

Store Image, Customer Satisfaction and Behavioral Intentions: Grocery Shopping in a Typical American College Town

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EXTENDED ABSTRACT

Competition in the American retail grocery industry has reached unprecedented levels. In 2007, this \$400 billion industry, made up of approximately 40,000 companies, that operating 70,000 grocery stores, throughout the country. Traditional supermarkets and small-scale retailers have found that the emergence of new retail opponents (e.g., super centers and internet-only grocers) make it hard to stay in the game. In such a competitive marketplace, hundreds of American college towns have a unique urban atmosphere. Compared to their metropolitan counterparts, these college towns are characterized with unusually high densities of younger aged citizens, highly educated workforces, comparatively cosmopolitan populations, dominant institutions of higher education and a college-oriented shopping district (Gumprecht, 2003). Since universities serve as anchors by attracting students, faculty, visitors and their families, domestic and international, the college markets provide grocers compelling demographics

beyond the local resident population, an essentially captive shopper base.

Martineau (1958) first recognized the concept of store image as an important element in the development of retail personality. It has been suggested that store image is a predictor of the retailer choice (Hildebrandt, 1988; Grewal *et al.*, 1998), a key antecedence of customer satisfaction (Bloemer and Ruyter, 1998; Koo, 2003) and patronage intention (Heijden and Verhagen, 2004; Chang and Tu, 2005). In light of the retailing trend of capitalizing on demographics in college towns, it is our contention that understanding customers' perception and preferences to their primary grocery store is crucial to the success of both existing grocers and potential investors. For example, does a college town grocery store offer students more than the utility of convenience?

Though previous research has thoroughly examined grocery shopping behavior in a typical municipality context (Bawa, 1999; Clarke, 2000), there is a paucity of research related to store image and its sequential influences in the distinctive market of college towns. That is, not much is known about the grocery store selection process for college demographic. This study, therefore, attempts to fill the gap by focusing on the college student population, and thus it attempts to (1) explore key components (dimensions) of grocery store image, and (2) examine the influence of store image and its components on the customer satisfaction and customer behavioral intentions.

This study will contribute to an increased understanding of retailing through assessing the possible extension of knowledge of and differences in the grocery shopping behavior of the residents of college towns verses those of common municipalities. Notably, since store image is, to a certain extent, under the direct control of the store manager (Heijden and Verhagen, 2004), attracting more loyal customers through favorable store images would be of great value to grocery store managers.