirational way"*: (4.51)).

Furthermore, the lowest means in the Swedish sample were associated with the personnel dimension *("IKEA store personnel are available"*: (3.54)); whereas in the Czech sample the lowest means were related to ("*IKEA has a good return policy*": (3.45)).

Moreover, when mean differences of both customer samples were compared across the 27 statements, it was found that 17 of the 27 had statistically significant differences according to the t-test results. Table A in Appendix 7 also illustrates the instances where statements have obtained significant mean differences.

Finally, when the 27 statements are ranked according to their mean scores in the two customer samples, it can be seen that tangible variables of store image (the product variables and the store environment variables) are rated more favourably in comparison with the intangible variables (the service variables and the character and reputation variables) by the both samples. It was also found that the differences between the means of the two customer samples for tangible variables were lower than those for intangible variables, in respect that the tangible variables did not create many significant differences, while the intangible variables led to statistically significant differences between the samples (see Table A of Appendix 7).

4.1.3 Descriptives for Home and Host Market Management

- Home Market

In the home market, management rated the questionnaire statements more positively than customers – in 19 out of 25 instances. (Statements 26 and 27 have not been included in the analysis of management). 19 out of 25 store attribute statements acquired statistically significant mean differences. The highest means were obtained for *"IKEA has a good return policy"*: (5.00); *"IKEA stores stock an extensive range of home furnishing products"*: (4.88); and *"IKEA is a trustworthy company"*: (4.88) which were related to the service, the product, and the character and reputation dimensions respectively. Additionally, only two statements acquired a mean below (4.00) – these were related to the personnel dimension *("IKEA store personnel are available"*: (3.38)), and the service dimension *("IKEA stores provide quick customer service in terms of check out"*: (3.63)). The differences in means between the home market's management and customers are compared in Table B of Appendix 7.

- Host Market

Likewise in the host market, management also rated most of attribute statements more favourably than customers – in 19 out of 25 instances. 21 out of 25 store attribute statements acquired statistically significant mean differences. In addition, 22 out of 25 of the statements achieved means of over (4.00). The highest means were obtained for statements in the service dimension *("IKEA has a good return policy"*: (4.78)), the product dimension *("IKEA stores stock an extensive range of home furnishing products"*: (4.67)), the store environment dimension *("The store atmosphere is attractive in IKEA"*: (4.67)) and the character and reputation dimension *("IKEA is a trustworthy company"*: (4.67)). In contrast, the statements that obtained the lowest means were in the convenience dimension *("Store layout in IKEA makes it easy to find what I am looking for"*: (3.67)); in the personnel dimension *("IKEA store personnel are available"*: (3.67)); and in the character and reputation dimension *("IKEA has a superior image compared to other home furnishing retailers"*: (3.75)). Differences in means between the host market's customers and managers are compared in Table B of Appendix 7.

The second part of the questionnaire, examined the importance of store image dimensions to management and customers. The respondents were asked to rank the seven pre-determined store image dimensions from one to seven (with one being the most important, and seven being the least important). Table 2 presents the ranking results of both management and customers from Sweden and the Czech Republic.

Table 2: Customer and Management Perceptions of Dimension Importance

	SWEDEN		The CZECH REPUBLIC	
Ranking	**Management**	**Customers**	**Management**	**Customers**
1	Product	Product	Product / Personnel	Product
2	Price	Price	-	Price
3	Personnel	Convenience	Service	Service
4	Character & Reputation	Service	Price	Convenience
5	Service	Store Environment	Character & Reputation	Personnel
6	Convenience	Character & Reputation	Store Environment	Store Environment
7	Store Environment	Personnel	Convenience	Character & Reputation

1= The most important, 7= The least important

As Table 2 illustrates, in Sweden both management and customers rate product and price as the two most important store image dimensions. Conversely, the importance of the other dimensions varies greatly between management and customers with the greatest difference occurring for the personnel and convenience dimensions. For the Czech Republic, it was again found that management and customers ranked product as the most important store image dimension, but additionally management also ranked personnel as equally the most important whereas personnel appeared to be relatively unimportant to customers. Management and customers in the Czech Republic also ranked the importance of service and store environment in a similar manner, however, similarity does not exist in the ranking of the remaining dimensions.

4.2 Reliability testing

Each of the authors' seven store image dimensions (product, service, personnel, convenience, price, store environment, and character and reputation) has been examined by several statements. For example the price dimension was examined by statements 12-14, and thus the reliability of the responses must be tested. The reliability of a measure can be determined by testing both consistency, which shows how well the statements measuring a concept hang together as a set, and stability (Sekaran 2003, p.307). *Cronbach's Alpha* reliability coefficient can be used to specify how well items in a set are positively correlated to one another (Sekaran 2003). Thus Cronbach's alpha coefficient has been computed in order to calculate the average intercorrelation between the statements employed to measure each dimension. The alpha coefficient can vary from 0 to 1, and Malhotra and Birks (2003, p.314) argue that where the value of this coefficient is greater than 0.6 this can generally be taken as a sign that there is a satisfactory internal consistency reliability between the items measuring the same concept; and as a result, the cut-off of 0.6 has been adopted in this study.

The authors have chosen to use Cronbach's Alpha coefficient to test the average intercorrelations in the entire customer sample for the set of store attribute statements employed to measure each of the seven store image dimensions. An additional reason behind the use of Cronbach's Alpha test has been to reduce the number of variables to a minimum, by combining the variables (statements) which are positively correlated to one another (into a single dimension), in order to simplify statistical analysis.

Statement 27 was used to examine a customer's overall attitude towards IKEA, and thus this statement has not been integrated into any of the store image dimensions.

The results from Cronbach's Alpha test are illustrated in Appendix 8, and a summary of these results is presented below.

<u>Product (statements 1-3):</u> - Cronbach's alpha coefficient equals (0.531) which is less than 0.6 meaning that these three variables have not been combined into one. (This result may be explained by the fact that although all the product dimension's attitudinal statements relate to the product dimension, they vary considerably (from quality, to design and assortment)).

<u>Service (statements 4, 6 and 8):</u> Cronbach's alpha coefficient equals (0.634) which is more than 0.6 hence meaning that these three variables have been combined into one – "Sum of *SERVICE* dimension".

<u>Personnel (statements 5 and 7):</u> Cronbach's alpha coefficient equals (0.652) which is more than 0.6 hence meaning that these two variables have been combined into one – "Sum of *PERSONNEL* dimension'.

<u>Convenience (statements 9-11 and 18):</u> When testing the Cronbach's alpha coefficient for the convenience dimension the authors found that statement 18 (which deals with the convenience of the store layout) was more closely correlated to the convenience dimension than to the store environment dimension under which it was originally classified. Thus statement 18 has been combined with the three original convenience dimension statements. The resulting Cronbach's alpha coefficient equals (0.608) which is more than 0.6 hence meaning that these four variables have been combined into one – "Sum of *CONVENIENCE* dimension".

<u>Price (statements 12-14):</u> Cronbach's alpha coefficient equals (0.796) which is more than 0.6 hence meaning that these three variables have been combined into one – "Sum of *PRICE* dimension".

<u>Store Environment (statements 15-17):</u> Cronbach's alpha coefficient equals (0.723) which is more than 0.6 hence meaning that these three variables have been combined into one – "Sum of *STORE ENVIRONMENT* dimension".

<u>Character and Reputation (statements 19-25):</u> Cronbach's alpha coefficient equals (0.801) which is more than 0.6 hence meaning that these three variables can be combined into one – "Sum of *CHARACTER and REPUTATION* dimension".

The statistical analysis discussed above has enabled the authors to reduce the number of variables from the original 25 to 9 (as illustrated in Table 3), and has simplified further analysis. The remaining 9 variables and the overall attitudinal statement (statement 27) have been used in the next section which deals with hypotheses testing.

4.3 Hypotheses Testing

In order to understand how the hypotheses have been tested it is necessary to clarify the difference between null and alternate hypotheses. Sekaran (2003, p.105) defines the null hypothesis as a definite relationship between two variables, such as the difference in the means of two groups in the population is equal to zero (or a definite number), and generally the null hypothesis is expressed so that there is no (significant) difference between two groups. The hypotheses generated at the end of Chapter 2 are this thesis' alternate hypotheses, and null hypotheses which are opposite to these alternate hypotheses will be generated below (Sekaran, 2003).

After formulating both the null and alternate hypotheses, it is crucial to select a level of significance for testing the null hypotheses. This thesis has employed the typical level of significance 0.05, meaning that the probability of making a type I error is also 0.05 (this being an error that occurs when the sample results lead to the rejection of a null hypothesis that is in fact true) (Malhotra & Birks 2003, p.762, 770). As a result, where the level of significance is less than 0.05, the null hypothesis has been rejected and the alternate hypothesis has been substantiated. (Malhotra & Birks 2003).

In order to test hypotheses that relate to differences there are two different procedures that could be employed, depending on the measurement scale of the variables – these are non-parametric and parametric tests. Non-parametric tests have not been utilised in this thesis as they assume that variables are measured on a nominal or ordinal scale. Instead parametric tests which presuppose that variables of interest are measured on an interval scale have been used, as the first 27 statements of the self-completion questionnaire have been measured on an interval scale. Consequently, the most popular parametric test, the '*t-test*' has been utilised. (Malhotra & Birks 2003, p.47).

The first three hypotheses have been tested by comparing means using the *Independent-Samples T-test* as these involve comparing the perceptions of two different populations (Swedish and Czech customers). As the fourth and fifth hypotheses are examined by comparing large customer samples to smaller management samples *One-Sample T-tests* have been performed.

4.3.1 Results of Hypothesis Testing

Hypothesis 1

The first hypothesis proposes that there is a difference between the store image perceptions of home and host market customers. Based on this, the following null hypothesis has been generated:

H_0: Customers in an international retailer's home market do not perceive store image differently or more positively than host market customers.

H_1: Customers in an international retailer's home market perceive store image differently and more positively than host market customers.

Firstly, the customers in the home market and host market's responses to the overall attitudinal statement (statement 27) was examined, to investigate if the mean difference between the home and host market customers was significant. Table 3 presents the overall t-test results of statement 27, in addition in order to substantiate statement 27's use as a measure of the totality of customers' perceptions, the store image variables have also been statistically analysed.

Table 3: T-Test for the Home Market and the Host Market Customer Perceptions

	Swedish			Czech			T-Test	
	Mean	**S. D.**	**N**	**Mean**	**S. D.**	**N**	**Dif.**	**Sig.**
1. IKEA offers good quality products.	4.07	0.67	215	3.96	0.73	195	0.11	0.13
2. IKEA's merchandise is well-designed and modern.	4.41	0.56	213	4.39	0.64	195	0.02	0.75
3. IKEA stores stock an extensive range of home furnishing products.	4.71	0.50	213	4.52	0.56	195	0.19	0.00*
Sum of *SERVICE* dimension	3.94	0.70	214	3.62	0.61	195	0.32	0.00*
Sum of *PERSONNEL* dimension	3.83	0.77	213	3.74	0.71	195	0.09	0.22
Sum of *CONVENIENCE* dimension	4.5	0.44	214	4.32	0.47	195	0.18	0.00*
Sum of *PRICE* dimension	4.35	0.58	214	3.94	0.61	195	0.41	0.00*
Sum of *STORE ENVIRONMENT* dimension	4.35	0.54	214	4.47	0.46	195	-0.12	0.02*
Sum of *CHARACTER and REPUTATION* dimension	4.24	0.53	214	3.98	0.47	194	0.26	0.00*
27. Overall I have a positive attitude towards IKEA.	4.54	0.55	213	4.35	0.56	194	0.19	0.00*

*Note: * equals significance at a 95% confidence interval*

According to the results, the mean difference (0.19) between two customer samples has a level of significance of (0.00) (and thus is significant), therefore the null hypothesis is rejected and H_1 is substantiated.

Additionally, the six store image dimension sum variables plus the three product dimension statements have been analysed by employing the Independent-Sample T-test. The resulting statistical analysis is also presented in Table 3.

As Table 3 illustrates, 6 of the 9 store image variables have mean differences that are significant (Sig. <0.05), thus differences in store image perceptions exist between home market and host market customers. 5 out of the 6 store image variables were more positively perceived in the home market than in the host market. Conversely, the remaining variable (store environment) was perceived more positively in the host market. The remaining 3 store image variables were perceived more positively in the home market, however the differences in means were not significant.

Hence with significant differences between customers' perceptions in the home and host market for 6 out of 9 variables, it can be deemed that overall store image is perceived differently between these two markets. Additionally as 5 of these 6 significant were positive in favour of the home market, it can be said that customers in the home market perceive the retailer's store image more positively.

Hypothesis 2

The second hypothesis suggests there is a difference in perceptions of intangible dimension of store image. Based on this, the following null hypothesis has been generated:

H_0: A gap does not exist between an international retailer's customers' perceptions of intangible store image dimensions (character and reputation, and service) between the home and host market.

H_2: A gap exists between an international retailer's customers' perceptions of intangible store image dimensions (character and reputation, and service) between the home and host markets.

To statistically test this hypothesis, an Independent-Sample T-Test has been applied and the results of the statistical analysis are shown in Table 3. As the level of significance of the mean differences for both the character and reputation dimension and the service dimensions is (0.00), the null hypothesis is therefore rejected, and H_2 is substantiated.

Hypothesis 3

The third hypothesis proposes that a smaller gap or no gap exists between home and host market customers' perceptions of tangible store image dimensions, than the gap between perceptions of intangible store image dimensions. Based on this, the following null hypothesis has been generated:

H_0: A greater gap exists between customers' perceptions of tangible store image variables (products and store environment) between the home and host market, than the gap for intangible store image dimensions (character and reputation, and service).

H_3: No gap or a lesser gap exists between the customers' perceptions of tangible store image variables (products and store environment) in the home and host market compared to the gap that exists between perceptions of intangible store image dimensions (character and reputation, and service).

Table 4: Intensity of Significance Level for Tangible and Intangible Variables

		Mean Difference	**Sig. (2-tailed)**
Tangibles	Sum of *STORE ENVIRONMENT* dimension	-0.12	0.018897*
	1.IKEA offers good quality products.	0.11	0.128420
	2.IKEA's merchandise is well-designed and modern.	0.02	0.752983
	3.IKEA stores stock an extensive range of home furnishing products.	0.19	0.000325*
Intangibles	Sum of *CHARACTER & REPUTATION* dimension	0.81	0.000116*
	Sum of *SERVICE* dimension	-0.41	0.008115*

*Note: * equals significance at a 95% confidence interval*

As Table 4 illustrates, there is a statistically significant gap between the perceptions of half of the tangible store image variables, whereas between the remainder of the variables a statistically significant gap does not exist. In examining the perceptions of the intangible dimensions there is a statistically significant gap between both of the dimensions. Hence it is necessary to compare the intensity of the statistically significant differences found in the tangible and intangible dimensions and to do this the number of decimal places of the 2-tailed significance levels has been increased to six. In examining these intensities it can be seen that the sum of store environment dimension is less intensive than both of the intangible dimensions. However, in examining the other statistically significant tangible variable ("IKEA stores stock an extensive range of home furnishing products"), it has been found that its level of significance is more intensive than for the intangible dimension related to service. Hence, H_3 can neither be substantiated nor rejected.

Although H_3 can neither be supported nor rejected, when the mean differences between the intangible and tangible dimensions are compared it can be seen that all of the mean differences for intangible variables are greater than the differences for the tangible variables. Thus based on a comparison of mean differences it appears that the home and host market customers' perception gap between tangible dimensions is smaller than the gap for intangible dimensions.

Hypothesis 4 & 5

Hypotheses 4 and 5 simultaneously propose that there should be an incongruence and that there should not be an incongruence between the store image perceptions of management and customers in both the home and host markets.

H_{4a}: A store image perception gap exists between the retailer's management and customers in the home market.

Thus H_{5a} is the null hypothesis to H_{4a}.

H_{5a}: A store image perception gap does not exist between the retailer's management and customers in the home market.

H_{4b}: A store image perception gap exists between the retailer's management and customers in the host market.

Thus H_{5b} is the null hypothesis to H_{4b}.

H_{5b}: A store image perception gap does not exist between the retailer's management and customers in the host market

Table 5: One Sample T-Test Results for Sweden

Variables	Sweden						
	Management (N=8)		Customers			T-test	
	Mean	S. D.	Mean	S. D.	N	Dif.	Sig.
1. IKEA offers good quality products.	4.38	0.52	4.07	0.67	215	0.31	0.00*
2. IKEA's merchandise is well-designed and modern.	4.5	0.53	4.41	0.56	213	0.09	0.02*
3. IKEA stores stock an extensive range of home furnishing products.	4.88	0.35	4.71	0.50	213	0.17	0.00*
Sum of *SERVICE* dimension	4.25	0.42	3.94	0.70	214	0.31	0.00*
Sum of *PERSONNEL* dimension	3.75	0.85	3.83	0.77	213	0.08	0.15
Sum of *CONVENIENCE* dimension	4.38	0.61	4.5	0.44	214	0.12	0.00*
Sum of *PRICE* dimension	4.71	0.48	4.35	0.58	214	0.36	0.00*
Sum of *STORE ENVIRONMENT* dimension	4.5	0.53	4.35	0.54	214	0.15	0.00*
Sum of *CHARACTER and REPUTATION* dimension	4.66	0.5	4.24	0.53	214	0.42	0.00*

*Note: * equals significance at a 95% confidence interval*

As illustrated in Table 5, significant differences exist between the perceptions of home market managers and customers in 8 out of 9 variables, hence H_{5a} is rejected and H_{4a} is supported.

Table 6: One Sample T-Test Results for the Czech Republic

Variables	The Czech Republic						
	Management (N=9)		Customers			T-Test	
	Mean	S. D.	Mean	S. D.	N	Dif.	Sig.
1. IKEA offers good quality products.	4.11	0.33	3.96	0.73	195	0.15	0.01*
2. IKEA's merchandise is well-designed and modern.	4.44	0.53	4.39	0.64	195	0.05	0.27
3. IKEA stores stock an extensive range of home furnishing products.	4.67	0.5	4.52	0.56	195	0.15	0.00*
Sum of *SERVICE* dimension	4.41	0.61	3.62	0.61	195	0.79	0.00*
Sum of *PERSONNEL* dimension	4.06	0.86	3.74	0.71	195	0.32	0.00*
Sum of *CONVENIENCE* dimension	4.11	0.86	4.32	0.47	195	-0.21	0.00*
Sum of *PRICE* dimension	4.37	0.76	3.94	0.61	195	0.43	0.00*
Sum of *STORE ENVIRONMENT* dimension	4.56	0.53	4.47	0.46	195	0.09	0.01*
Sum of *CHARACTER and REPUTATION* dimension	4.3	0.7	3.98	0.47	194	0.32	0.00*

*Note: * equals significance at a 95% confidence interval*

As illustrated in Table 6, statistically significant differences also exist between the perceptions of host market managers and customers in 8 out of 9 variables, hence H_{5b} is rejected and H_{4b} is substantiated.

Chapter 5

DISCUSSION

This chapter discusses and interprets the results presented in Chapter 4.

This study aimed to examine to what extent differences or similarities exist between an international retailer's home and host market customers' perceptions of store image. Additionally, this thesis aimed to gain an insight into how management perceive store image and to examine to what extent there is a congruence between the retailers' management and customers' store image perceptions.

- Profiling Characteristics

The profiling characteristics of the Swedish and Czech customer samples were found to vary widely, particularly in terms of age distribution, number of visits made to IKEA stores and length of experience with IKEA (see Appendix 6 for details).

In terms of age distribution, the largest group of customers in both countries was in the "26-35 years" category; while the "over 55" category represented the smallest group of customers in the Czech sample (8.7 percent) whereas in Sweden this category accounted for one fifth of the sample. This disparity between the two samples may indicate that in Sweden IKEA is frequented by a higher percentage of older people than in the Czech Republic.

Although the largest group of customers in both countries had made 20 or more visits to an IKEA store – (86.5 percent of the Swedish sample and 44.6 percent of the Czech sample), considerable discrepancy still exists. The most logical explanation for this difference is that IKEA have been operating in Sweden for over 50 years but for only 16 years in the Czech Republic. Thus it is likely that Swedish customers have had more opportunities to visit an IKEA store, and this is supported by the finding that first time visitors accounted for 2.6 percent of the Czech sample, but none of the Swedish sample. Correspondingly, it was also found that Swedish customers had had a longer experience with IKEA than Czech customers – the biggest group in the Swedish sample (53 percent) had experience dating back over 20 years, whilst the biggest group in the Czech sample (37.4 percent) had experience dating back 2-5 years.

- Comparison of Home and Host Market Customers

Firstly, it was found that the customer responses to most of the store attribute statements had means exceeding 4.00, indicating that the vast majority of respondents either 'agreed' or 'strongly agreed' with the given statements (for full details see Table A of Appendix 7). In addition, this was particularly true for the two overall attitudinal statements - 26 (satisfaction) and 27 (overall positive attitude towards IKEA). Hence, it can be strongly implied that IKEA is perceived positively in both the home and host market. Although both samples rated the store attribute and attitudinal statements positively, the Swedish sample rated the store attribute statements more positively than the Czech sample in 20 out of 25 instances, as well as for both of the attitudinal statements. Hence using mean differences between the samples as indicators, this generally supports Burt and Carralero-Encinas' (2000) theory that an international retailer’s home market customers perceive store image more favourably than host market customers.

It is the authors’ opinion that IKEA has a very generous return policy which is standardised in both the examined markets, unexpectedly though the return policy statement had the largest mean difference between the customer samples. A possible reason behind why Swedish customers perceive IKEA’s return policy differently and more positively than Czech customers is, as the profiling results suggest, that on average Swedish customers have had experience with IKEA for a longer period of time than Czech customers. Stemming from this longer period of experience the authors argue that Swedish customers are more likely to have returned a purchased product to IKEA and thus to have encountered IKEA’s return policy. Czech customers on the other hand have had a shorter experience with IKEA, and are thus less likely to have returned a purchase or have encountered IKEA’s return policy, and as a result of this inexperience they may have not perceived the return policy particularly positively.

The second biggest statistically significant mean difference occurred for statement 8 (“*Prices are low compared to similar stores*”), where again Swedish customers rated this statement more positively as they felt that IKEA’s prices were low compared to competitors. Czech customers did not rate IKEA’s prices as being low compared to similar retailers, and the authors argue that this is not because IKEA is more expensive in the Czech Republic but that the overall retail price level is lower, so in comparison to other Czech retailers, IKEA prices are not low.

Finally the third largest statistically significant mean difference occurred for the statement dealing with IKEA’s Swedish/Scandinavian appeal. Unsurprisingly, Swedish customers perceived this statement differently and more positively than Czech customers, as the authors argue that firstly Swedish customers are much more aware of what Swedish/Scandinavian appeal is, and that secondly they have been conditioned to the idea that IKEA is a proudly Swedish retailer over their longer period of experience with the organisation.

Conversely, the lowest statistically significant mean differences occurred for statement 6 (“*IKEA stores offer a high level of customer service*”), statement 2 (“*IKEA merchandise is well-design and modern*”) and statement 19 (“*IKEA projects a modern and innovative image*”). Although customers in both markets rated statement 6 almost identically, it should be noted that overall this statement received one of the lowest means. From this it could possibly be inferred that IKEA should take corrective action in order to improve its customer service and thus increase overall customer perceptions of service in both markets. In regards to the other two statements, the congruence in the perceptions can be assumed to be a sign that IKEA’s standardisation strategy is effective in both markets.

In examining tangible store image dimensions, it was found that the differences between the means of the two customer samples were lower than those for intangible store image dimensions, as tangible dimensions did not create many statistically significant differences, whilst the intangible dimensions lead to statistically significant differences between the samples. This supports another of Burt and Carralero-Encinas’s (2000) theories that it takes a longer period of time to establish intangible store image dimensions in a host market, than it takes for tangible store image dimensions.

- Importance of Dimensions (Customers)

Customers ranked the importance of the seven store image dimensions, and the resulting average rankings demonstrated both similarities and differences (see Table 2). Both customer samples ranked the "product" and "price" dimensions in the first and second positions respectively. The remainder of the store image dimensions acquired different positions overall in the Swedish and Czech samples, indicating that dissimilarities in the importance of each dimension exist between the samples. The biggest difference being that Swedish customers ranked the personnel dimension as the least important, whilst Czech customers ranked it as the fifth most important. A possible explanation for this is that Swedish customers may be more adjusted to the 'self-service' style of customer service (that IKEA utilises) as it is commonplace in retailing in Sweden; whereas Czech customers place a greater value on personnel.

- Comparison of Management and Customers

It must be pointed out that only the first 25 (store attribute) statements have been used to analyse management perceptions of store image, as the remaining 2 (attitudinal) statements were directed at customers (see Table B of Appendix 7).

Similarly to customers, both home and host market management rated the majority of the store attribute statements highly (with a mean of over 4.00). However, both home and host market management rated most of the store attribute statements more favourably than the customers in their respective countries. Using these mean differences between the management and customers in each market as an indicator, it appears that there is an incongruence in store image perceptions between management and customers. These findings are consistent with Parasuraman et al.'s (1985) model that proposes that there is a gap between management perceptions and customer expectations/perceptions. Furthermore, bearing in mind these findings, management may need to undertake corrective action concerning the store image attributes where inconsistencies with customer perceptions have occurred, as is suggested by Samli et al. (1988)

The most statistically significant difference in means between management and customers in both the home and host markets occurred for the attribute statement concerning the return policy of the retailer ("*IKEA has a good return policy*"), where management clearly perceived IKEA's return policy more favourably than customers. It can again be argued that IKEA's generous return policy is perceived differently and more positively by management than customers, as management are likely to be fully aware of this policy. Customers, on the other hand, are not necessarily fully aware of the retailer's return policy as not all have experience in returning purchases to IKEA.

In contrast, the least statistically significant difference in means between management and customers in both the home and host markets occurred for statements regarding the convenience dimension. In the home market, management and customers were in close agreement with the statement dealing with IKEA's convenient opening hours. The authors argue that this is due to the fact that in comparison with other Swedish retailers, IKEA has longer and thus more convenient opening hours, and hence it is understandable that it is perceived in this manner in the Swedish market. In the host market, management and customers both perceived the range of IKEA's facilities (such as parking, the playground, restaurant, and family friendly toilets) very positively and similarly. The authors argue that in the Czech market, retailers offering this range of facilities are relatively uncommon and thus this is perhaps the reason why Czech management and customers perceived IKEA's facilities in this way.

- Importance of Dimensions (Management/Customer)

To start with, there is a similarity in that management and customers in both Sweden and the Czech Republic rank the product dimension as the most important store image dimension. However, the majority of the remaining store image dimensions are ranked differently in terms of importance, and thus there appears to be an incongruence between how management and customers in both markets perceive the importance of store image dimensions (see Table 2 for more details).

The biggest difference between management and customers in both Sweden and the Czech Republic occurred in the ranking of the importance of the personnel dimension. The authors argue that it is unsurprising that management perceive personnel as being more important than customers as management are 'personnel' employed by the retailer; whereas customers on the other hand perceive personnel to be relatively unimportant due to IKEA's self-service concept.

Hence based on these findings, a disparity in the priorities of IKEA's management and customers exists in both the home and host markets. The authors therefore argue that management should reconsider and re-evaluate the store image dimensions based on their importance to customers and if necessary take corrective action. Furthermore as Samli et al. (1998) suggest, a successful retailer should continuously monitor customers' perceptions as to the importance of store image dimensions, in order to minimise any incongruence.

Hypotheses

In addition to the descriptive analysis of the results, five hypotheses have been generated based on the limited existing literature dealing with store image perceptions in international retailing, and these hypotheses have been statistically tested in the previous chapter.

The first hypothesis proposes that a difference exists between the store image perceptions of home and host market customers, and furthermore that customers in the home market perceive store image more positively than host market customers. Based on the statistical analysis (provided in Chapter 4) of the conducted research, this hypothesis has been substantiated. This result is again consistent with Burt and Carralero-Encinas' (2000) finding that an international retailer's store image is perceived differently and more favourably by home market customers in comparison to host market customers.

Furthermore it should be mentioned that only one variable was perceived more positively by host market customers – the store environment dimension. A possible reason why store environment was perceived more positively in the host market could be because of the stores utilised by the authors to collect data. The store used in the host market was large and new (opened in 2004), whereas the store used in the home market was smaller and quite outdated

Consistent with this, two store environment statements dealing with inspirational displays and an attractive environment were overall perceived considerably more positively by host market customers than home market customers.

The second hypothesis suggests that there is a difference between an international retailer's customers' perceptions of intangible store image dimensions (character and reputation, and service) in the home and host markets. This hypothesis has also been substantiated and the results of the conducted research were again consistent with the findings of Burt and Carralero-Encinas (2000).

The third hypothesis proposes that no gap or a lesser gap exists between customers' perceptions of tangible store image variables (product and the store environment) in the home and host markets compared to the gap that exists between perceptions of intangible store image dimensions (character and reputation, and service). Based on the findings of the conducted research this hypothesis has neither been substantiated nor rejected, however stemming from a comparison of mean differences (which have been statistically analysed by employing an independent sample t-test), it appears that the home and host market customers' perception gap between tangible dimensions is smaller than the gap for intangible dimensions. The authors believe that further research needs to be conducted in this area in order to be able to concretely determine whether or not the gap that tangible dimensions create is smaller than the gap that intangible dimensions produce in terms of the store image perceptions of customers in the home and host markets.

Hypotheses 4 and 5 simultaneously propose that there is an incongruence and that there is not an incongruence between the store image perceptions of management and customers in both the home and host markets. Statistical analysis has lead to hypothesis 4 being substantiated (and hypothesis 5 being rejected), which is consistent with the Parasuraman et al.'s (1985) theory. Thus in accordance with Samli et al.'s (1998) findings, management should take corrective action in order to reduce these store image perception incongruences.

Chapter 6

CONCLUSION

This chapter provides brief concluding remarks, practical and theoretical contribution, overall limitations of the whole paper, and suggestions for further research.

6.1 Concluding Remarks

This thesis has found that customers in the home market perceive the retailer's store image more positively than customers in the host market, even though this study has found that the retailer's store image is generally perceived very positively by customers in both examined markets. Furthermore, it has been found that there is a significant difference in how an international retailer's home and host market customers perceive the majority of store image dimensions. Additionally, to a certain extent this thesis is also able to conclude that it is more difficult for an international retailer to transfer intangible store image dimensions from the home market to the host market than it is for tangible dimensions.

Finally, theory provided by the service management literature (such as Parasuraman et al.'s (1985) Gap Analysis Model) has been substantiated as this thesis has found that there is a significant difference in how IKEA's management and customers perceive its store image. Based on the findings of this thesis it can also be concluded that IKEA management perceived store image more positively than customers; and some considerable differences have been found in relation to how IKEA's customers and management perceive the importance of the identified store image dimensions. Management places a greater importance on personnel, whilst customers do not consider personnel to be particularly important.

6.2 Practical Contributions

This study has contributed several important conclusions to IKEA management and international retailers.

- Contributions to IKEA Management
IKEA management in both examined countries could take corrective actions based on the findings of the importance question; namely differences in how important management and customers deem particular dimensions to be.

- Contributions to International Retailers
The authors recommend that it is essential for international retailers to continually reassess customer and management perceptions in their home and host markets. It is also essential for retailers to acknowledge that home market customers perceive store image more positively than host market customers. Furthermore it is the case that intangible

store dimensions are more difficult to transfer and develop in a host market than tangible store image dimensions. Additionally, international retailers need to be aware that customers and management perceive the importance of store image dimensions differently.

6.3 Theoretical Contributions

Limited previous research has been conducted within the area of store image transfer of international retailers. This study contributes to the existing literature by confirming the majority of previous findings. Additionally, since this thesis simultaneously examines both customer and management perceptions, which has not been done before, it also fills an important research gap in the relevant research area. Finally, this research has integrated the international retailing literature with elements of the service management literature, representing another important contribution to the existing literature.

6.4 Possible Limitations and Recommendations for Further Research

Firstly, the authors of this thesis faced significant time and resource constraints. Therefore, it is possible that the choice of sampling technique, the size of the sample and the time allocated to conducting consumer surveys may have negatively affected the generalisability of the findings. Thus similar future research employing larger samples and collecting data on a variety of different occasions (instead of on only one Saturday) would either lead to results with enhanced generalisability, or even mean that slightly different results are reached. Moreover, data collection in more than one of the retailer's stores in each of the home and host markets may further enhance generalisability, and reduce/eliminate possible differences between individual stores in each market.

This study has employed a case study research design, which has involved utilising a representative international retailer and host market, thus facilitating analytical generalisations. It may be the case that the use of more than one host market or more than one retailer in future studies would enable increased statistical generalisability.

In addition, this study employed seven store image dimension categories under which 25 attribute statements were classified. It is the case that there may be other attributes or store image dimensions which are salient to customers, which have not been examined. Thus, further research that seeks to employ the most salient store image dimensions, could follow a qualitative methodological approach (such as using open-ended questions). The Multi-attribute Model is another method that could also be utilised in future research, as it would enable the authors to weight store image dimensions based on their importance to customers.

The authors freely acknowledge that cultural factors may be influential in store image perceptions, and even though a cross-cultural comparison between the home and host market (in regards to cultural, economical or political aspects) has not been addressed in this thesis, it is recognised that this is a potential area for future research focus.

Furthermore, this study has compared the retailer's home market where it has been operating for over 50 years with a host market where it has been operating for 16 years. Further research could look at time in market and investigate whether customers gain a greater understanding of intangibles with experience, and whether perceived image becomes more uniform after a longer period of time. Additionally, this type of study could also seek to identify if management and customer responses become more similar after the retailer has spent longer in the market. Consequently, if future researchers had a much larger time-frame over which to conduct their studies, then a longitudinal research design would be both beneficial and appropriate in order to examine the development of customer and management store image perceptions.

As was the case with the Burt and Carralero-Encinas (2000) study, this thesis has been unable to definitively substantiate whether or not tangible store image dimensions are easier to transfer internationally than intangible store image dimensions. Therefore it is overwhelmingly clear that both more extensive and intensive further research needs to be conducted in this area.

According to Burt and Mavrommatis (2006, p.410) the distinction between image and position is often ignored, thus standardising store image does not necessarily go hand in hand with standardising the retailer's positioning. It is possible that while the retailer in question seeks to standardise its store image across its markets, it may not be seeking the same position in each of these markets. Hence, perceptual mapping of the retailer and competitors by customers (and management) conducted in conjunction with a store image perception study, could enable further insights to be obtained.

Additionally the authors argue that the chosen retailer is openly patriotic in regards to its country of origin and the retailer's international marketing strategy exploits the home market's innovative and high quality international reputation, by incorporating the national flag colours of the home market in its corporate branding. This study produced very similar results (in terms of customer perception differences) to the Burt and Carralero-Encinas (2000) study that utilised the case of Marks and Spencer, which again could also be argued to be a patriotic retailer. The authors believe that this is a highly interesting aspect, and thus recommend that future studies examine both patriotic and non-patriotic retailers.

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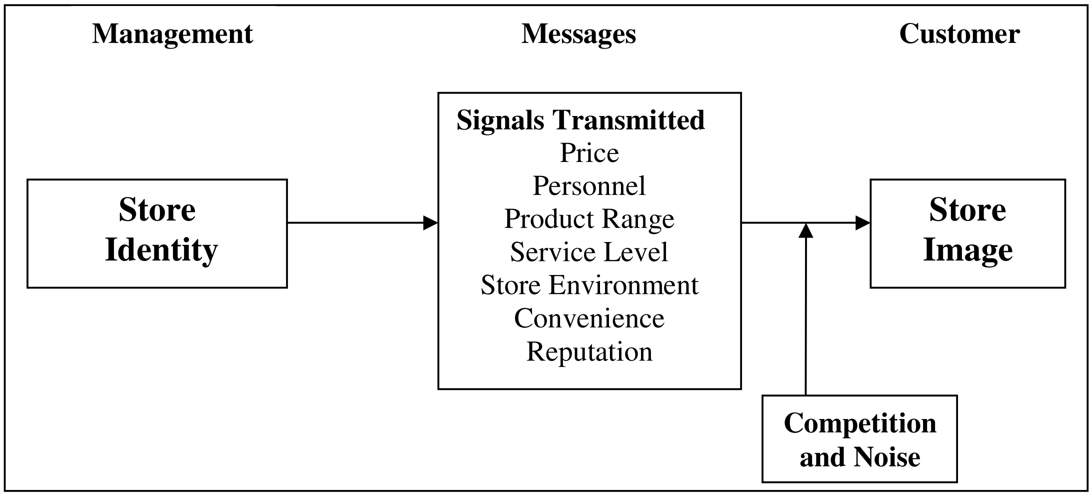
APPENDICES

Appendix 1: Store Image Determinants from the Reviewed Literature

Attributes of a Retail Store	**Martineau, 1958**	**Lindquist, 1974**	**McGoldrick & Ho, 1992**	**Thang & Tan, 2003**	**Oppewal & Timmermans, 1997**	**Burt & Carralero-Encinas, 2000**	**Porter & Claycomb (1997)**	**Birtwistle et al (1999)**	**McGoldrick, 1998**	**Samli et al, 1998**
Merchandise/Product Quality		X	X	X	X			X	X	X
Level of Service		X	X	X	X	X			X	X
Clientele		X								
Physical Facilities		X	X				X			
Sales People	X						X	X	X	X
Convenience		X								X
Promotion	X	X	X		X					
Store Atmosphere		X	X	X	X		X		X	
Institutional Factors		X								
After Sales Service		X						X	X	
Accesibility				X						
Reputation			X	X		X		X	X	
Price			X		X	X		X	X	X
Product Knowledge of Personnel					X		X			
Location			X		X					
Product Range			X		X	X	X	X	X	X
Modern Assortment			X		X		X	X	X	
Display			X		X				X	
Decoration					X					
Store Layout	X		X					X	X	X
Symbols & Colours	X									
Physical Characteristics						X	X			X
Character						X				
Reliability			X							
LIKEAbility			X				X		X	
Community Involvement										X

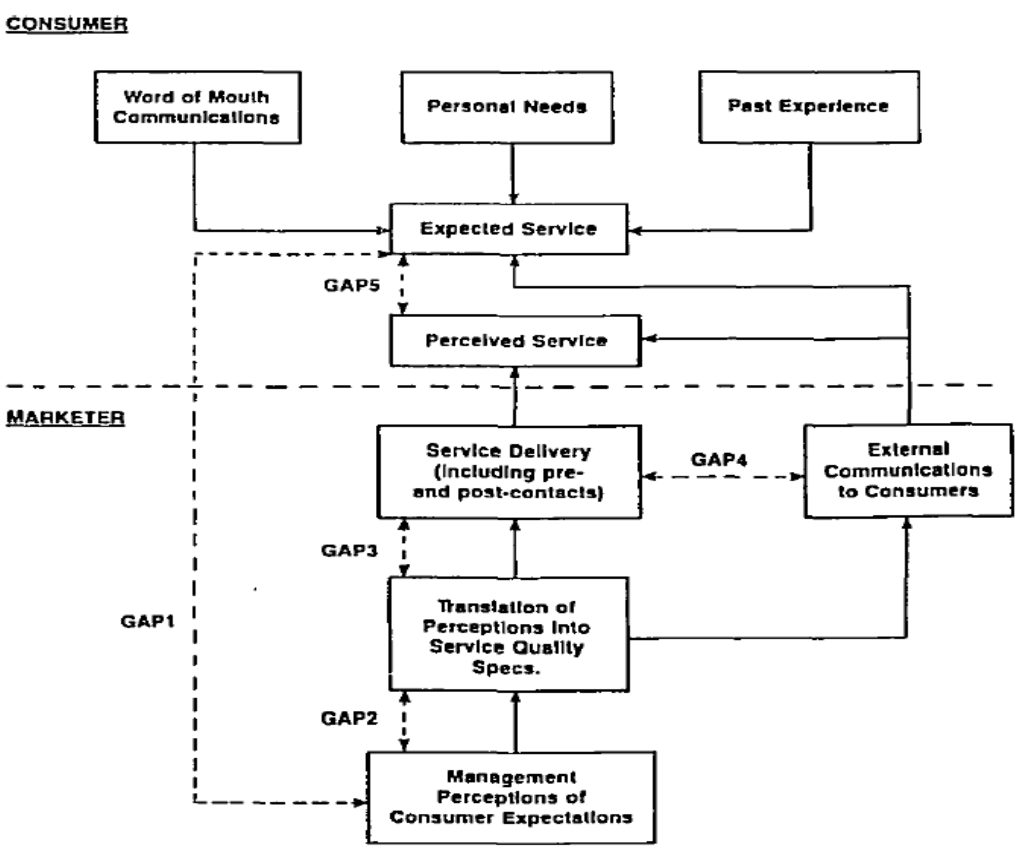
Appendix 2: Theoretical Models for Management/Customer Gap

Brand Identity and Brand Image



Source: Adapted from Kapferer (2003, p.98)

Conceptual Model of Service Quality



Source: Parasuraman et al. (1991, p. 337)

Appendix 3: IKEA - Stores Worldwide

Country	Stores	Entrance Year	Franchise	Stores
Australia	3	1981	Australia	1
Austria	6	1977	United Arap Emirates	2
Belgium	6	1984	Greece	2
Canada	11	1976	Hong Kong	3
China	4	1998	Iceland	1
Czech Republic	**4**	**1991**	Israel	1
Denmark	4	1969	Kuwait	1
Finland	2	1996	Malaysia	1
France	19	1983	Netherlands	1
Germany	40	1976	Saudi Arabia	2
Hungary	2	1990	Singapore	2
Italy	11	n/a	Spain	4
Japan	2	2006	Taiwan	4
Netherlands	11	1978	Turkey	1
Norway	5	1963	USA	1
Poland	7	1991		
Portugal	1	2004		
Russia	8	2000		
Slovakia	1	1995		
Spain	8	1996		
Sweden	**16**	**1958**		
Switzerland	6	1973		
United Kingdom	13	1987		
USA	28	1985		
Total	218			27

Source: www.IKEA-group.IKEA.com

Appendix 4: Czech Republic – GDP Comparisons

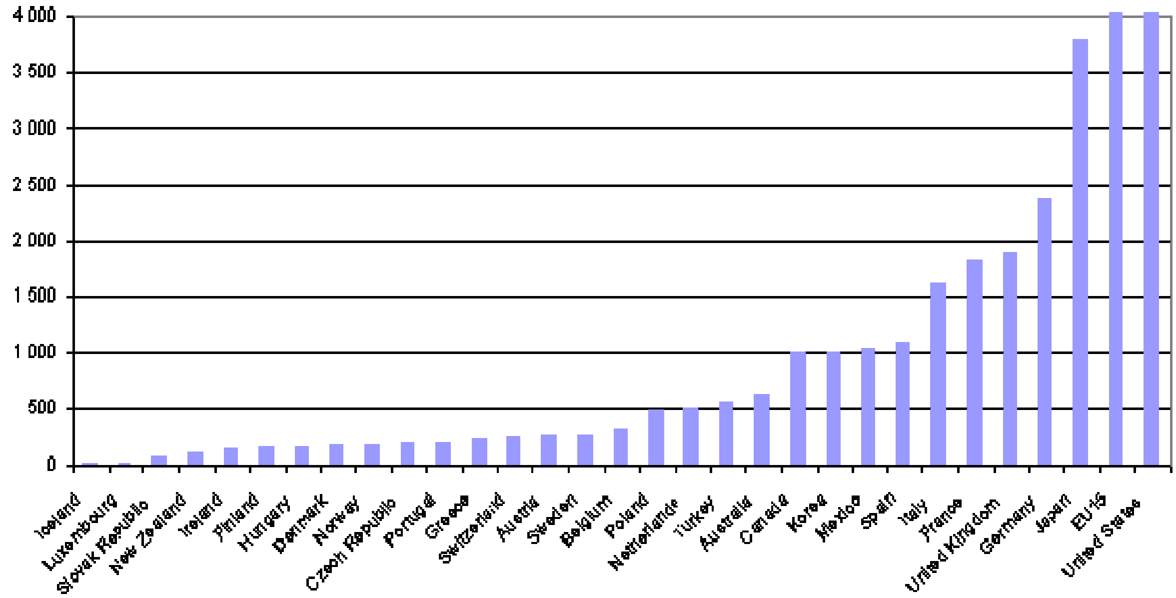
GDP per capita in USD, at prices and PPPs of current year

2000	2002	2003	2004	2005	*Country*
22 880	24 956	25 464	26 497	27 571	***EU 25***
25 120	27 293	27 780	28 798	29 863	***EU 15***
11 502	12 939	13 476	14 510	15 561	***EU 10***
24 886	26 885	27 325	28 282	29 353	***Eurozone***
29 460	31 174	32 092	33 648	35 260	***G7***
26 653	29 350	30 088	31 390	32 524	*Belgium*
6 184	7 063	7 580	8 107	8 877	*Bulgaria*
14 547	**16 565**	**17 283**	**18 643**	**20 157**	***Czech Republic***
28 818	30 316	30 836	32 292	34 392	*Denmark*
9 365	11 251	12 291	13 587	15 852	*Estonia*
25 808	28 023	28 334	29 784	30 957	*Finland*
25 927	27 967	28 312	28 923	29 870	*France*
9 182	10 463	11 304	11 977	.	*Croatia*
28 796	33 189	34 171	36 343	37 876	*Ireland*
28 593	29 469	30 182	32 482	34 898	*Iceland*
25 880	27 483	27 476	28 049	28 396	*Italy*
20 647	20 040	20 657	.	.	*Israel*
25 471	26 683	27 655	28 994	30 526	*Japan*
28 482	29 925	30 977	32 396	34 103	*Canada*
18 468	20 487	20 357	21 953	22 962	*Cyprus*
8 711	10 457	11 537	12 685	14 382	*Lithuania*
8 078	9 666	10 409	11 352	13 005	*Latvia*
50 727	55 029	59 579	63 313	68 513	*Luxembourg*
12 195	14 506	15 112	15 948	16 807	*Hungary*
6 066	.	.	.	.	*FYR of Macedonia*
17 946	18 770	18 695	18 540	19 150	*Malta*
25 553	27 132	27 619	28 813	30 313	*Germany*
28 377	31 292	31 794	32 995	34 106	*Netherlands*
36 266	36 618	37 220	40 738	43 177	*Norway*
10 680	11 570	11 970	12 950	13 770	*Poland*
18 372	19 846	18 563	19 218	19 709	*Portugal*
28 714	29 947	30 796	32 519	34 084	*Austria*
5 994	7 243	7 597	8 494	9 566	*Romania*
7 029	.	.	.	.	*Russian Federation*
16 635	19 272	20 663	21 743	22 691	*Greece*
10 836	12 747	13 238	14 062	15 224	*Slovakia*
16 639	18 610	19 369	20 987	22 082	*Slovenia*
25 691	28 975	29 609	30 821	31 843	*United Kingdom*
34 759	36 321	37 651	39 848	41 984	*United States*
21 079	23 763	24 812	25 874	27 250	*Spain*
27 175	**28 385**	**29 522**	**31 138**	**31 691**	***Sweden***
30 337	32 546	33 187	34 805	36 439	*Switzerland*
6 737	6 464	6 714	7 517	8 020	*Turkey*

Source: UNECE Statistical Division database
http://www.czso.cz/csu/2006edicniplan.nsf/kapitola/1607-06--7

Gross domestic product

Billion US dollars, current prices and PPPs, 2004



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Appendix 5: Questionnaire

(En) Please evaluate the following statements:
(Sw) Vi vore tacksamma om Du kunde svara på foljande påstående:
(Cz) Prosíme, ohodnoťte následující tvrzení:

English */ Swedish / Czech*

- **Strongly Agree /** Stämmer helt och hållet / Velmi souhlasím
- **Agree /** Stämmer ganska bra / Souhlasím
- **Neutral /** Neutral / Neumím posoudit
- **Disagree /** Stämmer ganska dåligt / Nesouhlasím
- **Strongly Disagree /** Stämmer inte alls / Velmi nesouhlasím

English */ Swedish / Czech*

PRODUCT / PRODUKT / PRODUKT

1. IKEA offers good quality products.
1. IKEA har produkter av god kvalitet.
1. Produkty z IKEI jsou kvalitní.

2. IKEA's merchandise is well-designed and modern.
2. IKEAs produkter är väl designade och moderna.
2. Produkty IKEA mají dobrý design a jsou moderní.

3. IKEA stores stock an extensive range of home furnishing products.
3. IKEAs varuhus har ett stort sortiment av heminredningsartiklar.
3. IKEA nabízí široký sortiment v oblasti zařízení domácností.

SERVICE / SERVICE / SERVIS

4. IKEA stores provide quick customer service in terms of check out.
4. IKEA erbjuder snabb kassa service.
4. IKEA poskytuje rychlé služby zákazníkům (krátká doba čekání na kase před zaplacením).

6. IKEA stores offer a high level of customer service.
6. Servicen hos IKEAs varuhus håller hög nivå.
6. IKEA nabízí vysokou úroveň zákaznických služeb.

8. IKEA has a good return policy.
8. IKEA har en bra policy for reklamation.
8. IKEA má dobré vyřizování reklamací.

PERSONNEL / PERSONAL / PERSONÁL

5. IKEA store personnel are available.
5. IKEA har lättillgänglig personal.
5. Personál společnosti IKEA je mi k dispozici, když potřebuji.

7. Store personnel are polite, helpful and have good product knowledge.

7. Varuhusens personal är artig, hjälpsam och har god kundskap om produkterna.
7. Personál IKEA je zdvořilý, nápomocný a má dobré znalosti o prodávaných produktech.

CONVENIENCE / BEKVÄMLIGHET / POHODLNOST

9. The IKEA stores offer a wide range of facilities (e.g. sufficient parking spaces, restaurant, toilet, play ground etc.).
9. IKEA affärerna erbjuder ett stort utbud av bekvämligheter så som stor parkeringsplats, restaurang, toaletter och lekplats.
9. Obchody IKEA nabízí širokou škálu příslušenství, zajišťující pohodlný nákup např. dostatečné parkovací prostory, občerstvení, toalety, hřiště pro děti atd.).

10. IKEA stores have convenient operating hours.
10. IKEAs varuhus har lämpliga/bekväma öppettider.
10. Obchody IKEA mají vyhovující otevírací dobu.

11. IKEA stores offer one-stop shopping for home furnishing.
11. IKEAs varuhus har ett komplett utbud av heminredningsartiklar.
11. IKEA nabízí vše pod jednou střechou, co se týká domácího zařízení.

PRICE / PRIS / CENA

12. IKEA charges fair prices for its products.
12. IKEA håller rimliga priser på sina produkter.
12. IKEA nabízí odpovídající ceny za své produkty.

13. The relationship between price and quality is good.
13. Förhållandet mellan pris och kvalitet är bra.
13. Vztah mezi cenou a kvalitou v IKEA je dobrý.

14. Prices are low compared to similar stores.
14. Priserna är låga jämfört med liknande varuhus.
14. Ceny v IKEA jsou nízké ve srovnání s podobnými obchody.

PHYSICAL ENVIRONMENT / VARUHUSMILJÖ / PROSTŘEDÍ V OBCHODĚ

15. IKEA stores are clean and tidy.
15. IKEAs affärer är rena och ordnade.
15. Obchody IKEA jsou čisté a uklizené.

16. IKEA products are displayed in an inspirational way.
16. IKEAs produkter exponerade på ett inspirerande sätt.
16. Produkty společnosti IKEA jsou vystaveny inspirujícím způsobem.

17. The store atmosphere is attractive in IKEA.
17. Atmosfären på IKEAs varuhus är tilltalande.
17. Atmosféra v obchodech IKEA je příjemná.

18. Store layout in IKEA makes it easy to find what I am looking for.
18. Varuhusens upplägg gör det enkelt att hitta det jag letar efter.
18. Rozvržení produktů v obchodě mi usnadňuje nalezení požadovaného produktu.

CHARACTER AND REPUTATION / IMAGE OCH RYKTE / CHARAKTER A POVĚST

19. IKEA projects a modern and innovative image.
19. IKEA har en modern och nyskapande image.
19. IKEA vyzařuje moderní a inovativní image.

20. IKEA is a world class home furnishing retailer.
20. IKEA är ett möbel och inredningsvaruhus i världsklass.
20. IKEA je obchod s domácím zařízením světové třídy.

21. IKEA has a clear Swedish/Scandinavian appeal.
21. IKEA har en svensk och skandinavisk stil.
21. IKEA zřetelně reprezentuje švédský/skandinávský styl.

22. IKEA serves a wide range of customers.
22. IKEA har en bred flora av kunder.
22. IKEA slouží širokému okruhu zákazníků.

23. IKEA provides a better everyday life.
23. IKEA bidrar till ett bättre vardagsliv.
23. IKEA nabízí lepší každodenní život.

24. IKEA has a better image compared to other home furnishing retailers.
24. IKEA har en bättre image jämfört med andra möbel och inredningsvaruhus.
24. IKEA má lepší image ve srovnání s jinými obchody, prodávajícími zařízení do domácností.

25. IKEA is a trustworthy company.
25. IKEA är ett pålitligt företag.
25. IKEA je důvěryhodná společnost.

26. I am overall satisfied with my purchases in IKEA.
26. Jag är överlag nöjd med mina inköp på IKEA.
26. Celkově jsem spokojen s nákupy v IKEA.

27. Overall I have a positive attitude towards IKEA.
27. Jag har överlag en positiv inställning till IKEA.
27. Celkově mám ke společnosti IKEA pozitivní postoj.

(En) Please rank in order of importance for you (from 1-the most important to 6-the least important) the following factors in relation to IKEA:
(Sw) Vänligen rangordna följande faktorer mellan 1 och 7 (där 1 är det viktigaste och 7 är det minst viktiga for dig) angående IKEA.
(Cz) Prosíme, seřaďte dle důležitosti pro Vás následující faktory souvislosti s firmou IKEA (od 1-nejdůležitější do 7-nejméně důležitý):
English / *Swedish / Czech*

- **Personnel /** Personal **/** Personál
- **Reputation & Character of IKEA /** IKEAs rykte och image **/** Pověst a charakter IKEI
- **Type, quality and range of products /** Typ, kvalitet och utbud av produkter **/** Kvalita, sortiment a typ výrobků
- **Price /** Pris **/** Cena
- **Service /** Service **/** Úroveň služeb
- **Store environment /** Varuhusmiljö **/** Atmosféra v obchodu
- **Convenience of shopping at an IKEA store /** Bekvämligheten att handla på IKEAs varuhus **/** Pohodlnost při nákupu

Respondent's profile / Den svarandes profil / Profil respondenta:

Gender / Kön / Pohlaví:
- **Male /** Man / Muž
- **Female /** Kvinna / Žena

Age / Ålder / Věk:
- 18-25
- 26-35
- 36-45
- 46-55
- **Over 55 /** Över 55 / nad 55 let

How many adults live in your household (including you)? / Hur många vuxna finns det i ditt hushåll (inklusive dig själv)? / Kolik dospělých osob (včetně Vás) žije ve Vaší domácnosti? ____

How many children live in your household? / Hur många barn bor det i ditt hushåll? / Kolik dětí žije ve Vaší domácnosti? ____

How many times have you visited IKEA stores so far? / Hur många gånger har du besökt IKEAs varuhus? / Kolikrát jste již navštívili obchody IKEI?
- **First visit /** En gång / První návštěva
- **2-4 times /** 2-4 gånger / 2-4 krát
- **5-9 times /** 5-9 gånger / 5-9 krát
- **10-19 times /** 10-19 gånger / 10-19 krát
- **20 or more times /** 20 gånger eller fler / 20 krát či více

How long ago did you have your first contact/experience with IKEA and IKEA stores? / För hur länge sedan hade du din första kontakt med IKEA och IKEAs varuhus? / Jak dlouho již máte nějakou zkušenost s obchody společnosti IKEA?
- **Less than 1 year ago /** Mindre än 1 år sedan / Méně než 1 rok
- **1-2 yrs ago /** 1-2 år sedan / 1-2 roky
- **2-5 yrs ago /** 2-5 år sedan / 2-5 let
- **5-10 yrs ago /** 5-10 år sedan / 5-10 let
- **10-20 yrs ago /** 10-20 år sedan / 10-20 let
- 20 **years or more /** 20 år sedan eller mer / 20 a více let

Appendix 6: Profiling Characteristics of the Swedish and Czech Samples

Swedish Sample N = 215			Czech Sample N = 195	
Frequency	**Percent (%)**	***Gender***	**Frequency**	**Percent (%)**
67	31	**Male**	68	35
139	65	**Female**	121	62
9	4	**Missing**	6	3
		Age		
38	17.7	**18-25**	21	10.8
52	24.2	**26-35**	90	46.2
47	21.9	**36-45**	43	22.1
25	11.6	**46-55**	21	10.8
45	20.9	**Over 55**	17	8.7
8	3.7	**Missing**	3	1.5
		Adults number at home		
38	17.7	**1**	21	10.8
52	24.2	**2**	106	54.4
47	21.9	**3**	34	17.4
25	11.6	**4**	19	9.7
45	20.9	**5**	5	2.6
0	0.0	**6**	1	0.5
8	3.7	**Missing**	9	4.6
	2.25	**Average**	2.68	
		Children number at home		
109	50.7	**0**	93	47.7
38	17.7	**1**	66	33.8
38	17.7	**2**	28	14.4
13	6.0	**3**	1	0.5
3	1.4	**4**	2	1.0
2	0.9	**5**	1	0.5
1	0.5	**7**	0	0.0
11	5.1	**Missing**	4	2.1
	1.31	**Average**	0.89	
		Number of Visits the IKEA		
0	0.0	**First time**	5	2.6
3	1.4	**2 to 4**	25	12.8
5	2.3	**5 to 9**	39	20.0
11	5.1	**10 to 19**	37	18.9
186	86.5	**20 and more**	87	44.6
10	4.6	**Missing Answer**	2	1.0
		How long experience with IKEA		
8	3.7	**Less than 1 year**	11	5.6
2	0.9	**1 to 2 years**	23	11.8
8	3.7	**2 to 5 years**	73	37.4
10	4.6	**5 to 10 years**	57	29.2
63	29.3	**10 to 20 years**	25	12.8
114	53.0	**20 and above**	2	1.0
10	4.6	**Missing Answer**	4	2.1

Appendix 7: DESCRIPTIVES

Table A: Descriptives of the Home and Host Market Customers

Attribute Statements	Swedish		Czech		T-test		
	Mean	S.D.	Mean	S.D.	Dif.	Sig	s/n.s
1. IKEA offers good quality products.	4.07	0.67	3.96	0.73	0.11	0.128	n.s
2. IKEA merchandise is well-designed and modern.	4.41	0.56	4.39	0.64	0.02	0.753	n.s
3. IKEA stores stock an extensive range of home furnishing products.	4.71	0.50	4.52	0.56	0.19	0.000	s
4. IKEA stores provide quick customer service in terms of check out.	3.85	0.82	3.57	0.95	0.28	0.001	s
5. IKEA store personnel are available.	3.54	1.01	3.63	0.85	-0.09	0.330	n.s
6. IKEA stores offer a high level of customer service.	3.83	0.93	3.83	0.82	0.01	0.951	n.s
7. Store personnel are polite, helpful and have a good product knowledge.	4.11	0.79	3.84	0.75	0.27	0.000	s
8. IKEA has a good return policy.	4.14	0.88	3.45	0.80	0.69	0.000	s
9. The IKEA stores offer a wide range of facilities	4.68	0.52	4.43	0.67	0.25	0.000	s
10. The IKEA stores have convenient opening hours.	4.76	0.51	4.48	0.66	0.28	0.000	s
11. IKEA stores offer one-stop shopping for home furnishing.	4.36	0.75	4.41	0.64	-0.04	0.529	n.s
12. IKEA charges fair prices for its products.	4.48	0.61	4.07	0.69	0.41	0.000	s
13. The relationship between price and quality is good.	4.29	0.69	4.04	0.67	0.25	0.000	s
14. Prices are low compared to similar stores.	4.28	0.75	3.70	0.87	0.58	0.000	s
15. IKEA stores are clean and tidy.	4.54	0.55	4.47	0.51	0.07	0.167	n.s
16. IKEA products are displayed in an inspirational way.	4.37	0.69	4.51	0.54	-0.14	0.029	n.s
17 The store atmosphere is attractive in IKEA.	4.14	0.76	4.44	0.64	-0.30	0.000	s
18. Store layout in IKEA makes it easy to find what I am looking for.	4.19	0.84	3.95	0.77	0.23	0.040	n.s
19. IKEA projects a modern and innovative image.	4.31	0.67	4.28	0.63	0.03	0.648	n.s
20. IKEA is a world class home furnishing retailer.	4.28	0.81	3.82	0.81	0.45	0.000	s
21. IKEA has a clear Swedish/Scandinavian appeal.	4.35	0.72	3.85	0.79	0.51	0.000	s
22. IKEA serves a wide range of customers.	4.50	0.65	4.11	0.66	0.39	0.000	s
23. IKEA provides a better everyday life.	4.16	0.80	3.72	0.83	0.44	0.000	s
24. IKEA has a superior image compared to other home furnishing retailers.	3.86	0.84	4.06	0.82	-0.20	0.014	s
25. IKEA is a trustworthy company.	4.26	0.75	4.04	0.67	0.22	0.002	s
26. I am overall satisfied with my purchases at IKEA.	4.43	0.57	4.32	0.54	0.11	0.063	n.s
27. Overall I have a positive attitude towards IKEA.	4.54	0.55	4.35	0.56	0.20	0.000	s

Notes: 5= Strongly Agree; 1= Strongly Disagree
Note: n.s = not significant at a 95% confidence interval; s = significant at a 95% confidence interval

Table B: Descriptives of the Home and Host Market Management and Customers

	Swedish						CZECH					
	Management		Customers			T-Test	Management		Customers			T-Test
ATTRIBUTE STATEMENTS	Mean	S.D.	Mean	S.D.	Dif.	Sig.	Mean	S.D.	Mean	S.D.	Dif.	Sig.
1. IKEA offers good quality products.	4.38	0.52	4.07	0.67	0.31	0.00*	4.11	0.33	3.96	0.73	0.15	0.006*
2. IKEA merchandise is well-designed and modern.	4.50	0.53	4.41	0.56	0.09	0.019*	4.44	0.53	4.39	0.64	0.05	0.271
3. IKEA stores stock an extensive range of home furnishing products.	4.88	0.35	4.71	0.50	0.16	0.00*	4.67	0.50	4.52	0.56	0.14	0.00*
4. IKEA stores provide quick customer service in terms of check out.	3.63	0.92	3.85	0.82	-0.22	0.00*	4.00	0.87	3.57	0.95	0.43	0.00*
5. IKEA store personnel are available.	3.38	1.06	3.54	1.01	-0.16	0.022*	3.67	1.00	3.63	0.85	0.04	0.522
6. IKEA stores offer a high level of customer service.	4.13	0.35	3.83	0.93	0.29	0.00*	4.44	0.53	3.83	0.82	0.62	0.00*
7. Store personnel are polite, helpful and have good product knowledge.	4.13	0.64	4.11	0.79	0.01	0.748	4.44	0.73	3.84	0.75	0.60	0.00*
8. IKEA has a good return policy.	5.00	0.00	4.14	0.88	0.86	0.00*	4.78	0.44	3.45	0.80	1.33	0.00*
9. The IKEA stores offer a wide range of facilities	4.13	0.99	4.68	0.52	-0.55	0.00*	4.44	0.53	4.43	0.67	0.01	0.848
10. The IKEA stores have convenient opening hours.	4.75	0.46	4.76	0.51	-0.01	0.762	4.22	0.97	4.48	0.66	-0.26	0.00*
11. IKEA stores offer one-stop shopping for home furnishing.	4.38	0.52	4.36	0.75	0.01	0.719	4.11	0.93	4.41	0.64	-0.29	0.00*
12. IKEA charges fair prices for its products.	4.75	0.46	4.48	0.61	0.27	0.00*	4.56	0.53	4.07	0.69	0.48	0.00*
13. The relationship between price and quality is good.	4.75	0.46	4.29	0.69	0.46	0.00*	4.56	0.53	4.04	0.67	0.52	0.00*
14. Prices are low compared to similar stores.	4.63	0.52	4.28	0.75	0.34	0.00*	4.00	1.22	3.70	0.87	0.30	0.00*
15. IKEA stores are clean and tidy.	4.50	0.53	4.54	0.55	-0.04	0.294	4.56	0.53	4.47	0.51	0.09	0.011*
16. IKEA products are displayed in an inspirational way.	4.50	0.53	4.37	0.69	0.13	0.008*	4.33	0.71	4.51	0.54	-0.17	0.00*
17. The store atmosphere is attractive in IKEA.	4.50	0.53	4.14	0.76	0.36	0.00*	4.67	0.50	4.44	0.64	0.23	0.00*
18. Store layout in IKEA makes it easy to find what I am looking for.	4.25	0.46	4.19	0.84	0.06	0.279	3.67	1.00	3.95	0.77	-0.29	0.00*
19. IKEA projects a modern and innovative image.	4.25	0.71	4.31	0.67	-0.06	0.163	4.22	0.97	4.28	0.63	-0.06	0.151*
20. IKEA is a world class home furnishing retailer.	4.75	0.46	4.28	0.81	0.47	0.00*	4.33	0.71	3.82	0.81	0.51	0.00*
21. IKEA has a clear Swedish/Scandinavian appeal.	4.75	0.46	4.35	0.72	0.40	0.00*	4.44	0.53	3.85	0.79	0.60	0.00*
22. IKEA serves a wide range of customers.	4.63	0.52	4.50	0.65	0.13	0.004*	4.44	0.53	4.11	0.66	0.34	0.00*
23. IKEA provides a better everyday life.	4.75	0.46	4.16	0.80	0.59	0.00*	4.22	0.67	3.72	0.83	0.50	0.00*
24. IKEA has a superior image compared to other home furnishing retailers.	4.63	0.52	3.86	0.84	0.77	0.00*	3.75	1.04	4.06	0.82	-0.31	0.00*
25. IKEA is a trustworthy company.	4.88	0.35	4.26	0.75	0.62	0.00*	4.67	0.50	4.04	0.67	0.63	0.00*

Notes: 5= Strongly Agree; 1= Strongly Disagree *Note: * equals significance at a 95% confidence interval*

Appendix 8: Cronbach's Alpha Tests

Product:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.531	.535	3

Case Processing Summary

		N	%
Cases	Valid	408	99.5
	Excluded(a)	2	.5
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	1. IKEA offers good quality products.	2. IKEA's merchandise is well-designed and modern.	3. IKEA stores stock an extensive range of home furnishing products.
1. IKEA offers good quality products.	1.000	.352	.180
2. IKEA's merchandise is well-designed and modern.	.352	1.000	.301
3. IKEA stores stock an extensive range of home furnishing products.	.180	.301	1.000

Service:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.634	.635	3

Case Processing Summary

		N	%
Cases	Valid	403	98.3
	Excluded(a)	7	1.7
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	4. IKEA stores provide quick customer service in terms of check out.	6. IKEA stores offer a high level of customer service.	8. IKEA has a good return policy.
4. IKEA stores provide quick customer service in terms of check out.	1.000	.449	.284
6. IKEA stores offer a high level of customer service.	.449	1.000	.368
8. IKEA has a good return policy.	.284	.368	1.000

Personnel:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.652	.659	2

Case Processing Summary

		N	%
Cases	Valid	408	99.5
	Excluded(a)	2	.5
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	5. IKEA store personnel are available.	7. Store personnel are polite. helpful and have good product knowledge.
5. IKEA store personnel are available.	1.000	.492
7. Store personnel are polite. helpful and have good product knowledge.	.492	1.000

Convenience:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.608	.624	4

Case Processing Summary

		N	%
Cases	Valid	405	98.8
	Excluded(a)	5	1.2
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	9. The IKEA stores offer a wide range of facilities (e.g. sufficient parking spaces. restaurant. toilet. play ground etc.).	10. The IKEA stores have convenient opening hours.	11. IKEA stores offer one-stop shopping for home furnishing.	18. Store layout in IKEA makes it easy to find what I am looking for.
9. The IKEA stores offer a wide range of facilities (e.g. sufficient parking spaces. restaurant. toilet. play ground etc.).	1.000	.493	.198	.287
10. The IKEA stores have convenient opening hours.	.493	1.000	.290	.249
11. IKEA stores offer one-stop shopping for home furnishing.	.198	.290	1.000	.242
18. Store layout in IKEA makes it easy to find what I am looking for.	.287	.249	.242	1.000

Price:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.796	.807	3

Case Processing Summary

		N	%
Cases	Valid	408	99.5
	Excluded(a)	2	.5
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	12. IKEA charges fair prices for its products.	13. The relationship between price and quality is good.	14. Prices are low compared to similar stores.
12. IKEA charges fair prices for its products.	1.000	.658	.569
13. The relationship between price and quality is good.	.658	1.000	.519
14. Prices are low compared to similar stores.	.569	.519	1.000

Store environment:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.723	.727	3

Case Processing Summary

		N	%
Cases	Valid	406	99.0
	Excluded(a)	4	1.0
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	15. IKEA stores are clean and tidy.	16. IKEA products are displayed in an inspirational way.	17. The store atmosphere is attractive in IKEA.
15. IKEA stores are clean and tidy.	1.000	.415	.463
16. IKEA products are displayed in an inspirational way.	.415	1.000	.532
17. The store atmosphere is attractive in IKEA.	.463	.532	1.000

Character and Reputation:

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardised Items	N of Items
.801	.801	7

Case Processing Summary

		N	%
Cases	Valid	401	97.8
	Excluded(a)	9	2.2
	Total	410	100.0

a Listwise deletion based on all variables in the procedure.

Inter-Item Correlation Matrix

	19. IKEA projects a modern and innovative image.	20. IKEA is a world class home furnishing retailer.	21. IKEA has a clear Swedish/ Scandinavian appeal.	22. IKEA serves a wide range of customers.	23. IKEA provides a better everyday life.	24. IKEA has a superior image compared to other home furnishing retailers.	25. IKEA is a trustworthy company.
19. IKEA projects a modern and innovative image.	1.000	.482	.336	.277	.411	.387	.271
20. IKEA is a world class home furnishing retailer.	.482	1.000	.451	.327	.452	.327	.328
21. IKEA has a clear Swedish/Scandinavian appeal.	.336	.451	1.000	.438	.460	.272	.385
22. IKEA serves a wide range of customers.	.277	.327	.438	1.000	.418	.250	.230
23. IKEA provides a better everyday life.	.411	.452	.460	.418	1.000	.422	.368
24. IKEA has a superior image compared to other home furnishing retailers.	.387	.327	.272	.250	.422	1.000	.380
25. IKEA is a trustworthy company.	.271	.328	.385	.230	.368	.380	1.000