Customer Acuity and Perception of International Retail Stores in Pakistan

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ABSTRACT

This study is focused on the attributes of store image that affects customer acuity as they relate to store attributes comprise of merchandising, store atmosphere, in-store service, accessibility, reputation, promotion facilities and post-transaction service. This study aims to explore customer acuity about international retail stores in the unique Pakistani socio-economic and cultural environment. Based on perceived value theory and stimulus-organism-response (S-O-R) framework, this study explains the S-O (Stimulus – Organism) relationship of customer acuity about international retail stores in Pakistan, i.e. METRO-Habib Cash & Carry (aka: METRO) and Hyperstar (aka: Carrefour). In this study, we have adopted a semi-structured approach of conducting qualitative interviews.

The findings shows that among other attributes of store image; merchandising of the store, promotion, store facilities, accessibility and reputation of store have significant contribution in generation of positive customer acuity towards retail stores. However, quality of in store services is the most significant challenge leading towards negative acuity, about retail stores. Also retail stores need to aggressively work on improving the store atmosphere especially the shopping atmosphere and the post transaction services for the return and exchange procedures. This work on customer acuity will help retail managers and stores to know more about the customer perceptions and insights so that they can take appropriate actions for the improvement of customer experience.

Key Words: Consumer acuity, retail stores, store image, brand, customer perception.

I. INTRODUCTION

Currently economic stability of Pakistan is somewhat unstable due to numerous internal and external factors of political volatility, energy shortages and climatic disasters. However, throughout the last decade, the country has observed appositive GDP growth rate of 4.1% (FBS, 2015), and GDP growth rate of 5.07% is predicted (CID Harvard University, 2016). Even after the global recession strike in 2008, it managed a positive growth rate in all the years thereafter (PBIT, 2011). Pakistan has made its place in ‘next eleven’ economies, that will be the drivers of global growth in the years to come. According to SBP (2011), Pakistan is the 6th most populous country in the world recording growth in real per capita income (2.9% in FY2010), real private consumption (7%) and global imports (14.7%). It seems that the global market for goods and services will draw considerable contributions from it. According to SBP (2011), Pakistan’s retail sales are likely to increase to USD 133 billion, at a high average growth rate of 8%. It is expected that, in future, share of kirana and general stores (mom & pop stores) will decline by 50% in favor of large wholesalers and retailers. In 6-7 years, retail giants like Metro Habib and Hyperstar have established 12 branches in Pakistan with immediate expansion plan, e.g. Metro Habib Cash and Carry has plans to open 30 new stores during the next three years to serve one million customers (Dawn News, 2013), and Hyperstar has decided to open 2 stores in the year 2016 (Hyperstar, 2016). Individual physiognomies like income, education and household size and external factors like quality, quantity, variety and convenience of shopping are major drivers of demand.

Customer acuity is a broad concept to be measured regularly and improved upon as a competitive necessity (Mujtaba, 2014). Numerous authors contemplate that the internal elements of the company or the services offered by retailers play a vital role in developing business image. According to Naylor and Frank (2000), employees’ performance will affect the consumers’ acuity. As has been witnessed by the Volkswagen case of emission scandal, employees falsifying data can also negatively impact the company’s performance and brand image (Cavico and Mujtaba, 2016). Some authors further elucidate that services offered by the business (Shaw & Haynes, 2004), prices of the products (Sheinin & Wagner, 2003), and quality pertained to services offered (Ganglano & Hathcote, 1994) will also impact customer acuity. Having the same opinion, Jiang and Rosen bloom (2005) further explored, as consumers become more globally connected and technologically sound, it is very easy to do price evaluations or comparisons over a click of a mouse; also non-price advantages, such as quality of the services have now becoming substantial in enticing and retaining customers. Miranda et. al (2005) narrated that customer satisfaction is strongly associated to the concept of customer acuity. It is mandatory for retailers to find out what makes their customers satisfied while shopping in their stores (Miranda et. al, 2005). Satisfied customers will give an exceptional positive acuity towards the retailers.
Environment of a retail store is an important source of creating experience for the consumers and it is a key component in creating emotional attachment that is actually targeted to gain the attraction and awareness of consumers (Hartman and Spiro, 2005; Chang and Luan, 2010) to build the image of the retail store.

Store image is considered as the way consumers recognize the store in their minds, grounded on intangible and tangible elements, involved a mammoth deal of academic and empirical consideration during the last few decades. As stated by Martineau (1958), Doyle and Fenwick (1974), Franca and Figueiredo (1993), and Amirani and Gates (1993), the importance of studying image is based on the hypothesis that the store having the most articulated attributes with the image required by consumer will have an enhanced probability of being selected and patronized. Therefore store image can be considered as a marketing tool (Engel et al., 1995), or as a competition tool (Reardon et al., 1995), so the information about the least and most alluring attributes should be shared with the managers to be used as marketing or competition tool. The relationship between the store attributes and store image is multifaceted despite the fact that a long history of academic research is associated with it. There are studies that support the relationship and executives relate attitude and patronage (Monroe and Guillitnan, 1975). As stated by Dick and Basu (1994), the concept of relative attitude commands the intricacy of this relationship. As expounded by Monroe and Guillitnan (1975), Spiggle and Sewall (1987) as well as Darden and Dorsch (1990), store patronage behavior is also vigorous, and is more evident in buying circumstances of involvement, risk, evaluation of alternatives and information search. This vigor is fundamental in order to grasp changes in consumer acuity. For the success of retail stores, consumer acuity has been considered to be an indispensable factor. As explained by Hartman and Spiro (2005) as well as Chang and Luan (2010), retail store environment is an extremely influential means of providing experiences to consumers and is the most vital factor in crafting strong feelings and memorable customer experiences that actually attempt to gain the attention and awareness of consumers.

This study is focused on the attributes of store image that affects customer acuity. The stimuli that relate to store attributes contain merchandising, store atmosphere, reputation, in-store service facilities, promotion, store accessibility, and post-transaction service. This study aims to explore customer acuity about international retail stores in the unique Pakistani socio-economic and cultural environment.

This research fills the gap in the literature by exploring customer acuity about retail store in Pakistani context. The section on literature review includes retail formats and brands, retail stores, customer acuity, store image and then different attributes of stores image. Based on perceived value theory and stimulus-organism-response (S–O–R) framework, the methodology section explains the S–O (Stimulus – Organism) relationship of customer acuity about international retail stores: METRO-Habib and Hyperstar in Pakistan. In the next section, findings are followed by discussion. Finally we conclude our paper and outline its limitations and the future research agenda.

II. LITERATURE REVIEW

Retail stores may be associated with the availability of a wide variety of goods. Some consumers perhaps find retail stores convenient since they offer the possibility to buy all or most of the things they need from the same place. On the other hand, many consumers feel that there is a lot of walking and searching because some retail stores are big and spacious. This extra walking is often compensated by purchasing large quantities of goods at one time. These are market-like stores where the number of items is usually large. There is rarely much waiting or queues, and buyers don’t have to stand idle for a long time. They are usually new sites, a lot of space, no collisions against the shelves, good lighting, easy to move around in, and pleasant shopping. The method of shopping is such that consumer take the goods on trolley to their cars. Shopping goes smoothly even if a consumer is shopping with his/her child (Uusitalo, 2001).

METRO – Habib Cash & Carry Pakistan (METRO)

METRO opened its first cash & carry store in Pakistan in 2007 and increased to 5 stores in a short period of 18 months. In July 2012 METRO and Makro-Habib combined their wholesale business in Pakistan marking the beginning of a long-term partnership to the mutual benefit of both companies. Today the company is operating 9 stores in Lahore, Karachi, Islamabad & Faisalabad. Metro Habib Cash and Carry has planned to open 30 new stores during the next three years in Pakistan (Dawn News, 2013).

Hyperstar (Carrefour)

Hyperstar is recognized as one of the most active shopping concept developers throughout the region; the group first introduced the hypermarket model to the Middle East in 1995. They are operating 52 hyper markets spread across 19 countries. In Pakistan, they are operating in 3 cities, one in Lahore, second in Karachi and third in Islamabad (Hyperstar, 2016).

Customer Acuity

Customer acuity is a broad concept to be measured. Numerous authors think that the internal factors of the company or the services offered by retailers play a vital role in developing business image. Naylor and Frank (2000) narrated that the employees’ performance will affect the consumers’ acuity. Some authors have further explained that services offered by the business (Shaw & Haynes, 2004), product prices (Sheerin & Wagner, 2003), and quality of service offered (Ganglano & Hathcote, 1994) will also influence customer acuity. Having the same opinion, Jiang and Rosen bloom (2005) further included that as consumers become more globally linked and technologically sound, price comparisons are very easy even with a click of mouse. Furthermore, non-price advantages such as service quality have now becoming significant in attracting and retaining customers. Miranda et al. (2005) elaborated that the concept of customer acuity is strongly
associated with customer satisfaction. It is essential for retailers to identify what makes their customers satisfied. Happy customers will give an outstanding acuity towards the retailers.

**Store Image**

It is the prime priority of every retailer to be the first choice for the customers. As stated by Rhee and Bell (2002), although customers visit many stores, most of the time they are closely connected to one “main store” from where they buy majority of their products. Hence understanding and meeting customer demands is necessary to develop a positive retail image.

Store image is considered as the way consumers recognize the store in their minds. As narrated by Martineau (1958), Doyle and Fenwick (1974), Franca and Figueiredo (1993), as well as Amirani and Gates (1993), the importance of grinding store image is based on the assumption that the store having the most expressed attributes with the image required by consumers will have a fair probability of being selected and patronized.

**Merchandising and Customer Acuity**

Merchandising of the store plays a vital role in creating customer favorable acuity. In order to meet and exceed customer expectations, appropriate merchandise and assortment mix is necessary because it provides customers with a broader choice of products and services (Golledge et al., 1966; Hanson, 1980). Hence the likelihood of customers visiting competition to satisfy any unsatisfied needs reduces (O’Kelley, 1981; Beatty et al. 1996). The focus on depth and width of the assortment, product and brand choice remains dominant.

**Store Atmosphere and Customer Acuity**

Importance of store atmosphere is widely spelled out in research studies. According to Ghosh (1994), Bearden (1977), and Lee (1996), store atmosphere refers to the environment that is brought about by a corresponding visual presentation of goods and the ease of movement within the store. Emotional response activated by the physical surroundings is directly inclined to the shopping comportment of consumers (Donovan and Rossiter, 1982). Nelson (1958) found that a well-organized store atmosphere provides a favorable environment that combines layout with in-store music, color, decorations and lighting. The store atmosphere boosts the attractiveness of its stocks to the consumers. In a nutshell, store atmosphere works on the inclination and arousal purview of consumer acuity, and stores with promising atmosphere are likely to increase consumer fondness.

**Quality of in-store services and Customer Acuity**

As explained by Bitner et al. (1994) as well as Westbrook and Black (1985), consumer patronage of retail stores often spreads beyond the objective of buying grocery. To a certain degree, for the consumers’ store visit is a kind of a recreational activity whose importance is emphasized by in service delivery within the store (Bitner et al., 1994; Westbrook and Black, 1985). Hence, the quality of in-store services is likely to have a robust imprint on consumers’ buying behavior (Szycon, 1992). In-store service includes providing information to customers, responding to customer inquiry, store signage’s to guide stock location, presence of customer representatives, and so on (Lindquist, 1974). As narrated by Reynolds and Beatty (1999), the core objective of in-store service is to brace customer and store affiliation, upsurge customer pleasure of store shopping and reassure their repeat visits.

**Store accessibility and customer acuity**

Another key factor that fascinates customers about a store is its accessibility. Customers having ease of travelling along with short travel time is spelled out as good accessibility. As elaborated by Huff (1962) as well as Epple and Shilling (1996), stores that are easily accessible are likely to be selected by customers. Vandell and Carter (1993) and Ownbey et al. (1994) narrated that success or failure of a retail depends on its store location and accessibility. Stores that are situated in the center of the city or near a Metro bus station interchange are likely to get more publicity and appeal greater customer traffic than stores that are not easily accessible. Lindquist (1974) asserts that accessibility is having parking facilities and a convenient location. Hence, easily accessible stores create less displeasure for the customer and encourage him/her to visit the store.

**Reputation of store and customer acuity**

Impression of the stores in the minds of customers is considered as reputation of the store. Lindquist (1974), as well as Erdem et al., (1999) explained the constituents that form the reputation of a store can include its culture, location, and reliability. Based on their history, stores project themselves as being top-ranked, average or basic. The stores carrying good reputation are able to gain more customer trust and attachment as psychologically they are more tilted and convinced on the quality or value. This relationship also extends to the pride of ownership of the products and a sense of being superior, thereby supplementing the pleasure domain of consumer acuity.

**Store Promotion and customer acuity**

To attract and engage customers, retailers are frequently offering promotions. Customers have to be tempted to the stores with “best offers” and “new arrivals”. Bagozzi et al., (1998) assert that promotions help to develop customer awareness regarding the store activities and increase the probability of store patronage. They fascinate customers to the store offerings, equip them with knowledge of stock availability that could gratify to their needs for the future and embolden their repeat visits (Alexander, 1983; Logue, 1986). Hence, a well-planned, well managed and well organized promotional strategy attracts customers to the store and builds the brand value.
Facilities of the store and Customer Acuity

Stores equipped with innovative and latest facilities are more likely to get favorable consumer acuity. Facilities refer to store infrastructures that augment the comfort of shopping (Nevin and Houston, 1980). Chan (1996) stated that sitting arrangement at store improves patronage. Other examples of such facilities include customer lockers, refreshment corners, baby-care corners, clean washrooms, nappy changing areas, changing room and even Wi-Fi availability. Providing required facilities to the customers helps in increasing the consumers’ inclination of being in the store and indirectly extending the duration of their visit in the store.

Post-transaction service and Customer Acuity

A shopping experience does not end when a customer leaves the store or when a sales transaction is done. Post – transaction services plays a vital role in creating positive acuity. Lindquist (1974) refers as post-transaction service offered by the store shapes reliability and impacts the positive acuity of the customer. Examples of such services include delivery services, installation services, warranties and exchanges or refunds for faulty products.

Perceived value theory

As narrated by Baker et al. (2002), Bitner (1992), Mattila and Wirtz (2001), Michon et al. (2005), as well as Sharma and Stafford (2000), the model of customer acuity about retail atmosphere has established that customers use holistic processing to build acuity about the atmosphere. Oh et al. (2008), as well as Thang and Tan (2003) have constructed their atmospheric investigations in the stimulus–organism–response (S–O–R) tradition; however, we suggest a theoretical model of the inter-relationships between important constructs that would be at the organism level of an S–O–R model. As explained by Sanchez-Fernandez and Iniesta-Bonillo (2007), S–O–R model is grounded in the hedonic and utilitarian division of perceived value theory. Hedonic and utilitarian value is a two-dimensional perceived value theory, which says that for both affective gratification (hedonic) and instrumental task-related reasons; consumers value products (Hirschman and Holbrook, 1982; Holbrook and Hirschman, 1982). Within the domain of retail atmospheres, associations between hedonic and utilitarian value and customer overall evaluation of the retail atmosphere have not been acknowledged yet specially in the context of Pakistan.

Figure 1 - S–O–R model of customer retail buying behavior

<table>
<thead>
<tr>
<th>Stimulus</th>
<th>Organism</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Store Image</td>
<td>Customer Acuity</td>
<td>Preference for Stores</td>
</tr>
<tr>
<td>- Merchandising</td>
<td></td>
<td></td>
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<tr>
<td>- Store Atmosphere</td>
<td></td>
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<tr>
<td>- In store services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Accessibility</td>
<td></td>
<td></td>
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<tr>
<td>- Reputation</td>
<td></td>
<td></td>
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<tr>
<td>- Promotion</td>
<td></td>
<td></td>
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<tr>
<td>- Facilities</td>
<td></td>
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<tr>
<td>- Post transaction</td>
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</tr>
</tbody>
</table>

Mehrabian and Russell (1974) found that environmental psychology approach has produced a number of research studies. Donovan and Rossiter (1982) articulated the approach into S–O–R framework. They suggest that the stimuli (as antecedents) affect the customers' emotional situations whose response may be witnessed in their retail behavior such as patronage, retail store search and in-store conduct. The S–O–R framework has been repeatedly expounded (Bagozzi, 1986) and tested in previous researches with encouraging results (Sherman et al. 1997; Sherman and Smith, 1986; Anderson, 1986; Baker et al. 1994).

Some of the store attributes that have been suggested as stimuli in the literature include merchandizing, atmosphere of the store, in-store service, store accessibility, in store promotion, reputation of the store, in store facilities, and post-transaction services. Stores with stimuli that increase the positive acuity of consumers are likely to upsurge their predilection for the stores. The adverse is anticipated for stores with stimuli that produce negative customer acuity. This conceptualization equates the classical buying behavior of customer whose diverse emotional modes, consequent from their previous store visits, decode into a situation where customers’ choice of retail stores is established on their changing level of predilection for them.

RESEARCH METHODOLOGY

As the nature of the study is exploratory and based on the customer acuity, the interpretive approach to knowledge creation is adopted as it allows us to go deeper into the social world of the participants, enter their reality and interpret
their acuities as appropriate (Bryman, 2012). The rationale for selecting interpretive research has two major aspects. Firstly, Customer acuity is a multifaceted and complex social phenomenon. Second, qualitative studies in the context of Pakistan is very scarce and customer acuity towards international retail stores is still an under researched area in this context, which calls for the use of qualitative approach to study the phenomenon in greater depth.

Sampling Strategy

In this study, purposive sampling (Bryman, 2012; Miles and Huberman, 1994) strategy is adopted to select customers. The aim of selecting purposive sampling was “to sample case/participants in a strategic way, so that those sampled are relevant to the research questions being posed” (Bryman, 2012). A population size of the 13(Thirteen) International retail store customers is considered suitable for purposive sampling. Participants have been selected from three major urban cities: Lahore, Karachi and Islamabad. It is important to emphasize here that this choice was not made to examine comparisons and differences among customers from these cities. Instead, we argue that selecting three large cities enhanced the diversity of their acuity pertaining to retail stores. The aim is to include as many diverse perspectives as possible, rather than to seek and examine differences based on sub-cultural influences.

Recruitment of the sample

To recruit the prospective participants, the recruitment criteria was built to be flexible in order to capture the richness of the diverse population. Following are the basis:

a. Customers who are shopping/buying from international retail stores.

b. Customers who are shopping/buying from international retail store at least once in a month.

c. Customers can be male or female.

Data collection

For this study, semi-structured approach (Bryman, 2012; Cresswell, 2012) was adopted to conduct the interviews. This technique has allowed the flexibility to not follow the exact ordering of the questions as mentioned in interview schedule. Instead, the interview schedule served as a ‘guide’. Moreover, semi structured interviewing has enabled us to ask additional questions, which are not originally the part of interview schedule, which we considered to have potential and to be interesting to enrich the content of our interview data (Bryman, 2012).

III. RESULTS

Presentation of demographic profile

Table 1 gives a summary of the interviewees. Demographic profile of the participants show that so far as location is concerned, out of 13 participants 5 belong to Lahore, 3 belong to Islamabad, and 5 belong to city of Karachi. It appears that 38% of participants were from Lahore, 38% from Karachi and 23% from Islamabad. Regarding the gender, 10 (77%) of the participants are male and 3 (23%) of the participants are female. So far as the occupation of the participants is concerned, 8 respondents are private employees, 3 participants are government employees, and 2 are housewives. This entails that 62% of the participants were working in the private sector and 23% worked for the government sector organizations. This also gives a twofold dimension; that majority customers of retail stores are private sector employees.

Regarding the age profile of participants are concerned, 2 (15%) participants belong to the age group of 26-30, 8 (62%) participants belong to the age group 31-40 and 3 (23%) belongs to the age group of 40& above. So far as the marital status of participants is concerned, 12 (92%) participants are married and 1(8%) participant is single. Regarding educational status of participants, out of 9 participants 2 (15%) have bachelor’s degrees, 9 (70%) have master’s degrees and 2 (15%) has doctorate degrees.

Table 1 – Participant Demographics

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Interviewee</th>
<th>Location</th>
<th>Age</th>
<th>Occupation</th>
<th>Gender</th>
<th>Marital Status</th>
<th>Education Status</th>
<th>Visit Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Zeeshan Ahmad</td>
<td>Lahore</td>
<td>31-40</td>
<td>Government Employee</td>
<td>Male</td>
<td>Married</td>
<td>Doctorate</td>
<td>Once a month</td>
</tr>
<tr>
<td>2</td>
<td>Neman Khalid</td>
<td>Lahore</td>
<td>31-40</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Masters</td>
<td>Twice a month</td>
</tr>
<tr>
<td>3</td>
<td>Mrs. Fezla</td>
<td>Lahore</td>
<td>40 &amp; above</td>
<td>Housewife</td>
<td>Female</td>
<td>Married</td>
<td>Bachelor</td>
<td>Twice a month</td>
</tr>
<tr>
<td>4</td>
<td>Huma</td>
<td>Islamabad</td>
<td>26-30</td>
<td>Private Employee</td>
<td>Female</td>
<td>Single</td>
<td>Masters</td>
<td>Once a month</td>
</tr>
<tr>
<td>5</td>
<td>Munawar</td>
<td>Karachi</td>
<td>40 &amp; above</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Bachelor</td>
<td>Twice a month</td>
</tr>
<tr>
<td>6</td>
<td>Abu bakar</td>
<td>Islamabad</td>
<td>31-40</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Masters</td>
<td>Once a month</td>
</tr>
<tr>
<td>7</td>
<td>Muhammad Omer</td>
<td>Karachi</td>
<td>26-30</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Masters</td>
<td>Twice a month</td>
</tr>
<tr>
<td>8</td>
<td>Baqar Hussain</td>
<td>Karachi</td>
<td>31-40</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Masters</td>
<td>Once a month</td>
</tr>
<tr>
<td>9</td>
<td>Asim</td>
<td>Lahore</td>
<td>31-40</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Bachelor</td>
<td>Twice a month</td>
</tr>
<tr>
<td>10</td>
<td>Javvad Mukaram</td>
<td>Lahore</td>
<td>31-40</td>
<td>Government Employee</td>
<td>Male</td>
<td>Married</td>
<td>Bachelor</td>
<td>Twice a month</td>
</tr>
<tr>
<td>11</td>
<td>Mujtaba</td>
<td>Karachi</td>
<td>31-40</td>
<td>Private Employee</td>
<td>Male</td>
<td>Married</td>
<td>Doctorate</td>
<td>Once a month</td>
</tr>
<tr>
<td>12</td>
<td>Saifjed Hasan</td>
<td>Islamabad</td>
<td>40 &amp; above</td>
<td>Government Employee</td>
<td>Male</td>
<td>Married</td>
<td>Doctorate</td>
<td>Once a month</td>
</tr>
<tr>
<td>13</td>
<td>Ilrem Khan</td>
<td>Karachi</td>
<td>31-40</td>
<td>Housewife</td>
<td>Female</td>
<td>Married</td>
<td>Masters</td>
<td>Once a month</td>
</tr>
</tbody>
</table>
So far as customer visit frequency in the retail stores is concerned 10 (77%) out of 13 participants have visit frequency of once a month however 03 participants have visit frequency of twice a month.

Findings

The responses gathered from interviews are grouped under different themes to explain research aim of the study.

Store Image

To be the first choice for the customer is the first priority for retailers. However, while customers often visit many stores, they are generally connected to one “main store” from where they buy majority of the grocery items (Rhee & Bell, 2002). The idea of store image, or the way consumers see the store in their minds, based on intangible and tangible attributes. One of the participants, Fozia, described it as follows:

‘This is our family decision, we all like store Y. We enjoy the experience, product variety and one window solution.’

Fozia reveals that to choose a retail store for shopping is the family decision and this decision is based on experience at the store, product variety and everything under one roof attraction. Many participants like Fozia have favorable acuity towards international retail stores’ image.

Mujtaba shared his experience as follows:

‘I buy from Store X as well but my first choice is Store Y. And it is because they have large assortment and also variety in assortment. The stock availability is good, customer trolleys are easily available, management support is available and rate checking facility is available. Store gives a feeling of availability of everything under one roof, everything is easily available, and customer relationship management is good. I have good impression. Overall experience is very excellent. Ambient of the store, its appearance, available goods, customer services, barcode, self-weight checking facility and availability of shopping bags. Self-experience is excellent.’

Another participant, Jawad, highlighted it as follows:

‘Big in size, lot of goods, big racks. Let me call it uniqueness. Experience at store is always good. We come here for experience and we have good experience’.

Customers have positive acuity about international retail stores in Pakistan with regards to store image. Their impression about the stores is convenience, experience, large assortment, product availability, and one window solution. Edwards and Shackley (1992) and Ergulu and Machleit (2008) explain that consumers get different psychological feelings from store atmospheres and environments. These feelings have an impact on consumer delight, which, results in consumer time spend in store, his intention to purchase and the personal values satisfied, met or unsatisfied by the overall shopping experience.

Store Merchandising

Merchandising in the store has strong influence on customer acuity about the store. As modern international retail is new concept in Pakistan, merchandising and store layout plays a very vital role in selection of store by the customer.

‘Fozia’ (a participant) shared her experience while talking about merchandising at international retail stores:

‘We have experienced both local and imported assortments, they have variety of products, you have various product options to choose and you get what you want at competitive rates. You get discount on your basket. It is very easy to find the product, because of the friendly design and layout of the store.’

Another participant ‘Abu Bakar’ highlighted it as follows:

‘Because goods are placed in departments or by section, whatever they call it, that is the reason you find it easy to locate items’.

Customers experience large assortment in retail stores in Pakistan with a variety of products. Also because of organized layout, customers feel comfortable to shop.

However some participants faced difficulty in finding goods due to frequent changes in store layout and it results into negative customer acuity. As highlighted by a participant ‘Noman’ as follows:

‘So far as the merchandise layout is concerned, I must say it is challenging for the customer, there are very frequent changes in store layout and sometime my wife gets disturbed due to changes in layout, as she is unable to find the product’.

Frequent changes in the store layout is identified as negative attribute towards customer satisfaction, as customer cost of search and time increases and it leads towards dissatisfaction.

Store Atmosphere

Atmosphere at the store plays a vital role in maximizing customer time spend in the store. The longer customers stay in the store, more business the retail store will get.

While talking about overall atmosphere at the store with a participant ‘Abu Bakar’, he highlighted it as follows:
Overall atmosphere is nice. Lot of space in the store, lighting is ok, music is ok. Air conditioning is ok'.

Also shared by another participant 'Jawad' about store Y:

'It is extremely good. After spending time at Clifton, children prefer to eat and drink something and it is enjoyment also on top. Stores are bright. Even during the electricity shortages, they keep lighting, air conditioning working.'

As explained by another participant 'Omer' about store Y:

'I feel relaxed when I am there. Music…… I actually liked it. Also the announcements regarding promotions at store. Lighting and air conditioning are source of relief during shopping'.

Customers feel respected also when they have been provided with wonderful atmosphere, as stated by another participant 'Huma':

'We go to Store Y because of atmosphere. I really loved it; it gives me the feeling of being privileged'.

With the overall atmosphere, customers have shown positive acuity towards retail stores. However some customers have discussed about poor air conditioning facility.

'In store X, atmosphere in summer is not friendly (due to lack of air conditioning), as we used to feel sweating throughout the shopping duration. In these days it is ok'. (Irem)

'Mujtaba' has highlighted it as follows:

'It is better now and hopefully it will keep continue improving. Once there was suffocation in the store, I ask store staff, AC is closed? He replied we have cost saving drive from store manager and head office that is why'.

While we were asking about the usefulness of store signage, we came to know that signage is useful and helpful for customers but they feel lack of staff for handling customer's queries. As mentioned by 'Fozia': 'In the absence of people, signage helps a lot.'

Quality of In-store Services

The quality of in-store services is likely to have a strong influence on consumers’ buying behavior. As explained by 'Omer':

'In store services is also good. Companies are providing hygienic products; they are authorized by food and safety department. So, food quality is up to the mark'.

'Baqar' has highlighted it as follows:

'Quality of in store services is remarkable. Products are fresh, properly packed. Staff behavior is friendly. They give proper briefing and demo about TV, fridge and such items to customers. Neat and clean stores. Every time the team is working on cleaning floor'.

'Customer services in the store are excellent. Free parking, getting trolley, good welcome, dressed staff in uniform, engaged staff. They are always there when you need them'. (Irem)

While inquiring about the quality of in-store services, we found that lack of staff, poor product knowledge, and long queuing at billing counter lead to the generation of significant negative acuity about retail stores in Pakistan.

'Regarding quality of in-store services, it is ok. Not very good or excellent. They have lack of staff and if goods are not available on shelf, you will not find it. If you are unable to find anything, no one is there. Also on billing till, they have 30 machines but 4-5 cashier only'. (Asim)

Also described by 'Sajjad':

'Customer services in the store are poor. From entering into the store till the exit, I do not see good customer service. If you ask anything from a company representative, he has no answers, means they try to avoid customers. If you ask them anything related to product, they have zero product knowledge. And on top, they say, I do not belong to this department. Let me bring the concerned department representative to help you and then no one will appear in return and this happens many times. If I need to inquire about any product or price or stock availability, I need to search staff with magnifier, I did not find any staff, when I needed it. Billing counters are nightmares; I have filled the complaint forms many times but same situation. Long queues, very few opened billing counter and slow speed; destroy the shopping experience'.

'This makes me upset. I like to shop on my own hence I am not very interested in asking for help. So I do my shopping at my own. Where I am disappointed is the cash counters. There are counters but not cashiers. Very few credit card machines and on top if there is any article not having bar code…. It is also my mistake. Cashier says it to you to go back and check the bar code yourself or drop the item. Come on, I am not stupid. It is not customer services. There are very few sales representatives and in the evening, very few'. (Zeeshan)

As explained by 'Fozia':

'There is no one at the spices section to weigh. They do not give shopping bags, first we have to unload the trolley at the belt and then after billing, we have to re-load it. You know, being females is difficult. They charge on credit card, which I do not like. So we pay cash. In the ladies section, it is hard to find sizes at our own and there is no one to guide. Staff behavior is avoiding'.
‘Mujtaba’ also highlighted it as follows:

‘Majorly if we are talking about store Y, at entrance they have security guards, no welcome reception is there. But in store, they have service guys which are helping you, to find the product you are looking for. Cash till service is not very good, because cashiers are not facilitating customer, as the behavior of cashiers are rude. Billing area is congested. It is not as big as Store X have.’

Customers have shared their experiences about in store quality of services, which have impacted their acuity about a retail store and resultantly will create loyal and satisfied customers.

**Store Accessibility**

Customers usually prefer a store whose location is nearby and store having convenient space for parking. As explained by ‘Asim’:

‘Store is nearby my house, it's a 15mins drive and I am ok with it. The stores are not in the centre of the city but still I feel no problem. Car parking is enough. It is very plus point. You drive throughout Lahore, you will face this problem but they have really understood the customer need in parking perspective. And on top I enjoy free parking facility.’

Convenience in terms of location area is one of the major attribute which Asim and many other participants have mentioned as core attribute for favorable customer acuity.

‘It is close to our house. It is 15 minutes’ drive from home so for us it suits even after so much of negatives. Because we do not have any other option nearby our house as one stop solution.’ (Fozia)

As Karachi is facing security challenges, hence safe location of the store, counts a lot for customers in choosing the store. Location of the store in the safe geographical area is highlighted as attribute to positive acuity.

‘Store is located at safe area. In Karachi it matters a lot. Parking space is also good.’ (Noman)

Hence, better accessibility implies fewer impediments and consequently less displeasure to consumers making a trip to the store.

**Reputation of the store**

The reputation of the stores refers to the impression of the stores in the minds of the consumers. While inquiring customers about the reputation of international retail stores, customers carry positive acuity. As highlighted by ‘Zeeshan’:

‘In my view they have very good reputation because of assortment, prices. People like to go. They have actually international standard reputation. One do trust, I have experience which have built trust. They have correct invoice. There is no price difference issue. So they are trust worthy. They are always reliable. As long as they are running and available in the country, they are providing reliable services.’

Also explained by ‘Omer’:

‘Being multinational company, they have good reputation and they are able to build confidence among customers. They own their customers which is very good. Products and services both are reliable. I have no bad experience’.

**Store promotion**

In order to attract customers, stores offer promotions. Promotions help in creating awareness and development of store patronage in the minds of customers. When it was inquired from customers, they carry positive acuity about retail stores. As highlighted by ‘Baqar’:

‘Due to competition between Store X and Store Y, prices are reasonably set by stores and especially the articles in promotions are good value for money. Store regularly offers promotions and they are fair. Sometimes they call over the phone to inform about the promotion. I wait for anniversary and mega promotions because you get big discounts. There are discount offers. Sometimes good, sometimes very good and then we over spend.’

Also explained by ‘Irem’:

‘Store X mail is good tool for customer promotions. We always buy some product from it. Best of the best offers. We bought Sony LCD in mega promotion also.

‘Promotions are always attractive specially promotions on annual celebrations. There magazine offers good promotions.’ (Jawad)

‘I like there promotion communication via SMS. This is really good. Also once you go to the store, you find many promotions. The mega promotion of washing machine was really good when they offered washing machine in Rs. 3000, having market price of Rs. 9000.’ (Mujtaba)

Attributes that are creating negative acuity about store, belongs to in store advertisement. As explained by ‘Munawar’:

‘Personally I found ineffective advertisement at store only because of the way it is done. Sign boards are either too high or too low. Brochures are sometimes available sometimes not. I see lot needs to be done in this area as well’.
Facilities of the store

While sharing their acuity about facilities in the retail stores in Pakistan, customers gave mixed feedback. As stated by ‘Baqar’:

‘Overall facilities of the store are good. It is not allowed in the store to eat, which should be allowed. I have not visited their refreshment kiosk. Regarding washrooms, cleaning boys are always there to make it clean. Tissue rolls are available. Hand washing liquid available. Zero sitting facility available. Prayer room is very neat and clean and having proper air conditioning.’

Baqar and many other participants, strongly identify the need of sitting facility in the store. Today, Store have female, old age and children as customers who might need to sit and relax for a little while.

‘Sajjad’ highlighted it as follows:

‘Store X needs to work on it. I did not like kiosks, not the products in kiosk. Washrooms, I have not experienced. I am happy they have made prayer room for staff and customer. It is a good step and a good impression also. No proper sitting facility available.’

In order to have favorable acuity about their store, they need to work on sitting facility and proper refreshment kiosk facility. Otherwise, such stores will be marked black by the customers. By reducing the fatigue and discomfort of mobility, facilities increase the consumers’ pleasure of being in the store and indirectly prolong the duration of their visit.

Post transaction Services

During the interviews, customer’s acuity based on the attribute of post transaction services we have received different opinions.

‘Stores need to also work on post transaction services. It is difficult to return product or even exchange, they do not refuse you but they ask you to wait and wait and wait. May be they need MD approval of 500 Rs. Return. There is a warranty counter but it is not for warranty claims. They have installation facility, I have installed AC, it is economically charged. Yes, they have delivery services and method of charging delivery charges are very clear on the basis of mileage.’ (Mujtaba)

As described by ‘Huma’:

‘I have experienced and being victim of very long procedures and approvals. They need to simplify the process to solve the matter as soon as possible. For warranty claims, we need to go to manufacturer’s service centre. There are no warranty claim services by store themselves. They should make some arrangements for customer. Delivery service facility is available and because it is insured service hence it gives peace of mind as well.’

Customers like ‘Huma’ and ‘Noman’ feel victimized due to lengthy and time taking internal process and procedures that is why customers have unfavorable acuity about returns, refund and exchange procedures. Customers are also expecting some solution of warranty claims at the store. As currently they have to go to supplier service center hence it is found that customer found difficulty in doing so. On the other side, attributes that are creating positive acuity are economical installation services and insured and economical delivery services facility. Customers have posed confidence in both the services offered by retail stores in Pakistan.

IV. DISCUSSION

To be a first choice for the customer is the first priority for every retailer. Store Image professed by customers about a particular store is based on certain attributes. Therefore, to understand what is the customer acuity about retail stores in Pakistan; this research study was conducted. It should be noted that modern managers are generally concerned about ethical brand of each firm and their focus on sustainability (Mujtaba, Cavico, Senathip, and U-tantada, 2016; Mujtaba, 2015; Mujtaba and Cavico, 2015; Mujtaba, 2010), but the focus of this paper is more focused on customer acuity regarding service perceptions. The findings of the interview data reveal that customer acuity about the international retail stores was positive; however, some key areas of improvement were identified which are very helpful for managers.

Regarding Merchandising, customers liked large assortment, variety of products, organized layout and comfort ability of shopping. However, frequent changes in layout of the merchandise needs to be reconsidered by the store management.

Customers appreciated the overall atmosphere in the store as they feel privileged, facilities like Music, lighting were having a booster of positive acuity; however, air conditioning facility in the store needs attention as posed by many participants as areas for improvement.

About the product quality, freshness and cleanliness in the store, customers have position acuity; however, customer services from entrance till exit is found to be a big trigger shifting customers experience to the negative side. Long queues at the cash counters should be taken care of immediately by retailers as it is annoyance for majority of the time-impovertyed participants. Also, many participants shared that the stores have lesser staff to take care of them or to answer their queries. Absence of shopping bags, charges on credit card, and avoiding behavior of staff is also identified as shopping hurdles at retail stores.

Study participants showed confidence in the store location both in terms of convenience and safety and also in the free and spacious parking facilities available at each store.
In this study, participants posed trust in international retail stores, because of being international. Also almost all the participants shared that they trust international retail stores as they cannot expect counterfeit products from them.

Participants in the study shared that retail stores have dominance in offering regular as well as mega promotions. One respondent appreciated the communication of promotion via SMS. However, participants showed their concern for ineffective store advertisement, as the communication of in-store advertisement is not customer friendly.

Majority of the participants raised concern for the sitting facility at the store, which needs to be taken care of by stores to improve customer experience. Having proper prayer room was really appreciated and liked by customers same as having neat and clean washroom facilities. Some participants raised questions for making improvements in refreshment facilities at retail stores.

Regarding the post transaction services, participants complained about the lengthy process and procedure for customer return, refund, and exchanges. Short process with the empowerment to the concerned staff will for sure help in improving the situation. Also for warranty claims, there is no such facility available at the stores; as mentioned by many participants. However, ATM installation services and delivery services are identified as dominant sub-attributes for customer positive acuity.

V. LIMITATION AND FUTURE DIRECTIONS

It is very evident that the study is limited by its scale and focus. The findings of the study cannot be generalized to all retail stores’ customers in Pakistan. The findings reflect the acuity of customers from only three cities. Further research should consider increasing the number of participants to get more customer insight. Researchers should also look at the prospect acuity about retail stores. Studies exploring the customer acuity about tradition kiryanastores and international retail stores may also be helpful to retail stores studied in building a competitive advantage.

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