

**Research Article**

## **THE IMPACT OF MERCHANDISING AND RETAILING FORMAT ON CONSUMER BUYING BEHAVIOR: A CASE STUDY OF IRAN**

\* Alireza miremadi<sup>1</sup>, Aida Kheiri Dizeji<sup>2</sup>

<sup>1</sup> Assistant Marketing Professor & Dean at Sharif University of Technology –International Campus, Iran

<sup>2</sup> MBA Candidate from University Of Tehran -International Campus, Iran

\*Author for Correspondence

### **ABSTRACT**

The importance of studying in this field is because of the impact it has on the economy of every country and the role it plays in a distribution channel as an intermediaries. The objective of this study is to find out the extract the most vital important attributes impact on merchandising and retailing format in Iranian retail industry which is considered one of the fast growing industries in Iranian market and equip them with most real and vital marketing strategy to penetrate in domestic and international market. The study was conducted in the main cities in Iran. The questionnaire finally consisted of twenty and nine statements as a driving factor and the shopper respondents were asked to indicate the degree of importance. The questionnaire consists of 6 constructs such as visual communication, store design, store planning, visual merchandising, merchandising promotion and finally Staff management and seven questions were asked about the qualitative and profile information. It was administrated to one five hundred and fifty and finally four hundred useable questionnaires were returned. . It can be understood from mentioned test that Iranian shoppers give more importance to visual communication, visual merchandising, and Staff management.

**Keywords:** *Distribution Channel, Intermediary, Merchandising, Visual Communication, Store Design, Store Planning*

### **INTRODUCTION**

Today, retail is one of the biggest employers in the world and a large portion of the world economy (Khesraw Mansoori, June 3, 2010). The importance of studying in this field is because of the impact it has on the economy of every country and the role it plays in a distribution channel as an intermediaries. Firstly the retailer performs many marketing activities such as buying, selling, grading, risk-trading, and developing information about customer's need and requirement. Secondly retailer is playing the role of both marketer and customer and thirdly the retailing industry is going to be enormous prospects for growth continually.

Since competition in the retail sector has been increasing for years, the importance of developing an effective competitive strategy appears to be increasing constant (Harris and Ogbonna, 2001).

### **LITERATURE REVIEW**

Retailing refers to the combination of activities required to sell goods and services (products) to final consumers for use by themselves, families and other households (Terblanche, 2002). Lynda GamansPoloian(2003) .It also refers to retailing as that aspect of marketing conducted at the level of the final consumer, implying that it is the selling of products to the customer for personal and non-business use (Poloian, 2003). Often people think of retailing only as the sale of products in stores, but retailing also involves the sale of services such as overnight lodging in a motel, a doctor's exam, a haircut, a DVD rental, or a home-delivered pizza (Michael Levy and Weitz, 2010).

### **Research Article**

There are two basic forms of retailers, wholesale and specialty. Wholesale retailers, also known as "big box" retailers or department stores, are companies like Wal-Mart and Target that sell a wide variety of items at discounted prices. Specialty retailers offer a limited scope of products in order to serve a smaller market more effectively, such as consumer electronics retailers like Best Buy or office supply retailers such as Staples (Shawn Woodhull et al., 2010).

Several scholars (Mauri, 2003, J Leenheer and Bijmolt, 2008) assert that loyalty program has become an important strategy and mechanism for retailers to increase revenue growth and has become a key component of CRM, serving a critical role in developing relationships, stimulating product and service usage and retaining customers.

Today consumers look for facilities like cost, comfort, convenience, in-house-parking, entertainment, coffee shops, multiplexes, play areas for children, gaming and food-courts when they step into these malls. It is not just about shopping, dining, or watching a movie, it's an experience in itself, a lifestyle activity, and providing this experience is what these malls are building up as their USP. Organized retail stores are characterized by professionally managed large format stores, providing goods and services that appeal to consumers, in an ambience that is conducive for shopping (Mohua Banerjee and Dasgupta, 2010).

Information is vital to continuance of a business in the age of information and advanced technology. With an informed, educated, and price sensitive customer base, it has gotten merely more difficult for businesses to thrive as their profit margins shrink due to reasons mentioned above as well as increased competitiveness of the industry and importance of value of information (Khesraw Mansoori, June 3, 2010). Unfortunately, if you do not invest acquiring relevant information that is a business necessity to survival of the company as competitive advantage, then the company will lose business with poor customer relationships. Today's customers are highly informative and price sensitive, so if they are not satisfied there are many more options available to them. As a result they will substitute to another vendor (Khesraw Mansoori, June 3, 2010).

According to the Food Marketing Institute (2004), nearly half of the grocery retailers in the USA will offer some form of self-scanning to consumer (Chain Store Age, 2002). That may be an optimistic estimate perhaps; by the end of 2000, 14 percent of grocery retailers in the USA with 11 or more stores offered self-scanning (Rohland, 2001), and currently about 20 percent offer self-scanning alone with the traditional checkouts (Forster, 2002). Also, customer service expectations are high at a time when more retailers offer self-service and automated systems (Berman and R.Evans, 2010).

Culture plays a role in forming the attitudes of consumers towards online buying. Therefore, cultural conventions and regulations must be studied to tap the target consumers of a country (Sangeeta Sahney et al., 2008). Business is becoming online and internet is being used as a channel of information and commerce. In fact, business transactions via electronic means have become an indispensable part of the repertoire of services that a marketer has to offer, if long-term survival and success is what he aims at (Sangeeta Sahney et al., 2008). A framework is needed to structure the complex system of effects of the demographic, psychographic and situational factors that impact a consumer's decision to shop online, and develop an in-depth understanding of consumers' attitudes and intentions to shop online (Sangeeta Sahney et al., 2008).

The number of people accessing the internet and entering into commercial transactions has been on the rise, and online shopping has been a growing phenomenon all over the world (Joines J L and A, 2003, Jayawardhena, 2004). Retailing is such a common part of our everyday lives that we often just take it for granted. Retail managers make complex decisions in selecting their target markets and retail locations; determining what merchandise and services to offer; negotiating with suppliers; distributing merchandise to stores; training and motivating sales associates; and deciding how to price, promote, and present

### **Research Article**

merchandise. Considerable skill and knowledge are required to make these decisions effectively. Working in this highly competitive, rapidly changing environment is both challenging and exciting, and it offers significant financial rewards (Michael Levy and Weitz, 2010).

Most retailers try to be socially responsible. Corporate social responsibility (CSR) involves an organization voluntarily taking responsibility for the impact of its activities on its employees, its customers, the community, and the environment (Michael Levy and Weitz, 2010).

The nature of retailing and distribution channels around the world differs. Social and political objectives are important factors that have created these differences in distribution systems in the major markets (Michael Levy and Weitz, 2010). Retailers raise capital from financial institutions; purchase goods and services; use accounting and management information systems to control their operations; manage warehouses and distribution systems; design and develop new products; and undertake marketing activities such as advertising, promotion, sales force management, and market research. Thus, retailers employ people with expertise and interests in finance, accounting, human resource management, supply chain management, and computer systems, as well as marketing (Michael Levy and Weitz, 2010).

The retail strategy indicates how the retailer plans to focus its resources to accomplish its objectives. It identifies (1) the target market, or markets, toward which the retailer will direct its efforts; (2) the nature of the merchandise and services the retailer will offer to satisfy the needs of the target market; and (3) how the retailer will build a long-term advantage over its competitors (Michael Levy and Weitz, 2010).

### **Types of Retail Institution**

From a managerial point of view, understanding the different types of retail institutions is important because they have a competitive impact on the retail business. There are several types of retail institutions which mirror retailer business operations. Retail stores come in all shapes and sizes, and new retail types keep emerging, each type represents a specific retailing strategy but there are two basic forms of retailers: wholesale and specialty. Wholesale retailers, also known as "big box" retailers or department stores, are companies like Wal-Mart and Target that sell a wide variety of items at discounted prices. Specialty retailers offer a limited scope of products with a narrow product line and deep assortment within that line, in order to serve a smaller market more effectively, such as consumer electronics retailers like Best Buy.

The classification of retail institutions in terms of the characteristics of the strategies that retailers employ in selling goods and services, refers to as retail formats. A retail format represents a specific configuration of the retail marketing mix (e.g. nature of merchandise and service offered, pricing policy, advertising and promotion program, approach to store design and visual merchandising, typical location, etc.) which is maintained consistently over time (Fox and Sethuraman, 2006).

Store retailers can be classified by the amount of service they provide (self-service, limited service, or full service), product line sold (specialty stores, department stores, supermarkets, convenience stores, superstores, and service business), and relative prices (discount stores and off-price retailers). Here we are going to classify the store retailers in five different categories:

Food Retailing

Non-Food Retailing

Store-Based Retail Formats

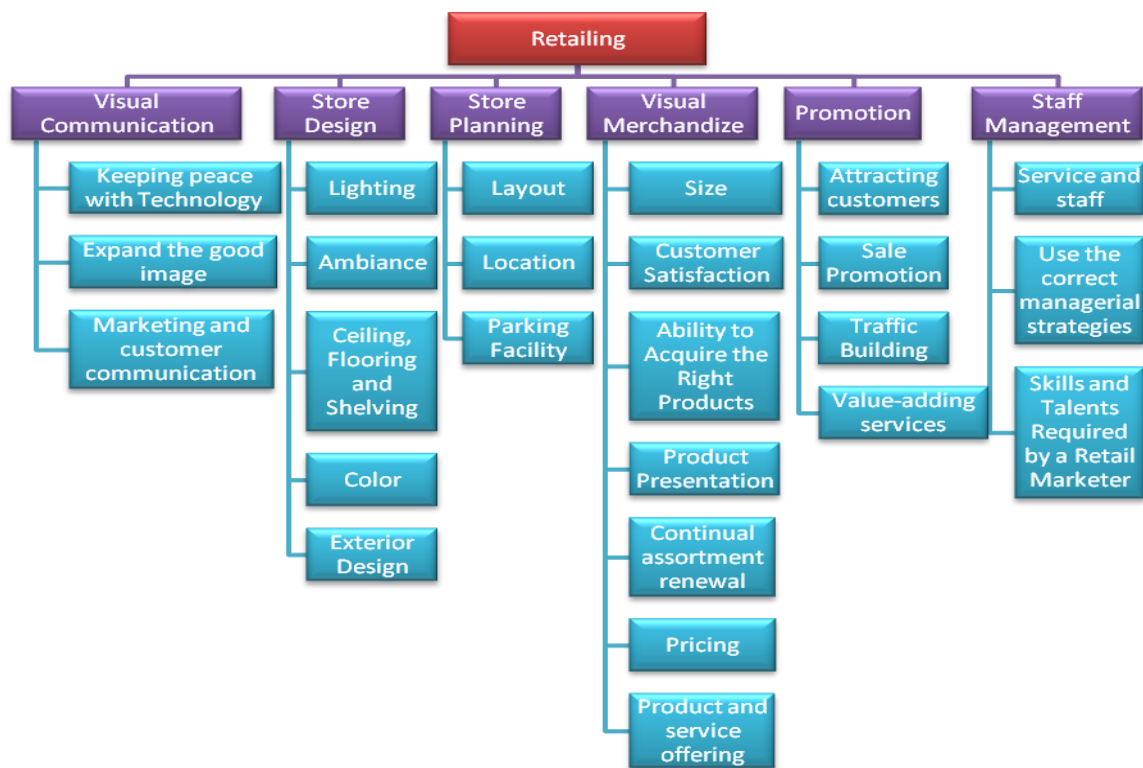
Non-Store Retail Formats

Multi-Channel Retailing

**Research Article**

**Table 1: List of Construct an its Scales**

Visual Communication	(Regina W. Y. Wang and Mu-Chien Chou, 2007, Mayo De Juan Vigaray, Fall, 2006/07)
Keeping peace with technology	(Berman and R.Evans, 2010, Gilmore )
Expand the good image	(Christensen and Askegaard, 2001, Abratt, 1989, North et al., 2003, Jin and Kim, 2003)
Marketing and customer communication	(Pajuodis, 2002, Levey M. and B.A., 2001)
Store Design	(Dune and Lusch, 2005, Mintel, 1999, Levey M. and B.A., 2001, Michael Levy and Weitz, 2010)
Lighting	Summers and Hebert, 2001, Turley and Milliman, 2000)
Ambiance	(Lumbroso, Baker et al., Summer 1994)
Ceiling, flooring and shelving	(Borin et al., 1994, Urban, 1998, Lim, 2004, Karen H. Hyllegard et al., 2006, Wilson, 2000, May, Walthers, 1999, July, Schnetzer, 1999, July)
Color	(Koelemeijer and Oppewal, 1999, Varley, 2006, Hurth, 2006)
Exterior design	(Lochhead and Moore, 1999, Levey M. and B.A., 2001)
Store Planning	(Harris and Walters, 1992, Guy and Bennison, 2007, Wood et al., 2006, Michael Levy and Weitz, 2010)
Layout	(Pajuodis, 2002, Levy and Weitz, 1996, Berman and R.Evans, 2010)
Location	(Sullivan and Adcock, 2002, Gilbert, 1999, Dune and Lusch, 2005, Dhruv Grewal et al., 2009)
Parking facility	
Visual Merchandising	(John Fernie et al., 2003, Park C.W. et al., 1986, Fiore A.M. et al., 2000, Michael Levy and Weitz, 2010)
Size	(Byron Sharp and Erica Riebe, 2005 , Caroline Emberson et al., 2006)
Customer satisfaction	(Harkiranpal Singh, May 2006 , Kazi Omar Siddiqi, 2010, Spreng et al., 1996, Mick and Fournier, 1999)
Ability to acquire the right products	(Dune and Lusch, 2005, Davies and Ward, 2002, Kerfoot S. et al., 2003)
Product Presentation	(Pajuodis, 2002, Buchanan C. et al., 1999, Kahn and Leigh, 1997)
Continual assortment renewal	(Sami Finne and Hanna Sivonen, 2009, Bala Chakravarthy and Sue McEvily May 2005, Chakravarthy, 1996, Chakravarthy et al., 2002)
Pricing	(Dhruv Grewal and Michael Levy, 2007, Sullivan and Adcock, 2002, Gilbert, 1999, Pajuodis, 2002, Dune and Lusch, 2005, Mason J. et al., 1994)
Product and service offering	(Gilbert, 1999, Levey M. and B.A., 2001)
Promotion	(Sullivan and Adcock, 2002, Gilbert, 1999, Dhruv Grewal and Michael Levy, 2007, John Fernie et al., 2003, Michael Levy and Weitz, 2010)
Attracting Customers	(Rust and Zahorik, 1993, Jones and Sasser, 1995, Anderson and Sullivan, 1993,
Sale Promotion	(Sullivan and Adcock, 2002, Dune and Lusch, 2005)
Traffic building	(Levey M. and B.A., 2001, D'Andrea et al., 2006)
Value-adding services	(Sullivan and Adcock, 2002, Pajuodis, 2002, Dune and Lusch, 2005, Dhruv Grewal and Michael Levy, 2007, John Fernie et al., 2003)
Staff Management	(Wright and Richard Lutz, 1986, Friestad and Wright, 1994, Williams and Seminerio, 1985, Cooper and Summer, 1991, Michael Levy and Weitz, 2010)
Service and staff	Michael Levy and Weitz, 2010)
Use the correct managerial strategies	(Ailawadi et al., 2009, Pine and James B. Gilmore, 1999, Peter C. Verhoef et al., 2009)
Skill and talent required by a retail marketer	(Porter, 1985, Thompson, 1994, Hoffman and Preble, 2003, Wexler, 2002, Anna Watson et al., 2005)



**Figure1. List of the Construct an its Scales**

### Visual Communication

In today's fashion market, retail designers concern about and shape the consumer's physical or virtual experience in the store or shopping environment through visual, spatial and communicative expression. These activities will help the retailer to reduce costs, increase sales and create a consistent visual brand message.

#### Keeping Pace with Technology

As Barry Berman and Joel R. Evans said "Technology is beneficial to retailing relationships if it facilitates a better communication flow between retailers and their customers, as well as between retailers and their suppliers, and there are faster, more dependable transactions"(2010).

#### Expand the Good Image

Good image in a mind of consumer creates a link between every part of the job. In fact, the customer's perceived creates from all the things that are related to retailer's work.

#### Marketing and Customer Communication

As mentioned before retailers must first segment and define their target markets and then decide how they will differentiate and position themselves in these markets. In contrast, successful retailers define their target markets well and position themselves strongly.

#### Store Design

Employees working in this area are responsible for designing the store and presenting merchandise and fixtures in the store (Michael Levy and Weitz, 2010).

#### Lighting

It should give a correct impression of the merchandise while de-emphasizing the source of the light itself.

#### Ambiance

Creating an inviting ambiance which can both welcome customers and also cause them to stay for longer periods and increase the likelihood of their purchasing something.



## **Research Article**

### **Ceiling, Flooring and Shelving**

Complex return on investment approach are taken to ceiling, flooring and shelving of the store and wide range of costs are spent in this matter.

### **Color**

Color evokes emotion that words and images sometimes can't achieve. It can act as a great identifier and the intelligent of using it can communicate the certain mood dictated by the product itself.

### **Exterior Design**

The exterior design can be seen by customer, protects the interior by serving to transfer information to the shopper and it should look and feel right to him. The outside of the store must be eye-catching because by looking at the outside, the potential customer will out whether he wants to enter the shop or not.

### **Store Planning**

Space has been identified as one of a retailer's most expensive resources.

### **Layout**

It means deciding in what part of the store to locate products, designing the right shopping atmosphere can add to the appeal of a store.

### **Location**

Retailers must assess every location; if it does not produce profit, the store will not be viable (Dhruv Grewal et al., 2009).

### **Parking Facility**

Parking facility is an important factor, especially for stores located out of the city or far from the living place of people.

### **Visual Merchandising**

Visual merchandising is regarded as a powerful tool in shaping customer's final decision inside a store. It focused on various aspects of consumers, which include sensory pleasure, affective pleasure and cognitive pleasure (Fiore A.M. et al., 2000).

### **Size**

The size of the retail store means the total square footage of the physical store, not the extent of the firm total size.

### **Customer Satisfaction**

Satisfied customers are loyal customers so; retailers must develop strategies that can build strong relationships to make customers return, to make more purchases.

### **Ability to Acquire the Right Products**

The objective of retailers is to identify the products customers will demand and negotiate with suppliers to obtain these products.

### **Product Presentation**

Retail merchandising often requires hiring creative people who understand and can relate to the market.

### **Continual Assortment Renewal**

Offering new product every time can make a good image in customer's mind and helps the retailer differentiate from the competition and enhance customer loyalty.

### **Pricing**

Retailer should know the customer segments and the level that they accept the price because one of the fundamental competitive tools in retailing is pricing strategy in order to increase profitability. One of these strategies can be using 9 as the last digit (e.g. r5.99) which makes the customer imagine that the price is lower than it is.

### **Product and Service Offering**

To offer the product and service that meets customer's needs and expectations by:

### **Promotion**

Wherever possible, buyers will seek to evaluate the success, or otherwise, of product promotions by considering consumer demand for the promoted lines, the length of time in which a promotion operates

### **Research Article**

and the volume of products that are left unsold (John Fernie et al., 2003). The department attempts to build the retail firm's brand image and encourage customers to visit the retailer's stores and/or Web site. Managers in this area typically major in marketing or mass communications. (Michael Levy and Weitz, 2010)

#### **Attracting Customers**

Attracting customers has impact on customer satisfaction, behavioral loyalty and the relationship between customer satisfactions and repurchase intentions.

#### **Sale Promotion**

Sale increase sale, give information to customer, attract prospective buyer and pursue them to buy and to face the competition effectively.

#### **Traffic Building**

Building "traffic" is accomplished with a variety of promotional techniques such as advertising, including local newspapers or Internet, and specialized promotional activities, such as coupons to build customer interest to attract more people to visit retail location or website.

#### **Value-Adding Services**

Retailers can offer a large number of different value-adding services that a customer may get at a store besides actual products, in order to increase customer flows like home delivery.

#### **Staff Management**

By receiving the best advice and proceed the project without distracting manpower time and resource form their main business, the management resource can be used for retailer when required.

#### **Service and Staff**

Customers are directly in relation with employees so it can be used as a very important factor in differentiation.

#### **Use the Correct Managerial Strategies**

Retailer has to know how to manage the time and money and how to direct his business.

#### **Skills and Talents Required by a Retail Marketer**

There are some characteristics that retail marketer should have in order to be successful such as keen sales skills, Enthusiasm, flexibility, and have positive attitude.

### **RESEARCH METHODOLOGY**

The purpose of this study is to discover and analyze the impact of various factors and attributes on Iranian retailing industry as driving factors of merchandising and measures their effectiveness, Initially, an exploratory pilot testing was conducted on 50 respondents to identify the factors which would be considered and used in structuring the final questionnaire and the consumer respondents were from diverse backgrounds. The study was conducted in the main cities in Iran. The questionnaire finally consisted of twenty and nine statements as a driving factor and the shopper respondents were asked to indicate the degree of importance with these on a five point scale (1= very high , 5 =very low ). The questionnaire consists of 6 constructs such as visual communication (three questions), store design (five questions), merchandising planning (7 questions), merchandising promotion (4 questions) and finally merchandising staff behavior (three questions) and seven questions were asked about the qualitative and profile information. It was administrated to one five hundred and fifty and finally four hundred useable questionnaires were returned.

Researcher carried out the pilot testing study to see whether the questionnaires can obtain the results which researcher required to meet his objectives and hypothesis. The professional executives in the field retail Marketing and professors were asked to review the questionnaires and if there is any ambiguities which researcher haven't noticed. Then, a large number of questionnaires distributed to the shopper respondent in two major shopping malls. Since the researcher have found the relevant data, it wasn't necessary to pilot the questionnaires again. We proposed the following hypothesis in this study:

**Research Article**

H1: To understand the relation between the visual communication on consumer buying behavior in retail industry in Iran.

H2: To understand the relation between the store design on consumer buying behavior in retail industry in Iran.

H3: To understand the relation between the store planning on consumer buying behavior in retail industry in Iran.

H4: To understand the relation between the visual merchandising on consumer buying behavior in retail industry in Iran

H5: To understand the relation between the promotion on consumer buying behavior in retail industry in Iran.

H6: To understand the relation between Staff management on consumer buying behavior in retail industry in Iran.

H7: To investigate the most vital important attribute impact on merchandising and retailing format in Iranian retail industry

**DATE ANALYSIS AND INTERPRETATION**

**Qualitative Analysis**

**Table 2: Profile of Respondents**

<b>Gender</b>	Male	56.8
	Female	43.3
<b>Income</b>	<300	22.3
	300>X<600	49.8
	600>X<900	0
	>900	28.0
<b>Age</b>	<20	6.0
	20<X>30	56.8
	30<X>40	18.8
	40<X>50	12.8
	>50	5.8
<b>Education</b>	illiteracy	1.0
	Diploma	28.5
	Associate Degree	12.0
	Bachelor	38.3
	Master	18.0
	PHD	2.3

**Evaluating Measurement Scale**

Before the devoting score to any construct or factor to analysis, researchers should consider that whether chosen variables to represent and measure are accurate or in consistent manner. According to (Hair et al., 2007) consistency is related to the term reliability however, accuracy is related to the term validity. Hair et al. (2007) argues that, reliable questionnaire should produce the same results if repeated. Participants should answer the questions in consistency manner. In addition to test retest reliability and alternative forms reliability, internal consistency is used to evaluate summated scale. Internal consistency include into two types: first split-half reliability second coefficient alpha which is referred to Cronboch’s alpha. When the range of Cronbach's is from 0.35 to 0.7, the reliability of the questionnaire is medium. When it is higher than 0.7, the reliability of the questionnaire is considered high. Cronboch’s alpha in this research is calculated by SPSS 18 which is represented in table 3.



**Research Article**

**Reliability of Main Constructs**

A reliability test, based on Cronbach’s Alpha, is used to test the each internal consistency of each construct (factor) and the result shows all of 6 factors have internal consistency. Visual communication, store design, store planning, visual merchandising, promotion, staff management, have the  $\alpha$  values varies between .485 and .799 therefore their consistency is good and normal (Novak et al., 2004, Cronbach, 1951, Ware and Jr. et B. Gandek, 1998)

**Table 2: Internal Consistency**

Factors	Cronbach’s $\alpha$			
Pilot study				0.887
Final Study				0.858

**Table 3: Reliability of the Main Construct**

Construct Name	Cronbach's Alpha	Number of Items	Cronbach's Alpha if Item Deleted
Visual Communication	0.485	3	
Keeping peace with technology			0.534
Expand the good image			0.162
Marketing and customer communication			0.401
Store Design	0.799	5	
Lighting			0.785
Ambiance			0.755
Ceiling, flooring and shelving			0.754
Color			0.726
Exterior design			0.779
Store Planning	0.530	3	
Layout			0.418
Location			0.355
Parking facility			0.525
Visual Merchandising	0.741	7	
Size			0.775
Customer satisfaction			0.696
Ability to acquire the right products			0.694
Product Presentation			0.682
Continual assortment renewal			0.691
Pricing			0.720
Product and service offering			0.707
Promotion	0.611	4	
Attracting Customers			0.511
Sale Promotion			0.596
Traffic building			0.450
Value-adding services			0.600
Staff Management	0.717	3	
Service and staff			0.747
Use the correct managerial strategies			0.581
Skill and talent required by a retail marketer			

**Research Article**

**Analysis of Consistency**

First of all, consistency of all the factors was captured by applying items to total correlation analysis. Under this, correlation of every item with the total of major and the computed value is compare with the standard value .0159. If the captured value is found less than the standard value, then whole statement will drop and will be term as an inconsistency. But if the value is more than the standard value, it term as a consistency.

**Table 5: Correlation Analysis**

		Visual Communication (Construct 1)	Store Design (construct 2)	Store Planning (Construct3)	Visual Merchandising (construct 4)	Promotions (construct 5)	Staff Management (construct 6)
Visual Communication (construct 1)	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	400					
Store Design (construct 2)	Pearson Correlation	.356**	1				
	Sig. (2-tailed)	.000					
	N	400	400				
Store Planning (construct 3)	Pearson Correlation	.229**	.472**	1			
	Sig. (2-tailed)	.000	.000				
	N	400	400	400			
Visual Merchandising (construct 4)	Pearson Correlation	.351**	.357**	.459**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	400	400	400	400		
Promotions (construct 5)	Pearson Correlation	.336**	.356**	.450**	.529**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	400	400	400	400	400	
Staff Management (construct 6)	Pearson Correlation	.367**	.277**	.303**	.475**	.488**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	400	400	400	400	400	400

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Test of Normality**

**Table 4: One-Sample Kolmogorov-Smirnov Test**

	Visual Communication (construct 1)	Store Design (construct 2)	Store Planning (construct 3)	Visual Merchandising (construct 4)	Promotions (construct 5)	Staff Management (construct 6)
N	400	400	400	400	400	400
Kolmogorov-Smirnov Z	3.293	1.305	2.264	2.632	2.195	3.350
Asymp. Sig. (2-tailed)	.000	.000	.000	.000	.000	.000

As table 6 indicates, the significance value of all construct is less than .05 and we can conclude the data collected didn't follow the normal distribution we can apply the non-parametric test on it.

## Research Article

### Friedman Test

The Friedman test is the non- parametric alternative that can be used to test the differences between groups when the dependent variable being measured is ordinal. The Friedman test compared the mean rank related factors and indicated how the factors differed. As table 7 shows, there is a statistically significant difference in factors which influence consumer buying decision to select the retailing and merchandising.

**Table 5: Mean Ranks**

	Mean Rank
Visual Communication	2.66
Store Design	4.42
Store Planning	3.89
Visual Merchandising	2.84
Promotions	4.09
Staff Management	3.12

Table 7 illustrates that the lowest mean rank of these factors was given to visual communication and it shows that considers the most important future. The second importance was given to visual merchandising and the third importance was given to Staff Management of the retailing and merchandising format.

### CONCLUSION

Today, retail is one of the biggest employers in the world and a large portion of the world economy. As result indicates the Iranian retailing format is long distance to reach the international standard in this sector and it is almost just born in Iran .the result of this study is essential tools for retailing manager or marketing manager in this sectors. It equips them with new knowledge which recently extracted from the heart of Iranian respondent in retailing. It can be understood from mentioned test that Iranian shoppers give more importance to visual communication, visual merchandising, and Staff management. By understanding the product life cycle, skillful marketer can maximize effectiveness of most important factors; Iranian retail industry can minimize the distance and improve it as the cost the company money.

### REFERENCES

- Abratt, R. 1989.** A New Approach To The Corporate Image Management Process. Journal Of Marketing Management, 5, 63-76.
- Ailawadi, K. L., Beauchamp, J. P., Naveen Donthu, Dinesh Gauri & Venkatesh Shankar 2009.** Customer Experience Management In Retailing: Communication And Promotion. Journal Of Retailing, 85
- Anderson, E. W. & Sullivan, M. W. 1993.** The Antecedents And Consequences Of Customer Satisfaction For firms. Marketing Science, 12, 125–143.
- Anna Watson, John Stanworth, Simon Healeas, David Purdy & Celia Stanworth. 2005.** Retail Franchising: An Intellectual Capital Perspective. Journal Of Retailing And Consumer Services, 12, 25–34.
- Baker, Julie, Grewal, Dhruv & A., P. Summer 1994.** The Influence Of Store Environment On Quality Inferences And Store Image. Journal Of The Academy Of Marketing Science, 22 328-339.
- Bala Chakravarthy & Sue Mcevily (Eds.) May 2005.** Knowledge Management And Corporate Renewal Usa: Oxford University Press (Forthcoming 2006)
- Berman, B. & R.Evans, J. (Eds.) 2010.** Retail Management: A Strategic Approach, Prentice-Hall, London.

**Research Article**

- Berne, C., Mugica, J. M. & Yag. Ue, M. J. 1996.** La Gestión ! On Estrategia Y Los Conceptos De Calidad Percibida, Satisfacción ! On Del Cliente Y Lealtad. *Economía Industrial*, 307, 63–74.
- Bitner, M. J. 1992.** Servicescapes: The Impact Of Psychological Surroundings On Customers And Employees. *Journal Of Marketing*, 56 57-70.
- Bloemer, J. & Ruyter, K. 1998.** On The Relationship Between Store Image, Store Satisfaction, And Store Loyalty. *European Journal Of Marketing*, 32, 499–513.
- Borin, N., Paulw. Farris & James R. Freeland 1994.** A Model For Determining Retail Product Category Assortment And Shelf Space Allocation. *Decision Sciences*, 25 359-84.
- Buchanan C., Simmons C.J. & B.A., B. 1999.** Brand Equity Dilution: Retailer Display And Context Brand Effects. *Journal Of Marketing Research*, 36, 345.
- Byron Sharp & Erica Riebe. 2005.** Does Triple Jeopardy Exist For Retail Chains? *Journal Of Empirical Generalisations In Marketing*
- Caroline Emberson, John Storey, Janet Godsell & Alan Harrison 2006.** Managing The Supply Chain Using In-Store Supplier Employed Merchandisers. *International Journal Of Retail & Distribution Management*, 34, 467-481.
- Chain Store Age. 2002.** Time Flies When You're Scanning For Fun. *Chain Store Age*, 76, 2c-3c.
- Chakravarthy, B. S. 1996.** Flexible Commitments. *Strategy And Leadership*, 24, 14-20.
- Chakravarthy, B. S., P. Lorange & H. Cho 2002.** The Growth Imperative For Asian Firms. *Nanyang Business Review*, 1.
- Christensen, L. T. & Askegaard, S. 2001.** Corporate Identity And Corporate Image Revisited - A Semiotic Perspective. *European Journal Of Marketing*, 35, 292-315.
- Cooper, L. & Summer, B. 1991.** Getting Started In Quality, The First National Bank, As Reported In Berry, Leonard, And A. Parasuraman *Marketing Services: Competing Through Quality*, The Free Press.
- Cronbach, L. J. 1951.** Coefficient Alpha And The Internal Structure Of Tests. *Psychometrika*, 16, 297-334.
- D'andrea, G., Ring, L. & Lopez-Aleman, M. B. 2006.** Breaking The Myths On Emerging Consumers To Create Value In Retailing In Latin America. *International Journal Of Retail & Distribution Management*, Forthcoming.
- Davies, B. & Ward, P. 2002.** *Managing Retail Consumption*, London, Wiley.
- Dhruv. Grewal. & Michael. Levy. 2007.** Retailing Research: Past, Present, And Future. *Journal Of Retailing*, 83.
- Dhruv Grewal, Michael Levy & V. Kumar 2009.** Customer Experience Management In Retailing: An Organizing Framework. *Journal Of Retailing*, 85.
- Dune, P. M. & Lusch, R. F. (Eds.) 2005.** *Retailing: Usa*: Thomson South-Western.
- Fiore A.M., Yah X. & E., Y. 2000.** Effects Of A Product Display And Environmental Fragrance On Approach Responses And Pleasurable Experiences. *Psychology & Marketing*, 17, 27- 42.
- Forster, J. 2002.** Hungry For Convenience. *Business Week*, Industry/Technology Ed, 120-3.
- Fox, E. J. & Sethuraman, R. (Eds.) 2006.** *Retail Competition, Berlin Et Al.: Retailing In The 21 Century - Current And Future Trends*.
- Friestad, M. & Wright, P. 1994.** The Persuasion Knowledge Model: How People Cope With Persuasion Attempts. *Journal Of Consumer Research*, 21 1-31.
- Gilbert, D. 1999.** *Retail Marketing Management*, Great Britain: Prentice Hall
- Gilmore, J. & B Joseph Pine 1997.** The Four Faces Of Mass Customization. *Harvard Business Review*, 91-105.
- Guy, C. & Bennison 2007.** Planning Guidance And Large Store Development In The Uk: The Search For "Flexibility". *Environment And Planning*, 39, 945-964.
- Hair, Jr Joseph F., Arthur H. Money, Mike Page & Phillip Samouel 2007.** *Research Methods For Business*. Leyh Publishing, Llc.

**Research Article**

- Harkiranpal Singh May 2006.** The Importance Of Customer Satisfaction In Relation To Customer Loyalty And Retention. Asia Pacific University College Of Technology & Innovation, Technology Park Malaysia.
- Harris, D. & Walters, D. 1992.** Retail Operations Management – A Strategic Approach. Prentice-Hall, Hemel Hempstead.
- Harris, L. & Ogbonna, E. 2001.** Competitive Advantage In The Uk Food Retailing Sector: Past, Present And Future. *Journal Of Retailing And Consumer Services*, 8, 157-173.
- Hoffman, R. C. & Preble, J. F. 2003.** Convert To Compete: Competitive Advantage Through Conversion Franchising. *Journal Of Small Business Management*, 41 187-204.
- Hurth, J. 2006.** *Angewandte Handelspsychologie*, Stuttgart.
- J Leenheer & Bijmolt, T. H. A. 2008. Which Retailers Adopt A Loyalty Program? An Empirical Study. *Journal Of Retailing And Consumer Services*, 15, 429-442.
- Jayawardhena, C. 2004.** Personal Values' Influence On E-Shopping Attitude And Behaviour. *Internet Research*, 14, 127-138.
- Jin, B. & Kim, J. 2003.** A Typology Of Korean Discount Shoppers: Shopping Motives, Store Attributes, And Outcomes. *International Journal Of Service Industry Management*, 14, 396-419.
- John Fernie, Suzanne Fernie & Christopher Moore 2003.** *Principles Of Retailing*, Elsevier Science & Technology.
- Joines J L, S. C. W. & A, S. D. 2003.** Exploring Motivations For Consumer Web Use And Their Implications For E-Commerce. *Journal Of Consumer Marketing*, 20, 90-108.
- Jones, T. O. & Sasser, W. E. 1995.** Why Satisfied Customers Defect. *Harvard Business Review*, 88–99.
- Kahn, B. & Leigh, M. 1997.** *Grocery Revolution*. Boston: Addison Wesley.
- Karen H. Hyllegard, Jennifer Paff Ogle & Brian H. Dunbar 2006.** Patronage At A Spectacular And Sustainable Retail Site The Influence Of Consumer Identity On Perceptions Of Store Atmospherics And Store. *Clothing And Textiles Research Journal*, 24.
- Kazi Omar Siddiqi. 2010.** Interrelations Between Service Quality Attributes, Customer Satisfaction And Customer Loyalty In The Retail Banking Sector In Bangladesh. *Ternational Trade & Academic Research Conference*.
- Kerfoot S., Davies B. & Ward, P. 2003.** Visual Merchandising And The Creation Of Discernable Retail Brands. *International Journal Of Retailing & Distribution Management*, 31, 143-52.
- Khesraw Mansoor June 3, 2010.** Retail Industry Development.
- Koelmeijer, K. & Oppewal, H. 1999.** Assessing The Effects Of Assortment And Ambience: A Choice Experimental Approach. *Journal Of Retailing*, 75, 319-39.
- Levey M. & B.A., W. 2001.** *Retailing Management*, New York, Mcgraw Hill/Irwin.
- Levy, M. & Weitz, B. A. 1996.** *Essentials Of Retailing*. Irwin Chicago Il.
- Lim, A., Brian Rodrigues And Xingwen Zhang. 2004.** Metaheuristics With Local Search Techniques For Retail Shelf-Space Optimization. *Management Science*, 50 117-31.
- Lochhead, M. & Moore, C. M. (Eds.) 1999.** A Christmas Fit For A Princes' Square In European Cases In *Retailing*, Blackwell: Oxford.
- Lumbroso, J. Available: [Http://Ezinearticles.Com/?Expert=Jacob\\_Lumbroso](Http://Ezinearticles.Com/?Expert=Jacob_Lumbroso) [Accessed].
- Mason J., Mayer M. & H, E. 1994.** *Retailing*, Illinois: Irwin.
- Mauri, C. 2003.** Card Loyalty: A New Emerging Issue In Grocery Retailing. *Journal Of Retailing And Consumer Services*, 10, 13-25.
- Mayo De Juan Vigaray Fall, 2006.** *Marketing Communications: Retail Sales Promotions And Merchandising* Universitat D'alacant.
- Mckoon, G. & Ratcliff, R. 1992.** Spreading Activation Versus Compound Cue Accounts Of Priming: Mediated Priming Revisited. *Journal Of Experimental Psychology: Learning, Memory And Cognition*, 18, 1155-1172.



**Research Article**

- Mehrabian, A. & Russell, J. A. 1974.** The Basic Emotional Impact Of Environments. *Perceptual And Motor Skills*, 38 283-301.
- Mehrabian, A. & Russell, J. A. 1975.** Environmental Effects Of Affiliation Among Strangers. *Humanitas* 11, 219-230.
- Michael Levy & Weitz, B. A. (Eds.) 2010.** *Retailing Management: McGraw-Hill.*
- Mick, D. & Fournier 1999.** Rediscovering Satisfaction. *Journal Of Marketing*, 63, 5.
- Mintel 1999.** Retail Store Design. *Retail Intelligence*, 1-112.
- Mohua Banerjee & Dasgupta, R. 2010.** Changing Pattern Of Consumer Behavior In Kolkata With Advent Of Large Format Retail Outlets. *The Iup Journal Of Marketing Management*, IX. News, D. S. 2004. Discount Store News.
- North, E. J., De Ves, R. B. & Kotze, T. 2003.** The Importance Of Apparel Product Attributes For The Female Buyer. *Journal Of Family Ecology And Consumer Science*, 31, 41-51.
- Novak, M., I. Mucsi, C. M. Shapiro, J. Rethelyi & M. S. Kopp 2004.** Increased Utilization Of Health Services By Insomniacs--An Epidemiological Perspective. *J Psychosom Res*, 56, 527-36.
- Pajuodis, A. 2002.** *Prekybos Marketingas*, Vilnius: Eugrimas.
- Park C.W., Jaworski B.J. & Macinnis D. J 1986.** Strategic Brand Concept-Image Management. *Journal Of Marketing*, 50, 135-145.
- Peter C. Verhoef, Katherine N. Lemon, A. Parasuraman, Anne Roggeveen, Michael Tsiros & Leonard A. Schlesinger 2009.** Customer Experience Creation: Determinants, Dynamics And Management Strategies. *Journal Of Retailing*, 85, 31–41.
- Petty, R. E. & Cacioppo, J. T. 1981.** *Attitudes And Persuasion: Classic And Contemporary Approaches* Wm. C. . Brown Company Publishers, Dubuque, Ia.
- Pine, J. B. & James B. Gilmore 1999.** *The Experience Economy*, Boston, Harvard Business School Press.
- Poloian, G. L. 2003.** *Retailing Principles: A Global Outlook*, New York, Fairchild Publications.
- Porter, M. E. 1985.** *Competitive Advantage: Creating And Sustaining Superior Performance*, New York, Free Press.
- Regina W.Y. Wang & Mu-Chien Chou 2007.** Research On Forms Of Comprehension Derived From Visual Communication Of Package Designs. *International Association Of Societies Of Design Research*, The Hong Kong Polytechnic University.
- Rohland, P. 2001.** New Service Lets Supermarket Shopper Check Themselves Out. *Eastern Pennsylvania Business Journal*, 12, 4-5.
- Russell, J. A. & Mehrabian, A. 1978.** Approach Avoidance And Affiliation As Functions Of Emotion-Inducing Quality Of An Environment. *Environment And Behavior*, 10, 355-387.
- Rust, R. T. & Zahorik, A. J. 1993.** Customer Satisfaction, Customer Retention, And Market Share. *Journal Of Retailing*, 69 193–215.
- Sami Finne & Hanna Sivonen 2009.** *The Retail Value Chain: How To Gain Competitive Advantage Through Efficient Consumer Response (Ecr) Strategies*, London And Philadelphia, Replika Press Pvt Ltd.
- Sangeeta Sahney, Archana Shrivastava & Bhimalingam, R. 2008.** Consumer Attitude Towards Online Retail Shopping In The Indian Context. *The Icfai University Journal Of Consumer Behavior*, Iii.
- Schnetzler, J. 1999, July.** Is Retail Green Enough: How Manufacturers Can Do Their Part. *Visual Merchandising And Store Design*, 130, 38-39.
- Shawn Woodhull, Wade Hansen & John Riley. 2010.** Retail [Online]. Wikinvest. Available: [Http://Www.Wikinvest.Com/Industry/Retail](http://www.wikinvest.com/industry/retail) [Accessed].
- Spreng, R. A., Mackenzie, S. B. & Olshavsky, R. W. 1996.** A Re-Examination Of The Determinants Of Consumer Satisfaction. *Journal Of Marketing*, 60, 15.
- Sternthal, Brian Dholakia, Ruby Roy & Leavitt Clark 1978.** The Persuasive Effects Of Source Credibility: Tests Of Cognitive Response. *Journal Of Consumer Research*, 4, 252–260.
- Sullivan, M. & Adcock, D. 2002.** *Retail Marketing*, Great Britain: Thomson.



**Research Article**

- Summers, T. A. & Hebert, P. R. 2001.** Shedding Some Light On Store Atmospheric: Influence Of Illumination On Consumer Behavior. *Journal Of Business Research*, 54 145-150.
- Terblanche, N. 2002.** Retail Management, Cape Town, Oxford University Press Southern Africa.
- Thompson, R. S. 1994.** The Franchise Life Cycle And The Penrose Effect. *Journal Of Economic Behaviour And Organisation*, 24 207-218.
- Turley, L. W. & Milliman, R. E. 2000.** Atmospheric Effects On Shopping Behavior: A Review Of The Experimental Evidence. *Journal Of Business Research*, 49, 193-211.
- Urban, T. L. 1998.** An Inventory-Theoretic Approach To Product Assortment And Shelf-Space Allocation. *Journal Of Retailing*, 74, 15-3.
- Varley, R. (Ed.) 2006.** Retail Product Management, London.
- Walthers, R. 1999,** July. Getting The Scoop On Green Materials. *Visual Merchandising And Store Design*, 130, 24-25.
- Ware, J. E. & Jr. Et B. Gandek 1998.** Overview Of The Sf-36 Health Survey And The International Quality Of Life Assessment (Iqola) Project. *J Clin Epidemiol*, 51, 903-12.
- Wexler, M. N. 2002.** Organisational Memory And Intellectual Capital. *Journal Of Intellectual Capital*, 3, 393-414.
- Williams, A. J. & Seminerio, J. 1985.** What Buyers Like From Salespeople. *Industrial Marketing Management*, 14 75-78.
- Wilson, M. 2000,** May. It's Easy Being "Green" For Real Goods. *Chain Store Age*, 76, 240.
- Wood, S., Lowe, M. & Wrigley, N. 2006.** Life After Ppg6 - Recent Uk Food Retailer Responses To Planning Regulation Tightening. *International Review Of Retail, Distribution And Consumer Research*, 16 47-65.
- Wright, P. & Richard Lutz (Eds.) 1986.** Schemer Schema: Consumers' Intuitive Theories About Marketers' Influence Tactics, In *Advances In Consumer Research: Association For Consumer Research*, Provo, Ut.