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Understanding Store Image through Customers' Perceptions: A Case study of Rimi Baltic in Lithuania



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ABSTRACT

Title	Understanding Store Image through Customers' Perceptions: A Case Study of Rimi Baltic in Lithuania
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Authors	Giedre Mazelyte and Indre Razbadauskaite
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Keywords	Store Image, Customer's Perceptions, Photo elicitation method, Food Retailing Industry, Lithuania.
Purpose	This study attempts to receive insights and thus, expand the general understanding on customers' perceptions and associations towards store image for grocery store in an emerging Lithuanian market. The case study of Rimi Baltic company is taken as an example.
Methodology	A qualitative strategy is employed in this research. Information is collected by employing photo elicitation method, two semi-structured interviews with Rimi marketing director and researchers' observations towards company's marketing campaigns. Specifically, twelve photo elicitation interviews were conducted as the major purpose in order to gain in depth customers' perceptions. Thus, the major focus was given to the photo elicitation method which was used for the first time in the chain of Rimi Baltic stores.
Theoretical perspective	Researchers contribute to the academia by combining store image theories particularly based on Martineau's (1958) and Kotler's (1973) studies. As a result, empirical model is introduced as the major finding which has theoretical bonds with Martineau (1958), Kotler (1973) and Lindquist (1974) particularly.
Empirical foundation	This research aims to introduce the empirical model representing the store image of Rimi Baltic which consists of intangible (functional) and intangible (psychological) store image dimensions. To be more specific, intangible dimension includes visual, aural and tactile atmospherics (Kotler, 1973). Tangible dimension in this research tends to include selling environment (layout and display), merchandise (assortment, price, quality and service) and convenience (location) attributes (Martineau, 1958)
Conclusions	Summarized results and conclusions are presented in the empirical model. In general, it can be concluded that the field of store image is very interesting to investigate especially when the study is employing photo elicitation method, emerging market and a specific company which hasn't developed such study yet.

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CHAPTER 1 - INTRODUCTION

This chapter provides a short introduction and background to the research area. Problem discussion which leads to the problem formulation is discussed later on. Finally the aim and structure of this research are presented.

When the queen of England, Elizabeth I, conveyed nobility to come to the court in London for the first time, barely anybody could predict that this event would be marked as the beginning of the consumption era (Corrigan, 1997). Later, economic prosperity in the 18th and 19th century, which was followed by the rise of the department store and the first modern marketing and branding methods, was another important step in the consumerism. The consumer orientated middle class developed along with the growth of the cities, in this way creating the mass consumption phenomena. While finally, the consumerism phenomenon was developed one step further in the 20th century when department stores, the classical consumer institution, gave way to malls which became a place not only to shop but to spend leisure time, as well. These changes in consumerism had a huge effect for the retailers' and manufacturers' power distribution. Pommerening (1979, cited in McGoldrick, 2002) analyzed the power transition from manufacturer being the most important figure in the market towards larger retailer domination. To be more specific, Pommerening (1979, cited in McGoldrick, 2002) emphasizes three stages in this transition: in the 1950s manufacturers focused on supply the shortage of goods, in the 1960s due to increased competition various brand development and marketing activities took place, and, finally, in the 1970s marketing functions were taken by more concentrated and powerful retailing sectors. Being the major manufacturers' customers, retailers gained power and were able to control them. This shift from manufacturers to retailers has resulted in rapid evolution in this sector.

This fast evolution in this area is obvious when analyzing the last couple years' statistics. In 2008 total retail sales exceeded US \$ 3.8 trillion and increased by 5.5 percent comparing to 2007. Furthermore, global food retail industry generated total revenues of US \$ 3,657.6 billion in 2008. Even though global recession affected this sector and all geographic zones were impacted, Europeans suffered the most. On the other hand, economists' future predictions are promising - growth trend within the industry is expected to drive the industry to a value of US \$ 4,602.6 billion by the end of 2013 ranking Indian retail market as the most attractive market for investment (Datamonitor, 2010).

In general, food retail market is saturated with similar products forcing companies to differentiate themselves among competitors in order to keep leader's position in the market. Differentiation strategy should be developed in the way that it will match specific market needs and desires (Lewis & Hawksley, 1990). Thus, a number of companies as stated by Lewis and Hawksley (1990) as well as Markwick and Fill (1997) differentiate themselves on the basis of company's corporate identity. Corporate communication mix, through which corporate identity is created, forms a corporate image which is defined as the perceptions of the company by its customers. As Christensen and Askegaard (2001) stress corporate image consists of the sum of symbols which influence the process of how the organization is perceived by customers. In other words, corporate identity is a collection of unique cues by which company is distinguished from competitors and is recognized by customers. An essential part of corporate identity is store image while it affects customers' perceptions of the store and determines company's strengths and weaknesses (Assael, 1992). Thus, when evaluating strong and weak store image attributes, retailers are able to develop such store environment which could match with the customers' perceptions.

Store image as a communication tool is appraised in terms of consumer values. Successful customers' evaluation of store image leads to store choice, store loyalty and customer satisfaction (Baker, Parasuraman, Grewal & Voss, 2002). Thus, as retailers are struggling in finding out various successful ways of how to attract potential customers and keep them pleased inside the store, the factor of store image and its variables becomes very essential. The importance of store image monitoring in a successful way is still one of the key management tasks. Samli, Kelly and Hunt (1998) emphasize that many studies of the store image have been developed over past few decades. Yet, the importance of store image is significantly growing especially in managerial areas. The evolution and usage of store image concept in number of studies is presented by Samli et al., (1998) in the table 'Major Thrusts of Image Research in Retailing' (Appendix 1). Besides, Samli et al. (1998, cited in McGoldrick, 2002, p. 181) stress that fundamental importance of store image is extensively recognized in the entire marketing area because "retail management, is, explicitly or implicitly, related to image management". Finally, developing a store image is a constant challenge to practitioners because they need to ensure that the message which they are sending to customers about store image attributes is accepted in the same way as retailers want it to be.

1.1 Research Market and Case Selection

Previous literature on the store image traditionally has been taken from a single domestic market perspective where several store attributes were compared between different retailers and then positioned on the perceptual maps (Burstiner 1974, cited in McGoldrick, 2002). In contrast, this thesis concentrates on the particular company and researchers attempt to avoid any external and internal comparisons with other food retailing chains in the market. This is mainly done in order to contribute to the already developed studies when exploring the single company and its store image attributes.

In addition, store image researchers mainly concentrate on the developed countries rather than emerging markets. To be more specific, minimum attention has been paid to the store image perceptions in the post-Soviet countries (Putelyte, 2006). To be more precise, Lithuania as being the largest and economically strongest country among other two Baltic states countries (including Estonia and Latvia), tends to be economically attractive country for foreign investments. This country attracted foreign direct investment by more than 5,3 percents in 2009 comparing with 2008. Interestingly, that the largest investment during 2009 was made by Sweden (EUR 1,14 billion) (Lithuanian Department of Statistics, 2010).

The food retail company Rimi Baltic, operating in the Baltic States, is one of the examples of Swedish investors in Lithuania. Established as a joint venture between Scandinavian capital company ICA and Kesko Livs in 2005, Rimi Baltic is a subsidiary company of ICA AB starting from 2006 (Rimi Baltic, 2010). This grocery retailer perfectly suits for this research because of the several reasons: it is the only one foreign capital company operating in Lithuania, it is following the newest technology and marketing communication trends, it is continuously working on the development of innovations including store image modernization and, finally, it seeks to implement these innovations earlier than competitors. In addition to this, Rimi Baltic management aims to satisfy company's mission to be a leading retailer in Lithuania (Liudvinavicius, 2010). Despite all these efforts, Rimi Baltic takes the fourth place out of four when comparing to the major food retailers operating in Lithuania (Department of Statistics, 2010). This fact signals that there could be some problematic areas which company might be struggling with. Thus, this field requires more in dept analysis in order to find out company's struggles and possible failures.

1.2 Research Aim

The objective of this research is to get insights and expand existing theoretical and practical knowledge with regards to Lithuanian customers' perceptions towards store image and its attributes by taking international Rimi Baltic company as an example. Therefore, the main research questions are:

- ✓ *How do Lithuanian customers perceive grocery's store image and its attributes using Rimi Baltic as a case study?*
- ✓ *What customers' associations to store image and its attributes are raised up when involving photo elicitation method particularly?*

In general, researchers aim to fill in the gap with already lacking information related to store image attributes when evaluating single company and using photo elicitation as the main data collection method in Lithuanian market (Putelyte, 2006). By employing photo elicitation method as the main data collection tool, authors of this thesis examine its validity and feasibility for store image research particularly in the chain of the Rimi stores. While store image creates the overall impression of a store (Keaveney & Hunt, 1992), it is essential to observe how Rimi Baltic customers perceive company's store image and what insights do they have.

1.3 Structure of the Thesis

The content of this thesis is structured according to the set of objectives in the study and follows this outline:

Chapter 1 provides the general introduction which includes history of consumption, research market, case selection and research aim,

Chapter 2 presents the theoretical framework of this thesis and includes relevant literature review. Importance of store image in differentiating a corporate identity is presented in this chapter, followed by store image definitions, in depth representation of attributes concluding with models of store image attributes presented by Martineaus (1958) and Kotler (1973).

Chapter 3 presents the research methodology for this empirical study. Philosophical nature, research approach, design, methods of data collection including both primary and secondary methods are represented. However, the main focus is given to the in depth introduction of photo elicitation technique, process and interview guide used during the interviews.

Chapter 4 introduces the background information about Lithuanian market and Rimi Baltic company including financial performance, statistical numbers and company's strategies in general.

Chapter 5 provides empirical analysis and findings in parallel. The main findings are divided into two groups of intangible (psychological) and tangible (functional) based on Martineau's (1958) store image theory. Each dimension includes variety of attributes which are discussed in separate paragraphs.

Chapter 6 concludes the research with general conclusions and recommendations. To be more specific, it includes outcomes and implications of the study, theoretical and practical contributions, limitations and suggestions for further research.

CHAPTER 2 - THEORETICAL FOUNDATION

This chapter consists of the theoretical background collected when reviewing literature. First, the importance of store image in corporate identity is presented. Next, store image is introduced in the relation to store choice, loyalty and customer satisfaction. Later on, the most common definitions of the concept of store image are followed together with the detailed explanation of time-tested store image attributes. Finally, store image models are introduced based on the influential founder of the store image concept - Martineau (1958) and “atmospherics’ inventor - Kotler (1973). The overall purpose of this chapter is to overview and assess the current academic knowledge about the importance of store image phenomena, its’ attributes, models and provide the reader general knowledge which will be involved again in the section of empirics and analysis.

‘Few retail stores can be all things to all people’

(James, Durand & Dreves, 1976, p.25)

By this phrase researchers tend to introduce the importance of store image which influences development of the ‘sharp character’ (competitive advantage). In the early fifties, Martineau (1958) emphasized that retailers have to develop the ‘sharp character’ because otherwise store will not be the first choice for customers and might end up by being just an alternative store among the others. To be more specific, retailers can build this sharp character by distinguishing themselves and representing their store differently than competitors do. This is implemented when retailers build corporate identity with the strong store image, brand positioning and market segmentation. The following sections concentrate on corporate identity and store image which is the main component of corporate identity.

2.1 Corporate Identity

As Visser, Preez and Noordwyk (2006) emphasize corporate identity is one of the elements of corporate branding which is formed through interface between corporate culture, corporate strategy and corporate identity. To be more specific, top management develops company’s mission, philosophy, core values and comprise all of them to the corporate strategy. Besides the corporate strategy and corporate culture, corporate identity is the key factor in the success of the company. Additionally, corporate identity is defined as a “mix of characteristics that

organizations possess as an entity” (Gylling & Lindberg, 2005, p. 259). Morin (2006) in his work emphasizes that corporate identity reinforces company’s strategic goals that generate and sustain the brand in general.

In order to create the corporate identity, companies have to position themselves as effectively as possible in the customers’ mind. As De Ruyter and Bloemer (1999) stress there are two main positioning methods: first - consumers’ positioning which concentrates on products’ and consumers’ needs fulfillment; and second, competitive positioning which is explained as a way in which company positions itself from the competitors. Thus, when retailers are attempting to accomplish customers’ needs, at the same time they seek to position themselves as a separate entity from the competitors.

Furthermore, retailers have to continuously observe the market. As, Birtwistle, Clarke and Freathy (1999) emphasize, retailers also need to understand characteristics of the different target market groups in order to transfer proper marketing message. As a reason, market should be divided into separate groups of customers with similar characteristics and ‘world-views’. Additionally, James et al. (1976) emphasize that each group of the consumers acts differently. Thus, the basic principle is that if retailers comprehend their target market, they can communicate to them more effectively focusing on the specific customers’ needs.

Further on, Kucukemiroglu (1997, p. 472) states that when retailers attempt to differentiate themselves among competitors, the key factor is their “ability to come up with variable that really distinguish retailers’ performance in the marketplace”. Burt and Carralero-Encinas (2000) support this idea by saying that many retailers develop strong store image as the competitive advantage. In addition, Birtwistle and Shearer (2001, p.10) state that “store image is most important communication tool for retailers when creating the corporate image”. Therefore, store image presented as a vital ingredient of corporate identity, plays a very critical role in marketing communication processes. To this point, McGoldrick (2002) supports that store image is known to be one of the most strategically important factors in retail marketing. The importance of the store image concept and its benefits are described in the following section.

2.2 The Importance of Store Image

'The image of a retail establishment is its appearance to target markets'

(Samli et al., 1998, p. 27)

The primary incentive to analyze store image as presented by Hartman and Spiro (2005, p. 1112) is to “investigate the function of store image as a predictor of consumer behavior and store performance”. Additionally, the concept of store image is worth to analyze because of the wide variety of benefits it provides. First, it has a positive relationship with store loyalty (Mazursky & Jacoby, 1986; Osman, 1993). Second, store choice depends on the store image attributes (Hildebrandt, 1988; Baker et al., 1994; Darden & Babin, 1994; Porter & Claycomb 1997). To be more specific, the question of “why do customers shop at the stores they do” can be easily answered if customer’s preferences where to shop and what/how many to buy are satisfied (Briesch, Chintagunta & Fox, 2009, p. 176). Third, Bloemer and Ruyter (1998) and Koo (2003) add that store image has well-built relationship with customer satisfaction.

All in all, the concept of store image helps to maintain competitive advantage and effective company’s positioning strategies development as well (Burt & Carralero-Encinas, 2000; Pessemier, 1980, cited in Hartman & Spiro, 2005). While consumers’ attitudes have a significant impact on the store image relationships between store loyalty, store choice and satisfaction, it is essential to introduce the aspects of store choice, loyalty and satisfaction in a more detailed way.

2.2.1 Store Choice

Berry (1969) emphasizes that store image is considered as vital factor which influences store choice and patronage behavior. As a result, Moye and Giddings (2002), Moye and Kincaid (2002) confirm the fact that store image influences store choice. In addition to this, store image affects customers’ pre-purchase decision-making processes which results in store choice (Baker et al, 2002). As Kleinhans (2003) stresses retailers have to analyze the influence of store image on patronage behavior because by doing this they tend to have a possibility to empower and design desirable store image which leads to the consequential and repetitive store choice.

Several researchers (Shim & Bickle, 1994; Shim & Kotsiopoulos, 1992; Baker et al, 2002) explore and confirm that the importance customers place on store image attributes influence patronage behavior. In addition Darley and Lim (1999, p. 312) claim that “the probability that a consumer will shop at a give store increases as the individual’s perceptions of the store become more positive. In general, consumers patronize stores whose image is congruent with their self-perceptions and unconscious needs.” Thus, store image and broad-spectrum attitudes towards the store in general, has an impact on shopping behavior including shopping frequency as an example (Darley & Lim, 1999). Overall, retailers are responsible for getting constant feedback on the strength of sore image and store choice relationship in order to ensure that customers’ needs are served.

However, satisfied consumers do not necessarily remain satisfied customers. Therefore, in order to manage positive perceptions towards store image, constant feedback is required. Retailers have to guarantee that their marketing strategy is addressing customers’ needs and is leading to the constant customer satisfaction (Hellier, Geursen, Carr & Rickard, 2003).

2.2.2 Store Loyalty

Generally, it is easier to retain customers than attract new ones; thus, corporations need to focus more on the interactions by involving customers as very important ‘actors’ in company’s operations (Berry, 2002). That is the reason why retailers are struggling and continuously working on the development of various store loyalty programs in order to keep customers loyal to their stores. Carter (2008, cited in Ray & Chiagouris, 2009) stress that half of the retailers participated in his survey emphasized that loyal customers tend to impact 75 percents of sales with a tendency to increase this number constantly. This example also confirms the fact that customers’ loyalty is essential and remains one of the main cornerstones in the strategic management processes.

Further on, Bloemer and De Ruyter (1998, p. 500) define store loyalty as “behavior response (revisit), expressed over time, by some decision-making unit with respect to one store out of a set of stores, which a function of psychological processes is resulting in store commitment”. Taking this definition as an example, it is obvious that customer becomes committed to a store first and then as a result becomes loyal. In addition to this, Bloemer’s and De Ruyter’s (1998) study supports that store loyalty is directly connected with the store image perception. In general, Ray and Chiagouris (2009) in their recent research developed the store loyalty

model which reveals that store atmosphere, store uniqueness, merchandise value and store familiarity directly or indirectly (through store affect) influence store loyalty, which impacts word-of-mouth and positive attitudes towards higher prices.

2.2.3 Customer Satisfaction

According to Bitner (1990, cited in Bloemer & Ruyter, 1997, p. 501) store satisfaction is “the outcome of the subjective evaluation that the chosen alternative (the store) meets or exceeds expectations”. To be more precise, satisfaction is reached when customers’ expectations on perceived performance match each other.

It is worth to mention that multiple researchers stress different store image attributes which influence customers’ satisfaction and repurchase intention. According to McKinney (2004) ‘atmospheric’ variables have the biggest influence towards customers’ satisfaction. In addition to that, Baker et al. (2002) emphasize that product attributes, quality, price and overall shopping experience influence customers’ satisfaction greatly. Finally, Jacoby and Mazursky (1987) claim that customers’ satisfaction is greatly influenced by store interior as well. While there are many variables which influence customers’ satisfaction, majority of the researchers in this field agree that it is achieved through a positive evaluation of the store image.

As Chang and Tu (2005) state customers’ satisfaction enhances repeat purchase behavior and store loyalty. Thus, retailers are aware of using various techniques in order to ensure customers’ satisfaction. Likewise, Bloemer and Ruyter (1997) emphasize that customers’ satisfaction rises from conscious evaluation of store image which, in turn, leads to the store commitment and to the store loyalty. While the outcome of the store image is mediated by satisfaction, it has direct connection between store loyalty and store image (Chang, Tu, 2005). This simple connection is graphically expressed by Bloemer and Ruyter (1997) and presented below.

Figure 1: Relationship model:



Source: Bloemer and Ruyter (1997)

2.3 Store Image

'You never get a second chance to make a first impression'

(American proverb)

This common American proverb perfectly reflects the essential need for retailers to pay critical attention to the store image while the first impression given to the customer could determine if the retailer attracted or lost the potential client. Hsu, Huang and Swanson (2009) support McGoldrick's (2002) idea that store image is one of the ways to create competitive advantage and suggest that retailing, as a competitive and fast evolving marketplace, requires attentive understanding of customers' perceptions. It is essential to have in mind the importance of this concept while it is a very critical step for company's future success (Hsu et al., 2009). Usually 'image' has been described as an intangible 'something', untouchable, virtually immeasurable phenomenon (Berry, 1969). As a result, Burns (1992), Stern et al (2001) stress that no universal definition of store image has been accepted yet. To support the idea of differences in defining the store image, Grunig (1993, p. 124) presents that "image has almost as many meanings as the number of people who use it". At the same time, McGoldrick (2002) proposes that many researchers could be criticized for an attempt to imply stability in the definitions of store image which would be impossible to do because such definition just doesn't exist.

Thus, while there is no one precise definition of the store image, further section will present a few key definitions of this concept presented in a vast number of studies by the first founders and most influential researchers in this field.

2.3.1 Defining Store Image

'What exactly do we mean by the image of a store?'

(Oxenfeldt, 1974, p.9)

One of the earliest definition of the store image is presented by Martineau (1958, p. 47), who states that store image is "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". This definition emphasizes that retailers evaluate not only visible store image aspects, but intangible/psychological attributes, as well. After Martineau (1958) introduced definition of

the store image, this concept is developed further on and more researchers tend to investigate in this specific area.

Kunkel and Berry (1968, p. 22) incorporate learning theory to the already presented definition and add that “image may be defined as discriminative stimuli for an action's expected reinforcement”. In other words, retail store image is defined as the “total conceptualized or expected reinforcement” which can be linked to a person’s shopping experience at a particular store (Kunkel & Berry, 1968, p. 22). Thus, Kunkel and Berry (1968) end up by stressing out that store image is gained and learned through the shopping experience. Following it, Mazursky and Jacoby (1986, p. 149) identify store image as “individual’s cognitions and emotions that are inferred from perceptions or memory inputs that are attached to a particular store and which represents what that store signifies to an individual”. In other words, customers’ expectations and needs should be consistent with what they are experiencing while shopping.

Further on, Kotler (1973, p. 48), the originator of the concept ‘atmospherics’, stresses that “atmosphere of the place is more influential than the product itself in the purchase decision”. At the same time, he states that store image consists of four main dimensions of atmosphere: visual, aural, olfactory, tactile. As Bäckström and Johansson (2006) emphasize atmospherics is frequently used to describe intangible aspects. One year later, Lindquist (1974, p. 31) add that store image is “complex by nature and consist of a combination of tangible or functional factors and intangible or psychological factors”. As a reason, McGoldrick (2002, p. 187) supports this definition by stating that not only tangible factors, but intangibles such as “feelings, pictures and associations” are essential in store image identification. The same aspect is mentioned by Oxenfeldt (1974, p. 9) who emphasizes that “an image is more than a sum of its parts” where both emotional and factual aspects are essential.

Moreover, the idea of store image or ‘character of the store’ is further introduced by Dichter (1985, p.75) who stresses that store image “describes not individual traits or qualities, but the total impression an entity makes on the mind of others”. The idea that consumers view the nature of store image as a whole was also emphasized by Darley and Lim (1999). This could be explained by a ‘halo-effect’, which occurs when the perception of one factor affects the evaluation of the whole, which could guide to regular over/under evaluation (Stern & Schroeder, 1994).

One of the latest store image definitions is presented by Hartman and Spiro (2005, p. 1113), who defined it 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.” Therefore, the formation of store image is “an overall memory resulting of store attribute perceptions based on exposure to stimuli” (Hsu et al., 2009, p. 117).

As store image literature review, over the years many definitions are developed by the researchers; however, different authors have agreed that store image comprises of different dimensions (Martineau, 1958; Lindquist, 1974; James et al, 1976, McGoldrick, 2002; Visser et al, 2006). These dimensions include tangible/functional and intangible/psychological factors which further can be divided into sub dimensions or store image attributes.

Finally, Martineau’s (1958) and Kotler’s (1973) definitions and models of the store image are taken into consideration for this research as being one of the oldest, time-tested and most reliable. In addition, these models frequently perform an important role as a theoretical foundation when new studies and models are developed in today’s businesses. Before the actual in depth analysis of the models, researchers introduce some facts about the store image attributes.

2.3.2 Store Image Attributes

‘The devil is in the detail’

(McGoldrick, 2002, p. 189)

By this quote McGoldrick (2002) emphasizes that detail might be impossible to detect if store image study includes only broad explanations. While there are number of different meanings to the components of store image, first it is essential to define them. As Hansen and Deutcher (1977, cited in McGoldrick, 2002, p. 187) state, attributes can be described as “the narrowest, most specific constructs, components as aggregation of similar attributes, and, finally, dimensions as the most general constructs.”

Academic researchers tried to categorize store image attributes using various methods; however, the list of store image attributes is broaden each time when new studies are developed in this field. For example, Martineau (1958) claims that layout and architecture, symbols and color, sales personnel and advertising are the main parts of the store image. On

the other hand, Lindquist (1974) indicates nine store image attributes: merchandise, service, clientele, physical facilities, promotion, convenience, store atmosphere, post-transaction and institutional satisfaction. In comparison, Martineau (1958) talks about assortment, price, service as the separate attributes of the store image while Lindquist (1974) merges them and defines as 'merchandise'. Couple years later, James et al. (1976) reduced the number to six store image attributes which involve assortment, personnel, atmosphere, service quality and price. Furthermore, other examples of attributes used in previous research are: location, service, sales personnel, store music, display (Baker et al, 2002; Moye & Kincade, 2002; Paulins & Geistfield, 2003). As a result, McGoldrick (2002) creates the table of eighteen store image attributes which are presented in the Appendix 2.

Researchers tend to include this information in order to show the reader that the number of attributes is unstable in this field and it changes with every study done. However, majority of the researchers group store image attributes into two main dimensions – tangible and intangible (Martineau, 1958, Lindquist, 1974, Kupke et al, 2002, McGoldrick, 2002; Bäckström & Johansson, 2006, etc.). This widely used grouping is applied in this research as well.

Thus, first group - tangible, or in other words functional elements include such attributes as “size, range of goods, prices, store layout” (Kupke et al, 2002). In addition to that, Stern, Zinkhanm and Jaju (2001, p. 210) claim that the most general characteristics related to tangible dimension are “merchandise selection, service quality, location, and price range”. In general, functional dimension consists of those attributes which are controlled by the managers and can be compared with the competitors (Ibid, 2001). Having a short glance from the perspective of pioneers in this field, Martineau (1958) includes store layout, store personnel and advertising into tangible dimension. In regard to already presented three attributes, Lindquist (1974) expresses the idea that additional attributes are also necessary and includes merchandise, service, convenience in this group as well.

Second group consists of intangible or psychological attributes which are directly connected with the store atmosphere (Kupke, 2002). As Bäckström and Johansson (2006) emphasize atmospherics is frequently used to describe intangible aspects. In addition to this, Stern et al. (2001) stress that this dimension mainly consists of Kotler's (1973) atmospherics. At the same time, atmospherics are primarily controlled by consumers. Coming back to the founders of the concept of store image, Martineau (1958) includes symbols and colors and Kotler

(1973) based his entire model on the intangible elements – atmospherics. In addition, Lindquist (1974) includes store atmosphere as a general attribute to reflect this dimension. Thus, though intangible store image attributes are named differently by pioneers in this sphere, all three researchers include them in their models.

In the next section both dimensions followed by descriptions of the attributes are presented in detail.

2.3.3 Intangible Dimension – Store Atmosphere

While Martineau (1958) includes only one visual attribute in his model and Lindquist (1974) highlights more on the general store atmosphere, Kotler (1973) divides store image into four main store attributes: visual, aural, olfactory and tactile.

Visual or sight part of atmospherics consists of color, brightness, size and shapes (Kotler, 1973). Over the recent years many studies have been conducted regarding the psychological effect of color; however, fewer of them have been dedicated to the marketing implications. Bellizzi together with his colleagues Crowley and Wasty (1983) made a laboratory-based experiment in order to figure out the effects of colors in the retail store. This research show that colors may have physical customer-attracting power and image-creating potential. Specifically, respondents view cool interiors (for ex. blue color) more attractive than warm treatments and associate them with more pleasant environment. In addition, warm colors (such as red) are preferable to cool colors in drawing potential customers closer to display but they are considered to be less pleasant by respondents. Bellizzi's and Hite's (1992) experiment confirms that red environment may over stimulate customer while blue environment may create more pleasurable feelings and intention to shop, browse and buy. Lighting is another essential visual element which can help to display the assortment and grab customer's attention towards the specific items or different store sections. In addition, in-store lighting could serve retailers in couple ways: first, it helps to control in-store traffic and, second, it assists customers in finding out desirable products (Alexander, 2000)

Further on, volume, pitch and tempo are the components of aural attribute. Just like colors or lighting, music can also influence customer's behavior and contribute to the process of accomplishing business objectives (Milliman, 1982). In addition, Vida, Obadia and Kunz (2007) state that the background music in the store encourages customers' positive feelings.

Moreover, music is also an ‘intrinsic element’ of the store atmospherics (Ibid., 2007). It is interesting, that slower tempo music is consistently associated with the higher sales (Milliman, 1992). Moreover, pace of in-store traffic flow makes the shopping experience slower and increase time spent by the twenty two minutes more (Vida et al., 2007). While the music tends to be slower in the retail stores, customers spend more time and increase the number of impulse purchases. Finally, studies show that slower tempo music affects customers better than no music at all. This is confirmed by McGoldrick (2002) as well who claims that customers find quiet stores daunting.

Olfactory dimension is also one of the store image attributes which helps retailers to differentiate their store from competitors. It is pretty obvious that the existence of the pleasant scent can have a positive effect on the customers’ evaluations and behavior within the store (Parsons, 2009). Additionally, smell has also been tied to the ability to recall memories, both negative and positive with strong emotions (Davies, Kooijman & Ward, 2003). This would suggest that a particular scent can act as a powerful tool together with the pleasurable experience for recalling positive in-store experience and emotions. In this way the bond between retailer and consumer will be created. In other words, this bond provides retailer a powerful tool to reach customers’ loyalty. Moreover, Spangenberg and his colleagues (1996) emphasize that respondents who spent time in no-scent store perceived that they had spent significantly more time in the store than they actually did. This fact leads to the same conclusions as in aural and visual components cases – retailers have to consider appropriate aromas. By doing this, customers will be willing to spend more time in the shop and engage in impulse buying. Finally, when talking about in-store stimuli designed to create an atmosphere, Parsons (2009) suggests that shoppers can become desensitized very rapidly when constantly exposed to the stimuli. While customers respond more positively to the change or renewal of the scent, retailers have to change the smell or just switch it off in the repetitive period of time.

The last but not the least dimension in Kotler’s (1973) atmospherics model is the tactile or touch category which consists of softness, temperature and smoothness. As Baker and Mintel (1999 cited in McGoldrick, 2002) state, elements such as flooring, touching shopping trolleys or baskets, touch screen kiosks, providing product location information, significantly influence customers’ impressions towards the store. After designing four experiments with the tactile input in retail stores, Grohmann, Spangenberg and Spratt (2007) stress that tactile attributes influence product evaluation significantly. Retailers are recommended to allow

customers to touch products in the retail environment while it leads to more favorable consumers' reactions. More specifically, research reveals that high quality merchandise has to provide tactile information because it positively impacts customers' product evaluations and enriches in-store experience (Grohmann et al., 2007)

2.3.4 Tangible Dimension

Tangible or functional dimension consists of the attributes which are mainly controlled by the managers and can be easily compared with other competitors (Stern, Zinkhanm & Jaju, 2001). When discussing this part, attention is drawn to the attributes presented by Martineau (1958) and Lindquist (1974).

2.3.4.1 *The Selling Environment: store layout and display attributes*

Martineau (1958) was one of the first researchers who introduced the category of selling environment consisting of the store layout and architecture. After various studies related to ICA in Sweden food retailing industry, Nordfalt (2010) also confirmed the necessity of selling environment when developing the store image. Interestingly, by doing this retailers can increase their sales up to 500 percent more if the right display technique is used.

It is proved that store environment influences customer's long-term decisions, thus retailers pay enlarged attention towards displaying goods in the most effective way (McGoldrick, 2002). Moreover, majority of the retailers use product displays to draw the attention of potential buyers and stimulate their demand for goods (Anderson, 1979). While there are many different approaches of how to cluster product displays, retailers have to keep in mind that their aim is to help customer to navigate in the store (McGoldrick, 2002).

Furthermore, layout can affect not only the customers who are willing to buy something additionally, but also the customers who have a goal to purchase only specific items. Due to the well mannered layout and creative display these customers might be engaged into unplanned purchases (Sherman, Mathur & Smith, 1997). Moreover, it is necessary to highlight, that layout and information provided in the store has a straight impact to the customer's behavior and willingness to shop (McGoldrick, 2002).

With the assistance of the new tracing technologies, today's retailers are able to map the customers' in-store route and, in this way develop knowledge of the directions which should be followed in the store. Additionally, retailers have a possibility to design the available space effectively and control 'traffic flow' through the layout and arrangement of the store environment (McGoldrick, 2002, p. 468). Effective and balanced layout ensure increased positive customer's experience for retailers. Hence, layout should reach 'environmental legibility' in order retailers to be able to stay away from the customer's dissatisfaction and anger (Ibid, 2002).

2.3.4.2 Merchandise: quality, assortment, service and price attributes

Lindquist (1974) includes merchandise in his nine attributes' list, explaining that merchandise consists of: quality, assortment, service and price. Moreover, Lindquist (1974) confirms the fact that merchandise is a key image factor. Zimmer and Golden (1988), Chowdhury, Reardon and Srivastava (1998) are only couple of the authors who accept product quality and range as being important components in the store image development. Continuing this idea, if consumers find products in the retail store attractive, they have positive perceptions, thus they are satisfied towards the store. Thang and Tan (2003) as well as Collins-Dodd and Lindey (2003) claim that merchandise has an essential influence on the brand perception and store image, as well.

Even though product assortment varies among the retail stores, retailers seek to satisfy consumers' needs. As Sullivan et al. (2002) state customers prefer to choose these stores which provide wide variety of products. It is interesting that more often retailers offer products with their own private brands, thus customers who are more price sensitive tend to choose these brands instead of more expensive ones (Ailawadi & Keller, 2004).

Price as one of the merchandise components is discussed by Lindquist (1974), Zimmer and Golden (1988), Chowdhury et al. (1998), McGoldrick (2002). While Chowdhury et al. (1998) define price/value in terms of fair price and value for money, Thompson and Chen (1998) stress the price/quality linkage where price means 'not waste money' and is linked to 'durability – quality'. These two attributes, according to Thompson and Chen (1998) could be used as the foundation of successful communication strategy.

In addition to quality, price and assortment, service is essential part of merchandise. Talking about the service, Newman and Patel (2004) emphasize that service includes store personnel – customer interaction. Sales personnel are responsible for communication and knowledge transfer to customer. McGoldrick (2002) states that sales people influence consumers' perceptions of the store image and play important role in creating positive emotional responses. When competing in pretty homogeneous market, retailers are able to establish competitive advantage while building interpersonal relationship with customers. Despite the fact, that technology is changing the world and more often people are forced to use it in the retail store (for example self-serving cash desk), sales personnel can create warm atmosphere and make shopping a nice evening activity. As stressed in Bäckström, Johansson (2006) article, consumers may engage in shopping as one of the possibilities for socializing. Baker et al. (2002) also stress that interpersonal service quality is greatly influenced by sales personnel which in turn influence patronage behavior, thus – store image as well.

Knee (2002) claims that store personnel communication with customers is central to the 'consumer-focused interaction'. However, Oates, Shufeldt and Vaught (1996) stress that the importance and willingness to attach to sales personnel differ among consumer segments and their lifestyles. For example, Oppewal and Timmermans (1997) state that sales personnel appears to be perceived in the positive perspective for people who are over 60 years old, receive lower income and have fewer children.

To be able easily identify the store personnel in the store, majority of the retailers require their employees to follow a dress code. Baker et al. (2002), Kim, Ju, Johnson (2009) confirm the fact that professional-look plays a significant role on consumers' emotions and store image creation. Moreover, it is reported that "a positive image of the store when the associate's appearance matched the store type" (Kim, Ju, Johnson, 2009). In addition, the study done by Klassen, Clayson and Jasper (1996) reveals that when store personnel is described as obese, regardless of sex or age, the store is perceived as being less successful with the weak store image.

All in all, if store provides good service, customer will gain positive perception, thus will involve in repeat visits and in this way consumer purchase behavior will be affected positively (Thang & Tan, 2003).

2.3.4.3 Convenience: location and parking attributes

According to McGoldrick (2002) location is a long-term investment and it plays an important role for retailers when creating store image. Chowdhury et al. (1998) stress that location is positively related to the store image, thus accessibility is an essential factor.

For example, Hyllegard et al. (2005) stress that convenience is very important to people in 18 - 55 age group and its necessity varies among nationalities. In addition to this, Chowdhury et al. (1998) claim that convenience is essential characteristics for elder people. Moreover, Kim and Jin (2001) state that convenience is the store image attribute which can determine the reason for customers preferring multi-national discount shops over national stores.

An important part of the convenience is the decision of store location while made once it cannot be altered. Wood and Browne (2007) claim that location, travelling time and transportation are very important for store selection. As a reason, Miranda, Konya and Havrila (2005) also stress the importance between travelling distance and store loyalty link. Finally, Thang and Tan (2003) highlight that customer choose retailers on the basis of time duration, travelling and accessibility factors. Moreover, the importance of the store location is ranked into the second place after the merchandise (Ibid, 2003). Enough parking spaces, ability to reach store by using public transport are only couple of the examples when customer's store image development might be effected in a positive or negative way (McGoldrick, 2002).

After presenting tangible and intangible dimensions' attributes, further section emphasize two store image models developed by the pioneers in this research area - Martineau (1958) and Kotler (1973). Martineau (1958) generally is presented as an originator of the store image concept (Burt et al, 2007) while Kotler (1973) is mainly characterized as intangible elements' pioneer (Ibid, 2007). Additionally, though main Lindquist's (1974) store image attributes were included as examples of intangible attributes, his theory is not discussed further. The main reason is that Lindquist (1974) did not make research by himself but rather summarized literature which was written till that time.

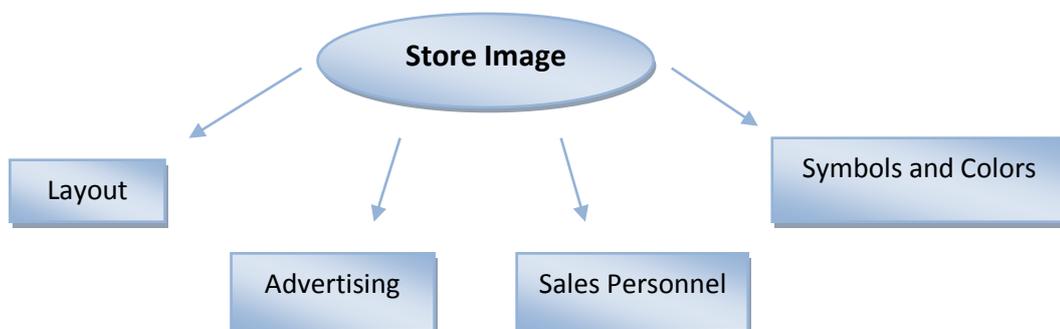
2.3.5 Martineau's Model

Martineau's (1958) definition of the store image presented in section 2.3 ('Defining Store Image'), consists of two main dimensions: functional and psychological. To be more precise, Martineau (1958), during his research in the fifties already introduced that not only tangible (functional) attributes are essential in the development of store image. In addition to that, Martineau (1958) generally emphasized the essential need of store image stating that companies which do not have it will be just an alternative store for the customers.

Martineau's (1958, p. 49) research reveals that "consumer is more interested in the packaging rather than what is inside in the package". After claiming this, the originator of the store image, provides the example saying that styling and decor rather than technical details and engineering are the key elements when buying a car. Moreover, Martineau (1958) in his article repeatedly stresses that customers generally think of shopping as total experience. For example, when customers go to department store, they face number of questions: how they will get there, where they should park a car, whether there is a toilet in the store and etc. All these questions which are considered by customers show that store image plays and increasingly vital part in retailing business.

As a result, Martineau (1958) presents four main store image attributes: layout, colors, advertising and sales people (presented in the Figure 2). He bases his findings on grocery retail chain, foreign cars retailer and departments store analysis. In order to figure out which store image attributes are valued by customers, he made interviews focusing mainly on customers in the department stores.

Figure 2: Martineau's Store Image Model



Source: Martineau, 1958

2.3.6 Kotler's Model

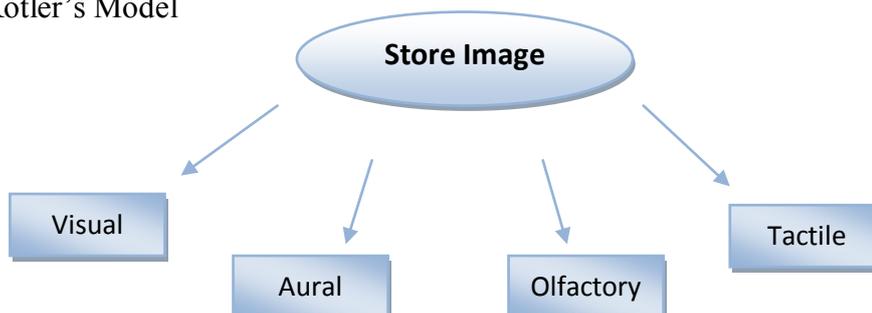
Contrary to Martineau (1958), Kotler (1973) claims that the academics and practitioners do not have to concentrate on the tangible store image elements while intangible attributes are the future of marketing. According to Kotler (1973) retailers tend to ignore the aspect of intangibility in atmosphere while it seems to be less practical and less functional than tangible elements. Intangible attributes are also tend to involve 'silent language' in the communication.

According to Kotler (1973), researchers should use the term 'atmospherics' to illustrate the conscious design of space to generate specific effects in buyers. More specifically "atmospherics is the effort to design buying environments to produce specific emotional effects in the buyer" (Kotler, 1973, p. 50). Atmosphere is detained through the sense; therefore, surroundings should be particularly defined in 'sensory terms' including sound, sight, scent ant touch. As mentioned by the author of the model, the fifth sense representing taste is not included in atmospherics while customer can see, feel, hear and smell but not taste the atmosphere.

Moreover, purchase behavior is affected by atmospherics in at least three ways: attention creating, message creating and affect creating. All these affects are explained by Kotler (1973) by comparing store atmosphere components with the sound of the bell which was used by I. Pavlov in his experiment with the dog. As well as bell for the dog, store atmosphere "may trigger sensations in the buyers that create or heighten and appetite for certain goods, services or experience" (Ibid, 1973, p. 54). Thus, store atmosphere attributes act as an intermediation between behavioral intentions and actual buying behavior.

In order to figure out which attributes are the most important, Kotler (1973) in his research provides some examples of shops (shoes, antique, furniture) where he describes how atmospherics are used. However, he does not refer to any particular qualitative or quantitative research method. Kotler's store image model is presented in Figure 3 beneath.

Figure 3: Kotler's Model



Source: Kotler, 1973

After presenting two models of store image pioneers, earlier mentioned fact that store image is affected by personal variable should be recalled. As mentioned by Martineau (1958), Kotler (1973), Lindquist (1974) and other researcher (Sherman et al, 1997; Burt et al, 2007; Ray and Chiagouris, 2009) individual variables play important role in store image. This significance is shortly described in the following section.

2.4 The Importance of Individual's Personal Variables in Retail Store Image

Bäckström and Johansson (2006) punctuate that store image attributes are not isolated while overall atmosphere is greatly influenced by individual's personal variables such as gender, age, mood, task, financial resources which affect the impact of in-store stimuli. Chio and Park (2006) stress that customer education and occupation influence preferences in products while income is the compulsory mean for consumption behavior.

Overall, there is a tendency that certain shoppers patronize particular type of shops. The same can be adapted to mentioned store image attributes, because they usually reflect associations with self-image (McGoldrick, 2002). As an example, Martineau's (1958) study reveals that customers tend to like those retail stores that best reflect their perceived social standing. Another example is Joyce's and Lambert's (1996) study which confirms that store image perception is notably affected by the shoppers' age.

More interestingly is the fact that aesthetic preferences have influence on shoppers' gender and age and in this way affect the image perception (Ibid, 1996). Furthermore, Stern, Bush and Hair (1977) reflect that customers tend to choose brands which match with their conceptualized ideal self, thus they prefer to shop at these stores which are consistent and similar with their already developed ideal images.

The following section will shortly introduce the research methods which are generally used in store image studies.

2.5 Measurements of Retail Store Image

After the theoretical introduction about the store image definitions, attributes and models, it is important to go further to the measurements of the store image. McDougal and Fry (1974)

emphasize that measuring store image is a challenging task while it is complicated to find out the suitable method for doing so. However, as store image research has been developed for many years, several main methods are revised below (McGoldrick 2002):

- ✓ **Scaling Techniques:** consist of three different types of scaling: ‘semantic differential’, ‘unipolar attitude’ and ‘agree-disagree’; however, logic behind all of them are the same: researchers choose a set of items, design a questionnaire which consist of these variables and then respondents rate stores based on those items.

These scaling techniques are generally used when researchers have pre-determined list of store attributes. Proponents of this research method claim that pre-determined categories are useful while then each attribute are weighted separately rather than treated equally important (Doyle & Fenwick 1974; Birtwistle et al. 1999). However, other researchers claim that this technique is based on forced-choice while the attributes are already decided by the researchers. Furthermore, as McDougall and Fry (1974) claim this method requires minimal verbal skills, is easy to analyse and allow making comparison between different age groups.

- ✓ **Open Ended Techniques:** suggested by Zimmer and Golden (1988), mainly consist of content analysis and unstructured elicitation (free association, picture interpretations) techniques. These methods allow respondents freely discuss, describe, experience what the brand/store is like and what store image attributes are the most important by them.

This research method provides in-depth discussion letting each respondent to express store image attributes individually according to importance. In addition, while research participants are not limited to set of dimensions, researchers gain richer information and store image picture (Reardon, Miller, Coe 1995). However, the results of this method are much more complex to administrate comparing with scaling techniques (McGoldrick, 2002).

- ✓ **Multi-attribute model:** originally developed by Fishbein (Birtwistle et al. 1999) to measure consumers’ attitude towards brand, later was adapted to explain store image by James et al (1976). The idea behind this model is that researcher after doing extensive literature review or

through the use of open-ended techniques is familiar with salient attributes which will be tested.

As James et al (1976) emphasize this method is useful when researchers aim to get the description of store image. In addition, key attributes identification, evaluation of the store based on these attributes, will help retailer to gain a better understanding of its own target market (McGoldrick, 2002).

2.6 Research question

This section of the thesis has provided an overview of the literature relevant to the current research. The discussion on corporate identity served to stress the importance and strategic role of store image in retailing. Further, definitions and dimensions were explored; however, as mentioned previously, store image researchers do not have a consensus of which attributes are the most important. Therefore, the authors of this thesis took time-tested attributes which were mentioned by the originators of store image – Martineau (1958) and Kotler (1973).

There is lack of research on Lithuanian customers' perceptions towards the store image attributes (Putelyte, 2006); therefore, this study aims to investigate this knowledge gap. By collecting rich qualitative data specifically through the photo elicitation technique as the major data collection method, authors tend to gain deep knowledge of how store image is perceived by customers, what kind of influence image has over the customers if any, and what are the main associations towards Rimi Baltic stores. In addition to this, authors also attempt to test the potential of the methodological approach because it has been never used in Rimi Baltic food retail stores before (Liudvinavicius, 2010).

CHAPTER 3 - METHODOLOGY

This chapter is designed to introduce and briefly discuss the research methodology and the strategy used for this project. First, the general nature of the research project is overviewed and the overall research approach and design are presented. Following that, the qualitative research strategy and photo elicitation method together with the semi-structured interviews as the major data collection method are discussed. Then researchers present the photo elicitation process, sampling, respondents and interview guide used in the study. Next, researchers include brief paragraph related to additional data collection methods – interviews with the marketing director and observations of the company’s marketing campaigns. Further on, researchers introduce data analysis based on grounded theory. Finally, this section is concluded with the reliability and validity issues.

Before the actual in depth analysis of the each methodology part, it is important to define the overall research methodology process. As Leedy and Ormrod (2001, p. 14) define research methodology is the “general approach the researcher takes in carrying out the research project.” At the same time, Leedy and Ormrod (2001) add that the chosen methodological approach dictates what kind of tools should be employed by the researchers.

3.1 The Nature and Philosophy of the Research

‘Research can be interpreted as a conversation, where you need to find out your own conversation and add value to it’
(Svensson, 2010)

Easterby-Smith, Thorpe and Lowe (2004) stress that before starting any methodological investigations, it is important to choose the philosophical direction which will be followed during the whole research process. Generally, there are two main philosophical directions - ontological consisting of the “assumptions that people make about the nature of reality” and epistemological defined as the “general set of assumptions about the best way of inquiring them into the nature of the world” (Ibid, 2004). Hence, ontology is focused more on the social actors and their nature (Bryman & Bell, 2007). In other words, the main concern related to the ontology is whether social entities can be identified as the objective entities or whether they should be interpreted as the social constructions developed by the society members’ perceptions (Ibid,

2007). On the other hand, epistemological philosophical issue implies the question of whether and which type of the acceptable knowledge exists.

In addition to this, the philosophical direction of epistemology represents this thesis aim to “understand the social world through an examination of the interpretation of the world by its participants” (Bryman & Bell, 2007, p. 402). While the researchers in this thesis tend to examine and understand the interpretations of store image raised by the customers, it tends to follow the philosophical nature of epistemology.

Together with epistemology and ontology, researchers have to deal with the complementary views such as positivism, interpretivism, objectivism and social constructionism (Bryman & Bell, 2007; Easterby-Smith et al., 2004). To contrast epistemology with positivism, the interpretivism approach is presented. According to Bryman and Bell (2007, p. 19) interpretivism relies on the view that “requires to respect the differences between people and the objects of the natural sciences and, therefore involves the social scientist to grasp the subjective meaning of social notion”. Additionally, when employing interpretivism, customers tend to understand emotions and thoughts (Bryman & Bell, 2007). As it was mentioned before, authors aim to understand and examine customers’ opinions towards the store image attributes rather than rationally explain them. Therefore, philosophical tendency of interpretivism is selected for this study.

3.2 Research approach

‘In order to fully investigate consumer perceptions of a retailer’s image the starting point should be their own criteria and perceptions’

(Burt et al., 2007, p. 448)

The next essential step in the theory and research relationship development is the choice of the most suitable research approach. Bryman and Bell (2007) emphasize there are two main research approaches: deductive and inductive. The main difference between these two approaches is whether the research will be tested through the existing theories or the new theory will be developed. To be specific, deductive approach is focused on the theory which is a starting point for the researchers to follow through the entire research process. On the other hand, inductive approach aims to develop a theory by using the research findings (Bryman & Bell, 2007; Dubois & Gadde, 2002). Additionally, Bryman and Bell (2007, p. 12) emphasize that induction is when “researcher infers the implications of his or her findings for the theory that prompted the whole exercise”. However, the distinction of these two approaches has some challenges because both

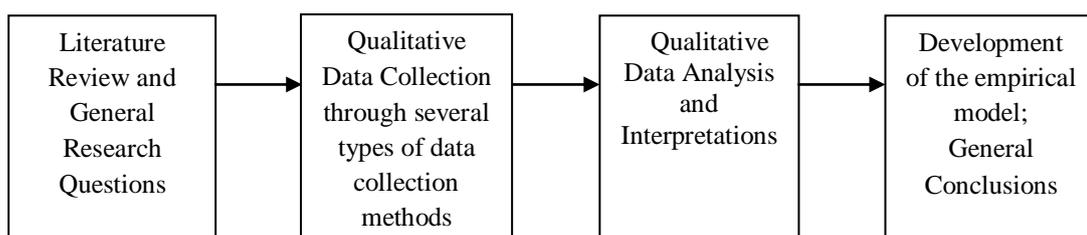
approaches can be closely related, meaning that one approach can employ characteristics from another one (Bryman & Bell, 2007).

Shortly, retail studies are often based on the deductive rather than inductive approach. Usually customers tend to fill in questionnaires with the already given answers (Burt et al, 2007). Therefore, deductive approach in questionnaires narrows customer's imagination and insights due to the limited nature of the choices to answer. As Burt et al. (2007, p. 448) refer the main problem with most often and widely used attitude scales is that they have a 'forced choice' on the identification of store image attributes where customer has a chance to choose only between pre-determined answers without adding any personal interpretations. Thus, inductive approach appears to be relevant to use in the interviews while it provides more freedom for customers to express their perceptions towards the store image.

To be more precise, researchers aim to find out what is noticeable and what kind of store image associations are raised up by the Rimi Baltic store to customers. Thus, they tend to follow inductive approach in regards to already presented store image theory and models in the section of theoretical foundation. As a reason, researchers are aiming to present summarized empirical model; thus, researchers are following inductive approach together with the development of a new theory.

To end up, researchers tend to introduce the general research approach which is following in order to receive significant results. The research approach consists of four interrelated steps presented in the Figure 4 below. First, literature review and general research questions are presented in order to develop academic knowledge about this specific area. Following that, the framework is enriched by the qualitative study based on photo elicitation together with semi-structured interviews. Finally, qualitative data analysis provides possibilities to evaluate and present the general conclusions and final empirical model.

Figure 4: The Research Approach



Source: Adapted by using Bryman and Bell (2007, p. 406) theories

3.3 Research Design

As pointed out by Easterby-Smith et al. (2002) research design provides a specific way to organize the research activity together with the data collection methods in order to achieve the best results for research purposes. Taking Rimi Baltic as an example, the most suitable research design for this thesis is a case study. Yin (2003) introduces that the design of case studies is one of the five key research strategies employed within the social sciences. As reported by Bryman and Bell (2007, p. 62) the case study design can be implied where “single organization, a single location, a person or a single event” exists. The main purpose to choose the case study design is to receive detailed information on an object of case study. To be more specific, the research was proceeding in Rimi Baltic store which is hypermarket operating in Klaipeda (Liepojos street, 27). This store and the type of store was chosen because it was recently established in 2009 December using the newest marketing, equipment and strategy techniques (Rimi Baltic, 2010). Moreover, this specific store was approved to investigate during the interview with Rimi Baltic marketing director which is discussed further in the section of secondary data.

3.4 Research Strategy

‘Seeing through the eyes of the people being studied’

(Bryman & Bell, 2007, p. 416)

When talking about research methods, a distinction is usually made between quantitative and qualitative methods. As it was mentioned before, quantitative research methods are based on deductive, prearranged research approaches with a clear sample of the population with the aim to find out quantifiable insights (Wilson, 2006). On the other hand, as defined by Wilson (2006, p. 105), “qualitative research can be defined as research that is undertaken using an unstructured research approach with a small number of carefully selected individuals to produce non-quantifiable insights”. In addition to this, Bryman and Bell (2007, p. 402) emphasize that qualitative method tend to focus on words rather than “quantification in the collection and analysis of data”. One of the strengths of qualitative research methods is the “richness and holism, with strong potential for revealing complexity” (Miles & Huberman, 1994, p.10). Qualitative researchers study things in their natural settings, in an attempt to make sense of, or interpret phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 2000). Furthermore, qualitative researchers are concerned with meaning of how people make sense of the world and how they experience events. This issue is supported by Bryman and Bell (2007, p.

418) by stressing out that qualitative method researchers tend to “inject a sense of process into our understanding of social life”. They are concerned about the quality and texture of experience, rather than the cause-effect relationship. Finally, as McGoldrick (2002, p. 191) refers store image studies should be based more on the measurements of attitudes and opinions, “rather than more quantifiable” aspects. Overall, the research here is based on qualitative methodology in order to receive in depth Lithuanian customers’ insights and interpretations about the store image attributes.

3.5 Data collection methods

This research presents two ways of how the data was collected. As a result, twelve semi-structured interviews using photo elicitation method were conducted as the major purpose. On the other hand, another part of the data collection includes two semi-structured interviews with Rimi Baltic marketing director and observations of various advertising posters, fliers and special advertising newspapers to customers published every week. The reason to include this data collection was to receive general knowledge about the company and its strategies. Thus, these findings benefited researchers because they could individually picture the general view of the Rimi Baltic store and its strategies and operations. While researchers do not intend to represent the results of two semi-structured interviews with marketing director and observations in a more detailed way, they are still providing a brief paragraph about under the section of primary data collection method - two semi-structured interviews and observations of the Rimi Baltic store marketing campaigns.

3.5.1 Photo elicitation Method

‘The photographs can be communication bridges between strangers that can become pathways into unfamiliar, unforeseen environments and subjects’

(Collier & Collier, 1986, cited in Zainuddin, 2009, p. 11)

Rather than involving more traditional ways to analyze the concept of store image, this thesis implies photo elicitation approach, which tends to “capture consumer perceptions through the interpretations of the visual images generated by the participants themselves” (Burt, 2007, p. 447). Photo elicitation, according to Thelander (2010), is one way to collect visual documents. First time this research method was mentioned in 1957 by John Collier (Harper, 2002).

Additionally, Bryman and Bell (2007) stress that photography has rich traditions in such disciplines as anthropology or sociology, whereas interest from business and management perspective was recently gained meaning that these fields still require photo elicitation method involvement in various studies. To be more specific, photo elicitation engages photographs' incorporation into a research interview enabling better understanding and capturing richer data than usually disclosed from the interviews only. As Smith, Thorpe and Jackson (2008, p.162) present, "the use of photographs is a very helpful way of collecting information where only a small amount of data on a subject to begin with is available". In addition, Warren (2002, cited in Bryman & Bell, 2007), emphasizes that photographs in semi-structured interviews create a data generating triangle among the image, participant and researcher. In addition to that, Warren (2002, cited in Bryman & Bell, 2007) claims that through the use of image, intangible emotional forms can be much better conveyed than through verbal processes. As Harper (2002) stresses in-depth interviews most of the time challenge in the development of creating communication between participant and researcher as they are not familiar to each other. However, photo elicitation may solve these problems while the photographs are the main interest. Moreover, as Burt et al. (2007) point photo elicitation interviews relieve stress since participant moves attention from verbal communication to the images. The same aspect is supported by Bryman and Bell, (2007, p. 483) who emphasize that photographs "have advantages in overcoming interviewee's discomfort in being interviewed and can simply help encourage them to discuss issues in more detail". Additionally, Heisley and Levy (1991 in Bryman & Bell, 2007, p. 483) concluded that "a photograph motivates people to provide a perspective of action, to explain what lies behind the pictures, and to relate how the frozen moment relates to the reality as they see it". One of the reasons to employ photo-elicitation method is to receive in-depth customers' insights about the store image using not only verbal but also visual tools. As Burt et al. (2007, p. 450) state researchers usually pay more attention to "text and words and tend to prefer these forms despite the fact that many impressions are non-verbal, arising from visual, or other channels of perceptions." Thus, to understand better what attributes are perceived and valued by customers, it is important to get as close as possible to the 'insiders' and explore their thinking. Besides, Collier and Collier (1967, cited in Burt et al., 2007, p. 450) introduce that photo elicitation method, or "interviewing with photographs" is a very valuable tool to gain information and knowledge from people.

Particularly talking about the type of the interviews, the semi-structured interviews provided advantages of to the research by having enough structure so that all research questions are addressed and enough flexibility to enable uncovering new ideas and dimensions. As noted by

Bryman and Bell (2007, p. 474) during the semi-structured interviews researchers tend to have follow the interview guide. On the other hand, interviewee can feel free to interpret and add more insights than the researcher is prepared to cover. To be more specific, data for this research is collected using semi-structured interviews while discussing with customers about the photographs taken.

Furthermore, there are several approaches to photo-elicitation interviews (Thelander, 2010). This research employs auto-driven approach where participants have to take photographs individually upon request (Hurworth, 2003). While photos taken by the researchers sometimes could not evoke deep reflections towards the area of interest, it is better to let participants to take pictures and reveal their emotions through this process. Moreover, as Heisley and Levy (1991) emphasize, autodiving photo elicitation research method allows informants to interview themselves, to provide a perspective of action and to raise issues that are very important to them. To sum up, the method employed in this research is built on a combination of photography and interviews over photographs taken by the customers.

3.5.2 The process of the photo elicitation research

'Early bird catches a worm'
(Cassinger, 2010)

By this phrase authors tend to present the process of the photo elicitation method, which was used for the first time in Rimi Baltic (Lithuania) marketing department history as the alternative to traditional store image research methods. After several reviews of the already developed photo elicitation studies, the process was consulted from the already developed study by Burt et al. (2007).

Before the actual process of taking pictures in the store, researchers asked respondents to bring their own cameras or inform researchers as soon as possible if they don't have any. Thus, eight respondents had their own cameras while other four recipients were provided by personal researchers' digital photo cameras. All of the twelve participants were asked to take up to 10 photographs. Nevertheless the number of photographs wasn't strictly limited, thus customers had a possibility to take less or more photographs if they wanted. Digital photo cameras were given before the main entrance inside the store and asked participants to take photographs which associate with the Rimi Baltic store. In other words, respondents were asked of what associations are raised up by the Rimi Baltic store to each of them individually - *"associations that you think*

you value the most in RIMI store". Each of the researchers was responsible for six participants including the transportation, instructions for taking pictures and management of the overall process. The maximum number of participants, who were at the same time in the store taking pictures, was two at the moment. The reason to do it was related to the researchers' attempts to have fewer participants at the same time and avoid any negotiations between participants about which photos should be taken. Further on, participants were instructed to walk through the store individually without making any possible impact or pressure to other participants. Time wasn't limited in order not to disturb and force respondents to rush. Additionally, some participants bought products while taking photographs, thus, the process itself reminded a normal shopping experience. As a reason, this aspect tends to raise the reliability of this study, because participants demonstrated their daily activities without any significant pressure (Burt et al., 2007). Respondents didn't have any chances to plan which photographs they would like to take in advance, because this task was asked to do only once inside the store. Majority of the participants walked through the whole store for several times in order to observe everything and take all pictures they wanted to. Average time spent in the store was around 30 minutes. In addition, the number of photos taken varied from five to twelve photos per person. On the other hand, average number of photographs was 7 photos per person. In total, 87 photographs were made by twelve participants. In the end of this process, cameras or memory cards were returned to the researchers to be able to make photographs which were necessary for the interviews.

Further on, individual semi-structured interviews were arranged within a few days in order to have time to print the photographs. During this period, interviewees were still involved in the process. Majority of participants stated that they had time to think and find out new topics which they would like to discuss during interviews. The semi-structured interviews were done with each participant individually and took 30–40 minutes in average. Both of the researchers participated in every interview in order to increase reliability interviews were transcribed and analyzed.

3.5.3 Sample

Generally, there are two different categories of sampling methods: probability and non-probability sampling. As defined by Alan Wilson (2006, p. 199) - probability sampling is the method where "an objective procedure of selection is used, resulting in every member of the population of interest having a known probability of being selected". On the other hand, non-probability sampling is linked to "samples where a subjective procedure of selection is used,

resulting in the probability of selection for each member of the population of interest being unknown” (Wilson, 2006, p.200).

One of the sampling techniques within non-probability sampling methods the purposive sampling is used in this research. As noted by Miles and Huberman (1994, p. 27), “qualitative samples tend to be purposive, rather than random”. By definition, purposive samples are those that are selected by the researcher subjectively based on the research aims. The sample of participants in this study consists of people who present the particular age group excluding researchers’ family members which was Rimi Baltic marketing director’s requirement. Consequently, people who are shopping in the particular Rimi Baltic shop weren’t chosen in order to avoid subjective and only positive perceptions towards store image, because they have already chosen to come and purchase at this store.

In addition to the general techniques of purposive sampling, the snowball method, in other words, snowball sampling was used to locate suitable respondents (Miles & Huberman, 1994; Bryman & Bell, 2007). This technique helps in finding new respondents for the interviews, as it “identifies cases of interest from people who know what cases are information-rich” (Miles & Huberman, 1994, p.28). Authors started the actual research of participants by asking their friends if they know some people who match required age criteria and would be willing to participate in this research.

The general rule in deciding on the sample size is “the larger the sample, the better” (Leedy & Ormrod, 2001, p.221). However, this rule mainly applies to quantitative methods. As the research here is based on a qualitative study, the saturation point rule is used to define the suitable size of the sample. Researchers aimed to precede this study until the researched data will be saturated (Bryman & Bell, 2007). Additionally, the advice of Silverman (2000) is taken in this research who states that the number of interviews needs to be at least twelve or until the theoretical saturation is reached. Therefore, researchers tended to conduct twelve customers’ interviews and check if the theoretical saturation is reached. The recruitment of additional interviewees was stopped due to time constraints and time-consuming research method which includes two procedures such as taking photographs and semi-structured interviews. In addition, the study was stopped because customers’ answers were repetitive in every interview and minor new insights were received from the customers’ perspective.

3.5.4 Respondents

The respondents in this research are representing three age groups consisting of 18-25, 25-65 and 65–80 years old customers. The reason to have three groups is to evaluate possible demographic effect particularly on the perceptions of store image. Additionally, researchers aim to represent the variety of perceptions and provide a broad kaleidoscope of customers’ insights. In other words, this study doesn’t intend to bring these three groups into a very detailed comparison, because of the reliability issues related to the number of four representatives involved in each group.

Furthermore, customers of 18 to 25 years old stand for students who tend to be sensitive social group and pay more attention where and what to buy. The age range from 25 to 65 years old is chosen because it represents the target market identified by the Rimi Baltic marketing director during the interview and Rimi Baltic website information review (Rimi Baltic, 2010). Finally, customers of 65-80 years old introduce one more sensitive group of elder people without a regular employment. According to Lithuanian government, people retire on a pension when they are 62 years old (Department of Statistics, 2010). It is essential to mention that gender issue doesn’t perform a significant role in the analysis of findings. Thus the number of females and males are not equal and involves eight females and four males. It is significant, that no names of the respondents are provided in order to ensure confidentiality. Therefore, the numbering system such as respondent 1 or respondent 2 is used in the actual data analysis.

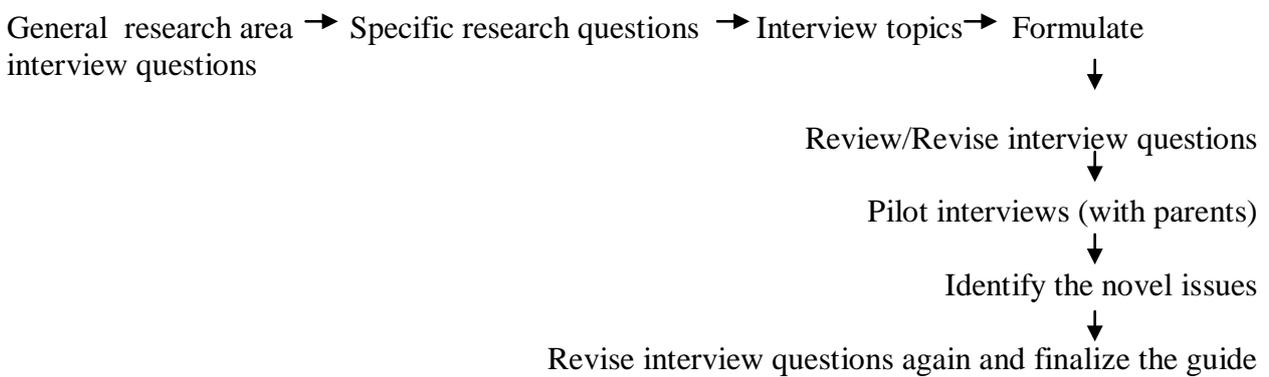
Figure 5 – Table of the Respondents

Interview (respondent’s number)	Age	Gender	Group type	Number of photos taken in the store
Respondent 1	24	male	Student	12
Respondent 2	23	female	Student	7
Respondent 3	25	male	Student	6
Respondent 4	18	female	Student	9
Respondent 5	28	male	Target market	6
Respondent 6	30	female	Target market	6
Respondent 7	29	female	Target market	7
Respondent 8	47	female	Target market	10
Respondent 9	75	female	Pensioner	7
Respondent 10	74	male	Pensioner	6
Respondent 11	68	female	Pensioner	6
Respondent 12	72	female	Pensioner	5

3.5.5 Choice and Types of the Questions in Interview guide

It is important to remind, the data which is generated in this research includes participants' photographs and twelve semi-structured interviews during which customers shared their perceptions of store image attributes, experiences and additional comments related to the Rimi Baltic store image. While photographs were analyzed during the interviews, the questions were prepared by following the main guidelines presented by Bryman and Bell (2007, p. 485) and Burt et al. (2007). The model is presented in Figure 6, below

Figure 6– Formulating questions for an interview guide



Source: Bryman and Bell, 2007, p. 485

During the semi-structured interviews a series of questions related to photographs were asked aiming to learn more about participants' associations, feelings and experiences (Appendix 3). The types of questions used in the interview guide included introducing, follow-up, specifying, direct and silence categories (Kvale, 1996, cited in Bryman & Bell, 2007, p. 486). Due to semi-structured perspective, the sequence of the questions slightly varied and included few additional questions which were raised during the interviews. In addition to this, some questions were repeated for several times in order to approve already mentioned results and receive new insights. In the end of interviews, customers were asked if there were some store image associations which couldn't be taken by a camera. This last step let researchers to make sure that customers were able to feel comfortable in taking pictures and that they took every photograph they wanted. Overall, the interview guide is constructed in such way that it allows retaining the conversational nature of the interviews so that the unanticipated issues can be brought up by the interviewees.

As it was mentioned in the section of research approach, authors didn't intend to provide any categories related to specific attributes presented previously in the theoretical in the literature review when customers were asked to categorize their photos. This was done in order to receive more insights and do not limit customers by the given pre-determined answers. Zimmer and Golden (1988 in McGoldrick, 2002, p. 194) stress out that "when the researcher elicits store image in terms of specific attributes, some of the richness of the consumer's own imagery is lost". It was also presumed that some of the customers could have difficulties in understanding what each category means and in this way they could feel stressed in classifying them. It is important to mention that participants were especially involved in sharing their own opinions during the discussion part about the pictures they have been taken in the store. Average time for the interview was around 30-40 minutes. The longest interviews were conducted with elder people, because they tended to relate every picture of attributes with their personal shopping stories. To conclude, as Burt et al. (2007) state the overall process of interviewing is not a usual interview where the researcher asks questions and interprets the responses while respondent is delivering answers. Thus, by using this approach "interviewee starts the analysis and the aim is to achieve a mutual understanding of the impressions held about the specific store" (Burt et al. 2007, p. 455).

3.5.6 Pilot interviews

Interviews with customers were conducted in two stages. First, two pilot interviews with the family members were taken to test questions and possible difficulties in answering them. Additionally, these initial interviews enabled the researchers getting more experience in interviewing. As a result, after these two pilot interviews, collected data was analyzed and the interview guide was slightly improved. Twelve further interviews with customers were conducted using the improved interview guide. These interviews allowed getting insights about store image attributes as understood by customers.

3.5.7 Language in the interviews

It is important to mention that the official interviewing language was Lithuanian. To avoid discrepancies during the interviews' translation process, a few interviews were double-checked with the 'back-translation' by both researchers (Bryman & Bell, 2007, p. 496). As a reason, this

process is very time-consuming, thus, twelve interviews were taken purposively to end the research on the required due date.

3.5.8 Primary data collection method

For the additional information researchers made two semi-structured interviews with the Rimi Baltic marketing department director in Lithuania in order to receive major insights about the store services, strategies, marketing activities and problematic areas which would require in-depth analysis. In other words, the main reason to have these interviews was to find out the possible gap in the Rimi Baltic chain studies about the store image, contribute to the marketing department and investigate more in the field of problematic areas. Additionally, semi-structured interviews were made purposively only with the Rimi Baltic marketing director, because this person is responsible for every marketing activity operating in Lithuania. Therefore, eight people in marketing department tend to follow the rules and processes provided or approved by the Rimi Baltic marketing director – Robertas Liudvinavicius. During the primary interview, marketing director supported researchers' choice to interview him as the main representative person for the management perspective.

Furthermore, observations involved the documented advertising material such as fliers, special newspapers to customers and posters. Some of the newest advertising material was also presented by the marketing director during the interviews. For example, he introduced researchers with the new marketing campaign “new era for the prices – now customers can find out even more discounts than ever before” (Liudvinavicius, 2010). In general, the observation method is a simplistic way of gathering additional data on store image attributes which might be not mentioned during the interviews

3.6 Qualitative Data Analysis – Grounded Theory

First, interviews were recorded and then transcribed. As Bryman and Bell (2007) emphasize the transcriptions are necessary for the validation of data. When transcribing the interviews researchers tended to rewrite information as exactly as possible and after that the brief summary of major findings was prepared, as well. To be more specific, the qualitative data analysis in this thesis follows the recommendations by Miles and Huberman (1994) and Bryman and Bell (2007).

There are two main different strategies when evaluating qualitative data including analytic induction and grounded theory. When following the analytic induction strategy researchers test hypothetical facts with the purpose to find out universal explanations. On the other hand, grounded theory is the most common strategy used for analyzing qualitative data. The typical characteristic of this approach is the close connection between data collection, the analysis of data and the development of theory (Bryman & Bell, 2007). Additionally, the main benefit of this strategy is that researcher has a possibility to be closer to the data. In other words, grounded theory focuses more on the inductive approach and it aims to develop a new theory, thus it is followed in this thesis. To be more specific, researchers are aiming to present the empirical model relevant to the development of the new insights about customers' perceptions of store image and potential of photo elicitation in Lithuanian food retailing industry.

3.7 The process of data analysis

The main analysis tool of qualitative data analysis here is presented as coding. As Bryman and Bell (2007, p. 593) define coding is “the starting point for most forms of qualitative data analysis, including ethnography”. In addition to this, Miles and Huberman (1994, p. 56) explain that “codes are tags or labels for assigning units of meaning to the descriptive or inferential information compiled during a study”. At the same time, Miles and Huberman (1994) advise to start coding by creating a “start list” of codes prior to the research. Researchers aimed to have the ‘start list’ including two dimensions – tangible and intangible, while the specific attributes were related to each dimension during the process of coding (Appendix 4). Thus, researchers were focused more on the deductive approach in this step because the coding was already consulted with the theoretical background from the literature review. At the coding stage, the interview transcripts were read attentively while attaching meaningful codes to the important pieces of information. Codes were attached to the essential words, phrases, sentences or whole paragraphs. In such way, data was reduced, abstracted and simplified for further analysis (Miles & Huberman, 1994).

After the coding, the data was categorized in the main themes and discussed among researchers by involving two dimensions – tangible and intangible. As a result, the collected data need to be categorized before it can be analyzed. This step assists in achieving meaningful results and not only representing impressionistic aspects (Saunders, Lewis & Thornhill, 1997).

3.8 Issues of the Reliability and Validity

When establishing and analyzing the qualitative data, the aspect of reliability and validity becomes very essential to consider. Yin (2003) supports this fact by stating that in order to develop a high quality study, researchers tend to ensure and evaluate the aspects of validity and reliability.

The reliability concerns if the procedures used throughout the research are documented in the proper and reliable manner (Bryman & Bell, 2007). At the same time, the aspect of reliability tends to investigate if the identical study could be developed and replicated once again that could develop the identical study (Yin, 2003). In other words, reliability focuses on the question if the results of the research are repeatable (Bryman & Bell, 2007). Taking this research into account, reliability is ensured by reaching the theoretical saturation (trustworthy research). In addition to this, after the photo elicitation interviews, the researchers have had several discussions about the respondents' answers. In this way, they were sharing received insights and summarized upon what was said. Bryman and Bell (2007, p. 410) state that this step is critical when researchers want to increase the reliability level. In general, if the method is repeated again, researchers tend to receive similar conclusions (empirical model).

When talking about the validity, it refers to the fact of how well the methods which were employed by the researchers measure the results (Yin, 2003; Bryman & Bell, 2007). On the other hand, Bryman and Bell (2007, p. 410) state that "since measurement is not a major preoccupation among qualitative researchers, the issue of validity would seem to have little bearing on qualitative studies". It means that the aspect of validity is challenging to explain when researchers are employing the qualitative strategy, thus the new alternative criteria such as credibility is presented (Bryman & Bell, 2010). Shortly, the main tool when analyzing the data was coding. As Cho and Trent (2010) state there is a validity risk when one researcher is evaluating and interpreting data. Thus, both of the researchers tended to participate in every interview together and evaluate the data by back-translation (if needed) in order to double-check the translation and the 'general' meaning of every participant's perceptions.

CHAPTER 4 – BACKGROUND INFORMATION OF LITHUANIAN INDUSTRY AND RIMI BALTIC COMPANY

The home market, including short history of Lithuania and peculiarities in food retailing industry are overviewed in this part. In addition, company which was selected for this research is presented further on.

In order to gain better understanding of the home market for this thesis, section below presents overview of Lithuania including historical peculiarities and the current situation in food retail market. Moreover, Rimi Baltic company is presented in further paragraphs including its' history, statistical information and operations in general.

4.1 Short history of Lithuania

Lithuania is „country of north-central Europe on the Baltic Sea. Settled perhaps as early as 1500 B.C., the area was unified in the 13th century and became one of the largest states of medieval Europe. Lithuania merged with Poland in 1569 but was absorbed into Russia by three partitions of Poland (1772, 1793, and 1795). The independent country of Lithuania existed from 1918 to 1940, when it became a constituent republic of the USSR. Occupied by Germany from 1941 to 1944, it reverted to Soviet rule after World War II and was known as the Lithuanian Soviet Socialist Republic before achieving independence in 1991“ (Farlex Dictionary, 2010).

This dictionary definition of Lithuania perfectly describes the history of this country in the shortest way. Located in north-central Europe, on the eastern edge of the Baltic Sea, Lithuania has long and very interesting history. Occupied by many invaders, this country faced many difficulties on the way towards recognition. Lithuania was occupied by former U.S.S.R (Union of Soviet Socialist Republics) and were under its control from the Second World War till 1991. Hopefully, Lithuania was the only one among other Baltic States countries that had ever enjoyed a period of independence. Probably that is the reason why Lithuania was the first among other countries which declare its independence from the USSR on March 11, 1990. Announcing independency was very hard step but desire to receive world-wide recognition was even harder.

The rebirth of the Baltic countries was different from the self-emancipation of the other European nations which had suffered the burden of oppression: not only did they have to liberate

themselves from communism, but they also had to regain the most basic right - existence (Hroarsson, 2005). Lithuania as well as other Baltic countries had to liberate itself not only from the Soviet bloc, but also from the state of non-existence, in the most literal and political sense. However, after regaining independence Lithuania had made steady progress, shifting away from the former Soviet Union to Western markets. The crisis in Russia in 1998 affected all Baltic States, while in 2000 all Baltic countries had a positive GDP (Gross Domestic Product). In 2003 Baltics had the fastest growing rank among other Europe countries (Baltic Economic Stats, 2004). Additionally, all three Baltic States became members of the European Union and joined North Atlantic Treaty Organization in 2004. To end up, Lithuania has the largest population (3.3 million), followed by Latvia (2.2 million) and Estonia (1.3 million). The same sequence is when total area and GDP (Gross Domestic Product) is taken into consideration.

4.2 Lithuania

Lithuania is one of the most economic stable countries as reported by Department of Statistics (2010). Hence, foreign direct investment in Lithuania as presented in Appendix 5 amounted to EUR 9,64 billion in 2009 (5,3 percent more than in 2008) and number of total goods imported in this country exceed EUR 1,3 billion (Ibid, 2010). Moreover, the largest investment during 2009 was made by Sweden (EUR 1,14 billion), followed by Poland, Denmark, Germany and Holland investors. The largest investment was made in manufacturing industry and reached 27,7 percent. On the other hand, retail sector received 13,4 percent of total foreign investment (Ibid, 2010). Key foreign investors in Lithuania is Swedish telecommunication company “TeliaSonera”, US company – “Philipp Morris”, Polish company “Orlen” and Danish company “DSV” (Ibid, 2010). Lithuanian government define foreign investors as the fundamental key to the economic future and therefore provides various incentives and support programs such as provide tax benefits, develop industrial parks with industrial infrastructure or free economic zones.

4.2.1 Food retail sector in Lithuania

Due to the sensitive and challenging history, everything manufactured in Lithuania prior to 1990 was presented to the world under the label ‘Made in USSR’. However, situation has changed. As Sutkus, the executive director of the Lithuanian Association of Trade Enterprises, stresses retailers were the ones that set the economic engine to drive the shift from a centrally planned management to a market economy after Lithuanian gained independence (Putelyte, 2006). Large investments have been transferred into establishment of new shops with a possibility to taste

products not only made by locals but try goods which were produced in foreign countries as well. Putelyte (2006) notices that during the year of 2006 Lithuania was ranked pretty high in the mass grocery retail sector comparing with other Central and Eastern market.

While global retail industry is recovering from the recession, currently Lithuanian food retail industry is growing in the number of turnover. Department of Statistics in Lithuania (2010) presents that in March 2010 (comparing to February 2010) the turnover of enterprises trading in food goods increased by 14.4 percent. At the same time, the turnover of food and beverage service enterprises (VAT excluded) in March 2010 reached profit of LTL 61.4 million (in 2009, LTL 72.2 million) and in contrast to February, 2010, it increased by 11.8 percent at constant prices. To be more specific, numbers of turnover growth are presented in the Figure 7 below.

Figure 7: Turnover (VAT excluded) in trade

Turnover (VAT excluded) in trade and catering enterprises, indices by kind of economic activity, statistical indicator and year

	2000	2001	2002	2003	2004	2005	2006	2007	2008
52112000 Retail sale of food products, alcoholic beverages and tobacco									
Turnover (VAT excluded), at current prices, LTL million	5 701.7	5 660.9	6 067.7	6 586.8	7 239.1	7 978.7	8 903.5	10 555.3	12 499.2
Index as compared to previous year, at constant prices, %	..	96.5	107.6	111.1	107.3	106.9	106.5	107.7	102.4
Index as compared to 2000, at constant prices, %	..	96.5	103.8	115.3	123.7	132.1	140.7	151.6	155.2

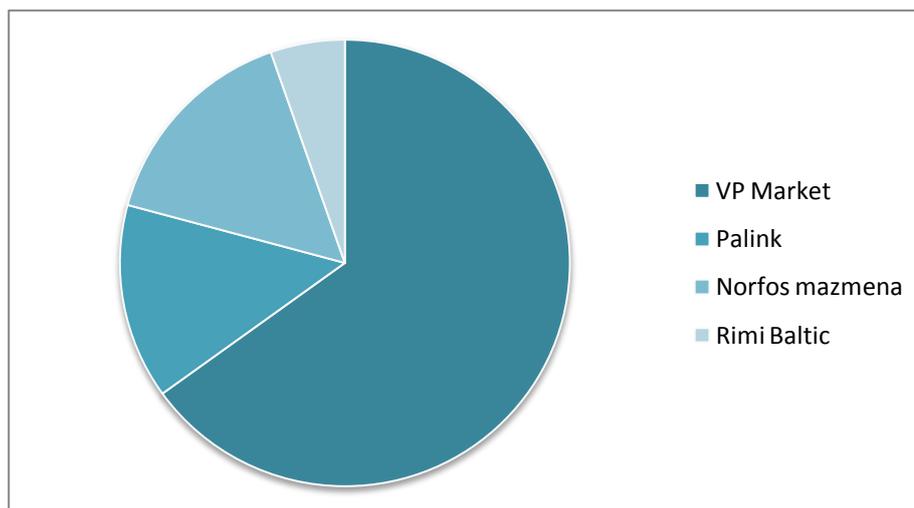
Source: Department of Statistics, 2010

However, this growth of the potential customers as well as increased profitability of the industry attract new competition and make the existing one more severe. Because of this fact companies are looking for various strategies to increase their positions in the market. Often, pricing is used to attract new customers, retain existing customers and expand the market share. Yet, pricing alone does not provide sustainable strategies for all companies. Arguably, a more sustainable

strategy is differentiation. Store image, when planned and implemented successfully can aid retailers to differentiate their company. Thus, it is relevant to understand of “how do best retailers build the brand image, how can they best sustain it and what are the best options if they lose the position” (Davies et al. 2000, p.32). This understanding assists retail marketer’s to look for possibilities to add value to utility of place rather than challenging store marketing strategies only on price and convenient location (Ibid, 2001).

In order to understand the greatest ways of how to develop store image and find out how valuable store image is to customers, first it is essential to identify the challenges which food retailing companies are facing. Business Wire (2008) represents that the main concerns for the retailers in Lithuania are related to consolidation. This sector is dominated by one highly competitive Lithuanian company branded as VP Market. Rimi Baltic remains the only one foreign player in the market. Baltic International Centre for Policy Studies announced that Lithuania has the highest degree of concentration in the grocery sector among all three Baltic States including four powerful players operating in the market. However, Sutkus emphasizes that concentration in the retail sector does not always mean that market is mature in itself (Putelyte, 2006). The distribution of the food retail market share in Lithuania is provided in the graph below.

Figure 8: Distribution of the food retailing market share in Lithuania



Source: Department of Statistics, 2010

Another challenge is related to the decreasing number of retail stores from 8305 (in 2008) to 8115 in 2009. Disappointedly, it is expected that this number will fall by 3 percent till the end of 2010 (Euromonitor International, 2010). Naujokaite cited in Sabakonyte (2010) stresses that the

number of low-price food stores or in other words – discounters has grown over the last couple years. Difficult economic situation and lower incomes forced consumers to look for cheaper products and various discounts.

Finally, Lithuanians' shopping habits should be taken into consideration. While western part of Europe is taking about 'entertaining shopping experience' or 'shoppertainment' (Bäckström, Johansson, 2006), in Lithuania shopping is identified as an essential part of daily survival. Representatives of the major Lithuanian supermarkets stress that Lithuanians go to the groceries with already planned list and always try to avoid unplanned spending. Customers are no longer spontaneous; they plan their purchases very carefully and they are always aware of various discounts or sales. While customers prepare a list before the actual shopping experience starts, they know exactly what they will purchase and how much it will cost (Laurinaityte, 2010). According to the consumer studies prepared by Lithuanian individual companies, the citizens of this country value information about sales and discounts in the food retail stores (Lietuvos Rytas, 2007). For 48 percent of Lithuanians information about sales is very important, comparing with 31 percent in Estonia and 27 percent in Latvia. Moreover, it is claimed that Lithuanians are not loyal to one particular shop while the index of customer loyalty towards specific store is 63 points out of 100. Worldwide loyalty is considered satisfactory if the index is at least 75 (Ibid, 2007). However, it is essential to mention that unlike Latvians and Estonians, Lithuanians continue to be very demanding of service quality (Laurinaityte, 2010).

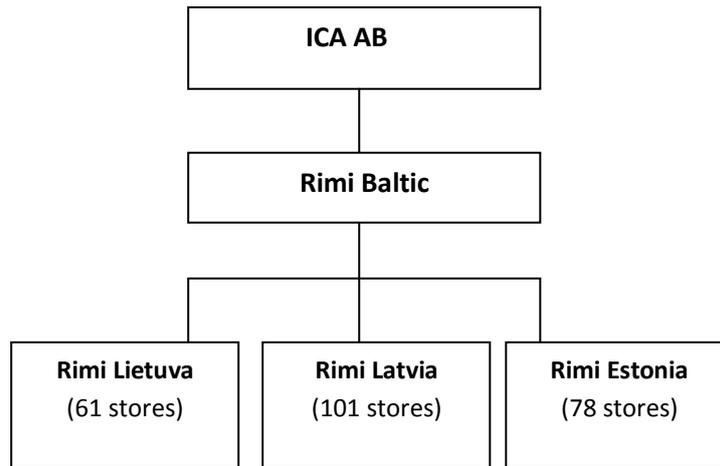
After presenting the home market of the research, international company Rimi Baltic which is analyzed in this study is presented in the following section.

4.3 Rimi Baltic

The owner of Rimi Baltic - the Swedish company ICA AB, could be named as the leading retailer in the Scandinavian region which has about 2300 stores in Baltic and Nordic countries (Rimi Baltic, 2010). 60 percent of ICA AB shares belong to Netherlands-based Royal Ahold N.V. while the rest 40 percent has Hakon Invest AB.

Rimi Baltic in 2005 was established as a joint venture between ICA and Kesko Livs while year later ICA AB bought all Kesko Livs shares and became a subsidiary of ICA AB company. The graph below clarifies the subordination of Rimi Baltic.

Figure 9: ICA AB food retail stores



Source: Rimi Baltic, 2010

Rimi Baltic in the Baltic States operates in three chains: Rimi hypermarkets, Rimi supermarkets and Supernetto. Following the vision “to make every day a little easier”, Rimi Baltic tries to implement its’ mission to become the leading retailer (Rimi Baltic, 2010). As Rimi Baltic core values convey, this company try to be simple (offering simple solutions for everyday life), personal (having close dialogue with customers), inspiring (creating new experiences and opportunities) and trustworthy (ensuring good service and products quality) (Ibid, 2010).

Currently, Rimi Baltic retail stores are situated in 22 Lithuanian cities employing 3000 workers all over the country. Being on the fourth place in Lithuanian market, Rimi Baltic in Lithuania consists of 14 Rimi Hypermarkets (big shopping centres), 26 Rimi Supermarket (smaller food stores) and 21 Supernetto (hard-discount stores) (Rimi Lithuania, 2010).

Financial data shows that on the 1st quarter 2010 Rimi Baltic experienced negative change in all three Baltic countries. Graph below visualizes the current situation.

Figure 10: Rimi Baltic Group’s store sales the 1st quarter 2010, excluding VAT

	Million, EUR	Change, %
Rimi Eesti Food	80.2	-10.2%
Rimi Latvia	123.5	-14.9%
Rimi Lietuva	50.6	-19.5%
Rimi Baltic Group, total	254.3	-14.5%

Source: Rimi Baltic, 2010

Rimi Baltic reacted to this negative change and at the beginning of the year 2010 they presented new 'I love eco' ecological products line, couple months later Rimi private brand was presented. Moreover, this company also has '%' brand (lower price products) and tries to offer customer products from various price levels (Rimi Baltic, 2010).

Furthermore, it is significant to stress, that Rimi Baltic does not originate itself as being Swedish capital company (Liudvinavicius, 2010). For example, customers are able to find products marked by 'ICA' private brand in Rimi Lithuania; however, this brand is not presented as Rimi Baltic 'mother' company – ICA AB private brand line.

CHAPTER 5 – EMPIRICAL FINDINGS AND ANALYSIS

This section presents empirical findings and discussion emerging from the research. The chapter starts with the overview of the two store image dimensions including intangible and tangible attributes. Further on, each dimension is divided into individual components where specific attributes under each dimension are discussed. Next, an empirical model and the general implications are provided. Following that, additional results about the relationship between store and brand image is revealed.

*‘What makes consumers buy where they do? Not price, not quality, not service,
but...the personality of the retail store’*

(Martineau, 1958, p. 47)

By using this quote, researchers aim to present the personality of the Rimi Baltic store expressed by the customer in this section. Taking into consideration the significant amount of data, researchers aim to divide results into two main dimensions which include both intangible and tangible store image attributes. As it was mentioned previously in the chapter of theoretical foundation, this specific division is also supported by the theory particularly including Martineau (1958), Kotler (1973), Downs (1970) and Kupke et al (2002) as an example, who state that store image attributes could be analyzed focusing on the tangible (physical or functional qualities) and intangible (psychological factors) nature. Both dimensions include variety of store image attributes perceived by Lithuanian customers as evidenced by the associations to the Rimi store. Every attribute is discussed under separate paragraphs. Further on, empirics and analysis are connected together in this chapter because analysis of this study requires the employment of empirical examples in order to enable the reader to follow and understand the empirical data better.

5.1 Intangible dimension

To be more precise, physical intangibility refers to the idea that objects cannot be touched, thus they are impalpable (Lovelock & Gummesson, 2004). Even though intangible store image attributes are more complicated to discuss during the interviews, it is even more difficult to take pictures representing intangible attributes. Interestingly enough, this research is able to represent the intangible attributes and they are extensively discussed even though the photo elicitation method is used. In other words, even though customers didn't take pictures of intangible

attributes, they still mentioned them and provided minor insights during the interviews. Before the actual in depth representation of the results it is important to remember the fact that researchers didn't provide pre-determined categories of store image attributes to the customers, thus customers had total freedom to express their own associations to the Rimi store and categorize the attributes by themselves individually. It also important to state, that even though researchers tried to avoid comparisons with other stores, customers compare every store unconsciously. This fact strengthens the need for having the 'sharp character' and strong store image which increase store choice, loyalty and customers' satisfaction presented previously in the theory and taken into consideration when developing the empirical model.

In contrast, the first significant finding is related to the intangible dimension emphasizing that even though customers tend to be challenged in taking pictures of intangible aspects they are still associating intangible attributes as relevant to the Rimi store. Further on, each of the attributes of intangible dimension is discussed in more comprehensive manner below. The representations of attributes are consulted from Kotler's (1973) atmospherics and include visual, aural and tactile attributes by excluding the category of olfactory (smell) attributes. In addition, Bäckström and Johansson (2006) emphasize that atmospherics is frequently used to describe intangible aspects thus the same aspect is followed in this research.

5.1.1. Visual attribute: Rimi Baltic store's color is red, yellow price billboards and bright food sections

When asked to categorize photos in the specific themes and identify these themes by giving a name, nine out of twelve respondents selected to name their photos into a specific category by giving a name of colors, lightning, store atmosphere or even the brand logo itself. To be more precise, researchers tend to analyze customers' interpretations by taking the category of visual atmospherics introduced by Kotler (1973). As referred to by Kotler (1973) visual attributes includes colors, brightness, size and shapes. In contrast, the majority of the customers in this research paid significant attention to the colors and brightness presented by excluding the elements of size and shape.

When respondents 3 and 4 wanted to take a picture of the colors existing in the store, the Rimi brand logo was chosen as the best and most suitable choice for the photo (Appendix 6). Both of the respondents mentioned that the red color is dominating. Additionally, respondent 5 also emphasized that the red color associates only with Rimi and in response to this, he chose to take

a picture of red basket. In general, when respondents were discussing visual associations, they mentioned that different food retailing companies have different colors whereas red color is known to be Rimi's color. It is essential to add that the visual dimension has been widely analyzed through many scientific studies and laboratory-based experiments. Hayne (1981, cited in McGoldrick, 2002, p. 461) introduces that the color red has a very stimulating psychological effect together with warm temperature and close distances.

Continuing on the topic of colors, during the interviews some respondents related to the yellow price tags and billboards. A couple of the customers identified yellow blackboards communication strategy as personal and very well developed. Respondent 1 argued that the way yellow blackboards are represented in hand-written form haven't been noticed anywhere else. This retailer strategy creates personal and human relationship in the store. In addition to it, the group of pensioners introduced the idea that they tend to follow yellow information specifically related to the discounts because they make shopping experience more comfortable and help customers to orientate in the store better (Appendix 7). In contrast, few of the respondents stressed that yellow billboards start to irritate them, thus, negative perceptions about the strategy used for the colors' representation were also noticed. This could happen because of the possible visual overstimulation in the shopping area (McGoldrick, 2002). To be more specific, customers argued that yellow billboards and information about the prices are annoying and used too often in the store. Respondents were straightforward by stating:

"I don't like how the prices are presented. I mean, that these colors (yellow and red) are so bright that it starts to irritate me...I think that managers want to show all of the discounts, and it is good, especially for me. But, maybe they shouldn't use so many billboards because sometimes it is even hard to distinguish one from another because of too many in the same place" (Respondent 9)

"At the entrance, there are so many notes in yellow color about all discounts which sometimes are too annoying" (Respondent 7)

When discussing photos related to colors, one more participant suggested including the aspect of bright colors existing in the store. As a result, he was focused on different food sections which represented different colors and distinguished one food section from another (Appendix 8):

"I like the bright colors in different food sections, they create warm atmosphere and it seems that everything here is relaxing, welcoming and without any pressure..." (Respondent 1)

Besides, Rossotti (1983 cited in McGoldrick, 2002, p. 461) refers that primary and bright colors tend to create a feeling of excitement and pleasure.

When discussing the importance of brightness, the aspect of bright lighting was mentioned by the customer during interview. Hence, respondent 4 emphasized this attribute as important by saying she hasn't noticed anywhere else that lighting would be so bright in the store. As a reason, she supports that the usage of such lighting creates a comfortable environment when searching for the products. She added that bright lighting creates the positive mood and represents the sunny day to her. In general, even though research in this specific area is still lacking, Rook (1987, cited in McGoldrick, 2002, p. 462) introduces that bright lighting helps to attract customers for impulse purchases. This fact would be interesting to develop more during the interviews; unfortunately no more participants mentioned this aspect during interviews.

Finally, it is essential to investigate the characteristics of the different demographics. As it was mentioned in the methodology chapter, researchers do not intend to compare the groups because of the number of respondents and the possible difficulties in satisfying reliability requirements. On the other hand, researchers asked customers to rank their most important attributes, in order to receive insights into which store image attribute is most valuable and noticeable to each person individually. Talking about the aspect of colors, the student group often emphasized this attribute as one of the most popular associations to the Rimi store image. As a result, two customers out of four ranked this theme in first place. More information about the results of the first association to the Rimi store is presented in the Figure 11. In other words, this table represents one of the key findings by showing the most noticeable, valuable and first attribute perceived by customers. This chart clearly demonstrates that most participants' attention is given to the layout (selling environment) and price (merchandise).

Figure 11 – First attribute ranked by the customers

Respondents	Occupation	First attribute ranked	Category
Respondent 1	Student	Feelings, positive (light) mood	FEELINGS
Respondent 2	Student	Assortment	MERCHANDISE
Respondent 3	Student	Colors	VISUAL
Respondent 4	Student	Colors	VISUAL
Respondent 5	Target market	Layout	SELLING ENVIRONMENT
Respondent 6	Target market	Assortment	MERCHANDISE
Respondent 7	Target market	Price	MERCHANDISE
Respondent 8	Target market	Layout	SELLING ENVIRONMENT
Respondent 9	Pensioner	Price (including special discounts)	MERCHANDISE
Respondent 10	Pensioner	Price	MERCHANDISE

Respondent 11	Pensioner	Price	MERCHANDISE
Respondent 12	Pensioner	Layout	SELLING ENV.

5.1.2 Aural attribute: not irritating music

In this section customers tended to argue more on the category individually defined as music or store atmosphere itself. In addition, researchers tend to relate these results to one of the Kotler's (1973) atmospherics traditionally defined as aural. Kotler (1973) identifies that aural attributes or, in other words, sound attributes includes the aspects of volume, pitch and tempo. In this research, customers concentrated more on the characteristics of overall sound (music) attributes. In general, aural category's benefits to the retailers are widely discussed not only in the literature but also in practice (e.g Milliman, 1982; Yalch & Spangenberg, 2000; Jones, 1996 cited in McGoldrick, 2002), As it was mentioned in the chapter of theoretical foundation, McGoldrick (2002) reflects the right choice of music influence sales volume, it can improve customer's disposition while waiting for service, impact unplanned shopping or even prolong the time spent in the shop. Even though not one of the participants took a picture representing music attributes, six customers mentioned and discussed more about this attribute during the interviews. This topic was mostly discussed when the question whether there were some things that respondents couldn't take photographs of was asked by the researchers. In some cases, music attributes were discussed when customers tried to relate and present their regular shopping experience. It is essential to mention, that researchers aimed not to give any clues especially about intangible attributes in order to receive customers' perceptions only without creating any pressure. On the other hand, when researchers caught any slight or minor insight about the intangible attributes, they tended to continue and enrich discussion in order to provide more detailed results. The majority of the respondents noticed the positive side of the music which was playing in the store by stating:

“...When I was in the shop...I remember music....I liked music, it didn't irritate me” (Respondent1) or “Music was calm and not annoying me when shopping” (Respondent7).

On the other hand, respondent 6 argued that music is not so important in the process of shopping and the development of store image associations, as well. A couple of the respondents raised the question of whether music was playing at all during the shopping experience (Respondent 5 and 6). Further on, one of the respondents remembered that during the time she was shopping she heard the advertising which was related to disabled people and their parking places. This

attribute discussed during the topic of music also could be related to the corporate social responsibility issues. Therefore, this customer who was aware of noticing this fact, said:

“I just remembered when I was in the shop, I heard an advertising about disable people and their parking places...I like that instead of stupid ads, they are more people-oriented and care about them” (Respondent 4).

In general, the most active group when talking about the factor of music was the representatives of the target group. All of the participants mentioned the characteristics of music during the interviews. It is important to state, that during the process of taking photographs, couple of participants started the discussion with researchers about the music playing in the store. Unfortunately, researchers do not discuss more about these minor conversations, because it was not their primary intention to provoke discussion when customers were taking pictures.

5.1.3 Tactile attribute: touching sensors expressed through cleanliness

‘We live in a tactile-deprived society, and shopping is one of our few chances to freely experience the material world firsthand’

(Underhill, 2000, cited in McGoldrick, 2002, p. 464)

First, researchers aim to relate received results about this topic to Kotler (1973) who introduces the tactile (touch) attributes. Even though as Kotler (1973) declares this dimension consists of softness, smoothness and temperature, customers in this research mostly discussed the ‘touch’ aspect and store appearance in general unconsciously excluding information about temperature, smoothness or softness. Even though customers’ insights are minor in this research, they are still very interesting and worth mentioning. In addition, participants didn’t take any photographs of this attribute while, on the other hand, few of them shared their thoughts during the interviews.

Most of the findings of this topic is related to the ‘cleanliness’ characteristics in the Rimi Baltic store. To be more specific, one of the participants was focused on the general view of floor while shopping and in this case she implied the ‘touching’ sensor by saying:

“...everything is so clean and it is even hard to find any trash on the floor”
(Respondent 12)

“I noticed that Rimi stores are clean and very white...I like when the store is clean, it satisfies me, I can spend more time in the store and I feel that I can trust this store” (Respondent 9)

Additionally, more interesting insights were received during the discussion part when another respondent expressed the same idea of cleanliness with a specific focus on the trolleys:

“Sometimes when I come to the shop, I am afraid to touch trolley because it is so dirty... but not here” (Respondent 5)

In general, customers in this research tended to relate tactile dimension more with the feelings of touching expressed through the topic of cleanliness such as clean floor and trolleys. As a result, customers tended to be more familiar with the idea of possible minor tangibility aspects in this intangible tactile attribute relating tactile attribute more to the tangible ‘touching’ features such as floor and trolleys.

5.2. Tangible dimension

A significant amount of photographs and insights about different attributes belonging to the tangible dimension were received in this research. As a result, authors tended to relate these findings to the tangible dimension also supported by the theory presented in the literature review part. It is evident that physical (functional) tangible attributes were more convenient and easier for customers to discuss because the amount of data differs significantly meaning that customers were more open in discussion about tangible dimension. In addition, customers were focusing mostly on selling environment (display and layout), merchandise (price, assortment, quality, and service) and location categories. In general, researchers in this tangible dimension section, tend to introduce the reader with a broad view of tangible attributes while more detailed results are presented under the section of appendixes in the table of findings (Appendix 14).

5.2.1. Selling environment: Display and Layout

The selling environment attribute was one of the most visible, evident and widely discussed by the participants. All of the customers took photographs in order to represent the store environment dimension. When customers were asked to categorize photos in the specific themes and identify these themes by giving a name, twelve out of twelve respondents selected and

named existing photographs to the topic of layout, display, store appearance, exposition or the plan of how products are presented in the store.

5.2.1.1. Display – unique, easy to find products, order of products

Starting with the display, Fletcher (1987 in McGoldrick 2002) states that display performs an important role in providing customers with information environment which assists them in the decision-making processes. It is interesting to mention the psychological factor represented by Nordfält (2010) that “we look at more than we can see”. In other words, customers have strong recognition memory; thus, placing items where retailer can guide consumers in the process of finding goods, increase the chances to boost sales (Nordfält, 2010).

The topic of display was generally focused on the uniqueness and the ease to find desirable products. In other words, majority of the participants perceived the originality of how the products are displayed in the Rimi store by stating that this feature distinguishes this retailer from others (Appendix 9):

“For the first time I saw that alcohol drink are not so categorized like in other shops, for example – wines and strong drinks are in the same place displayed together...I like this strategy, it is easy to choose” (Respondent 3)

“I also took the picture of bread, they are displayed somehow different than in other shops; however, I could not explain that, I just like it and therefore I took picture” (Respondent 5)

Additionally, a few customers tended to be satisfied by the order how the products are presented in the store. It is essential to state that researchers received up to six photographs emphasizing the order and structure of the products’ display (Appendix 10):

“I really like those fridges, milk products are so nicely displayed according to the size of the packing” (Respondent 8)

When talking about demographics particularly, all participants were very active in the process of taking pictures and discussion, thus there is no any significant implications related to the different groups of participants represented in this research.

5.2.1.2. *Layout – convenient to shop, unique and spacious*

The majority of the layout evaluations were positive emphasizing that it assists customers in the store by creating more convenient shopping planning and experience in general than comparing to other competitors. In other words, the major results with the layout attribute are related to customers' perceptions that layout is very convenient and unique. As a result, the feeling of comfortableness and convenience was expressed by emphasizing that exclusive representation of store layout provides a possibility to feel comfortable comparing with negative feelings raised in other shops when layout is seen as an unattractive shopping hall (Respondent 6). Additionally, some of the participants described layout from the technical side focusing more on the ease of circulation in the store (Appendix 11):

“The way how Rimi stores are constructed, something like square, not lines as it is more common in other stores...I like it because it is something untraditional, and I can find products according to different food sections not searching the products while following the lines in other stores” (Respondent 3)

“I chose to take picture of layout and interior itself, because I like that it is different than anywhere else...everything is convenient to reach, you don't need to go round and round while you find desirable products” (Respondent 2)

At the same time, participants enriched the data by emphasizing that they are attracted to the Rimi store because of very spacious area. It is important to mention that when customers were talking about this aspect the comparison with other stores' displays and layout was at the forefront. Additionally, this aspect was challenging in the process of taking pictures, thus, customers tended to reveal more about it during the discussion about layout in general:

“I like that there is so much space that you can organize dance contest there. In other shops you have to wait while one customer with trolley will pass you and then you can go. Nothing similar here” (Respondent 6)

“I think that Rimi stores have convenient and spacious area - it is easy to find products... so, I can easily shop without any additional problems” (Respondent 9)

In general, eleven customers were satisfied with the layout, while one of the participants referred that even though it is difficult to find out the products for her, the display in this store is still unique and distinguishes a lot from the competitors (Respondent 4). It is interesting to mention that three out of twelve customers categorized layout attribute as the most important to the Rimi

store. This fact shows that layout performs an important role because it is visible and critically evaluated by the customers.

To conclude, similar answers about layout varied towards all groups where more attention was given to the fact that the Rimi store is unique, spacious and easy to follow when searching for products. Thus, there are not any significant implications towards the aspect of different groups.

5.2.2. Merchandise attribute: assortment, price, quality and service

As discussed previously in the literature review, merchandise category includes the greatest variety of attributes such as price, quality, assortment, service, etc. (Lindquist, 1974). On the other hand, this research tends to give more focus only on a few of the most discussed attributes such as assortment, price and quality. To start the analyzing of this dimension, it is important to highlight that this group of attributes was the most popular between customers and information received are discussed in a short and concise manner. Talking about all three parts of the merchandise dimension including price, assortment and quality, majority of customers categorized them in the topics such as price, discounts, choice of product, range of products, assortment, variety of products, and quality. It is essential to declare that twelve out of twelve respondents mentioned the merchandise dimension during the interviews whereas each participant included just a few attributes when discussion about this general category by excluding all four (price, quality, service and assortment). Moreover, customers provided at least twelve photographs to the researchers mainly focusing on assortment. In general, customers provided a broad picture of the Rimi store which has high quality, high price standards and wide variety of assortment.

5.2.2.1. Assortment: different and unique, wide variety of products and specific assortment for eco-products

‘There are 25 000 items in the shop whereas a customer only needs 40-45 items to be fully satisfied. So how many do we actually need?’

(Nordfält, 2010)

To begin with the assortment attribute, it is essential to highlight that a large variety of the assortment was appreciated by the majority of customers. Therefore, researchers received many

interpretations related to the wide variety of products which is not so rich in other stores according to the participants. During the interviews, customers emphasized that such assortment distinguishes the Rimi store from the competitors, because some of the customers tend to choose this store only because of the different and unique products it is offering (Respondents 1, 2 and 4). To be more specific, many respondents also emphasized that the Rimi store's assortment distinguishes not only by the variety, but by the representation of the first class, freshness and never seen products before (Appendix 12):

"I especially like how fruits are presented in Rimi store...Fruits associate with feeling of freshness, first class...and it can be found in Rimi store only"
(Respondent 2)

"...I buy vegetables and fruits here, they are fresh and nice like in the market"
(Respondent 7)

"In this photo assortment is different than usual assortment. I like variety of products, some of them are totally different and never seen in other stores"
(Respondent 3)

One of the most interesting findings in this research is related to the eco-products and wide assortment of them presented on the specific label "*I love ECO*" (Appendix 13). When discussing about this topic, customers tended to highlight that the Rimi store, by representing this specific brand of eco-products, attracts their attention and their shopping experiences are enriched by the variety. In addition, respondent 4 added that young people become more interested into eco-products and the Rimi store tends to follow this trend by introducing eye-catching eco-products. On the other hand, majority of the participants emphasized that these products are expensive for them to purchase. The same ideas were expressed by respondent 7 who mostly focused on stating that the section of eco-products is valuable to the whole family and especially to children. In general, three out of four customers reported that the variety of eco products is different comparing to other stores:

"I like the eco products, how they are presented and the variety because you have what to choose from...I haven't seen in other shops that eco products would be so distinguished from other products..Thus, they have this differentiation. To be honest, I would like to buy these products, but the only problem is that they are quite expensive for me" (Respondent 2)

"These products (eco products, gummies) are very eye-catching and colorful, I like the way how they are presented, the first intention is to buy everything"
(Respondent 1)

"I guess that young people become more interested in eco products, thus, Rimi is doing great by presenting wide variety of eco products...the way how they were

presented in the store attracted me to pay attention..it was eye-catching...the only problem that they are too expensive..” (Respondent 4)

Summing up, the topic of assortment was enriched by the number of photographs and customers’ discussion during the interviews. Two out of twelve customers ranked the assortment as the first attribute to the Rimi store while others were more descriptive in the discussion. Taking the fact of different age groups into consideration, no significant changes or implications were noticed by the researchers.

5.2.2.2. Price: high

‘Price for the product does not consist only of the product itself...if you are paying 10 cents more but get additional service – you feel that you spend your money correctly. Customers who are searching just for the very cheap products, probably will think that they paid way too much’

(Liudvinavicius, 2010)

Taking the aspect of price into consideration, the majority of customers related the Rimi store with high price. In addition, this attribute was the most popular when customers were asked to introduce the first attribute to the Rimi store in their mind. Precisely, four out of twelve respondents ranked price in the first place. In general, the major association to the price was that it is high and majority of customers stated this fact by saying:

“For me prices are very important, I noticed that even though Rimi provides a wide variety of product, they are still very expensive” (Respondent 9)

“The price is most important to me, that’s why I took a picture of the price...here, they are very high, everything is expensive.” (Respondent 10)

One more attention-grabbing idea was related to the discounts and the discount cards. Some of the customers stated that while the price is high in the Rimi store they are searching for discounted products (Respondent 9 and 12). On the other hand, respondent 8 noticed that the Rimi store offers good and popular discounted products rather than out of favor and not widely used:

“I really like that there are discounts for good products, not only for those which is generally not widely used” (Respondent 8)

In relation to the topic of discounts, the Rimi store doesn't have discount cards yet, because it is long-term investment and Rimi company is still developing it (Liudvinavicius, 2010). This fact becomes very severe when customers start to compare Rimi with other grocery stores. A couple of respondents stated that by not having discounts cards, Rimi makes shopping more complicated because other stores offer better deals and special 'days' to the owners of discount cards (Respondent 2 and 9). To be more specific, respondent 9 gave researchers an example:

“They don't have discount cards and this complicates a bit my decision, because for example, other shop has a specific day “Senjoru Diena” [special discounts day for elder people] where they are offering 10% on Tuesdays, but here..nothing similar...” (Respondent 9)

Taking demographics into account, the most active group when discussing the attribute of price, was the group which represents pensioners in this particular research. Three out of four pensioners categorized the factor of price as the most important association to the store image and ranked it in the first place. On the other hand, all customers provided some insights about this specific category and no considerable implications can be drawn from the demographic breakdown in responses.

5.2.2.3. Quality: high

Talking about the last attribute in the merchandise category presented in this research, quality was associated to high standards by the customers (Respondents 2 and 6).

“One of the first impressions about Rimi store is high quality” (Respondent 2)

Majority of the participants mentioned this attribute when they were discussing about the topic of price. Unfortunately, the researchers are not able to represent the reader with photo, because no one took them. Additionally, customers tended to relate price together with quality stating that high quality in the store makes the prices higher. In other words, customers introduced the aspect of 'fair price' because the high quality requires higher prices, and this is acceptable:

“Price is high but you can pay a bit more for better quality products. It is logical: you pay more but get better quality” (Respondent 6)

5.2.2.4. *Service: helpful sales personnel*

‘We are aiming for excellent service, but here we face Lithuanian mentality. Cashier could not sit and smile all the time. Lithuanians are not Americans who can smile all the time and always ask whether you need help or not.’

(Liudvinavicius, 2010)

Despite all the marketing tools such as advertising, the actual service that could be received by a customer is intangible and thus cannot be pre-tested or easily evaluated before consumption (Grönroos, 2007). In this research, customers provided more insights about the sales personnel particularly. To be more precise, when discussing this attribute with the participants the most visible associations were related to the sales personnel who care and are always available to help (Respondents 1 and 9). McGoldrick (2002) emphasizes that sales people influence consumers’ perceptions of the store image and assist to create positive emotional responses. In addition to this, there was a limitation of the photo elicitation method itself because participants didn’t take any pictures of the sales personnel. More on this limitation is provided under the chapter of conclusions and recommendations.

On the other hand, when discussing the aspect of sales personnel, the group of pensioners commented on this issue the most. For example, one of the respondents was trying to picture of the impression received during the moment when she was taking the photographs. Thus, customers noticed that sales personnel are very helpful to other people who are shopping in the store. At the same time, one of the customers was very enthusiastic about the store personnel when explaining that the Rimi store has helpful personnel:

“I like that sales personnel are young and nice females, like in other shops here they help a lot if you are searching for products” (Respondent 9)

“I did not meet any sales personnel in the store except cashiers. If I want to ask something or could not read and need help, nobody could help me while there is no sales personnel” (Respondent 12)

5.2.3. **Convenience: Location**

‘The adage, that the three most important things in retailing are ‘location, location and location’, may be old but it is still frequently reiterated’

(McGoldrick, 2002, p. 235)

5.2.3.1. Location: positive and negative perceptions toward convenience to reach the Rimi store

It is important to state, that this photograph-based study still provided more in-depth insights about the associations to location because this method is able to “capture the impossible, of seeming to retrieve something that has disappeared, and is appropriate to questions of space and place that have been neglected in text-based qualitative research“(Kent & Kirby, 2009, p.459).

At this point, customers had two different opinions about the location expressing the positive side of the accessibility and negative side emphasizing the problems to reach the store. This section doesn't include any photographs, because of the limitations created by the researchers. More on this is presented in the chapter of conclusions and recommendations. Despite this fact, customers were expressive about the location during the interviews. As McGoldrick & Ibrahim (2002, cited in McGoldrick, 2002, p. 241) reflect “in spite of pressures to increase use of public transport, accessibility is still sometimes seen as synonymous with driving times and parking provision”. Rimi stores do not have the best location while now one of the strategies is to establish shops in the recently built strategic places where the potential of the new customers exists (Liudvinavicius, 2010). The main associations to the location attribute were related to the topic of location from home and accessibility. Thus, those respondents who are living closer to the Rimi store such as respondent 8 lived in the walking distance of 5 minutes accentuated that the location is very convenient to shop (Respondent 5 and 12). On the other hand, customers who are living in the central part of the city stated that they do not have other choice then to choose other alternatives.

In addition, one of the participants stated:

“I do not have car so it is pretty hard for me to reach; therefore I go to Maxima or Norfa more often, they are closer to my home” (Respondent 6)

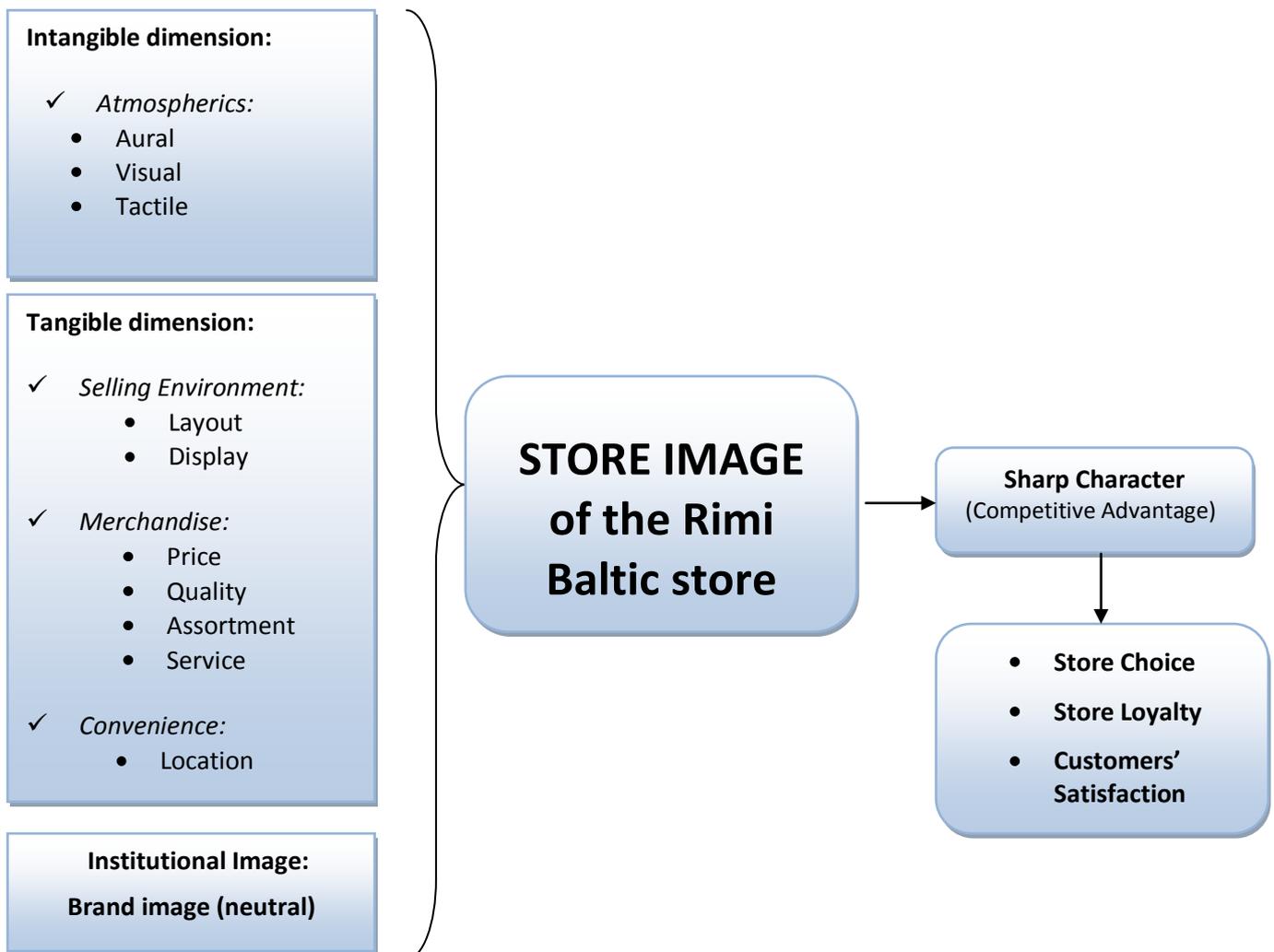
“I have some walking difficulties and this shop is too far from my home; thus it is pretty hard for me to reach it” (Respondent 9)

Unfortunately, due to the location, Rimi tends to lose some customers. Thus, it needs to offer other attractive attributes in order to make people use public transport or go a bit further and visit it. Further on, when talking about demographics, the topic of location was more evident to the pensioners. No more significant issues are related to the aspect of demographics.

5.3. Empirical Model Representing the Store Image of the Rimi Store

Confirming the suggestions made by Martineau (1958) as well as Kotler (1973) and Lindquist (1974), the empirical research conducted here suggests that the components of the Rimi store image fall into two dimensions: intangible and tangible. As it was mentioned through all of this section, the personality of intangible store image in Rimi food retailing industry is described by involving visual, aural and tactile attributes. On the other hand, tangible dimension in this research tends to include selling environment (layout and display), merchandise (assortment, price, quality and service) and convenience (location) attributes. As it was already mentioned, successful customers' evaluation of store image leads to store choice, store loyalty and customer satisfaction (Baker, Parasuraman, Grewal & Voss, 2002). Summarized empirical data is presented in the model below:

Figure 12 - Summarized Empirical Model



To start the detailed explanation of this model, it is essential to state that it includes one additional finding which is very interesting and relevant to mention. Therefore, researchers tend to include the aspect of brand image. First, brand image is defined as an “impression in the consumers' mind of a brand's total personality (real and imaginary qualities and shortcomings)” (Business dictionary, 2010). In other words, Roth (1992) emphasizes that brand image can be also explained as “the meanings consumers’ associate with the product” where they are interpreted as consumers’ perceptions of the brand through advertising and other marketing related activities. To be more specific, brand image tends to be a part of the store image in general. In this research, the majority of the customers were positive towards the Rimi store image, thus they shared positive perceptions and insights about Rimi. This fact is also supported by the already presented empirics in both tangible and intangible store image dimensions. On the other hand, when customers started to introduce their perceptions towards the Rimi brand, they intended to see the brand as neutral in the Lithuanian food retailing industry. Thus, there is a significant difference how customers perceive store and brand image. In addition, researchers tend to relate this aspect to the institution image attributes presented by McGoldrick (2002). While they are evaluating overall shopping experience in a positive way, the Rimi brand itself seems to be neutral, for example:

“Rimi is neutral store comparing to others – haven’t formed a reputation (image) yet” (Respondent 3)

“I would choose a trustworthy store... brand, which has more trust in it...However, Rimi store is neutral...I mean it has neutral position towards others” (Respondent 4)

Further on, researchers tend to relate theory to the empirical model by employing ‘sharp character’ which leads to customer choice of the shop, loyalty and overall satisfaction. In other words, distinctive store image creates company’s ‘sharp character’ or in other words competitive advantage. Having obvious and strong competitive advantage, retailers position themselves as unique actors in the market and in this way customers are satisfied, choose this particular store to shop and they tend to be loyal. In other words, company is able to keep leading position in a competitive and fast evolving retailing marketplace.

As it was mentioned before, due to the single case and one particular store chosen to analyze this research tends to be narrowed. On the other hand, when asked if Rimi stores are using the same standardization processes, marketing director answered:

“Yes. Standards for people, managers and shop workers are 100 % the same. Requirements for employees, requirements for quality are the same throughout Lithuania. However, there could be differences in store layout while shops were opened during different years, their areas are different. Customer will find the same products everywhere; however in the newer store, build for example last year, probably he/she will be able to find it easier”.

Thus, following the line of marketing director’s thinking, the research could be relevant not only to the specific store in Klaipeda region, but to other Rimi stores, as well. In addition, McGoldrick (2002, p. 201) states that “many comparisons of specific retailer’s image have left the impression that the findings can be generalized, to a greater or lesser extent across all stores within the chain.” In general, researchers by representing the summarized empirical model believe that the results could be generalized both to academia and practical areas.

CHAPTER 6 - CONCLUSIONS AND RECOMMENDATIONS

This final chapter represents the summary of major findings in this research. Further on, theoretical as well as managerial contributions are discussed. Finally, the major limitations and suggestions for further research conclude this chapter

6.1 Outcomes and Implications of the Study

This study attempted to receive insights and, thus expand the general understanding on customers' perceptions and associations towards store image in an emerging Lithuanian market. In addition, the case study of international retailer Rimi Baltic was taken as an example in this thesis. One of the major focuses was given to the photo elicitation method which was used for the first time in the chain of Rimi stores. By employing this data collection method researchers aimed to represent what attributes of store image could be noticed and discussed the most by the customers. In other words, authors tended to introduce the potential of photo elicitation method when it is used to find out more on customers' understanding of store image and its attributes. With regards to the aim and purpose of this study, empirics and analysis of them represented some interesting and relevant findings which are discussed below:

- Rimi store image when employing photo elicitation method consists of:
 - ✓ **Visual attribute** – customers associate Rimi stores to the color red. They notice managers' communication techniques such as yellow billboards and price tags. Finally, customers concluded their insights about this attribute by emphasizing the bright colors used in different food sections.
 - ✓ **Aural attribute** – customers mostly discussed about the fact of music. In addition, music doesn't irritate or is not so noticeable when it is playing in the store.
 - ✓ **Tactile attribute** – this category is specifically related to the 'touching' sensors expressed by clean floor and clean trolleys.
 - ✓ **Display attribute** – customers are attracted by the unique display which assists in finding products more easily. In addition, customers mentioned that products are represented in the order and it is grabbing their attention.
 - ✓ **Layout attribute** – the feature of uniqueness is mentioned again. Customers are also attracted by the spacious and convenient area dedicated for shopping.
 - ✓ **Assortment attribute** – customers expressed that Rimi stores are offering a wide variety of assortment. At the same time, assortment presented in the store is unique and different from the competitors. Significant attention is given to the specific range of eco-products.

- ✓ **Price attribute** – when discussing about the price customers tended to relate this attribute to high prices and discounts. Several customers introduced the fact that Rimi stores do not have discounts cards which make this retailer sensitive for failures.
 - ✓ **Quality attribute** – customers associate quality to high standards. At the same time, they accept that high quality creates higher prices, but not all of them are willing to pay this price.
 - ✓ **Service attribute** – includes sales personnel in this research. Even though customers didn't take any photographs of sales personnel, they associate Rimi stores with helpful personnel.
 - ✓ **Location attribute** – this attribute received both positive and negative customers' perceptions. Participants, who live near the Rimi store tend to be satisfied by the location, while customers who live far away tend to choose other alternatives for shopping.
-
- While the method of photo elicitation creates difficulties for participants to take photographs of intangible aspects, the researchers in this study present that the intangible aspects are still relevant and are discussed during the interviews.
 - Tangible dimension received more rich data and photographs when compared to intangible dimension of store image. In general, customers were feeling more comfortable when they were discussing about tangible aspects during interviews.
 - This research provides an empirical model which is based on Martineau's (1958) and Kotler's (1973) theory about store image attributes. In addition, it also implies the aspect of competitive advantage which has an effect to customer's choice of the store, satisfaction and loyalty (Bloemer & Ruyter, 1997).
 - Another interesting finding when the interviews were conducted was related to the brand image. Even though majority of the customers tend to perceive Rimi store image from the positive perspective, Rimi brand image is likely to be neutral in their mind. This is very interesting, because brand image tends to be a part of store image. In other words, the majority of customers reveal that Rimi store image is positive, while when asked about brand image, they tend to see it as neutral among other food retailers.

In general, it can be concluded that the field of store image is very interesting to research especially when the study is employing the photo elicitation method and an emerging market and a specific case study where no similar research has been done yet. In general, the development of store image attributes is an investment.

6.2 Theoretical and Practical Contributions

After detailed representation of the summarized findings, it is important to observe what these results mean for academics and practitioners.

6.2.1 Theoretical Contributions

First, the researchers aim to contribute to academia by implementing theories about the store image and its attributes based on Martineau's (1958), Kotler's (1973), Lindquist's (1974) to the empirical model developed within this paper. To be more specific, authors of this research relate empirics to Martineau's (1958) tangible (functional) and intangible (psychological) dimensions. The categorization of atmospherics (visual, aural and tactile) is used when researchers are evaluating the intangible dimension (Kotler, 1973). Finally, Lindquist (1974) is consulted when customers' perceptions on store image is categorized into merchandise and selling environment groups. In other words, researchers have adapted and related different theories from different researchers in order to create their own empirical model based off the findings presented. By doing this, a deeper theoretical understanding about how store image is perceived is created by using the photo elicitation method and integrating it into existing theory.

To be more precise, this thesis provides insights about the customers' perceptions of the store image as a complex and multidimensional system consisting of both intangible and tangible dimensions which include variety of different attributes. Additionally, this study is based on the food retailing industry in Lithuania as an emerging market, thus the researchers contribute to the existing theories about Lithuanian customers' understanding of store image and its attributes. Finally, the researchers provide some theoretical inconsistencies and difficulties of brand and store image when they are perceived by the customers in practice.

6.2.2 Practical Implications

The main managerial implications of this thesis are related to the Rimi Baltic company. Even though Rimi management has already done a significant number of quantitative and qualitative studies about the store image and its attributes, this research contributes in a way that the new method of photo elicitation is pioneered into the chain of Rimi stores and empirical model of Rimi store personality as seen through customers' eyes, is provided to the practitioners. The empirical

model is relevant to Rimi managers because it provides general understanding about of which store image attributes are noticeable and valuable to the customers. To be more specific, managers are able to observe what attributes are perceived by the customers and compare if these attributes are the major ones which they are developing and working on. In other words, researchers contribute in a way of providing early warnings of misunderstandings (if any) in the communication between retailer and customer, which, if not corrected, can cause company to become more likely to experience failures (McGoldrick, 2002). Coming back to the photo elicitation method, researchers provide general knowledge to the managers how it is used and how it can contribute to the company in future studies. Therefore, the potential of the method to Rimi stores is explored and shown by the researchers in this study.

It is interesting to mention that Rimi Lithuania seems to be the least profitable when comparing to other Baltic State countries and other competitors operating in Lithuania (Rimi Baltic, 2010). By stating this, researchers notice that Rimi stores experience problems with positioning and, in this case, store image, as well. This is also supported by one more significant finding related to brand and store image. Even though majority of customers associated Rimi to positive store image attributes, when asked about brand image, they tended to refer that Rimi is neutral and doesn't have obvious image yet. To be more precise, customers have already formed Rimi's competitors' brand image in their mind, while they are still in doubt about the Rimi brand image. In other words, management struggles in the development of brand image and, thus, stating that brand image is a part of store image, researchers provide some clues to management how customers perceive Rimi stores, what do they think about them and how it can be improved by management.

6.3 Limitations of the study

6.3.1 Limitations of the overall research

First of all, this is a case study based on qualitative research methods. Such research approach has its strengths but also introduces some limitations such as limited generalizability. In addition to that, this study is only based on one specific industry – food retailing. This allows to gain deeper insights about this specific industry but limits understanding and differences (if any) of store image in other industries. Moreover, the customers interviewed for this study appear to represent a relatively broad segment. It would be interesting to replicate this study with other customer segments in the same industry to gain a wider picture.

6.3.2 Limitations of the photo elicitation method

This section includes representation of specific attributes which didn't have photographs during the interviews, because customers were challenged in a way to take photographs. First, researchers didn't receive photographs representing aural, tactile, service, quality and location attributes. The main reason why customers didn't take any photographs of aural and tactile attributes, because they are included in the intangible dimension and it is challenging to take a picture of the 'intangibility' feature. When talking about service attributes, people tend to be afraid of taking pictures of sales personnel, thus there are no pictures representing this attribute. This fact is supported by Burt, et al., (2007, p. 462) who emphasize that "photographs of other customers or of store personnel appeared to be awkward. Thus, when looking through the photographs it is obvious that pictures of people are absent". When talking about quality, this attribute was raised from the topic of price and customers tended to express quality through other photographs such as fruits representing first class, high prices, etc. Finally, there were no pictures introducing the location attribute. It is believed that researchers created this obstacle for the customers because they gave instructions inside the store. Even though the already mentioned attributes lack photographs, customers still discuss about them during the interviews. Thus, the photo elicitation method was still able to provoke customers to discuss about these store images even though they didn't take any photographs related to these categories.

6.4 Future research

During the overall research process, additional implications which could be used in the study came across. Unfortunately, due to the specific aim of the study and time restrictions, this study couldn't employ all of these additional implications. Instead, researchers are willing to represent these concluding reflections and suggestions for further research in this section.

When talking about the empirical model, it can be further investigated by employing a quantitative research strategy. All of the already presented attributes in the empirics' part could be included in the pre-determined questionnaires in order to check statistical facts and the importance of each attribute separately. In order to increase generalizability of the findings, the empirical model of store image and its attributes could be tested using a couple of companies and bigger sampling in the quantitative method. Additionally, it would be very interesting to explore if the same store image attributes are noticed by the customers in other chains of the food retailing stores operating

in Lithuania. Taking this aspect into consideration, the researchers also suggest to check how the results could be changed (or not) in different industries, as well.

Further on, the research can be extended by investigating if the difference of store image among different Rimi store formats, has any impact. In addition, when doing further research, the focus could be given to one particular attribute which can provide for more in-depth insights and discussions.

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APPENDICES

Appendix 1

Major Thrusts of Image Research in Retailing

Thrusts	Sample Studies	Findings	Implications
1. Retail image components	Hansen and Deutcher (1977–1978) Martineau (1958) Lindquist (1974–1975)	There are multiple key dimensions in store image analysis	It is necessary to understand the extent and implications of store image concept.
2. Comparative image analysis	Lessig (1973) Kunkel, and Berry (1968)	Consumer store images and store loyalties are related.	By comparing our store's image with those of competitors, we can improve our competitive edge.
3. Image measurement techniques	Marks (1974) Wyckham (1967) Doyle, and Fenwick (1974–75) Fishbein (1967)	There are a number of refined techniques used to measure store image.	Unless we measure the store image accurately, this concept cannot be used for effective managerial decisions.
4. Store versus area image	Samli, and Sirgy (1981) Sirgy, and Samli (1985) Steenkamp, and Wedel (1991)	There is a strong relationship between the store image and loyalty to geographic area.	Location can be an enhancer or detractor of store image.
5. Congruence between store image and self-image	Sirgy, Samli, Bahn, and Varvoglis, (1989) Stern, Bush, and Hair (1977) Bellenger and Steinberg (1976) Sirgy, Johar, Samli, and Claiborne (1991)	Congruence between store image and self-image can be measured.	High degree of positive congruence implies strong store loyalty.
6. Using a store image by different Constituents as a Diagnostic tool	Samli, and Lincoln (1989)	Store image is perceived differently by management and by customers.	Discrepancy between the store customers and store management is a strong diagnostic tool.
7. Classifying different degrees of incongruence as a more powerful diagnostic tool	Samli, Kelly, and Hunt (1998) (this article)	Customer–management images are classified into six key categories of incongruence.	Six categories of incongruence provide a powerful prioritization system for management action.

*Although a number of studies cut across more than one thrust, the authors classified them on the basis of their major thrusts.

Source: Samli, Kelly and Hunt, 1998

Appendix 2

Elements of Store Image

Price of merchandise	Services provided
Low prices Discounts and bargains Good value prices Fair or competitive prices High or prestige prices	Choice of payment methods Extended credit Restaurant/café Toilets Other services
Quality of merchandise	Home services
Good/poor quality products Good/poor departments/categories Branded/designer goods Well designed products Fashionable products	Catalogue available Telephone orders Internet orders Home deliveries Delivery reliability
Range of merchandise	Promotions
Breadth of choice Depth of choice Carries items I like Choice of brands Good for gifts	Seasonal sales Competitions Loyalty programme Special events Fashion shows
Sales personnel	Advertising
People who care Number/availability of staff Knowledgeability of staff Polite and courteous Efficient (checkout) service	Impact of advertising Style and quality Media vehicles used Personalities involved Truth of advertising
Locational convenience	Store atmosphere
Location from home Location from work Accessibility Public transport options Desirable locations	Interior/exterior decor Symbols and colours Active/sleepy Pleasant/unpleasant Basic/stylish
Other convenience factors	Store layout
Availability of parking Safety of area Hours of opening Proximity of other stores General ease of use	Ease of circulation Level of congestion Lifts and escalators Ease of finding goods Quality of displays
Clientele	Reputation on adjustments
Mostly older/younger Trend setters/followers Higher/lower incomes More/less intelligent Mostly singles/couples/families	Warranties/guarantees Returns policies Ease of returns Exchange policies Reputation for fairness
Personality of store	Institutional image
Sincere Exciting Competent Sophisticated Rugged	Conservative/modern Trustworthy Reliable Ethical Campaigning
Associations	Visual imagery
People Animals Political parties Countries Cultures	Pictures Icons Scenes Episodes Fantasies

Source: McGoldrick, 2002, p. 188

Appendix 3

Interview Guide: Lithuanian – English translation adapted to the questions

Good afternoon. First of all, I would like to thank you for your time dedicated to this take photographs and participate in this interview. All received information will be confidential and the availability to it will be given only to the researcher and research advisor. All the records will be deleted after the final thesis copy approval. Moreover, you have a right do not answer to questions and end the interview anytime you would like.

Introduction:

How old are you?

How many times have you visited this Rimi store (Liepojos street, 27)?

How many times have you visited Rimi stores in general?

Discussion:

1. Please, take the pack of the photographs you already made and feel free to comment on each photograph. Any observations are more than welcome. (This part of the interview is very important and researchers tend to spend significant time to this discussion on the issue why this photo was taken with what it associates. (“Understanding photos concerns three sets of questions which are; focused at content (what), purpose of creation (who, when, how) and interpretation (why)“ – (Zainuddin, 2009, p. 10) .

2. Please, select 5 photographs from the pack and comment one more time why these photos were selected and others were rejected.

3. Now categorize photos in specific themes and, please, identify the names of these categories. What do you think, are they negative or positive, why/why not?

4. Please, rank these categories in order from the most important and popular one. Choose the most important photography. Please, explain why you have chosen this particular photography?

6. Some practical and technical issues – Have you experienced any distortions in making photographs? (Asking whether there were some things that respondents couldn't make photographs of?)

Conclusion:

Finally, how would you define the store image? (What does it consist of?)

Other observations/comments

Appendix 4

Coding

Intangible dimension:

IN – is attached to the beginning in order to emphasize that this dimension is INTANGIBLE

- IN-VISUAL – visual (sight) attributes. This research tends to include the aspect of colors and lighting:
 - ✓ COLOR
 - ✓ LIGHT
- IN –AURAL – aural (sound) attributes. In this research aural attribute was expressed by the aspect of music:
 - ✓ MUSIC
- IN –TACT – tactile (touch) attributes. Customers related tactile attribute to the clean atmosphere including clean floor and clean trolleys:
 - ✓ CLEAN

Tangible dimension:

TAN – is attached to the beginning in order to emphasize that this dimension is TANGIBLE

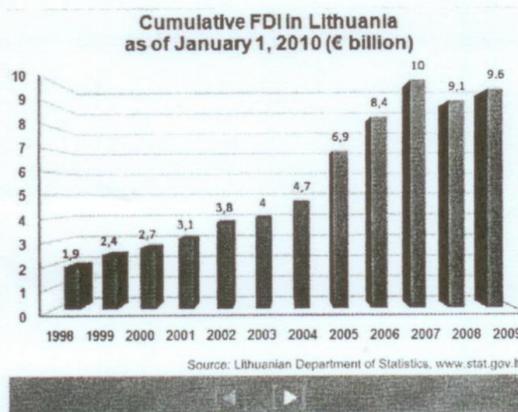
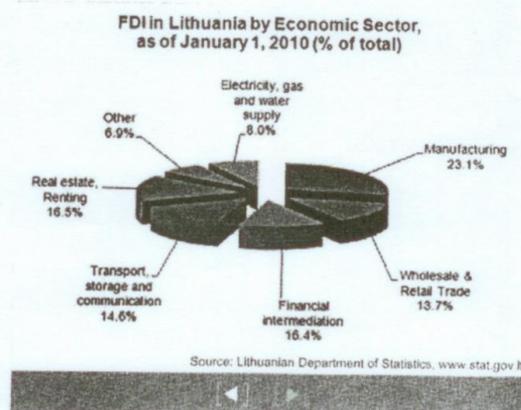
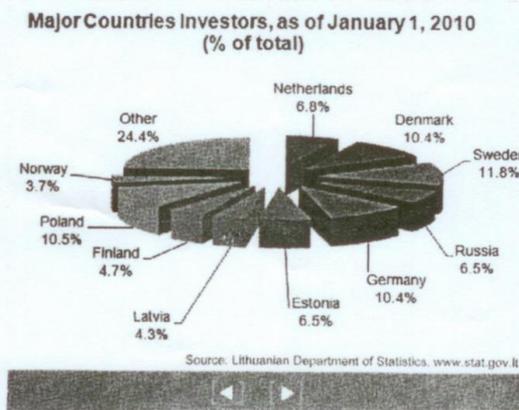
- TAN–SEL – selling environment attributes. Researchers are aiming to divide this part into layout and display:
 - ✓ LAY
 - ✓ DISP
- TAN–MERCHANDISE - merchandise attributes including assortment, price, quality and service.
 - ✓ ASSORT
 - ✓ PRICE
 - ✓ QUALITY
 - ✓ SERVICE
 - ✓
- TAN– CONV. - convenience attributes
 - ✓ LOCATION

Additional attributes figured out during the research:

- OTHER - CRM – corporate social responsibility
- OTHER – BRAND – brand image
- OTHER – FEELINGS – customers tended to discuss about their feelings which are aroused by the Rimi Baltic store.

Appendix 5

Foreign direct investment in Lithuania (Department of Statistics, 2010)



Appendix 6 – Visual Attribute: brand logo



Appendix 7 - Visual Attribute: yellow billboards



Appendix 8 - Bright colors in different food sections



Appendix 9 – Selling Environment : Display (originality)





Appendix 10 – Selling Environment: Display (order)





Appendix 11 – Selling Environment: layout (uniqueness expressed by ‘square’ technical issues)



Appendix 12 – Merchandise: Assortment (wide variety of products)





Appendix 13 – Merchandise: Assortment (Eco-products)





Appendix 14 - Table of Findings

	Visual	Aural	Tactile	Selling environment (layout and display)	Merchandise (price, quality, service and assortment)	Convenience (Location)
Marketing Director	<p>"We have requirements, brand book where the proper colors are described and we should keep these requirements"</p>	<p>"At the same time you can hear it and not. So, it seems that there is music, but it is not so loud, used just for background. Moreover, we have special occasions, for example we will have Italian days, then we will offer special proposition of goods from this country for our clients and at the same time we will have this country music"</p>	<p>"It is important to have the right temperature during the seasons"</p>	<p>"Another important element is the layout of goods. Here, in the office, we are deciding in which shelf every good should be. Then we are applying the same layout system everywhere. This is the system that is required to follow"</p> <p>"... the space in the stores... Comparing with other competitors, we have a good layout. Even when we have big discounts or specific sales, customer still has enough space to walk through or turn around. These two things are for sure"</p>	<p>"First of all, I will take a picture of fruits and vegetables by saying "quality". I think they represent the quality in the best way. They are so colorful and nice that I sometimes take picture of them just for my own interest. For sure, not always you will find a drop of water on the tomato, but sometimes... Sometimes you even can find it. Then I will take picture of the cheese from the special corner where you will be able to see how many of them and how many different kinds of cheese, firm, mild, French, we have. In this way the assortment will be reflected"</p> <p>"Well, they will be satisfied with the quality of the products. They will not be shocked with it but will be satisfied. Then probably they will think that they had to pay less for that product. The quality is very subjective issue. Price for the product does not consist only of the product itself. Service is included in the price as well. That is why if you are paying 10 cents more but get additional service – you feel that you spend your money correctly. Customers who are searching just for the very very cheap products, probably will think that he paid way too much. For example, we do not have those substitutes for the products. We have source cream and not substitute for source cream which will be cheaper. We are selling natural source cream"</p> <p>"As I said employees play very important role, as well as all specific procedures which are connected with them"</p> <p>"Then I will catch any employee in the shop and I will take a picture of him/her. The background in this case"</p>	<p>"I think that majority of people will say that there could be more Rimi stores in Lithuania and they should be reached more easily. However, customer who is using car and can come should be very satisfied while there is enough space, store is spacious. There is big parking space, this is for sure and this store is well organized. I am talking more about hypermarkets in this case because they are our main shops. However, I believe that if we are closer to our competitors, then there is a real rivalry"</p>

					does not matter at all while majority of workers are really good, so it does not matter which one or what background will be in photo. In this way the service will be reflected. I think that we do not have many employees who deviate from our desirable standards. And I am really happy because of that. Knowing that makes me feel secure"	
Respondent 1	<p>"After shopping in this store I am becoming to be happier. I don't know, but maybe it is because of colors, warm atmosphere...I feel like at home"</p> <p>"I like the bright colors in different food sections, they create warm atmosphere and it seems that everything here is relaxing, welcoming and without pressure"</p>	<p>"When I walked through the store, I liked music, it didn't irritate me"</p> <p>(when asked by the researchers):</p> <p>"Music was not so popular or trendy, it was normal music which I like. I think that they played more calm and relaxing songs"</p>	-	<p>"Everything is so convenient, not crowded, small entrance...It is very easy and comfortable to shop"</p> <p>"I like how Rimi store designs its layout, I think it is very unique and totally differs from others... I like that every food section is offering products in order, they look nice, attractive and eye-catching"</p> <p>"I also noticed cashier places, they are so spacious and new. The way how they are built and included in the store, is the best way I have ever seen"</p>	<p>"I like discounts and especially the method how they are presented on yellow ads in hand-written form. It is interesting, personal... I haven't seen anywhere else...It creates warm and human relationship"</p> <p>"These products (eco products, gummies) are very eye-catching and colorful, I like the way how they are presented, the first intention is to buy everything"</p> <p>"I think that cashiers are employed by specific selections not like in other stores."</p>	<p>(after respondent took pictures):</p> <p>"Oh, and I also like that Rimi has convenient and large parking lots, you don't have a headache where to park your car"</p> <p>"These parking lots are as spacious as Rimi store itself, just imagine...when you are going to the shop, you usually buying a lot, and then you need to carry all these heavy baskets to the car...sometimes it happens that I don't have the place where to park my car, especially in Maxima [the biggest retailer in Lithuania], thus I am very disappointed, because I need to carry heavy baskets and it is very uncomfortable to do, but here...in Rimi everything is different, it is my store"</p>
Respondent 2	-	-	-	<p>"I chose to take picture of the layout and interior itself, because I like that it is different than anywhere else..everything is convenient to reach, you don't need to go round and round while you find desirable products"</p> <p>"In all other stores I experience the same feeling when I am searching for the products, but here, it seems that you have a totally different shopping, I like the plan of the store..."</p>	<p>"Every time I especially notice how the fruits are presented in Rimi store...Fruits [the most important photo] associate with feeling of freshness, first class...and it can be found in Rimi store only" (Respondent 2)</p> <p>"I like the eco products, how they are presented and the variety because you have what to choose from...I haven't seen in other shops that eco products would be so distinguished from other products..Thus, they have this differentiation. To be honest, I would like to buy these products, but the only problem is that they are quite expensive for me" (Respondent 2)</p>	<p>"Location is quite convenient, I mean they are trying to fill up currently developing Klaipeda's regions, for example, this store where we took pictures, was near the hospital whereas no other shop is so near to the hospital"</p>

					<p>"I like the eco products section, they are offering variety of these products and usually when I am going to this shop, I usually check this section"</p> <p>"One of the first impressions about Rimi store is high quality"</p> <p>"I think that personnel could help customers more, you know the existing phrase - when you ask, nobody will help, so here I also noticed the same"</p>	
Respondent 3	<p>"From the first impression, RIMI for me is related with the red color...It think it is good, because it represents solid shopping area"</p>	-	-	<p>"I feel comfortable because of the unique representation of the store layout ...I don't feel like I would be in just a simple hall"</p> <p>"For the first time I saw that alcohol drink are not so categorized like in other shops, for example – wines and strong drinks are in the same place displayed together...I like this strategy, it is easy to choose"</p> <p>"The way how Rimi stores are constructed, something like square, not lines as it is more common in other stores...I like it because it is something untraditional, and I can find products according to different food sections not searching the products while following the lines in other stores" (Respondent 3).</p>	<p>"In this photo....Assortment is different than usual assortment. I like variety of products, some of them are totally different and never seen in other stores..but, they could make some products more noticeable as pasta products...maybe they might to focus on Italian pasta more, because I like how IKI [Rimi's competitor] presents pasta, so many of them, and you can choose whether you like – Italian, Spanish..."</p> <p>"When I was shopping I didn't notice any difference to cashiers..actually, often you help yourself, you put products in your basket..."</p> <p>"Rimi store has high prices, thus, when I am going to this store I expect to spend more than in other shops... This can be a reason why Rimi is not so popular in my shopping list"</p>	<p>"Location is different from other shopping centers. I think that this is because Rimi is quite new marketplace..Rimi stores are based in distant (not so popular) places"</p> <p>"If I need some products which I won't find in other stores, I guess that I would choose to drive to Rimi, even though it is far away from my home"</p>
Respondent 4	<p>"My first impression of Rimi store is a red color which is used in logo, some details in interior itself – advertisement, products.."</p> <p>"I like that lighting in the shop is so bright...I haven't</p>	<p>"I just remembered when I was in the shop, I heard an advertising about disable people and their parking places...I like that instead of stupid ads, they are more people-oriented and care about them"</p>		<p>"For me it is difficult to orientate in Rimi stores... I guess they are using different layout techniques, thus if I want to find products, I spend more time in searching comparing to other stores...I don't like the structure, but as I said it is really different than anywhere else..."</p>	<p>"Rimi has a high quality, that's why prices are high, so it is reasonable..if you want high quality, you should go to Rimi"</p> <p>"I guess that young people become more interested in eco products, thus, Rimi is doing great by presenting wide variety of eco products...the way how they were presented in the store attracted me to pay attention..it was eye-catching...the only problem that they are too expensive.."</p>	<p>"I noticed that location of the Rimi stores is not so convenient, if you want go to the Rimi store, you need to go through all the city, thus I do not shop there often"</p>

	noticed in other stores such bright lightning than in this one...it makes easier to search for the products... and mood...I think that it helps to somehow present a sunny day makes me to feel better”					
Respondent 5	“I took the picture of basket just to reflect the red color. Rimi for me is associated with red. Maxima with blue, Rimi with red”.	“I heard music but it was so inaudible that I couldn’t say even in which language it was”	-	“I really value the layout of the store, there is enough space and I really value that. It is very unique and spacious, I can feel free and not stressed out by other customers who are shopping at the same time” “I also took the picture of bread, they are displayed somehow different than in other shops; however, I could not explain that, I just like it and therefore I took picture”.	“I took the picture of fruits to reflect the quality of the products. Look how fresh they are...All these colors, and first class – it is really worth to shop only for fruits here” “There can be more cashiers, who would be adapted to the number of customers”	“While I am living 1 km. from the closest Rimi store, I enjoy walking to it during the warm weather, when I have time. However, if I do not have time, I prefer shop which is on my way to home”
Respondent 6	-	“I did not hear any music... When I do shopping, I think about food, music is not important at all”	-	“I like that there is so much space that you can organize dance contest there. In other shops you have to wait while one customer with trolley will pass you and then you can go. Nothing similar here”	“I took couple of pictures just to show the best products that I could not find in other shops: pica crust and fried bread. They are so good”. “Price is high but you can pay a bit more for better quality products. It is logical, you pay more but get better quality” “I sometimes feel like in wine shop, there are so many kinds of wine that sometimes it is hard to select”	“I live 5 min. from this shop, so it is very convenient for me to do shopping here”
Respondent 7	“I took the picture of price in yellow background which reflects the discount, because they are so noticeable and bright” “At the entrance, there are so many notes in yellow	“Music was calm and not annoying”	-	“Rimi stores are well-planned, though I sometimes get lost, but when I find the product group which I am searching, I can easily pick a product because all of them are noticeable displayed”	“It seems that prices are a bit higher than in other shops” “I buy vegetables and fruits here, they are fresh and nice like in the market” “I also took the picture of ecological products. I have small kid, so I really value this section in the shop”	“I do not have car so it is pretty hard for me to reach; therefore I go to Maxima or Norfa more often, they are closer to my home”.

	color about all discounts which sometimes are too annoying”					
Respondent 8	“Colors are well selected, especially the ones which mark the products because they attract your attention “	“I did not hear any music... Did they have any?”	“Sometimes when I come to the shop, I am afraid to touch trolley because it is so dirty... but not here. Probably they are cleaning and collected trashes from them quite often”	“I really like those fridges, milk products are so nicely displayed according to the size of the packing” “I did not figure out how to take a picture of the whole store in order to show its layout. This is one of the main things that I like here: there is enough space and it is easy to find what you want”	“Look, how products are well combined in this picture... Cheese together with grapes – great combination. It helps for customers to save time and stay happy because of the attention given from the retailer” “I really like that there are discounts for good products, not only for those which is generally not widely used” “Chocolate section: I took the picture of them to show that there are nicely put together even though they are on sale”	“I live close to this shop, so for me it is very convenient to shop here”
Respondent 9	“I don’t like how the prices are presented. I mean, that these colors (yellow and red) are so bright that it starts to irritate me...I think that managers want to show all of the discounts, and it is good, especially or me. But, maybe they shouldn’t use so many billboards because sometimes it is even hard to distinguish one from another because of too many in the same place”	-	“I noticed that Rimi stores are clean and very white...I like when the store is clean, it satisfies me, I can spend more time..you know, there is an expression that when you feel welcoming, warm and clean atmosphere, you want to spend in these home more time...the same happens in the case of Rimi store” (Respondent 9)	“ I think that Rimi stores have convenient and spacious area - it is easy to find products..so, I can easily shop without any additional problems”	“I took picture of bread section, because they have Italian bread which is very tasty and delicious..I like that every time I come bread is fresh and that Rimi store offers different assortment than other shops” “I also like fresh fruits, they seem so attractive that I each time I want to buy them, even though I have plenty at home” “For me prices are very important, I noticed that even though Rimi provides a wide variety of product, they are still very expensive” “They don’t have discount cards and this complicates a bit my decision, because for example, other shop has a specific day “senjoru diena” (“day for elder people” where they are offering 10% on Tuesdays, but here..nothing similar...” “I am going to this store when it is offering some good discounts and I can afford it” (Respondent 9) “I like that sales personnel are young	“I have some walking difficulties and this shop is too far from my home; thus it is pretty hard for me to reach it”

					and nice females, like in other shops here they help a lot if you are searching for some products”	
Respondent 10	“These colors (yellow, red) help me to orientate in the store, they are so bright and helpful in a way to find out the best discounts and most popular products”	-		“To be honest, usually I shop according to my wife’s list and the main aim requirement for the shop in this way is convenience,..that products would be easy to find...the process would be as quick as possible..thus, I like Rimi store, the way how Rimi displays products is very helpful...”	“The price is most important to me, that’s why I took a picture of the price...here, they are very high, everything is expensive..” “I like variety of products, how they are presented, oh... they are the only one who have special cheese I like so much. So, when I am going to this store, I am always buying cheese”	“I have some walking difficulties and this shop is too far from my home; thus it is pretty hard for me to reach it”.
Respondent 11	-	-		“The plan how the products are displayed make my shopping easier...I know where to find products which I want to buy and....I think that Rimi uses another system of display, because here it is easier for me” “Look how the products are displayed in each section, easy to find and especially it is easy to notice discounts, because they have so many information provided at their best spots” “I am always waiting for a week to begin because I get Rimi newspaper with newest discounts”	“Products are very expensive, thus, I am going to this store only if they have attractive and good discounts..but I also have noticed that the quality is higher and they are offering better products” “Of course I are trying to search for cheaper products, but, on the other hand, you want quality as well...thus, I am trying to reach the medium between price and quality” “I also noticed that assortment in Rimi stores differs a lot than comparing to others, they have very delicious bread and cookies, which I can find only in this store”	“This store is not popular at all, because it is located far away from my home”
Respondent 12	“I am old person and do not see very well, so colors help me to orientate. I know that yellow color means discount and I pay attention to them”.	-	“Everything is so clean, you could not find any trash on the floor”	“I took picture of hygiene products while they are so nicely and tidy displayed. There are clear sections for each product groups”	“Generally, prices here are high; so more often I am searching for various discounts” “Assortment is big, sometimes I even lost my mind and could not decide which product I should take. Actually, I noticed that I am buying a lot of products which I even don’t need, but if they have attractive discount I am buying for the future” “I did not meet any sales personnel in the store except cashiers. If I want to ask something or could not read and need help, nobody could help me while there is no sales personnel “	“well... I remember now why I am going to this shop so seldom because when I am going home from my garden, there is no Rimi store on my way. Though I think that it is good shop but it is located so inconvenient and therefore I choose other 2 shops which are on my way”