Store image through the eyes of the retail manager

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ABSTRACT

The purpose of the research is to identify Retail Managers' perception regarding store image dimensions including store appearance, frontline staff, merchandise display and in-store experience of customer service by following a secret shopping methodology. The data were analysed through structural equation modelling (SEM) using SmartPLS software version 3. Descriptive analysis shows that average mean values of store appearance and merchandise are above good rating, indicating less improvements are required. However, average mean values of frontline staff and in-store experience are below good rating, indicating more improvements are required. The structural model analysis shows that store appearance, frontline staff and in-store experience of customer service, and merchandise are significantly related to the higher order latent construct, store image. It has implications for retail marketers regarding the effective design and implementation of retail service in terms of store appearance, frontline staff, merchandise and in-store experience.

Keywords: secret shopping, retail manager, retail stores, store image, customer service, merchandise; South Africa

Declaration of conflict of interest

The author has no known conflict of interest to disclose.

INTRODUCTION

Many retailers have realised over the years that they need to monitor the service given by their staff to customers, as this can be the difference between survival and failure. It is for this reason that many retailers are making use of secret shoppers to evaluate their staff and store in terms of customer expectations. Secret shopping can be defined as a form of observation undertaken by participants (Wilson, 1998). In order to monitor the quality of service delivery processes and procedures, researchers are used to act as customers or potential customers for a particular company or retailer (Wilson, 1998). Most companies have a set of service standards that they prescribe for their staff, but these standards are implemented by front line employees (Wilson, 1998). Customer experience and satisfaction are dependent on the performance of employees, which makes it imperative to monitor these actions. A number of studies have empathised the importance of ensuring consistent, good-quality service performance to secure customer satisfaction (Bateson, 1992; Grönroos, 1983). Thus, monitoring and tracking the actual service delivered to customers is essential for retailers wanting to build up a core of loyal customers. Measuring service quality is however not easy as service quality has several characteristics that need to be considered, including its intangible nature, heterogeneity, inseparability meaning that production and consumption of service takes place simultaneously, and its perishability (Yelkur, 2000). It is due to these reasons that secret shopper exercises have become a popular way of monitoring the customer-employee interaction during service delivery (Douglas, 2015). Secret shopper techniques are more accurate than satisfaction surveys conducted among customers. To compare service standards, exact checks against specified criteria are prepared in secret shopping. On the other hand, reflective customer satisfaction studies rely on the customer's recall of specific service delivery which is more subjective, less reliable and less accurate (Douglas, 2015). Secret shopper research can be utilised in a variety of settings such as health care (Allan, 2018), retailing (Finn, 2001), financial services (Tarantola *et al.,* 2012; Cowley-Cunningham, 2015) and many more.

Secret shopping is considered as an effective and efficient tool to gain deep knowledge of a customer's perception regarding service delivery (Finn, 2001). It has several benefits such as measuring performance against service standards, ensuring whether retailers are delivering what they have promised, maintaining a competitive edge in the market, a diagnostic tool for identifying areas of below standard service delivery, and the timeous response to service challenges as well as the measuring of the effectiveness of implemented training programmes (Douglas, 2015; Wilson, 1998; CORIU, 2004; Morrison *et al.,* 1997). A further benefit from secret shopper programmes is that it ensures the equal treatment of all customers (Morrall, 1994; Tepper, 1994). Secret shopper evaluations have the added benefit of linking the service-quality loop of service standards, employee performance, training and rewards in a positive way (Berry *et al.,* 1988). However, there are some challenges and limitations associated with secret shopper programmes as it violates the principle of informed consent if the employees are not aware that they are under observation. This can however be alleviated by informed consent practice, a proper assignment brief and by using different shoppers to perform the evaluation (Douglas, 2015).

Secret shopper programmes are regarded as an effective way to measure the service performance of employees in the store in a real setting where the customer interacts with employees against predetermined quality benchmarks (Wilson, 1998).

The general aim of this study is to explain how the retail stores of South Africa perform in terms of store appearance, store employees, merchandise display, and in-store experience service.

Specific objectives include:

- To identify and validate the observed variables of store appearance, store employees, merchandise display, and in-store experience service.

- To explore the extent to which store appearance, store employees, merchandise display, and in-store experience service are related to retail store image.

- To suggest the improvement needed in service quality of the retail stores surveyed.

This paper consists of four parts. First, it reviews the relevant literature related to secret shopping, the retail industry, customer service, satisfaction, loyalty and so forth. Next, the research methodology and data analysis techniques have been discussed. After that, results are discussed and summarised. The study concludes with a discussion of theoretical and practical implications followed by conclusion, limitations and direction for further research.

LITERATURE REVIEW

SECRET SHOPPING

A number of studies have been conducted on secret shopping which served as a basis for understanding what it entails (Allan, 2018; Douglas, 2015; Wilson, 1998). According to Xu and He (2014), secret shoppers methods have been used since the 1940s which makes it a tried and tested concept to evaluate employees and customer experience. Wilson (1998) noted that "secret shopping uses researchers to act as customers or potential customers to monitor the quality of processes and procedures used in the delivery of a service". The purpose of secret shopping is to collect facts rather than perceptions. These facts may include topics such as number of telephone rings before answering, queuing time, number of checkouts open and the form of greeting used which can be related to almost any service encounter. Secret shopping is a form of participant observation (Wilson, 1998) which is an example of concealed way in a public setting (Calvert, 2005).

In order to bring and monitor proper organizational changes, secret shopping technique should be utilized instead of traditional survey based customer satisfaction survey (Wiele et al., 2005). A unique perspective on a given situation is provided by the secret shoppers through their experience (Peterman and Young, 2015). In order to gather and evaluate specific information about an everyday service encounter, a structured approach of checklists and codes are usually utilised (Grove and Fisk, 1992). Instead of evaluating individual performance, findings are arranged anonymously in secret shopping (Kehagias et al., 2011). Secret shopping can be accomplished in a variety of ways including branch visits, telephone calls and email checks. The current study used visiting branches of different outlets of retail stores in South Africa.

THE RETAIL LANDSCAPE

South Africa has some of the world's largest retail organisations and largest economy in Africa (Mafini and Dhurup, 2015). An increasing number of new shopping malls bears evidence of the exponential growth of the retail sector (Mafini and Dhurup, 2015). It is therefore to be expected that there will be a high level of competition among all role players. The increased level of competition for customer patronage and support will manifest itself in the level of satisfaction of a diverse shoppers' market. Changing shoppers' expectations and needs results from frequent unpredictable occurrences in the retail sector around the world (Sinha and Banerjee, 2004). According to Sinha et al., (2002), factors such as changes in socio-demographics of consumers, the increasing number of dual income families, and expanding marketing over the internet place a new kind of pressure on the retail sector. As a result, significant changes are being noticed in consumer expectations and demands (Kim, 2002). Consumer shopping decisions are more frequently influenced by the types of customers as well as social and store image (Lamb et al., 2010).

In the retail sector customers have increasingly more competing offerings and face ambiguity when choosing among competing stores (Schiffman and Kanuk, 2009). Moreover, different strategic, functional and operational issues may be created due to a lack of proper knowledge regarding consumers' needs and wants (Karpova et al., 2007).

To fill the research gaps in the existing literatures, this study has proposed a conceptual framework to determine retail store services in South Africa using a secret shopping survey. Zikmund et al. (2009) noted that secret shopping has been used as a well-established methodology since early 1940s primarily to evaluate employees' integrity by the banks' management and retail chain stores. Thus, retail store image dimensions including store appearance, store employee, merchandise display and in-store experience items needed to be investigated through secret shopping technique.

CUSTOMER SERVICE, SATISFACTION AND LOYALTY

According to Kotler and Keller (2016), service means any intangible act or performance that is offered by one party to another without ownership of anything. The infrastructural facilities available to customers, the surrounding environment, employee attitude and behaviour with the customers, their professionalism and promptness of service etc. have a major impact on the perceived image of a company's services (Mahmood and Khan, 2014). Thus, proper customer service should be provided by retail organisations in order to achieve customer satisfaction and loyalty.

According to Tarantola *et al.* (2012), customer satisfaction is achieved when products and services offered by a company meet customer expectation. When the performance by products and services offered exceeds the expectation of customers, it is generally referred to as customer delight which means more than satisfaction. A variety of survey techniques and evaluation questionnaires are used to measure customer satisfaction levels which indicate whether a firm's service is properly delivered or not. If customers are satisfied, they are said to remain loyal to the firm, meaning that they will take a wide range of service repeatedly from the same organisation (Tarantola *et al.*, 2012). Therefore, it's urgent that business organisations detect the factors that influence customer satisfaction to delineate the actual situation and possible actions to improve the pitfalls.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

The study explores the different service of retail stores such as store appearance, frontline staff, merchandise and in-store experience through a secret shopper survey. A variety of factors influence the store image in the eye of the customers. Several noticeable cues like store appearance, its employees and promotional materials contribute to forming perceptions regarding store image (Amine and Cadenat, 2003). According to Koo (2003), store image has significant relationship with the dimensions including store atmosphere, location, convenience facilities, value, employee service, after sale service and merchandise.

Store image

Store image is related to the concept of brand image which is defined as "the consumer's perceptions of the brand's tangible and intangible associations (Faircloth *et al.*, 2001, p. 64)." Store image is a multidimensional concept (Bearden, 1977; Nevin & Houston; 1980) related to several aspects including merchandise, service, clientele, physical facilities, convenience, promotion, store ambience, institutional factors, and post transaction satisfaction (Lindquist, 1974). In addition, merchandising, service convenience, facility convenience, congestion, clean and spacious atmosphere, price competitiveness were also found to be dimensions of store image (Kim & Jin, 2001). du Preez *et al.* (2008a) defined store image as "consumer a composite picture of the retailer and it is one of the most powerful tools in attracting and satisfying consumers". Moreover, features of store image were classified into several dimensions including atmosphere, convenience, facilities, institutional, merchandise, promotion, sales personnel and service (du Preez *et al.*, 2008b). Thus, this study adopts store appearance, frontline staff, merchandise and in-store experience as dimensions of store image to form the conceptual framework.

Relationship between store image and store appearance

Store atmosphere is the environment which is designed to create emotional effects in customers and to augment purchase probability (Kotler, 1974). Both tangible (e.g. furniture, equipment) and intangible (e.g. lights, scent, colour, and temperature) comprise store atmospherics which creates customer experience (Hoffman and Turley, 2002) and first impression towards the store (Oh *et al.*, 2008). From the above discussion and evidence, the following hypothesis has been formulated.

H_1: **Store appearance has significant relationship with store image.**

Relationship between store image and frontline staff

According to Moschis *et al.* (2011), one of the principle store image factors is store personnel for customer assistance. Many studies concluded that experienced sales personnel including the qualities such as courteous, helpful, knowledgeable, attractive have a positive effect on consumers' store patronisation and perception of store image (Gundala, 2010; Clodfelter, 2010; Hu and Jasper, 2006; Hu, 2011). From the above discussion and evidence, the following hypothesis has been formulated.

H_2: Frontline staff has significant relationship with store image.

Relationship between store image and merchandise

The likelihood of a customer's shopping increases if the store has brand or quality of merchandise according to a customer's preference, quality services, attractive outlets, and courteous employees (Foxall and Yani-de-Soriano, 2005). Koo (2003) found that merchandise was a valid and significant dimension of store image in discount retail context. From the above discussion and evidence, the following hypothesis has been formulated.

H_3: Merchandise has significant relationship with store image.
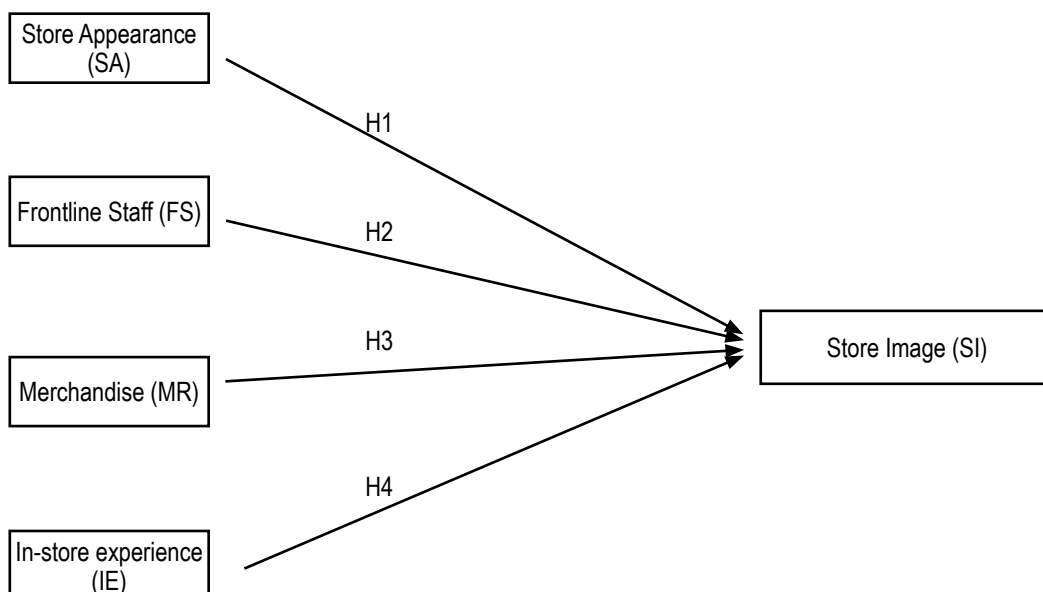
Relationship between store image and in-store experience

Mafini and Dhurup (2015) identified five relevant store image factors and store atmospherics was one of them which comprises service experience. According to Hoffman and Turley (2002), both tangible and intangible factors contribute to store experience of the clients. Excellent shopping experience can be generated with the help of a pleasant store atmosphere (Chan and Chan, 2008). From the above discussion and evidence, the following hypothesis has been formulated.

H_4: In-store experience has significant relationship with store image.

After reviewing pertinent literatures (Cowley-Cunningham, 2015; Finn, 2001; Wilson, 1998; Koo, 2003) and the above discussion, the following model is proposed for structural equation modelling in this study, Figure 1.

FIGURE 1
CONCEPTUAL FRAMEWORK

Thus, the current study tries to identify customers' perception regarding store image dimensions including store appearance, frontline staff, merchandise and in-store experience and their general relationship.

METHODOLOGY

SAMPLING DESIGN AND DATA COLLECTION

The study was conducted as a pilot study for a survey instrument, the Secret Shopper Questionnaire, utilising a quantitative approach with a cross-sectional design. The Secret Shopper is a well-used and adopted survey method adopted from qualitative research and pertinent literatures (Cowley-Cunningham, 2015; Tarantola et al., 2012, Finn, 2001; Allan, 2018; Wilson, 1998; Koo, 2003). Secret Shoppers in are individuals who pose as typical consumers to provide reports of services provided, along with consumer experiences and reactions.

Retail managers were recruited as secret shoppers during retail store management training held in provinces of Gauteng, Western Cape and Kwa-Zulu Natal. A total of 104 experienced retail managers agreed to participate in the project. These managers were asked, based on their training and experience as retail managers to evaluate a cross section of five (5) branded retail stores located in South African shopping centers in terms of store appearance, store clerk/personnel frontline staff, merchandise selection and general levels of in-store experience. Only apparel; furniture and appliances as well as jewelry and accessory branded retail stores were included in the secret shopper project.

The Secret Shopper Questionnaire used for this purpose consisted of 34 five-point Likert-scale items, ranging from 1 – 'needs improvement' to 3 – 'good' and 5 – 'excellent'. Due to the anonymous nature of the Secret Shopper Questionnaire, no demographic data was collected. A total of 540 retail stores located in South African shopping centers were were conveniently selected and evaluated by trained retail managers.

DATA ANALYSIS

Data collected through questionnaire were analysed using the software SmartPLS having version 3. Structural equation modelling (SEM) technique was utilised to test the conceptual model of the study. Exploratory factor analysis was performed for dimensionality assessment. Moreover, the reliability of the scale items was established through the score of Cronbach's alpha coefficients and composite reliability (CR).

FINDINGS

DESCRIPTIVE ANALYSIS

Table 1 shows the descriptive statistics including mean, standard deviation, skewness and Kurtosis values. All values of skewness and Kurtosis fall within acceptable range. The normality of the data has been established. The variables are store appearance (SA) with 6 items, frontline staff (FS) with 11 items, merchandise (MR) with 8 items and in-store experience (IE) with 8 items. The descriptive statistics including mean and standard deviation measured the level of service provided by the retail stores in the context of store appearance, frontline staffs, merchandise and in-store experience.

TABLE 1
DESCRIPTIVE STATISTICS

Items	Code	N	Mean	Std. Deviation	Skewness	Kurtosis
Store Appearance (SA)						
Was the store's outside appearance attractive?	SA1	538	3.82	1.196	-.779	-.141
Was the window display inviting and attractive?	SA2	533	3.71	1.230	-.661	-.427
Did the outside appear to be clean-clear sidewalks, clean windows and doors?	SA3	531	3.98	1.118	-1.031	.524
Was the store's inside clean and attractive?	SA4	539	3.83	1.204	-.887	.025
Was the store easy to shop and well organised?	SA5	536	3.67	1.307	-.692	-.580
How did you feel about the overall appearance of the store?	SA6	537	3.56	1.330	-.605	-.691
Frontline staff (FS)						
Were you promptly greeted?	FS1	535	2.39	1.638	.575	-1.381
Was the greeting friendly and professional?	FS2	524	2.44	1.633	.559	-1.363
Did the frontline staff ask good questions to find out what you were looking for?	FS3	524	2.11	1.458	.921	-.681
Was the frontline staff knowledgeable about the merchandise?	FS4	517	2.47	1.476	.472	-1.183
Was the employee's appearance appropriate to the nature of the store?	FS5	523	3.08	1.449	-.197	-1.262
Was the checkout experience positive?	FS6	450	2.42	1.489	.540	-1.178
Did the frontline staff thank you upon completion of your purchase/enquiry?	FS7	484	2.14	1.514	.901	-.791
What was your overall experience with the staff in the store?	FS8	518	2.33	1.469	.636	-1.051
Did the frontline staff make suggestions to upsell or alternatives?	FS9	514	2.03	1.484	1.089	-.417
Did the frontline staff offer to try and find the product for you at another branch?	FS10	487	1.91	1.419	1.253	.012
Did the frontline staff show interest in you as a customer even though you decided not to buy?	FS11	511	2.26	1.574	.786	-1.022
Merchandise (MR)						
How would you rate your first impression of the store?	MR1	535	3.23	1.376	-.293	-1.061
Was the store's merchandise arranged in an orderly and neat manner?	MR2	532	3.62	1.194	-.582	-.449
Was the merchandise fresh?	MR3	481	3.73	1.100	-.600	-.157
Was the merchandise inviting?	MR4	531	3.69	1.180	-.599	-.394
Was product priced and easy to read?	MR5	532	3.49	1.341	-.518	-.841
Were the aisles free of boxes and clutter?	MR6	523	3.63	1.344	-.715	-.590
What is your overall opinion of the merchandise selection?	MR7	527	3.59	1.171	-.526	-.403
Was the overall shopping experience enjoyable leaving you with a desire to return?	MR8	532	2.61	1.508	.339	-1.327
In-store experience (IE)						
Responsiveness of staff towards you as a customer?	IE1	520	2.32	1.525	.659	-1.139
Knowledge of staff about product or services?	IE2	515	2.52	1.487	.420	-1.270
Technical/emotional support?	IE3	505	2.25	1.435	.708	-.937
Merchandise /staff appearance /store layout(s)?	IE4	519	3.20	1.320	-.280	-.961

Did store personnel meet your expectations with item(s) as promised?	IE5	499	2.34	1.449	.628	-1.022
What were attitudes of the staff and their communication skills like towards you?	IE6	520	2.37	1.466	.592	-1.083
Did you receive fair value in terms of prices paid for item(s)/ service(s)?	IE7	455	2.60	1.433	.330	-1.195
How was the overall ambiance in the store?	IE8	504	2.65	1.409	.282	-1.199

The average mean and standard deviation of the variables are store appearance (SA); frontline staff (FS): merchandise (MR) and in-store experience (IE) are indicated in table 2.

TABLE 2
AVERAGE MEAN AND STD. DEVIATION

	N	Minimum	Maximum	Mean	Std. Deviation
Store appearance (SA)	540	1.00	5.00	3.7583	1.03567
Frontline staff (FS)	539	1.00	5.00	2.3384	1.29072
Merchandise (MR)	536	1.00	5.00	3.4485	1.01036
In-store experience (IE)	528	1.00	5.00	2.5389	1.25157

RELIABILITY ANALYSIS

A common method for examining the reliability of individual construct in a research is called Cronbach's alpha (George, 2011). The larger Cronbach's α value ensured the internal consistency among the constructs (Nunnally, 1978). All the Cronbach's α value range between 0.917 and 0.963 which is in the acceptable range. This means that the constructs used in the research are reliable for further analysis, Table 3.

TABLE 3
CONSTRUCT RELIABILITY ASSESSMENT RESULTS

Constructs	No. of Items	Cronbach's alpha values
Store appearance (SA)	6	0.917
Frontline staff (FS)	11	0.963
Merchandise (MR)	8	0.961
In-store experience (IE)	8	0.957

ASSESSMENT OF CONSTRUCT VALIDITY THROUGH EXPLORATORY FACTOR ANALYSIS (EFA)

Exploratory Factor Analysis (EFA) identifies how a set of items represent a particular factor or construct (Williams *et al.,* 2010). EFA is performed in this research using SPSS version 21 to assess constructs dimensionality, which is important for SEM analysis (Venkatraman, 1989). Sufficiency and expected quality of sample data are evaluated by data adequacy assessment (Sek, 2016). Kaiser-Meyer-Olkin measure of sampling adequacy (KMOMSA) and Bartlett's test of sphericity (BTOS) were undertaken. Hair *et al.* (2010) recommend that the index of KMOMSA generally ranges from 0 to 1 and the measure of KMOMSA should be more than 0.5 to be acceptable. In this study, KMOMSA is 0.966 which indicates highly acceptable value. Further, the BTOS should be less than 0.5 to be statistically significant. The present study shows that significance level of BTOS is 0.000 which indicates that sufficient correlations exist among the variables to proceed (Hair *et al.*, 2010, p. 105).

Table 4 shows the outcome of factor analysis which has been conducted with principal component analysis method and varimax rotation. Based on eigenvalue more than 1, the results show that all the items are loaded into three main components and total variance explained is 74.855.

TABLE 4
RESULTS OF FACTOR ROTATION

Rotated Component Matrix[a]			
	Component		
	1	2	3
FS8	.909		
FS3	.878		
IE6	.874		
IE1	.867		
FS11	.861		
FS9	.860		
IE5	.859		
FS4	.858		
FS6	.851		
IE3	.848		
IE2	.836		
FS10	.816		
FS2	.797		
FS7	.788		
IE8	.786		
MR8	.765		
IE7	.761		
FS1	.750		
FS5	.665		
MR4		.833	
MR3		.819	
MR7		.810	
MR2		.795	
MR6		.757	
MR5		.658	
MR1		.555	
IE4		.539	
SA1			.833
SA3			.826
SA2			.824
SA4			.710
SA6			.613
SA5			.577

It also indicates that the items of store appearance (SA) and merchandise (MR) loaded on respective factor. However, items frontline staff (FS) and in-store experience (IE) are loaded on a single factor. Thus, frontline staff (FS) and in-store experience (IE) are combined into a single construct before performing confirmatory factor analysis (CFA). In addition, IE4 and MR8 have been discarded due to cross loading to different factor, Table 5.

TABLE 5
RESULTS OF EXPLORATORY FACTOR ANALYSIS

Constructs	No. of Items	Range of factor loading	Number of dropped items	Reason for dropping
Store appearance (SA)	6	(0.577 - 0.833)	0	NA
Frontline staff (FS) and In-store experience (IE)	19	(0.665 - 0.909)	1 (IE4)	Cross loading
Merchandise (MR)	8	(0.555 - 0.833)	1 (MR8)	Cross loading

MEASUREMENT MODEL ANALYSIS

According to Hair *et al.* (2010), several observed variables with numerical value obtained from the research participants are used to measure a latent variable. As the previous EFA showed that all the items represent main three latent constructs, a confirmatory factor analysis (CFA) is used to confirm the items to load on relevant constructs (Hair *et al.,* 2010).

Assessment of Convergent Validity

Factor loading and average varience extracted (AVE) values above 0.50 are used to determine convergent validity (Lin and Ding, 2006; Hair *et al*., 2010). An AVE of 0.50 or more means that the latent construct accounts for 50% or more of the variance in the observed variables, on the average. Composite reliability (CR) value has also been used to assess the reliability of the constructs. All the values of factor loading, CR and AVE indicate good convergent validity of each construct, Table 6. The CR values range from 0.934 to 0.976 which fall in the recommended threshold level. AVE values range from 0.677 to 0.703 which are above the recommended threshold AVE value of 0.50 (Hair *et al.,* 2010).

TABLE 6
MEASUREMENT MODEL SUMMARY

Construct	Items	Factor Loading	AVE	CR
Store appearance (SA)	SA1	0.844	0.703	0.934
	SA2	0.845		
	SA3	0.771		
	SA4	0.882		
	SA5	0.840		
	SA6	0.847		
Frontline staff and In-store experience (FSIE)	FS1	0.780	0.695	0.976
	FS2	0.824		
	FS3	0.859		
	FS4	0.857		
	FS5	0.722		
	FS6	0.826		
	FS7	0.799		
	FS8	0.910		
	FS9	0.804		
	FS10	0.755		
	FS11	0.876		
	IE1	0.897		
	IE2	0.866		
	IE3	0.854		
	IE5	0.860		
	IE6	0.901		
	IE7	0.755		
	IE8	0.832		
Merchandise (MR)	MR1	0.757	0.677	0.936
	MR2	0.884		
	MR3	0.857		
	MR4	0.898		
	MR5	0.717		
	MR6	0.768		
	MR7	0.861		

Assessment of Discriminant Validity

Discriminant validity is achieved if the square root of AVE is greater than values of correlation coefficients among all the constructs (Hair *et al*., 2010; Fornell and Larcker, 1981). The objective of this test is to ensure that there is no large inter construct correlation. It also ensures that there should be less cross loading in order to achieve unidimensional aspect of the model.

Table 7 indicates that all the values of square root of the AVE are higher than all the correlations among the latent constructs. Thus, the discriminant validity of the model has been achieved.

**TABLE 7**
DISCRIMINANT VALIDITY ASSESSMENT

	MR	SA	FSIE
MR	0.823		
SA	0.754	0.839	
FSIE	0.537	0.436	0.834

Note: Diagonal elements are square root of AVE, off-diagonal elements are the correlation between constructs.

STRUCTURAL MODEL ANALYSIS

After the validity of the full measurement model is confirmed, the structural model is examined (Hair *et al.,* 2010). Structural model analysis is used to test the hypotheses proposed in the theory, Figure 2. Structural model analysis accepts or rejects the stated hypotheses which shows the significance of the relationship (Byrne, 2013; Schumacker and Lomax, 2004).

FIGURE 2
THE STRUCTURAL MODEL
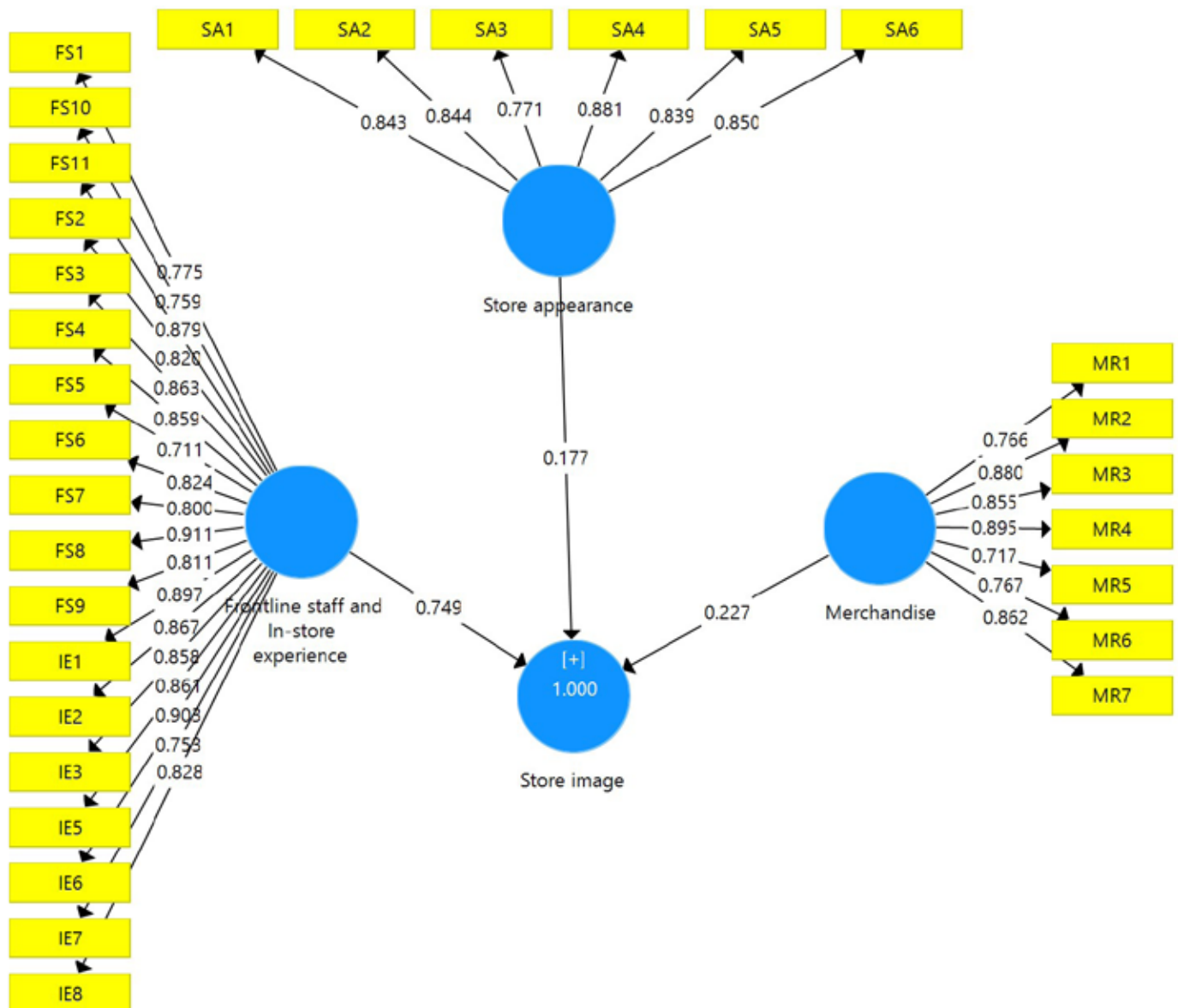
The hypotheses were tested using a two-tailed t-test with a significance level of 5% where the path coefficient will be significant if t-value exceeds 1.96. A higher-order latent construct, store image (SI) is created by taking all the indicators of SA, FSIE and MR, this process is called repeated indicator approach in SmartPLS. Thus, SI include all the items that were validated in this research.

TABLE 8
STRUCTURAL MODEL ANALYSIS RESULTS

Relationship	Path coefficients (β)	T Statistics	P Values	Result
SA -> SI	0.177	22.709	.000*	Significant
FSIE -> SI	0.749	51.564	.000*	Significant
MR -> SI	0.227	31.829	.000*	Significant

Note: *p<0.05, based on two-tailed test; t=1.96.

The results indicated that store appearance (SA), frontline staff and general (FSIE), and merchandise (MR) are significantly related to the higher order latent construct, store image (SI). All the elements of store image are significant at P<0.05 level. Path coefficients (β) indicates the impact that each independent variable has on the dependent variable where frontline staff and in-store experience has the highest impact (β=0.749) followed by merchandise (β=0.227) and store appearance (0.177). The value 0.749 means that if frontline staff and general (FSIE) is increased by 1, store image will be increased by 0.749.

DISCUSSION

The paramount objective of the study was to explore the different services of retail stores such as store appearance, frontline staff, merchandise and in-store experience through a secret shopper survey. The retail store managers played the role of secret shoppers and conducted the survey after visiting different retail stores in shopping centres. The variables store appearance (SA) are measured with 6 items, frontline staff (FS) with 11 items, merchandise (MR) with 8 items and in-store experience (IE) with 8 items. Cronbach's alpha values were used to measure construct reliability which shows that all the four constructs are highly reliable measurement scale which is one of the significant contributions of this study. However, exploratory factor analysis (EFA) showed that the items of frontline staff (FS) and in-store experience (IE) are loaded into one single factor. Thus, they are combined into a single construct named FSIE before performing confirmatory factor analysis (CFA). Convergent and discriminant validity were used to prove the validity of the three scale such as SA, FSIE and MR. The findings are in line with Liu et al. (2014) who developed and validated a rating scale validation through a secret shopper evaluation process in the context of restaurant services.

Then, a structural equation analysis showed that SA, FSIE and MR are significantly related to a single second-order factor named store image (SI) which is determined through repeated indicator approach in SmartPLS. The findings are supported by the study of Koo (2003) who found that the dimensions of store image such as store atmosphere, employee service, merchandising and so forth are significantly related to store image. The findings are also comparable with the findings of Hoffman and Turley (2002) and Oh *et al.* (2008). They found that both the tangible (e.g. furniture, equipment) and intangible (e.g. lights, scent, colour, and temperature) aspects of store contribute to form store atmospherics and thus crease store image. Customer perception of store image is also determined by the behaviour of store personnels (Moschis *et al.*, 2011). The current studies also proved that frontline staffs had significant contribution to store image. Merchandise and in store experience also contribute to form store image because well designed mechanise and pleasant store atmosphere affect customers' satisfaction (Foxall and Yani-de-Soriano, 2005; Chan and Chan, 2008).

Descriptive analysis of the average means of store appearance (SA), frontline staff (FS), merchandise (MR) and in-store experience (IE) showed the current situation of the retail stores regarding 'needs improvement', 'good' or 'excellent'. The average mean of store appearance (M=3.7583) indicates that it's above 'good' score and close to 'excellent'. This result is in line with the findings of Cowley-Cunningham (2015) who also found that customers' overall

satisfaction with store appearance is high across different pharmacy retail outlet. Thus, store appearance needs not to be improved. The second factor, frontline staff mean (M=2.3384) showed that it's below 'good' level. These findings are supported by the study of Cowley-Cunningham (2015) who found low customer service satisfaction across all the three types of stores surveyed. Thus, improvements are required in the frontline staff factor. In other words, the manner, behaviour, empathy of the frontline staffs should be improved for better customer experience. Managers should run an internal marketing programme to enable their employees to properly deliver service to their customers. Proper training, motivation and an evaluation programme should also be operated. The third factor, merchandise mean (M=3.4485) indicates that it's above 'good' score and close to 'excellent'. The findings of Cowley-Cunningham (2015) who also found that customers' overall satisfaction with store products or merchandise is high across different pharmacy retail outlet. Thus, merchandise needs not to be improved more. Finally, in-store experience mean (M=2.5389) showed that it's below 'good' level. Thus, improvements are required in in-store experience factor. This study has got implications for managers, decision makers, retail marketers regarding effective design and implementation of retail service for optimum customer satisfaction.

CONCLUSION AND FURTHER RESEARCH

The study aims to explore the different service of retail stores such as store appearance, frontline staff, merchandise and in-store experience through a secret shopper survey. A conceptual model has been developed and structural equation modelling has been performed to test the proposed hypotheses related to relationship among store appearance, frontline staff, merchandise, in-store experience and store image. After the analysis of 540 questionnaires' data collected through different store managers from a large store showed that store appearance (SA), frontline staff and general (FSIE), and merchandise (MR) are significantly related to store image (SI). Thus, retailers should emphasise on these aspects of store image to ensure customer satisfaction. Nonetheless, every study has limitations and scope for further research. First of all, the result is difficult to generalise because of using non-probability convenience sampling procedure. Future studies should be conducted with probability sampling. In addition, the study can be replicated in other contexts except retail industry for additional insights. Second, the study did not consider the impact of store image dimensions on any outcome variables (e.g., customer satisfaction, loyalty etc.). Therefore, future studies should evaluate the impact of store image dimensions on customer satisfaction and loyalty. Regardless of study limitations, the study has validated construct and items related to store image dimensions by means of EFA and CFA which may assist future studies in conducting research with the measurement scale of this study. This study also determined the retail service level in terms of store appearance, frontline staffs, merchandise and in-store experience which also guide the policy makers and managers in their strategic planning.

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