CHAPTER II

Review of Literature

This chapter reviewed the concepts and empirical studies on consumer behavior with regard to store attributes, value perception and and drug store selection. Theoretical models and findings from previous empirical research were used as the basis to define store attributes and help to understand the effect on consumer's response towards the use of drug store.

The review covered the concept of retail and drug store as a specific retail format, retail competition, concepts on store choice, retail attributes definition, and the purpose of buying. Hypotheses of the study were defined after all concepts involved were reviewed.

2.1 Conceptual Framework

The conceptual framework used in this study was derived from the Structuralistic Attitude Theory. The Multi-attribute attitude model was also reviewed.

2.1.1 The Attitude Theories

In a consumer behavior perspective, attitude was defined as a learnt predisposition to behave in a consistently favorable or unfavorable way with respect to a given object. The Structuralistic Attitude Theory of attitudes suggested that an attitude consisted of three components, cognitive component, affective component and action-tendency component or conative component. The cognitive component refered to the knowledge and evaluative beliefs an individual held about a product or

store. Evaluative beliefs involved judgments such as good/bad or favorable/unfavorable. The feeling or affective component was refered to the individual's emotional range concerning the object, which could be viewed as a product or store. Affective componenet involved responses, such as liking/disliking, pleasure/displeasure or excitement/boredom. The action-tendency component expressed the individual's readiness to behave overtly toward a product or store. (Davidson, Sweeney and Stampfi, 1988). Each component contained two characteristics, Valence and Multiplexity. Valence was a measure of the degree of positivity or negativity of the component. Multiplexity was the measure of the number and variety of elements forming an attitude component. The contemporary view of attitude was demonstrated in Figure 1. From this perspective, attitude was viewed as distinct from its components, with each component being related to attitude. Both the cognitive component (beliefs/perceptions) and the affective component (feelings) were conceptualized as determinants of attitudes. A person's overall evaluation of an attitude object was seen as being determined by the person's belief and/or feelings about the attitude object (Powpaka, 1996).
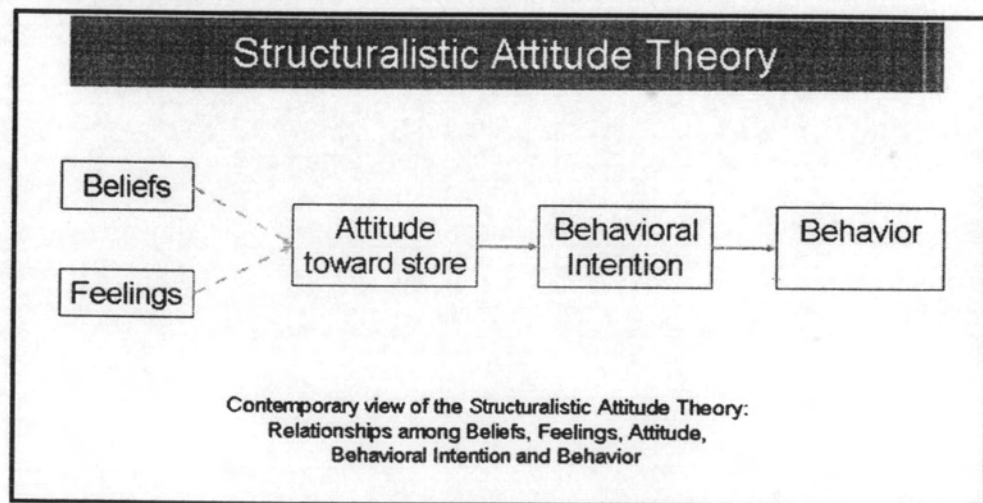
Structuralistic Attitude Theory

Beliefs

Feelings

Attitude toward store

Behavioral Intention

Behavior

Contemporary view of the Structuralistic Attitude Theory:
Relationships among Beliefs, Feelings, Attitude,
Behavioral Intention and Behavior

Figure 1: Structuralistics Attitude Model

For some objects, attitude depended on beliefs or perceptions. A consumer's attituded towards a medicine, such as anti-histamine drug, was driven primarily by the perception about the product's functional benefit, which would be its efficacy. For other products, however, feelings could be the primary determinants of attitude. Music, movies and most entertaining products were valued for the feelings they evoke during the consumption. It was also possible for both beliefs and feelings to influence attitudes. A consumer's overall evaluation of a wrist watch depended on beliefs about the watch's reliability and durability, as well as the feelings of prestige and enjoyment that came from owning the watch. The behavior of choosing and using a drug store fitted well into this situation where consumer used their beliefs/perceptions rather than thier feelings about the store to form their attitudes towards the store. Hence, only beliefs/perceptions about the store were included in the conceptual model.

A retailer's ideal selling situation involved a consumer who held product/brand and store-specific attitudes that were consisted of strong positive knowledge, beliefs and feelings leading to ready-to-purchase action tendencies. For the evaluation of retail drug store, customers used their belief in the attributes store promised or presented to form attitude towards the store. Hence, belief by itself should be considered as adequate to explain the attitude formed.

2.1.2   Multi-attribute Model of Attitudes

The Multi-attribute Model of Attitude could be used to measure consumer attitudes toward products, brands, store types or specific stores on a multi-dimensional basis. Multi-attribute model considered attitudes to be consisted of two components; a belief component regarding the attributes of a product, brand, or store,

and an evaluation component that indicated the importance of specific attributes to the individual consumer. In effect, this model considered an attitude to be consisted of a number of beliefs about product, brand or store attributes and the importance of those attributes. (Davidson, Sweeney and Stampfi, 1988)
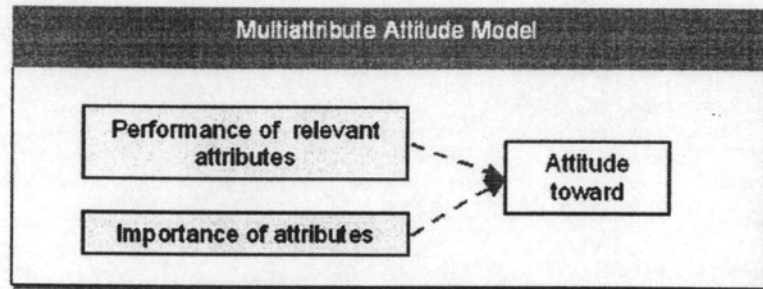
Multiattribute Attitude Model

Performance of relevant attributes

Importance of attributes

Attitude toward

Figure 2 : Multi-attributes Attitude Model

Conceptual / Theoretical Framework

The conceptual framework used in this study was derived from the Structuralistic Attitude Model demonstrated earlier, stating the attitude towards an attribute being a result of beliefs or perception of the object.
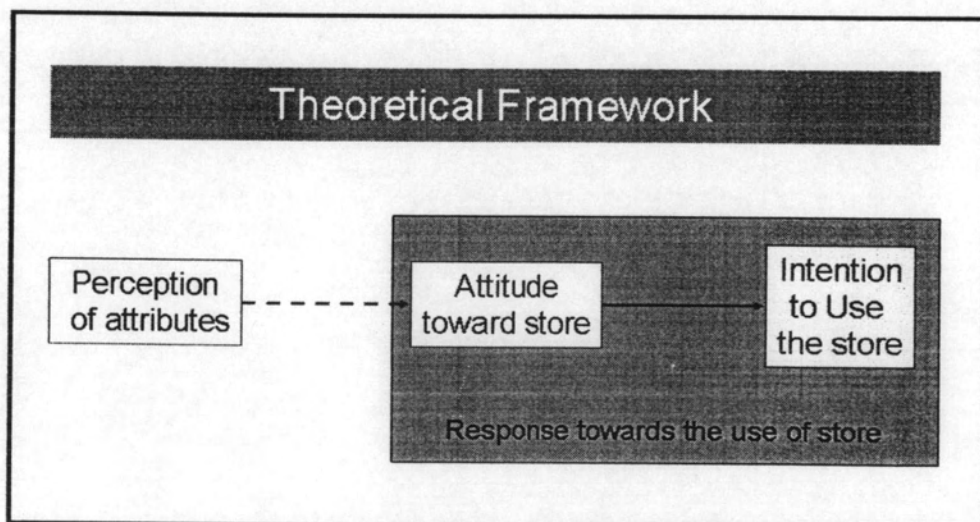
Theoretical Framework

Perception of attributes

Attitude toward store

Intention to Use the store

Response towards the use of store

Figure 3 : Theoretical Framework based on TRA & Attitude Theories

Since drug was recognized as necessary items which people looked for when needed mainly for the functional benefit. For this reason, we went back to the Structuralistic Attitude Model and relied on such attitude model. At the same time, due to the nature of drug being necessary product, the decision to use a drug store could be in the stage of shifting from general problem solving to habitual decision making, meaning that the action was formed without having to go through the regular problem solving process of forming attitude from the cognitive evaluation of attributes before leading action, but rather formed the attitude instantly together with intention to act, becoming response towards the drug store.

2.2   Conceptual Model

The behavior of choosing and using a drug store fitted well into this situation where consumer used their beliefs/perceptions rather than thier feelings about the store to form their attitudes towards the store. Hence, only beliefs/perceptions about the store were included in the conceptual model. We came up with the conceptual model that was based on the attitude therories as mentioned about, applying key attributes affecting consumers' response towards drug store, with references from previous empirical studies and the concept of retail mix.
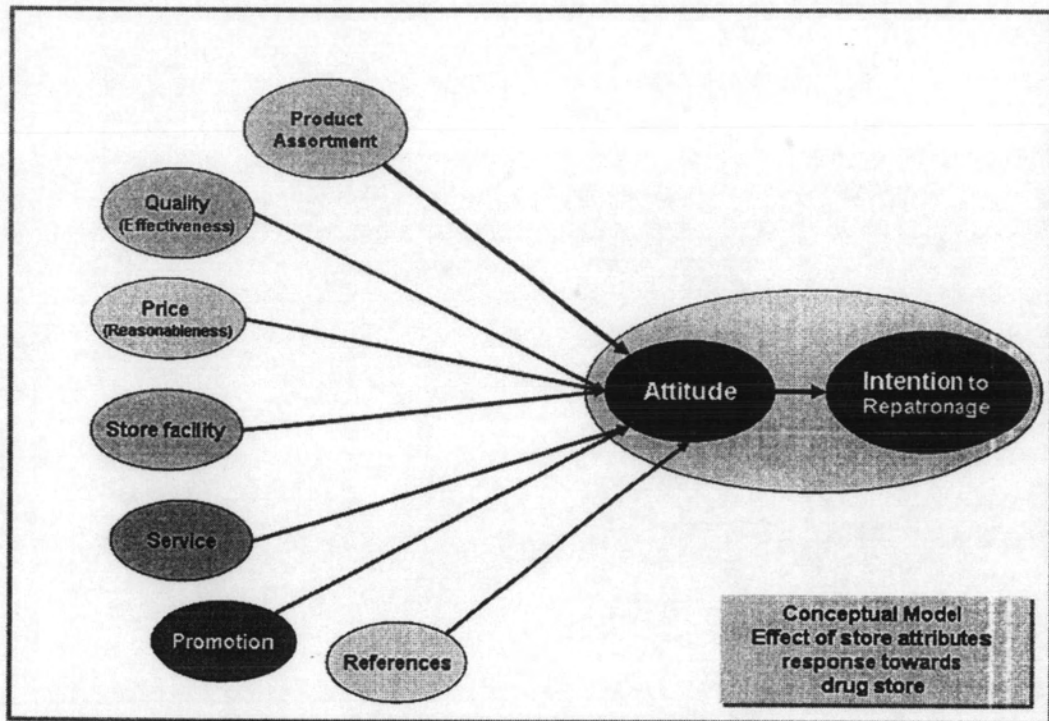
Figure 4: Conceptual Model : The relative importance of store attributes on response towards drug store (a)

Attributes were the store offerings that matched consumer's need and were considered to be factors directly affecting attitude towards store with lead to consumer choice decision in selecting a retail destination from list of alternatives, which, for our interest in this study, was drug store.
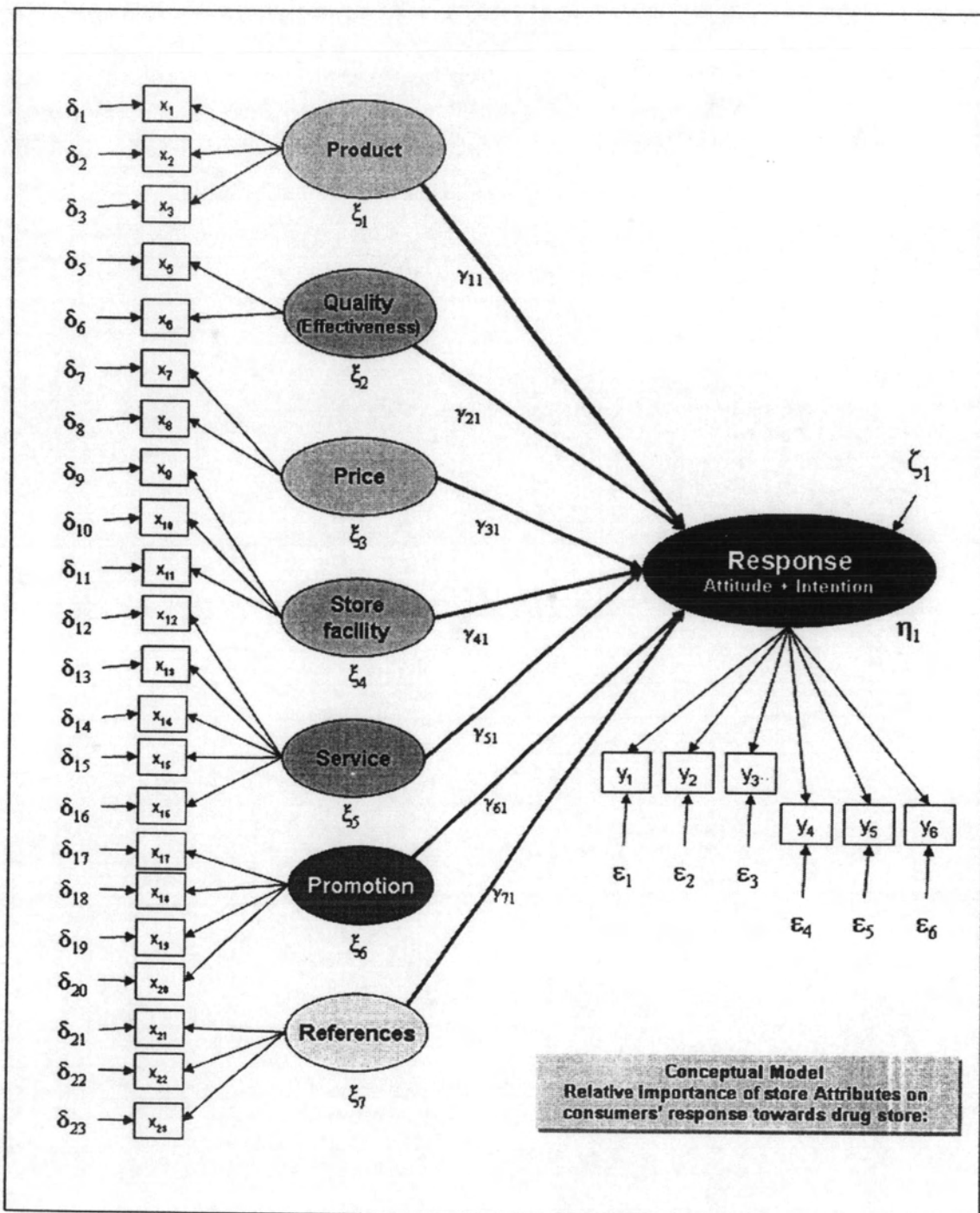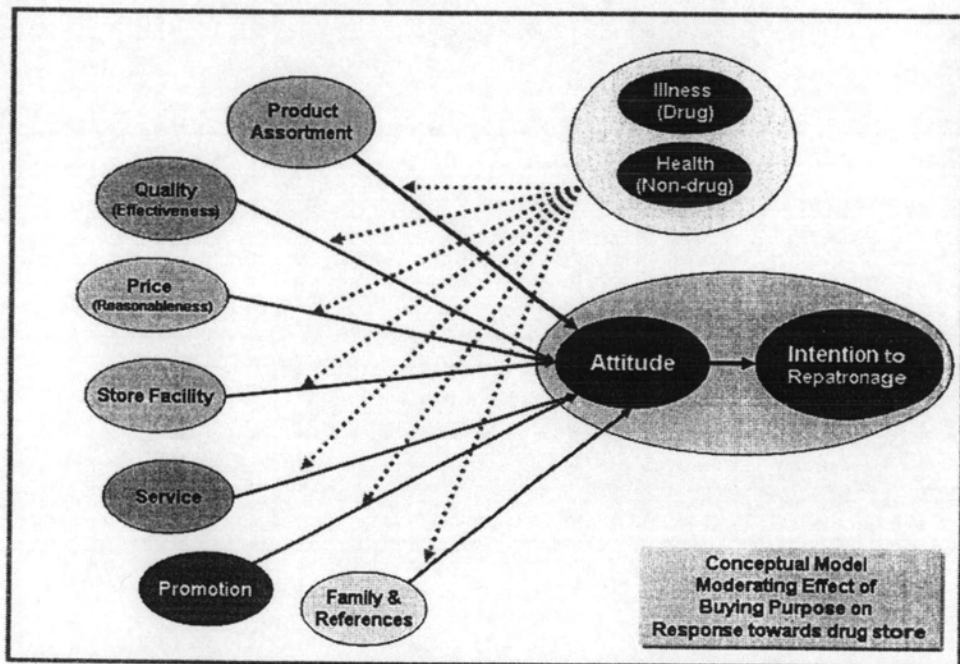
Figure 5: Conceptual Model of the Relative Importance of Store Attributes on Consumer's response towards Drug Store (b)

We also looked into different situation of buying purpose based on illness and health behavior that could produce moderating effect on the significance of those attributes. Such buying purposes were classified based on illness level as the illness buying purpose, with the purpose to buy drugs, and health purpose, with the purpose to buy non-drug items. The ability to understand the relative significance of each relationship for different types of behavior certainly helped to understand the customer better and be able to provide better service to keep them as regular customers.

Figure 6: Conceptual Model – the Relative Importance of Store Attributes on Responses towards drug store with Moderating effect from Buying Purpose (a)
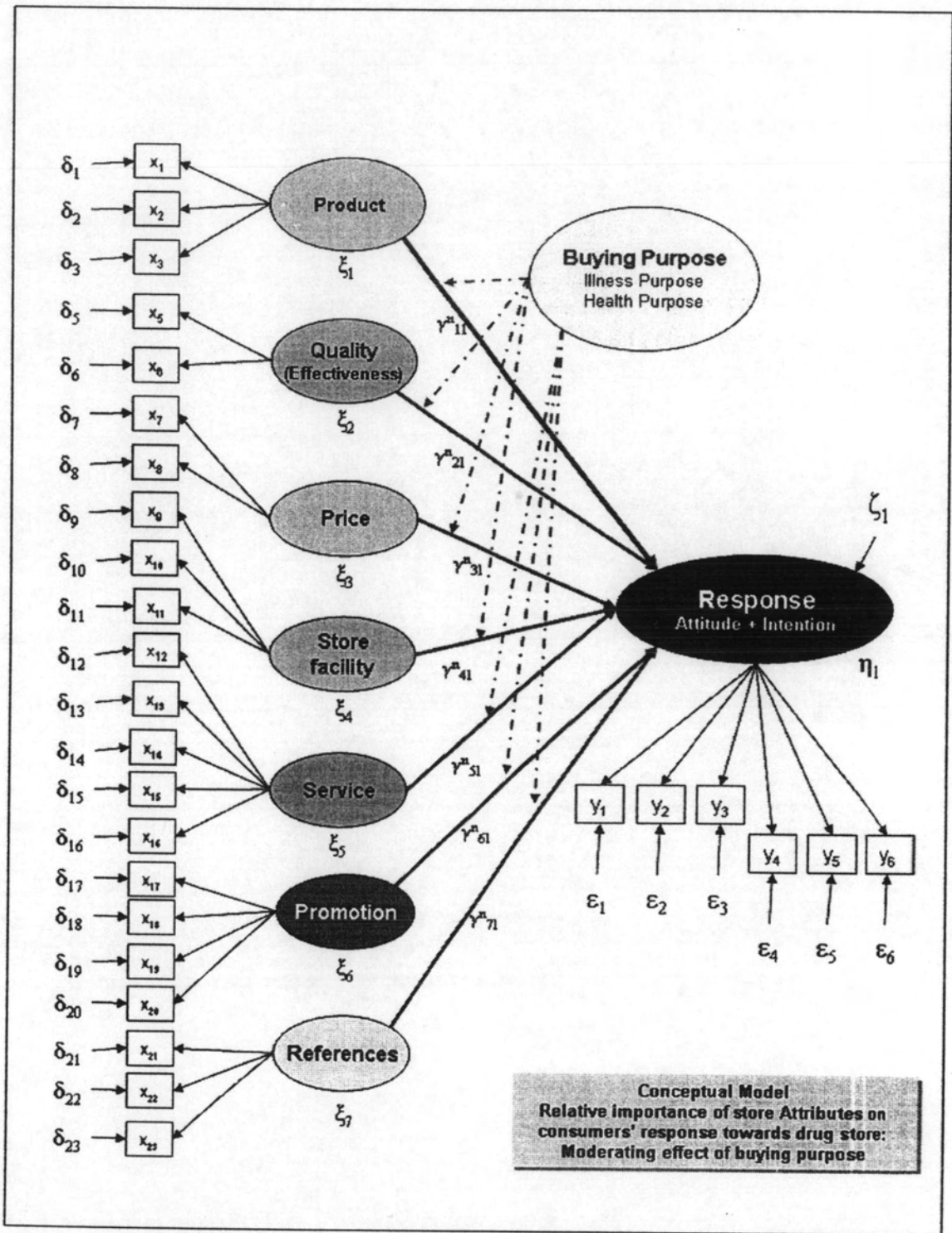
Figure 7: Conceptual Model - The Relative importance of attributes on Responses towards Drug Store, with Moderating effect from Buying Purpose (b)

2.3   Hypotheses

2.3.1   Retail stores & Retailing

Studies and publications on retailing cited the nature of retailing as a set of business activities that added value to the products and services sold to consumers. Retailing function involved not only the selling and providing of products and services assortment, but also the breaking of the bulk, holding of the inventory and providing services (Levy, Wietz, 2004). By this function most retailers performed similarly in principle with the different degree of each function, such as service or the range of merchandise. The degree of which retailers competed against each other was not simply on the merchandise but also on the services provided or even the basket size or pack size provided. By the general nature of retailing, there were elements of Retail Mix used as the principle guide for effective retailing to match consumer expectation. The component of Retailing Mix were generally described as physical facilities, merchandising, pricing, promotion, service, and personnel created to match consumer expectations defined as convenience in space and time, merchandise, prices information and interaction, services, and store atmosphere (Davidson, Sweeney, Stamfi, 1988).

Retail format

The retail industry in recent decades had witnessed the emergence of several, striking new retail formats. Retail evolution came up with varieties of retail formats based on different strategies to attract customers and maximize store performance. Retailers were categorized using various viewpoints and critrieas. An example for the classification of retailers could be identified as department store, supermarket, hypermarket, category specialist, specialty store and convenient store, with different

offerings and characteristics of attributes. The 20th century brought global expansion and internet retailing. It was found that the four major trends impacting retailing were dynamic consumer trends, price and branding strategies, the creation of new retail institution and the propelling trend of technology (Griffith and Krampf, 1997). Dynamic consumer trends were also shaping retail evolution as consumers become more focused, value oriented and diversified. Consumers focused more intensely on retailers providing greater convenience and value. Satisfaction was found in quick trips, where value and time constraints were accommodated. Price and branding strategies led the value-oriented perception. The widespread use of Everyday Low Price (EDLP) strategy and the increasing introduction of private label, store brands product were some examples reflecting such trend. There had been an increasing trend of one-stop shopping strategy, due to an increase in assortment at supermarkets (Messinger & Narasimhan, 1997). Retailers responded to such need as shoppers try to economize the time spent on shopping, by providing a wider assortment of products in multiple product categories allowing consumers to combine purchases of several purposes in one time. The emergence of new retail formats such as big box stores or category killers, which were frequently clustered in agglomerations called power centers or power nodes, had increased the ability for shoppers to make single-stop multi-purpose shopping trips (Jones & Douce, 2000). The entrance of larger discounter, shifted consumers to shop at those discounters somewhat more frequently than at specialty stores; primarily because of low prices, but perhaps more surprisingly also because of the large, merchandise selection (Brenna, 1998). While retailers were developing their presence to catch up with changing trend of consumer demand and the competition among various formats of retailers, consumer were also

facing with the need to organize weekly shopping trips for general merchandise and drug store related products which could either be bought either at smaller specialty stores or larger combination stores in order to maximize their value of time and money (Popkowski and Timmermans, 2001). The probability of choosing a particular shopping strategy were growing in an increasing, nonlinear way with lower prices and lower parking fees, better assortment, more national brands, less travel time, and shorter check-out lines.

Drug stores

Drug stores could be defined as specialty stores that concentrated on health and personal grooming merchandise (Levey and Weitz, 2004). The drug stores in such context were different from drug store that combined supermarket or the grocery department together under on roof. A drug store in this meaning was merely the store or section of the large store with Pharmaceutical products representing over 50 percent of drug store sales. Apart from pharmaceutical products, a typical drug store normally carried dental hygiene products, vitamins & supplements, home use physical rehabilitation products and medical equipment and skincare consmetics. In some situation, drug store might also carry many other personal care and household items similar to many grocery stores. Many retail drug stores in developing countries played the role as one of the most important sources of advice on pharmaceuticals to the level of being primary healthcare unit for general people. The main reasons for takin such role were ease of access, availability of medicines, quality of service (no waiting and convenient hours of operation), and low price of products, availability of credit or option to buy drugs in small amount. Customer viewed drug store as primary healthcare unit, where health advice and drug use advice could be obtained,

especially through pharmacist, pharmacist's counseling, personalized advice and pharmaceutical care, creating a personally reliable service at very minimal cost. Research had shown that consumer perceived pharmacist in drug store as their second most reliable source of personal health and well-being resource (Ratiopharm, 2003). Hence drug store became a mixture of retail business plus healthcare service provider, and rendered more significant dimension of service than a general retail store.

Competition

The appearance of New Competitors in these days was the situation which competition was not confined to other retailers or other suppliers offering similar goods, in similar format, operating under a similar economic model, but rather a cross-over format with added benefit for the consumers to do their shopping (The New Retail Economy, 1999). Competition evolved slowly over time to be competition between alternative value chains. Competitors seemingly were coming out of the woodwork. In the food area, drug stores were perceived to look like convenience stores. Grocery stores want to be restaurants, adding in the convenience variety of food and food hall. Global players were getting into the game. Discount department stores were moving into grocery store categories, while specialty food stores were springing up like mushrooms. Multi-national drug stores were intruding the virgin Asian market and redefined the conceptual perception of advanced drug store in the consumers' mind. At the same time, retailers were not just competing with other retailers or suppliers in the same type of products or retail category, , they were also competing with other businesses on the cross-over or alternative frontier for the attention of the consumer, trying to gain more share of the basket.

In order to remain competitive, retail managers must understand consumer behavior and expectation. As mentioned in several marketing articles that it costed more to attract new customer than to keep current customers, it was inevitably that managers should tried to know why customers shop at their store, what were the attributes that they liked and disliked, and what they always looked for and what kept them coming back. On the other hand, it was helpful to know what would trigger the change of mind or store switching, in order to get a chance to attract new customers as well as hold on to existing customers. Frequent shoppers, loyal customers, new customers, and customer shopping at other places possessed different store's attitude-accessiblity perception towards evaluative store attributes provided by each retailer (Woodside and Trappey, 1996). For a specific store, greater shares of customer defectors exhibited a positive, store attitude-accessibility profiles compared to non-customers and defectors. Retailers also had to recognize that their customer portfolios were changing constantly. It might be more useful to conceptualize retail supermarket patronage in terms of store switching rather than store loyalty (Fulgoni and Eskin, 1983). Many retailers wanted to move their customers from the stage of choice decision as general problem solving to habitual decision making where there exists an influence from store loyalty.

Store Choice

Buying process was the stages in selecting a retailer and buying merchandise (Levy and Weitz, 2004). The process started from need recognition, searching for information about retailers, evaluating alternative retailers, selection of retailer, visiting the store, to the stages of merchandise selection, post-purchase evaluation and repeating store patronage or searching for information about other retailers.

Customer buying decision was influenced by beliefs about performance of retailers and products, values, attitudes, reference groups and culture. Past research had cited the importance of location and size (Huff, 1964: Mulhern, 1996), the effects of agglomeration and the physical aspects of retail outlets.. Attributes influencing consumer preference of department store were generally merchandise, accessibility, reputation, in-store service and atmosphere of the stores (Thang and Tan, 2003). It was also found that consumers' preference was based on their post-visit ranking of the stores. In a review of 26 empirical and theoretical papers on the importance of store attributes in retail store selection, it was observed that the four marketing mix elements, price, quality, assortment and locational convenience were mentioned most frequently. Such relative frequency of store mentioning could be used as a "valuable indicator" of the importance of these attributes (Lindquist, 1974).

Store choice decision was a problem of deciding where and when to shop. It was dynamic and could be fit into different model in various aspects (Popkowski, Sinha and Timmermans, 2000). Under no duration dependence and constant probability of shopping trip over time, the number of purchases at a store in successive equal time periods was found to be independent and follow a Poisson distribution, leading to exponential purchase timing distribution (Kau and Ehrenberg, 1984; Wrigley and Dunn, 1984; Uncles and Ehrenberg, 1988). Purchase timing and store choice could be combined in manner that each consumer had particular probability of purchasing a given product at a particular store that remains the same over a certain period (Wrigley and Dunn, 1984). In another study, store choice was estimated as two-stage process where consumers first selected a region or suburb and next select a store within this region (Sinha, 2000). Although this model provided

information concerning the competitive retail market structure, it only utilized information concerning the share of household shopping trips to different stores. These studies tried to predict consumer store choice and switching behavior, assuming constant store attributes. Another way to predict retail shopping behavior was by means of objective variables like distance, traffic patterns, population density and store size (Alpert, 1971). A second line of research employed consumer variables to predict store patronage. Social class and life cycle were also used as explanatory variables for shopping behavior (Rich and Jain, 1968). Other studies had included social economic product risk (Prasad 1975), personality related variables (Dash et al. 19 76), personnel interest (Bellenger et al. 1976- 1977), media usage (Bearden et al. 1938) and self-ascribed occupational status (Hirschman 1980). Our study aimed to focus more on the significance of store attributes that affect consumers' response towards drug store. Retail attribute sensitivity was found to have relationship with patronage profiles (Verhallen and Noij, 1982). Of the four attributes named as, price, quality, assortment and location convenience, sensitivity pattern were describeed as price sensitivity, service oriented, wide assortment, value for money and distance sensitive. These sensitivity patterns were related to patronage pattern like Discount shopper, Retail shopper, Supermarket shopper and mixed combination of each profile. The multitude of retailer attributes that influenced overall image, e.g., the variety and quality of products, services and brands sold; the physical store appearance; the appearance, behavior and service quality of employees; the price levels, depth and frequency of promotions were studied. These attributes could be categorized into smaller set as location, merchandise, service and store atmosphere related dimensions (Lindquist, 1974, and Mazursky and Jacoby, 1986).

The popular five dimensions that were used to explain stores attributes were access, in-store atmosphere, price and promotion cross-category product/service assortment, and within-category brand/item assortment (Ailawadi and Keller, 2004). Preference of the type of stores was found to be related to the customers' satisfaction. It was found that the most preferred type of store in relation to men's shopping satisfaction was department store over the choices of specialty store, and discount store (Torres, Summers, and Belleau, 2001). The store's personality or image could also determine shopping behavior. Store image was regarded to be based upon the individual's experiences concerning a number of salient store attributes (Martineau , 1958). In general, between six and nine image dimensions were identified as important in an image measurement model (James et al., 1976; Doyle and Fenwick, 1974). From seven basic image facets being identified as merchandise quality, merchandise pricing, merchandise assortment, locational convenience, salesclerk service, service in general, the store atmosphere, and pleasantness of shopping, the most important components of store image were merchandise-related aspects (quality, price, assortment), service-related aspects (quality in general and salespeople service), and the pleasantness of shopping in the store (Mazursky and Jacoby,1985).

Though many studies might be generalizable, the fact was that most studies in retailing were mainly done in the area of grocery and supermarket. In the area of drug store management, considering drug store as a retailer, there was hardly any study specifically directed towards drug store, upon its unique retail characteristics. Study on the impact of store attributes on the response towards drug store, especially when considering the effect of health behavior related situation such as buying purpose on perceived value of each store attribute that could lead to the different

response towards drug store could be of value to the area of retail drug store management.

Consumer Decision

"Why customer buys? What induces the attraction?" These questions were important to marketer and retailers. The model of buying process demonstrated the steps of information search, evaluation and selection of retailers prior to buying a certain merchandise, and post purchase evaluation as the prerequisite for repeated store patronage and store loyalty (Levy and Weitz, 2004). *Multi-attribute attitude model* was used to explain customer's evaluation of alternatives. The model was based on the notion that customers see a retailer as a collection of attributes or characteristics. The model was designed to predict a customer's evaluation of a retailer based on its performance on relevant attributes and the importance of those attributes to the customer. We captured the concept of this model to study consumer perception of store attributes and their valuation of its importance. Another consumer decision model was known as *Howard's Consumer Decision model (CDM)* (John Howard, 1994), which demonstrated the intention to buy as a combination of brand recognition, confidence and attitude, which were influenced primarily from information received. Howard's model was used as a model for retail management and had been modified for general supermarket shopping decision (Kent, Omar, 2003). The model pointed the significance of brand recognition as part of the decision process. Shopping strategies were also distinguished between single and multi-purpose shoppers. Multi-purpose shoppers were defined as shoppers who combine multiple purposes during a single shopping trip (e.g., making a purchase at a hardware store and stopping by the bank, or buying clothing and books).

Shoppers could be divided into different segments based on their utility for time, price and the shopping strategy used. In one way, shoppers were divided into two segments, being time-constraints shoppers and cherry pickers (Lal and Rao, 1997). In other way, the time-constraint shopper segment could further be divided into service seekers and non-service seekers (Galata, Bucklin, and Hanssens, 1999). The time-constraint shoppers, the service seekers and the price seekers had high opportunity costs for shopping. These time-constraint households could optimize the efficiency of their shopping trips in two ways. They could shop at stores that provided opportunities to indulge in other activities (multi-purpose shopping). Time constraints shoppers were also more likely to combine trips. These shoppers could purchase larger quantities, and reduce travel costs by combining trips over time (single purpose) (Dellaert et al., 1998). The *time-constrained service seeking segment* was expected to have the highest disutility for travel costs and had a higher willingness to pay for merchandise. This segment was more likely to shop at Hi-Lo stores with convenient locations in residential areas close to the households and stores that provided a higher level of service. Shoppers who had a higher disutility for fixed shopping costs also had a higher willingness to pay for service provided by the retail outlet (Iyer, 1998). The *time-constrained price seekers,* were more likely to travel to and shop at EDLP stores, where they could obtain lower averages prices. Travel distance was still important but to a lesser extent than the service seekers. These households tended to buy larger quantities and made few shopping trips and prefer EDLP stores, while small basket shoppers tended to shop at Hi-Lo stores (Bell and Lattin, 1998). EDLP and Hi-Lo stores presented shoppers with a trade-off between fixed cost (e.g., travel time) and variable cost (e.g., weekly prices) of shopping. In

particular, EDLP stores tended to offer lower total costs for large basket shoppers, while Hi-Lo stores offered lower total cost for small basket shoppers. The *cherry pickers segment* had a low opportunity costs for shopping. They shopped at more than one store (during the same trip) in order to search for the best prices, and hence, travel distance was of less importance. These tended to be single-purpose multi-stop shoppers rather than multi-purpose shoppers.

Single-purpose shoppers chose a store that minimized variable (price) and fixed (distance) costs, while multi-purpose shoppers also considered the regional characteristics, such as the presence of other retail outlets, restaurants and malls (note that in both cases this provided shoppers with an incentive to bypass the closer store and shopped at a store that was further away (Ghosh,1987).

Although the consumer shopping pattern had been widely studied, it was mostly focused on grocery or supermarket shopping. Since the nature of drug store, as specialty store carrying high-involvement products, was somewhat different from general supermarket, it was interesting to see whether the consumers' response towards drug store followed the same model with the same significant level of each component as the other findings from supermarket and grocery stores.

Brand

Brand was distinguishing name and/or symbol intended to identify the goods or services of either one seller or groups of sellers, and to differentiate those goods or services from those of competitors (David A.Aaker, 1991). A brand thus signaled to the customer the source of the product, and protected both the customer and the producer from competitors who would attempt to provide products that appear to be identical. By definition, brands were intrinsically striking and their role was to create

an indelible impression. Brand allowed the consumer to shop with confidence, and they provided a route map through a bewildering variety of choices. As other competitive marketing mix were largely the same among competing companies, it was the brand and consumers' appreciation of its underlying appeals that ultimately drived the purchased decision (Brackett, 2004) The real power of successful brands was that they met the expectations of those who bought them, or put it another way, they represented a promise kept. Brand served as a signal of consistency and in a sense, controled the customer experience from start to finish (Corbin, Kelly, Schwartz, 2000).

The rise of the retailer as a brand was one of the most important trends in retailing. Some large retailers had developed strong private-label merchandise, e.g., Federated Department Store's INC, Wal-Mart's Old Roy Dog Food, or Canadian grocery giant Loblaws' President' Choice. Other retailers, such as The Gap and its sister stores Banana Republic and Old Navy had such a strong brand name that the average consumer did not make a distinction between store and brand. The ability to understand the image of a retailer as a brand or how brands impacted its image and customer loyalty were important issues both for retailers and the manufacturers who relied on these knowledge to sell their own branded merchandise. Research had provided evidence that brand and brandrelated information cues influenced customer evaluation (Dawar & Parker 1994; Dodds, Monroe, & Grewal 1991, Rao & Monroe 1989). Customers used various types and sources of information provided by retailers to form their assessments of value. They cognitively traded off benefits against costs to determine their value perceptions (Dodds et al. 1991; Grewal, Monroe, & Krishnan 1998). Some of the components of the benefits side of the value

equation included merchandise selection and quality as well as store and service quality. On the cost side of the value equation was the time and effort it took to make a purchase and, of course, the price. The impact that quality, service and value on satisfaction and store performance in a supermarket chain had on satisfaction and retail performance were asymmetric (McLaughlin, and Wittink, 2004). The increases in quality might not substantially improve customer satisfaction; whereas if quality decreased, customer satisfaction and subsequently store revenues declined significantly suggesting both a ceiling effect and loss aversion. On the other hand, if stores increased perceived value, it could have a significant increase on satisfaction; while a decrease in value had only a modest negative effect on satisfaction. Stores that already had high levels of customer satisfaction did not experience as much improvement in sales revenues with further increases in customer satisfaction as stores with lower levels of customer satisfaction. However, if there was any reduction in satisfaction in the higher level customer satisfaction stores, then revenues droped significantly. Retailers should assess their current quality and satisfaction levels before taking action that could alter customer perceptions of these issues.

Store and brand image congruence were factor of perceived value that affected consumer choice behavior (Swait and Sweeney, 2000). Retailer brands were sufficiently different from product brands that the actual application of those branding principles could vary (Aliawadi and Keller, 2004). Retailer brands were typically more multi-sensory in nature than product brands and relied on rich consumer experiences to impact their equity. Retailers also created their brand images in different ways, e.g., by attaching unique associations to the quality of their service, their product assortment and merchandising, pricing and credit policy, etc.

Drug Store Attributes

Attributes were the aggregate of consumer beliefs about performance of the drug store. Customer processed a list of objective information about each drug store and formed an impression of the benefits the stores provided. Although store attributes could differ among different format of retail, there were some general attributes worth consideration. Attribute beliefs was found to positively influence time spent at the mall, as well as hedonic and utilitarian shopping value derived from a mall visit (Stoel, Wickliffe, and Lee, 2004). In addition, hedonic shopping value positively influenced repatronage intention. Based on retail mix concept, attributes were defined as location, convenience, price, assortment, information, service, store design & layout, and communication. The significance of each attributes differed by retailer's format as well as the consumer need and perception. For drug store as retailer, the above mentioned attributes were generally considered and used in store strategic planning as can be observed from the development of drug store industry. Empirical evidence showed a number of functional and objective attributes as the most important, such as: price (Doyle and Fenwick, 1974-1975; Bearden, 1977; Arnold et al., 1983; Hortman et al., 1990; Finn and Louviere, 1996); product quality (Doyle and Fenwick, 1974-1975; Bearden, 1977; Hortman et al., 1990); assortment (Stephenson, 1969; Doyle and Fenwick, 1974-1975; Schiffman et al., 1977; Bearden, 1977; Finn and Louviere, 1996) and location (Stephenson, 1969; Schiffman et al., 1977; Arnold et al., 1983; Hortman et al., 1990). Concerning intangible and emotional attributes, the most mentioned ones were store atmosphere (Stephenson, 1969); sales personnel (Stephenson, 1969; Schiffman et al., 1977) and advertising (Stephenson, 1969). For the choice between supermarket formats, price, product

assortment and distance (location) were the important drives for consumer choice between store formats (Solgaard and Handwen, 2003). Consumer also rated larger assortments as more favorable (Oppewal, Koelemeijer, 2005). Convenience, in term of distance, and the aggregate price images of the store were also important factors for consumer to stick to their main shopping store, although shoppers might switch store for some trips due to price promotion, but temporary changes in price level did not appear to have real effect in store switching (Rhee and David Bell, 2001). For male consumers in shopping for personal apparel items, price, quality and selection of merchandise were the most important attributes (Torres, Summers, and Belleau, 2001). Accessibility and in-store service had a common characteristic of time saving for the consumers, which was particularly important to consumers who desired to optimize visit to their preferred retail stores and were less inclined to switch to other stores due to the risk of disutility that was associated with uncertainties of merchandise or assortment availability, travel and parking inconvenience (Thang and Tan, 2003).

For seven studies on grocery shopping behavior, the response to the question "All things considered, what was the single most relevant reason you shop at (name supermarket) for most of your food shopping?", was divided into nine categories. Five reasons, covering the four attributes: price, assortment, locational convenience and quality (general and for meat specifically) were considered as most important. When Multi-attribute model was used to assess the importance of six attributes for men's clothing stores: price, assortment, personnel, atmosphere, service and quality, without rating on locational convenience, the importance rates for quality, price and assortment, were found to be the highest (James et al., 1976), and the attributes which

were rated as being important determine the actual retail store choice. For food shopping, the four importance attributes were price, quality assortment and locational convenience. At the same time the distance sensitive group bought more at supermarket, while the distance insensitive group bought less there. It was also believed the the distance sensitivity was the most important determinant for food shopping behavior (Verhallen and Nooij, 1982.). Relationship found between retail attribute sensitivity segmentation and patronage profile segmentation, suggested the segmentation based on shopping behavior for retail segmentation as a more promising way for retail marketing, than segmentation studies on images and attitudes. Brand loyalty did have some role in the grocery store selection. In the supermarket brand loyalty varied significantly by product category, while convenience and price were the drived store selection (Supermarket Shoppers's 2003 Special Reports). People's preference to the store attributes were found to be 24-hours operations, preferred shopper program, sale items and discount coupon. The challenges for retailers was to keep prices low while maintaining a high-value image and differentiating themselves from each other. From the findings as mentioned above, we defined attributes in our study by using the basis from well accepted elements of retail mix, significant attributes from previous empirical studies and reconfirmed with current consumers' view of drug store attributes.

2.3.2 Product Assortment

Product Assortment was the appropriate abundance of choices of products expected to be available in a store. It was mainly the availability of goods customer wants to buy at the time it was needed with adequate choices, either the forms of preparation, size, or variety of brands. Product assortment included the range or

variety of products available in the store in both dimension of width and depth, not merely what was wanted at a time. Product Assortment gave customer a feeling that the product wanted could be found at the store and also gave an impression of the store's area of expertise. Retailers typically assumed that larger assortments provided more benefits to consumers than smaller assortment. Assortments provided a variety of benefits to consumers. They allowed consumers to easily find the products they wanted at relatively low cost of search and comparison (Betancourt & Gautschi, 1990). Assortments allowed buyers purchasing for household use, or other party to find products that could satisfy the needs of different household members and they allowed the selection of items for different purchase goals from one store (Kahn & Lehmann, 1991). Product assortment did not only serve the need of the consumer in finding things they wanted, but also improved the pleasure of buying, and created different perception of the stores carrying the assortment. Retail assortments could enhance the enjoyment, or haedonic value of shopping (Babin, Darden & Griffin). There was a positive relation between the number of items in a category and the perception of the assortment. Assortment perceptions (sensations) had positive relationship with store attractiveness and intended store choice (Broniarczyk et al, 1998). Larger assortments helped to attract more customers and customers from a wider distance than smaller assortments. (Simonson, 1999).

As one could understand that consumer preferences were not stable but were constructed for specific consumption goals and were influenced by the specific assortment faced during decision-making (Bettman, Luce & Pane, 1998 and Simonson, 1999). Larger assortments allowed greater flexibility to accommodate varying preferences over persons and time (Kahn, 1995). Larger assortments were

usually rated more positively, and were generally preferable to smaller assortments, even if the small assortment contained the preferred or favorite alternatives (Oppewal and Koelemeijer, 2005).

Product assortment, in this study, refered to the width and depth, or variety and assortment of products offered by the store. Consumer perception on product assortment was measured in terms of: always get what was needed, contain lots of choices and the ability to get difficult to find products. A strong merchandise mix provided consumers with a wider choice of products and services and enhanced the ability of the stores to fulfill their needs and wants. It was always cited in retail management concept on the importance of product attribute to attract customers and produce satisfaction. Referring to such concept, we hypothesized that

H1   *Product attribute positively affects consumer's response towards frequently used drug store.*

2.3.4 Reasonableness of price

While price represented the monetary expenditure that the consumer must incur in order to make a purchase (Ailawadi,Keller, 2004), value for money reflected the beneficial gain consumer perceived from the price aspect (Levy,Weitz, 2004). Price had been recognized and well accepted as one of the attributes in shopping. (Popkowski, Timmermans, 2001, Rhee, David, 2001) Price, discount, promotion all fell into the value for money aspect of alternative evaluation. Price and special promotions had been used to attract consumers to a retail store and generate an increased level of store traffic (Grewal, Monree, and Krishnan, 1998; Lichtenstein and Bearden, 1989). However, retailers could not depend on these price promotions to attract customers on a regular basis. Although price seemed to be the most

tempting factor, it was a very subjective and relative evaluation as there was always someone with lower price. The key to such phenomena was to deal with the consumers' expectation and their internal evaluation rather than comparing penny to penny with competitors.

Value was derived from the ratio between the bundle of benefits customers receive and the costs incurred in evaluating, obtaining, and using the product or service. It was well established, for example, that a consumer's formation of the intention to buy was strongly influenced by the perceived monetary sacrifice, in conjunction with the perception of product quality (Monroe, 2003), thus creating the perception of reasonableness. There was also a negative relationship between monetary price perceptions and value perceptions (Dodds et al., 1991; Grewal et al., 1998; Sirohiet al., 1998). Consumer price perceptions caused a significant effect on brand preference and purchase intention (O'Cass and Lim, 2001; Varki and Colgate, 2001). Moreover, consumers utilized a reference price in evaluating the attractiveness, or value, of an offer, which in turn affected the purchase intention (Chang and Wildt, 1994; Monroe, 2003; Vaidyanathan et al., 2000). Monetary price perception was a contributor to perceived merchandise value, which determined patronage intention (Baker et al., 2002). However, although price was important, people were unwilling to sacrifice on quality, convenience, and a pleasant shopping experience in order to obtain low prices. The key thing about a brand or a store was that it gave good value for the money (Hartnett, 1998).

In the field of pharmaceuticals, medicines, health care and health related products where insurance also played substantial role to many people, the ability to reimburse the cost of drugs purchased from a drug store, the availability of product

warranty, goods return policy, and good understandable advise from well-trained pharmacist or store staff, were some more aspect of value for money, though not directly related to price discount and promotion.

Price was always a sensitive part of the retail mix and product mix in marketing. In term of retail, it was the relative perception of the person towards overall products provide in the store, in general. Price could also be considered to include the price as seen on the price tag, value and cost of attaining the product, and activities that provide the sense of saving offered by the store. Mainly, price was the issue of interest. Drug store which was perceived as providing better price tends to be more favorable to the consumer, considering the price alone.

H2   *Price perception positively affects consumer's response towards frequently used drug store.*

2.3.5 Effectiveness

Consumers perceived the quality of a product differently depending on the store type from which the purchase was made (Darden and Schwinghammer 1985). Furthermore, a consumer's perception of the quality of a store's merchandise related to the patronage of that store (Darley and Lim 1993; Jacoby and Mazursky 1985; Olshavsky 1985). As an important component of store evaluation, merchandise quality had a positive link to merchandise value (Grewal et al. 2003). In brief, merchandise determined a retailer's reputation and influences consumers' choice at stores. When considering the attributes used to predict retail patronage (Pan and Zinkhan, 2006), the three key categories of predictor variables that had highest correlation with store choice were selection followed by service and quality. Consumer experiences with retailers led to evaluations of a store's tangible

characteristics, or functional qualities of retail environments, which would correspond to its cognitive meaning (beliefs).

Quality stated and supported the value for money as well as defines the type of users. The quality aspect of drugs and health products was defined in term of its effectiveness and efficacy. Since product obtained from drug store was always accompanied with service and advice, effectiveness of use was seen as a function of the store in an aggregated character, rather merely the quality of the products. Stores perceived as offering effective solution, either for illness or health could easily be viewed by consumer as preferable. We used effectiveness to represent this construct and proposed that:

H3   *Quality positively affects consumer's response towards frequently used drug store.*

2.3.6 Store facility

Store facility were the function a store provided to ease customers in their shopping. In our study, store facility was defined as a combination of convenience, physical facility and store atmosphere.

Convenience was the easiness of accessibility and buying at the store. It started from the location of the store, easy access to the store, adequate car parking, long hours of operation, nice aisle, air conditioned, rapid check-out and handy staff. Store location was often the most important decision made by a retailer as it was typically the prime consideration in a customer's store choice (Levy and Weitz, 2004). Location possessed various strong functions such as determining the crowd of customer, part of store position, and convenience. At the same time, for consumer, location meant mainly the relative distance from their main station and also the

destination for their shopping trip. Location could also be explained in term of access and was, then, defined as the basic criteria in consumer store choice decision (Aliwadi and Keller, 2004). Consumer expected convenience in term of space and time (Davidson, Sweeney, Stamfi, 1988). In certain occasions, location no longer explained most of the variance in store choice decision, but rather on the model where consumers optimized their total shopping cost (Bell, Ho and Tang, 1988). Cost couldbe in terms of time and money. Apart from location, the availability of parking place, fast check-out points, delivery service were all parts of the total shopping cost consideration.

Store environments had become an increasingly important method of retail positioning (Levey and Weitz, 1995). The environment offered by a store influenced consumers' decision to visit the store (Kotler, 1973) and the retail environment guided consumers' inferences about merchandise, service quality and enjoyment at the store (Mehrabian, 1976; Zeithaml, 1988). The store environment had been considered to be component of the store's overall image (Zimmer and Golden, 1988, Levy and Weitz 1995), with recent empirical results suggesting that cues in the store environment contributed to customers' perceptions on merchandise and service quality (Baker, Grewal, and Parasuraman, 1994). Atmospheric cues were ambience, design and social factors (Baker, 1986). Ambience contributed to the persuasive effect of sales people cues and that salespeople made sales better in some retail settings than in others (Mehrabian and Russell, 1974). Back ground music influenced customers' desire to affiliate in buyer-seller interactions (Dube, Chebat and Morin, 1995). The appreciation or enjoyment of a particular environment could influence interpersonal interactions in that environment. Atmospherics influenced store image

and expectations of service and merchandise (Baker, Grewal, and Parasuraman, 1994). Store atmospherics enhanced customers' quality perceptions, which led to higher levels of persuasion. Store ambience and design also positively affected customers' persuasion as well as customers' positive perceptions of salespeople. Additionally, in "prestige ambience" stores, a reduction in the number of retail salespeople did not significantly affect customers' buying intentions. In contrast, in "discount ambience" stores, an increase in the number of retail salespeople dramatically enhanced customers' buying intention.

The response that store atmosphere elicited from consumer perception varied along three main dimension, pleasantness, arousal and dominance (Mehrabian and Russell, 1974). Different elements of retailer's in-store environment, e.g., color, music and crowding, could influence consumers' perceptions of a store's atmosphere, whether or not they visited a store, how much time they spent in it, and how much money they spent there. This response influenced behavior, with direct impact on attitude towards the store and greater likelihood of purchase in more pleasant settings and in settings of intermediate arousal level. The elements of in-store atmosphere were categorized into physical feature like design, lighting and layout, ambient features like music and smell, and social feature like the type of clientele, employee availability and friendliness (Parasuraman, Grewal and Voss, 2002). Store environment factors, particularly physical design perceptions, significantly affected consumers' perceptions of merchandise price, merchandise quality and employee service quality (Baker et al., 2002). A pleasing in-store atmosphere provided substantial hedonic utility to consumers and encouraged consumers to visit the store more often, stay longer and buy more (Ailawadi and Keller, 2004).

For this study, Store facility was composed of two dimensions, the store atmosphere and convenience. There were three dimensions of the store atmosphere that consumer perceived, being pleasantness, arousal and dominance (Mehrabian and Russell, 1974). Response on store atmosphere influenced behavior, with direct impact on attitude towards the store and greater likelihood of purchase. In-store environment that composed retail atmosphere was categorized as physical feature like design, lighting and layout, ambient features like music and smell, and social feature like the type of clientele, employee availability and friendliness. These three components influenced consumers' perceptions of stores atmosphere, attitude towards the store and whether or not they visit the store (Parasuraman, Grewal and Voss, 2002). Store that provided more pleasant and arousing atmosphere tended to be more preferred by the customers.

Convenience was refered to as the accessibility of the store as well as facilities stores provide for ease of patronage by the customers. Convenience was initially concerned with the aspect of location. It covered the aspect of distance from customer location, easy to find location. At the same time, convenience also refered to the availability of other adjunctive function of the stores that offered to more convenience access of the customers, e.g. parking place, easy access store layout and walkway, familiarity of merchandise grouping, ambience of the store, and pleasant surroundings such as cleanliness and lighting. Better accessibility and convenience, implied fewer impediments and consequently less displeasure to consumers making a trip to the store and patronizing the store. We, then, hypothesized that:

H4   *Store facility positively affects consumer's response towards frequently used drug store.*

2.3.7 Service

Store service covered service a drug store provided for its customers, including the aspect of service quality provided. It was inevitable for drug store to provide counseling, drug use advice and pharmaceutical care for the customer, not mentioning the regular element of good quality retail service. The Quality of service were classified as *technical quality* and *functional quality* or the manner given (Parasuraman, Zeithaml, and Berry, 1985). When customers evaluated retail service, they compared their perceptions of the service they received with their expectations. Customers based their evaluations of store service on their perceptions. Five customer service characteristics that customers used to evaluate service quality were *reliability, assurance, tangibility, empathy* and *responsiveness*. The cues that customers used to assess service characteristics were in various manners. Reliability was assessed by the accuracy of billing, meeting promised appointment. Assurance was assessed by the availability of guarantee, warranties, and goods return policy. Tangibility was perceived by the appearance of store, sales people, while empathy was assessed as the personalized service, receipts of notes and emails, recognition by name. And lastly, responsiveness was measured on giving prompt service, returning call and emails. Customers were satisfied when the perceived service met or exceeded their expectations. Customer expectations were based on customer's knowledge and experiences (Clow, Kurtz and Ozment and Beng, 1997).

A major challenge facing retailers was how to achieve a balance between the costs and the benefits of offering different customer service levels. Managerial guide and most modern retail concept encouraged retailers to place more emphasis on quality, value, customer satisfaction, and customer retention (Reichheld, 1996; Siu

and Cheung, 2001). Consumers' perceptions of service quality were related to satisfaction (Bei and Chiao, 2001). Surveys of customer satisfaction indicated that customers were frequently dissatisfied with a firm's offering and were more likely to switch to competitors' products because of poor service quality than because of poor product quality (Whiteley, 1991). It was also important to remember that the customer's assessment of service quality depended on their perceptions of service— not necessarily the reality (Berman, 1991; Berry, 1988). And of equal importance, retailer should identified and responded to the proper aspects of customer service (i.e., those of greatest perceived importance) in order to increase and maintain patronage. For the many retailers competing with stores selling similar products, the performance of sales personnel could be a deciding factor for the consumer patronage decision. Salesperson's willingness to listen and product/store knowledge were linked to consumer complaint responses, as well as consumer perceptions of the salesperson and the retail establishment (Clopton et al., 2001). In addition, customer perceptions of interpersonal service quality (with dimensions being "well dressed", "friendly", and "helpful") directly affected patronage intentions (Baker et al., 2002). Respect for the customer, salesperson's knowledge, salesperson's responsiveness, and friendliness were the four most important salesperson service attributes among those tested in their impact on consumer electronics store patronage intentions (Darian et al., 2001). While moderate levels of respect, responsiveness, and friendliness contributed significantly to patronage intentions, extremely high levels of these attributes did not seem to have much additional effect. The trade-off between salesperson service level and prices was assessed directly by including prices compared to competitors in consumers' assessments of attribute importance. The

effect of respect for the customer was not linear. It made little difference whether salespeople were "very respectful" or just "respectful", but talking down to the customer was viewed very negatively. Unlike respect for customer, the effect of price was basically linear. Service quality correlated directly with customer satisfaction, and consumer's purchase intention.

Customers shopping for electronics products found it easy to be overwhelmed with numerous details and became confused. They might well be seeking a straight forward presentation of just the information that helped them make a choice. Salespeople in this product category were typically much more knowledgeable than the customer, and might be eager to explain technical features of the product. Salesperson friendliness was rated as the third most important attribute after price level and respect. The customer for electronics products mostly felt the need to be able to ask questions of the salesperson. In a shopping situation where the acquisition of information was likely to be one of the customer's primary objectives, friendliness was an important element in the creation of an appropriate comfort level for customers. An unfriendly salesperson interfered with the accomplishment of that objective and was viewed unfavorably by the customer. Thus, customers exhibited strong desire for at least a threshold level of friendliness. It was of not surprise that salesperson's knowledge was rated about as important as salesperson friendliness. The importance of these factors suggested that the consumer electronics salesperson was in a delicate position where a high level of knowledge was critically important, but must be disseminated in a manner that incorporated a significant degree of sensitivity to the customer. It was necessary for salespeople to be continually updated and demonstrate an awareness of new products, technical developments, prices, and

other variations in the store's offerings. Retailer charging average prices could achieve a competitive utility value by offering acceptable service levels on all attributes. Retailer who wanted to charge higher than average prices should strive to achieve high levels on most service attributes.

The availability of salespeople to solve customer problems during and after the selling process had been ranked as being among the most important issues to customers (Williams and Seminerio, 1985; Cooper and Summer, 1990) Salespeople in "prestige store ambience" were expected to be "easily available" to customers. In contrast, salespeople in "discount store ambience" were expected to be "not easily available." (Baker, Grewal, and Parasuraman, 1994) Again, customer satisfaction depended on the expected value of the attributes versus the actual outcome. Customer might feel acceptable when they had to put in some effort to locate a sales person in hypermarket, while they might not tolerate the absence of abrupt service in prestige specialty store.

Waiting for service in a retail store was an experience that could lead to consumer dissatisfaction (Katz, Larson, & Larson, 1991), which, in turn, could result in negative effects on store patronage behavior (Hui, Dubé, & Chebat, 1997). As service expectations were influenced by cues in the store environment (Zeithaml, Berry, and Parasuraman, 1993), a store's environment should offer a rich set of informational cues that consumers could used to make inferences about products and service (Baker, 1998). Several studies empirically supported the notion that store environment cues led to consumer inferences and expectations about a store's merchandise, service, prices, and shopping experience costs (such as waiting time),

which influenced store patronage intentions (Baker, Grewal, & Parasuraman 1994; Baker et al., 2002).

The influence of store environment cues on consumer inferences was likely to be stronger when consumers were unfamiliar with a store. When customers perceive that there were more (compared with fewer) employees visible in the store, their wait expectations were more positive. Customers believed that the employees could help them through the buying and checkout process. Customers had more negative expectations of the wait if they thought the store was crowded, and men had more negative wait expectations than women. Managing consumer's waiting time was another strategy available. Atmospherics could make customers less aware of their wait because they were either distracted and/or entertained. Retailers had an arsenal of available alternatives in this regard (Levy & Weitz, 2004). Stores could creatively use a store's layout or method of displaying merchandise to alter customers' perceptions of the atmosphere. According to previous store atmosphere studies (Hui et al., 1997, Grewal et al, 2003) various types of music could have a differential effect on store atmosphere in other types of stores. Perceptions of customer density post a negative effect on store atmosphere. In a service intensive setting in which customers required help from salespeople throughout the shopping process, customer density (or crowding) must be proactively managed.

Researchers had identified a positive link between service quality and customer retention (Bansal and Taylor, 1999; Brady et al., 2002; Fullerton and Taylor, 2002; Roos, 1999; Rust et al., 1995; Zeithaml et al., 1996). Service quality was the prime driver of consumer loyalty and loyalty-related behaviors. On the evaluation of service quality-loyalty relationship, there were positive relationship

between service quality / advocacy intention, and negative relationship between service quality / switching intention (Gordon Fullerton, 2005). Apart from the quality of service, goods return policy, tester trial, demonstration activities and availability of seats or water fountain, were also considered as part of the service drug store provided.

Store service covered service from staff and those additional offerings the store provides for customer. It was seen as a part of today's retail, and especially in the healthcare set up like a drug store where proper advice was needed, and patient usually sought for consultation. Staff service quality was perceived by its customers as technical quality and functional quality or the manner given (Parasuraman, Zeithaml, and Berry, 1985, 1988). Goods returned policy, tester trial, variety of payment method were also considered as part of the service store provided. The better the service was, the higher satisfaction the customer perceived. The availability of pharmacist on duty was another interesting feature. Although, by law, pharmacist was required to be on duty all the time, many pharmacists and store owners believed that the perception that there was a pharmacist on duty could have an impact on the overall feeling toward the service rendered by the drug store and could attract more customers to the store. We proposed that:

H5   *Store service positively affects consumer's response towards frequently used*
        drug store.

2.3.8 Promotion & Advertising

Communication played important role in simplifying information search by consumer. A commonly accepted view of retail promotion was that it engaged with activities and functions whose primary role was to invite, persuade and generally

stimulate interest in acceptance of the retailer and its policy. The most immediate targets were potential and existing customers, by raising awareness and creating loyalty (Kent and Omar, 2003). Retail promotion embraced all activities and devices that were designed to sell merchandise directly or indirectly to customers. Intensive promotional activity allowed the store to maintain and increase its turnover by achieving a higher penetration rate in the market, an increase in the frequency of visits and increase in average amount spent in the store.

Store promotions were a way of life for retailers. Indeed, an intensive promotional activity allowed the store to maintain/ increase its turnover by achieving a higher penetration rate in the market area, an increase in the frequency of visits, and/or an increase in the average amount spent in the store. Store-level promotions reinforced low-price positioning. While the use of an "Everyday Low Price" strategy was another way to achieve such a positioning, it was shown that such a strategy lead to an increase in sales at the expense of a substantial loss in profit (Hoch et al., 1994)

Three conditions had to be met simultaneously for a given promotional campaign (P. Volle, 2001). The conditions or a "store-level promotion" were: (1) the deals were real i.e., they were not only advertised regular prices; (2) a portfolio of products was promoted, not an isolated brand or a product category; (3) at least one external media was used, like a flyer, a radio, or an outdoor advertisement.

The belief that store promotions generated additional traffic, which led to the purchase of complementary products at full-margin had never been proven. Indeed, the cutting prices of 10 portfolios of products in three stores (i.e., 30 cases) only led to two cases where the traffic increased significantly (Walters and Rinne, 1986),

whereas the impact of direct mail promotions on traffic was positive, but that advertised promotions had no impact (Walters, 1988). A change in strategy from "many products/low discounts" to "a few products/deep discounts" led to an increase in sales, without any significant increase in traffic (Mulhern and Leone, 1990). Indeed, many studies demonstrated the impact of distance on store choice (Hirschman et al., 1978; Arnold et al., 1983). On the other hand, studies also showed that store image explained choices significantly (Kargaonkar et al., 1985; Hildebrandt, 1988).

As far as grocery shopping was concerned, it was postulated that store-level promotions were unexpected events and that most shoppers did not anticipate them; as such, they were not part of the store ongoing positioning (Mulhern, 1997), and therefore, could be considered as situational variables (Belk, 1975). The simultaneous use of media was found to enhance the effectiveness of brand promotions (Walters and McKenzie, 1988). Through a signaling effect, the sole announcement of a promotion with no real deal increased the intention to purchase (Inman et al., 1990), and the effect was stronger when the announcement was accompanied with a special-price offer. The amplifying effect of direct marketing was also found on sales promotions in the retailing context (Walters and McKenzie, 1988).

The higher the loyalty to a given store was, the higher the cost to switch to another (Mittal, 1994). Therefore, a customer might probably not respond favorably to the deals coming from a store he/she did not patronize already. From a brand choice view point, the impact of promotion on utility was less when the individual did not prefer the brand, or, conversely, when the individual prefered the brand very

strongly, and did not prefer other brands (Ortmeyer et al., 1991). The effect of store-level promotions on store choice probabilities was found to be weak, compared to the inertia of household store choices (P. Volle, 2001). Store loyalty was found to be the individual variable, which showed to moderate the effect of store-level promotions on store choice. This had put in an extending to store choice, the idea that households showing an intermediate level of loyalty toward a given store were more deal-prone than weakly or highly loyal households. Previous research tended to demonstrate that the impact of sales promotions on traffic was ambiguous whereas conventional wisdom suggested the contrary. Specialty stores gained most from using price promotions being a strong main effect that could attract customers from other multi-shop shopping strategies, but not from combination stores (Popkowski,and Timmermans, 2001). Promotional activities included such activites as, visual merchandising, display, personal selling, sales promotion without mass media, and other associated activities.

Advertising represented a form of organized message communicating to target recipients. Advertising had its role to inform, induce interest, stimulate and persuade, whilst sales promotion offered the consumer an incentive or a physical benefit rather than a message of persuasion. Advertising expenses post significant positive effect on the level of demand, and such effect also depended on the economic regimes the store was operating upon.

Marketers of OTC medications used many different communication methods such as face-to face selling, free samples, direct mail and advertising, to reach their key constituents, i.e., physicians, pharmacists, and consumers. To reach their retail consumers, marketers of OTC medications relied heavily on print and television

advertising. One advertising format gaining much popularity, especially for OTC medications, was direct comparative advertising. Direct comparative advertising compared the sponsor's product to a competitor's product; e.g., Advil was compared to Tylenol, and was shown to be better. Direct comparative ads often times were an effective format for helping a less established or new brand challenged the established market leader. However, comparative ads sometimes evoked the issue of source credibility (Kavanoor, Grewal, Fern, Costley, and Barnes, 1996); that consumers might ask whether this information source could be trusted of. Studies had demonstrated the positive impact of ad credibility on ad outcome measures such as brand attitude and purchase intention (Goldberg and Hartwick, 1990; Ohanian, 1990). Message credibility was particularly important in a direct, comparative advertising format because the audience might be skeptical of the truthfulness of the claims, and might attribute them to the sponsor's vested interest (Smith, 1993). As a result of this skepticism, comparative ads had been shown to generate more unfavorable cognitive responses (Swinyard, 1981). Consumers who were loyal to the compared brand, in particular, were likely to discount the claims of the advertiser, and hence disbelieved the ad (Wilke and Farris, 1975). WHO, in a meta-analysis of published and unpublished literature, found that comparative ads produced more favorable brand attitudes and purchase intention. However, in certain countries, the regulatory authorities might not allow such comparative ad.

If the store was a supply-determined, limited supply in comparison to demand, advertising probably did not have a large impact, but for demand-determined, where supply was abundant, advertising could surely change sales level. While advertising mostly refered to sending out message through various media, the abundant existence

of stores with same identity in the proximity of a location also functioned as indirect advertising for the store. The reference tactics was also used in advertising communication through the use of well-known celebrities as endorser. To find a hero in the mind of audience to relate the product to, was the commonly used advertising tactics. Such reference to known figure, though considered as part of advertising, could also be seen as an effect from reference person or group, which was mentioned in the following section.

Promotion

Promotion included demonstration, displays, contests, bonus program, visiting celebrities and other special event the store creates. Promotion in such circumstance was refered to the sales promotion and in-store activities. Promotion increased the hedonic value in buying, built relationship and created interaction with consumer. We proposed the hypothesis that:

H6   *Promotion induces positive effect on consumer's response towards frequently used drug store.*

2.3.9 Reference groups

When families made purchase decision, they often considered the needs for all family members (Lachman and Lanasa, 1993). In a situation, all family members might participate in the decision making, while in another situation, one member of the family might assume different role of making the purchase decision. Retailers attracted consumers who shopped with other family members by satisfying the needs of all family members (Levy and Weitz, 2004). A reference group was one or more people whom a person used as a basis of comparison for belief, feelings and behaviors. A consumer might have one or more different reference groups. The most

important reference groups next to family were friends and close person with professional authority, such as physicians or pharmacists. Reference groups affected buying decision by providing information, providing reward for specific purchasing behaviors and enhancing a consumer's self-image. By identifying and affiliating with reference group, consumers created, enhanced, and maintained their self-image. The market share growth of supermarkets in Israeli Arabs community was found to be influenced by underlying cultural and ethnic factors characterizing the population (Goldman and Hino, 2005). Arab consumers tended to purchase most of the perishable food items in traditional outlets despite the small travel distance difference between traditional store and supermarkets. The Arab people also viewed shopping in the neighborhood grocery stores in strict functional terms, while shopping in supermarkets, especially in large chain stores, was viewed more as a family event containing elements of a family outing, and entertainment. Although one might argue that when there was a need for medicine, there should be little influence from social surroundings or socialized third party, it was interesting to see the significance for such impact, especially when we were considering the choice of drug store as not only for illness behavior seeking for medicine, but also for health promoting type of products which required not just the normally high involvement level, but also some pressure or influence from reference groups and related peers.

Actually the reference group in this sense was the influence groups and influence of communiation. Family, as social influence in buying decision, was one of the early reference groups, being part of such construct. Other reference groups were the significant others, e.g. friends, personal doctors, pharmacist, or role model. Through various level of communication, these groups induced, influenced and, even,

post pressure on an individual to make decision. Advertising was executed with the purpose to cause the audience to get acquainted, to get more involved, being able to identify oneself with the store and to arouse curiosity or to feel good about the store. Advertisement played its role to influence decision via creative communication, and was considered as a kind of reference in the consumer's mind. In some circumstances, the strategic distribution of stores and signed in nested locations that repeatedly remind consumer of the store presence and mimicked the role of standard choice, also influenced the decision to use or visit the store. Reference groups could influence consumer's attitude towards the selection of a drug store. The more acceptable the store, there would be more favorable the attitude towards the store. We proposed that:

H7   *References positively affects consumer's response towards frequently used drug store.*

2.3.10 Buying Purpose

Illness and Health

As reported by The New Retail Value for money, health maintenance were taking on greater importance to aging Boomers, it affected their food choices and their medical decisions. A whole new generation of pharmaceuticals which aimed more at well being rather than illness, was going to make its way to market in the next decade. Viagra was just the start. Health supplements were clear examples of tangible substances that gave the Boomers a sense of recapturing their lost youth could do well. In studies on consumers' health behavior, there were two distinctive behavior, illness and health behavior being cited. Illness behavior was simply conceptualized as how individuals responded to a perceived health threat or illness

(Petrie and Broadbent, 2003). Health behavior could be explained as an activity by a person who believed self healthy to prevent disease and detect disease (Bernard Sorofman, 2004). Illness behavior included all aspects of how patients coped with their illness, taking medication and seeking for medical help. For a drug store visit, illness behavior was referred as the seeking for drugs or medical equipment for use to cure illness or alleviate the situation, while health behavior was seen as the search for health promoting items such as vitamins, health supplement and hygienic items like dental hygiene, skincare and personal hygiene products. The higher the illness level, there were more obvious need for pharmaceuticals and the lower the illness level, the less need for pharmaceuticals for each store visit. Illness level of the consumer, hence, served as a measurement for different purpose of visit and, at the same time, represented the nature of behavior as illness behavior or health behavior, of which, in some occasion was a mixed phenomena due to level of illness. Store choice and store-attribute contributed to the reasons that consumers had for buying a product or service at a particular store. These reasons were frequently governed by situational circumstances. A consumer, discovering in advance of a special home breakfast, that no maple syrup was in the house, might rush to buy the needed product in the store that could provide the fastest access, which might be totally different from the choice of store in less time stress or other assortment requirement. Such situational conditions and the shopping strategies that they generated were often referred to in literature as task definitions. Task definition comprised the set of goals a consumer forms to resolve needs deriving from a specific situation (Marshall 1993), of which in the case of drug store choice was referred to as the illness level. Task definitions were generally believed to have an important influence on an evaluative criterion's

salience (Miller and Ginter, 1979; Dickson, 1982; Engel Blackwell, and Miniard, 1995). A person might adopt different mind frames that were related to a unique set of attributes and their weights (Shepard, 1964), and the purpose of use for personal needs or for others, such as looking for gift, also affected the importance store-attributes to be different (Mattson, 1982). The attribute importance weights were also sensitive to the purchase situation (Simonson and Tversky, 1992) and differed accross task definitions, which led to the conclusion that store choice was differentiated by task definitions (Patrick Van Kenhove, Kristof de Wulf and Walter Van Waterschoot, 1999).

In the past, presumption purchasing behavior was only dependent on product attributes and consumer characteristics (Srivastava, Alpert, and Shocker, 1984). A more limited number of researchers had turned their attention to the effect of situational factors on consumer behavior (Miller and Ginter, 1979; Belk, 1975). Five different situational characteristics that existed independently of a consumer's behavior namely physical surroundings, social surroundings, temporal, antecedent states and task definitions were proposed as such factors. In a consumer behavior context, a task definition comprised the set of goals that consumer developed to resolve needs deriving from a specific situation (Marshall, 1993). More formally, it was the orientation, intent, role, or frame of a person through which certain aspects of the environment became relevant (Foxall and Goldsmith, 1994). From a marketing point of view, defined task definitions was defined as the reasons that occasion the need for consumers to buy or consume a product or service (Belk, 1975). Task definitions were refered to both purchase and usage situations. A purchase situation was refered to the specific circumstances of the purchase itself. A usage situation

was the specific circumstances of the usage of a product or service. While purchase and usage situations differed from each other, a usage situation was expected to exert a powerful influence on a purchase situation as buyers consider how their product acquisition strategies were adjusted to meet the consumption needs (Stanton and Bonner, 1980). Task definitions were generally believed to have an important influence on an evaluative criterion's salience (Miller and Ginter, 1979; Dickson, 1982; Engel). A person might adopt different mind frames that were each related to a unique set of attributes and their weights. In the fast-food restaurant decisions different choice criteria were used according to four different usage situations. Task definitions were powerful framing influences that would impact store attribute retrievals. Different stores were likely to be evoked in the context of different task definitions that were associated with one or more unique benefits (Thelen and Woodside, 1997). Task definitions could seriously impact a consumer's store attribute saliences when considering the tremendous change in consumers' price sensitivity across purchase situations (Engel, Blackwell, and Miniard, 1995). The type of task definition was also found to influence primary store choice. One major reason why consumers were likely to retrieve different stores for each task definition was that they held unique goal-derived stores categories in their long-term memories based upon prior shopping experiences (Thelen and Woodside, 1997). In case of an urgent purchase, respondents valued proximity of the store, quick service, and availability from stock. Price, services, possibilities of choice, novelties, and even quality were of minor importance. When purchasing large quantities, low prices and sufficient stock were very important. When material for a difficult job was being purchased, the store had to offer services during and after the purchase, provide a

wide range of products, and carry products of very good quality. For regular purchases, the proximity of the store, low prices, and sufficiency of stock were considered important. When visiting a store to get ideas, it was important for the store to offer services, a wide range of products, and novelties. In the latter case, the consumer also valued a more elegant interior design. Task definition itself exerted a large influence on levels through its relationship with consumer expectations towards the store (Parasuraman Zeithaml, and Berry, 1988; Rust and Zahorik, 1993). It might happen that loyalty levels were more defensible or less vulnerable in some task definitions than in others. Only in rare cases were consumers exclusively loyal to one store. For customers visiting a drug store, the task was clearly to seek for either health related products or professional advise. Normally drug store was seen as an aggregated retail unit servicing pharmaceuticals and health related products. Anyway, a consumer seeking for drug or to fill up a prescription was different from a consumer looking for a good vitamin to help refreshing body's health. As there had not been a direct study regarding this matter, it would be interesting to see whether such purpose caused impact on consumers' response toward drug store.

Buying purpose in this study, applying similar concept as the task definition, was defined as the goal of visiting a drug store. Such goal was categorized basically on the level of illness the person perceive of oneself, and such perception cause to the person to visit a drug store to solve the purpose. It was dichotomously divided into Illness purpose and Health purpose. Illness purpose represented the purpose of visit to buy medicine or other products that helped to relieve sickness or disease symptoms. Illness purpose also included the visit to do prescription refill for chronic disease, both for oneself and for related family member. Health purpose was just the

opposite. It covered the purpose of visit to elevate ones health status e.g. a visit to seek for dietary supplements and vitamin, or other health care products mainly to maintain good health, good look and, which was not for the purpose of illness remedy. It was the purpose of this study to measure the effect of such buying purpose on store attributes mainly store facility and convenience, product attribute, price, service, promotion and references. The action of buying drugs was more or less similar to destination shopping, going to a target store, knowing what was needed and expecting to find it there.

The hypotheses of the moderating effect from buying purposes on each attribute affecting consumers' response towards drug store were as follow:

H8   *The effect of Effectiveness, Service and References on consumers' response towards the use of drug store are stronger in the Illness purpose group than the Health purpose group*

H9   *The effect of Product assortment, Reasonable price, Store facility and Promotion on consumers' response towards the use of drug store are stronger in the Illness purpose group than the Health purpose group*