

Small vs. Large: how assortment size influences consumer loyalty

Pequeño vs. grande: cómo influye el tamaño del surtido en la lealtad del consumidor

Abstract

This work analyses the influence of the assortment size in consumer behaviour. Specifically we analysed how consumers react to two different assortment sizes (small and large), all of them mixed (private label-PL and national brands-NB) in relation to the store switching intentions. For this purpose we analysed the relationship between four variables (store image, value consciousness, perceived variety of assortment and private label purchase intention) and consumer's store switching intentions. To test the hypotheses formulated we have developed an online experiment with a sample of 1,400 individuals. The experiment was carried out in four product categories: yogurt, bread, detergent and toilet paper. To carry out the analysis we use the methodology of structural equations. Results obtained show that the assortment size influences consumer behaviour in an obvious way. In mixed assortments we have found significant differences between medium and large assortments. Store switching intentions is diminished by store image, a higher value consciousness and the perceived variety of the retailer's assortment. In large assortments, store switching intention is lower when store image is positive, consumer's value consciousness is high, and consumer's perceived variety of the retailer's assortment is high. In the same way, store switching intentions are positively affected by PL purchase intention. Our results do not support PL ability for generating a genuine consumer loyalty towards the store.

Este trabajo analiza la influencia del tamaño del surtido en el comportamiento del consumidor. Concretamente, analizamos cómo reaccionan los consumidores ante dos tamaños de surtido (pequeños y grandes), todos ellos mixtos (marca de distribuidor y marcas nacionales o de fabricante) en relación con la intención de cambio de establecimiento. Para este propósito, analizamos la relación entre cuatro variables (imagen del establecimiento, conciencia de valor, variedad percibida del surtido e intención de compra de marca privada) y la intención de cambio de establecimiento. Para probar las hipótesis formuladas, hemos desarrollado un experimento online con una muestra de 1.400 individuos. El experimento se llevó a cabo en cuatro categorías de productos: yogur, pan, detergente y papel higiénico. Para llevar a cabo el análisis usamos la metodología de ecuaciones estructurales. Los resultados obtenidos muestran que el tamaño del surtido influye claramente en el comportamiento del consumidor. En surtidos mixtos, hemos encontrado diferencias significativas entre surtidos de tamaño mediano y grande. La intención de cambio de establecimiento se ve disminuida por la imagen de este, por una mayor conciencia de valor y por la percepción de variedad del surtido. En surtidos grandes, la intención de cambio de establecimiento es menor cuando la imagen de este es positiva, existe una alta conciencia de valor del consumidor y la variedad percibida del surtido es alta. De igual manera, la intención de cambio de establecimiento se ve afectada positivamente por la intención de compra de marca de distribuidor. En cualquier caso, nuestros resultados no respaldan la capacidad de las marcas de distribuidor para generar una lealtad genuina del consumidor hacia el establecimiento.

Key words: retailer, assortment, store switching intentions, private label, national brand

Palabras clave: minorista, surtido, intención de cambio de tienda, marca privada, marcas de fabricante

> José Luis Ruiz-Real (corresponding author)

Professor of Marketing
School of Economics and Business, Agrifood Campus of International Excellence
ceiA3, University of Almería
jlruizreal@ual.es

> Juan Carlos Gázquez-Abad

Assistant Professor of Marketing
School of Economics and Business, Agrifood Campus of International Excellence
ceiA3, University of Almería
jcgazque@ual.es

> Irene Esteban-Millat

Assistant Professor of Marketing
School of Economics and Business, Open University of Catalonia
iestebanm@uoc.edu

> Francisco J. Martínez-López

Assistant Professor of Marketing
School of Economics and Business, University of Granada
fjmlopez@ugr.es

Introduction and objectives

Retail distribution is a sector of obvious relevance in economic activity in Spain. In 2014, the estimated retail turnover was 206,776,441 euros, reaching the highest increase in recent years, according to the report “*Global Powers of Retailing*” (Deloitte 2016). The supermarket chain Mercadona is leader in Spain with 22.3% share of retail food in 2015, according to the consulting firm *Kantar Worldpanel* (2016), followed by *Carrefour* (8.6%), *DIA* (8.2%), *Grupo Eroski* (5.8%) and *Lidl* and *Auchan* (3.8%).

Changes that have occurred in Spain in retailing have been very significant since the seventies to the present, heightened by the economic recession of recent years, which has caused a change in priorities and consumer behaviour. One of the most important changes that have taken place has been the consolidation of private label (PL), which has led to profound changes in the composition of assortments of retailers. The market share of the PL in Spain reached 42% in value and 49.7% in volume during 2014 (IRI 2015). Large supermarkets increased their share to 48%, with *Mercadona* leading the market, followed by *Carrefour* and *Eroski*. The expansion of PL has generated structural changes, affecting the sector as a whole. Retailers have begun a clear strategy of market segmentation through its PL, attending to price, product category, or the benefits sought by consumers (Castelló 2012), resulting in various scenarios in which to apply the great variety of PL.

In this environment, many retailers have opted for strategies to reduce their assortments, primarily by withdrawing a large number of national brands (NB), giving greater prominence to its own brands (Ailawadi and Harlan 2004). A specific form of reduction is by removing assortment of brands; while reductions of assortment usually consist of removing

multiple products from different brands, brand delisting strategy chooses to completely remove all products of a brand within a category assortment (Sloot and Verhoef 2008). Attending to the compilation by Gázquez-Abad et al. (2015) of retailers who carried out dereferencing strategies in their assortments, we can mention the case of *Wal-Mart* (which reduced its overall assortment about 30% in the UK and 7.6% in the US), *Edah*, *Asda*, *Edeka* or *Metro*, among others. *Carrefour Group* introduced a program of optimization of product categories, reducing the size of the assortment by 15% (Berg and Queck 2010). In Spain, it is known the case of *Mercadona*, which in 2008 withdrew from its shelves almost 800 brands from different manufacturers, some of which are leaders in their product category (e.g., *Nestle*, *Calvo* o *Pascual*).

However, later, many of these retailers (including *Mercadona*) were forced to reintroduce some of the NB previously removed to prevent consumer boycotts and the damage that this decision was causing in its own image (Sloot and Verhoef 2011). Therefore, the decision is not as simple as removing brands from the assortments. Remove certain NB can damage the image of the store, because consumers may consider that this assortment is incomplete, either by not including most brands available (Pepe et al., 2012), or for not including renowned brands (Sloot and Verhoef 2008).

At present retail management cannot simply rely on offering very large assortments or design a marketing strategy based on small assortments and very aggressive prices. Retailers must offer their customers an assortment that, regardless of its size and composition, provide real value to consumers and offers them an appropriate response to their expectations (Miranda and Joshi 2003). The main function of retailers should be to contribute

to a significant improvement in efficiency in the consumer buying process, which will help them to achieve a competitive advantage and a particular commercial differentiation (Berné 2006).

So, what should a retailer do to achieve customer satisfaction and loyalty to their stores? Are the largest assortments better than smallest ones to establish customer loyalty strategies? Clearly the decision taken by the retailer in this regard is essential, not only from the perspective of the cost structure and profit margins, but also from the perspective of the image that consumers will develop about the company itself. The answer to the above questions is therefore key to the success of the retailer, as it will allow it to know what brands need to compose its assortment and which brand may be removed without detrimental to its image and loyalty of their customers. Analysing consumer behaviour in different sizes of assortment composition is essential to success in retail management. In this work we bring value to analysing consumer behaviour facing assortments of different size (small and large). For this purpose, we conducted an online survey to 1,120 individuals, considering four product categories and including real brands. Consumer response has been analysed through the estimation of a structural equation model.

Conceptual Framework / Literature Review

The concept of store image is introduced by Martineau (1958), who describes it as the definition that makes a consumer in relation to a store according to its attributes which work both functional and psychological level. Thus, the image of the store denotes the feeling of customers towards it and each store has a different positioning for each client. North et al. (2003) describe the store image as the identity of the store, being an influential factor in the initial process of purchasing

decision of consumers.

The image of the store is considered a critical determinant of the competitive position of the retailer, to the extent that determines among other issues store loyalty and therefore reduces the store switching intentions (Sirgy and Coskun 1985). Consumers who have a better image about a particular store develop a better perception of quality, value, satisfaction and loyalty (Johnson et al. 2001). Considering the direct relationship found in most studies, we propose the following hypothesis:

H1. A positive store image has a direct and negative effect on store switching intentions

Value-conscious consumers are characterized by being concerned about the price-quality ratio received; i.e. they are customers who pay special attention to the quality they receive for a certain price when making a purchase (Zeithaml 1988; Lichtenstein et al. 1990). The perceived value is a concept of subjective nature (Woodruff 1997), resulting from the comparison by consumers of perceived benefits and efforts to be performed (Zeithaml, 1988; McDougall and Levesque 2000).

The perceived value can influence customer attitude (Swait and Sweeney 2000). Numerous studies support the positive influence of perceived value on loyalty to the establishment, in the context of retailing (Chen and Quester 2006). Loyalty has been defended from two perspectives: attitudinal and behavioral (Dick and Basu 1994; Oliver 1999). According to the above the following hypothesis is formulated:

H2. Value consciousness has a direct and negative effect on store switching intentions

Academic research argues that the perceived level of variety of an assortment affect the decision process and store selection by the consumer even more than the actual level of variety. Several authors

(e.g. Arnold et al. 1978; Brown 1978; Finn and Louviere 1996) found a positive effect of the variety of assortment on the choice of the store and the intention to be loyal to the store (e.g. Baker et al. 2002; Verhoef et al. 2007).

Consumers themselves say assortments decisions affect their choice of store (Arnold and Tigert 1982; Arnold et al. 1983). In fact according to the work of Briesch et al. (2009), decisions of choice store present a greater sensitivity to changes in the variety of assortment than to changes in prices. Large assortments tend to be attractive by providing consumers with higher perception of variety (Chernev 2003), more alternatives to choose from (White and Hoffrage 2009), and more likely to find what you want (Berger et al., 2007). Many authors find a positive effect between the perception of a wide assortment and the intention of loyalty to this store by consumers (e.g. Sirohi et al. 1998; Hoch et al. 1999; Baker et al. 2002; Verhoef et al. 2007). According to the evidence found in the literature, we formulate the following hypothesis:

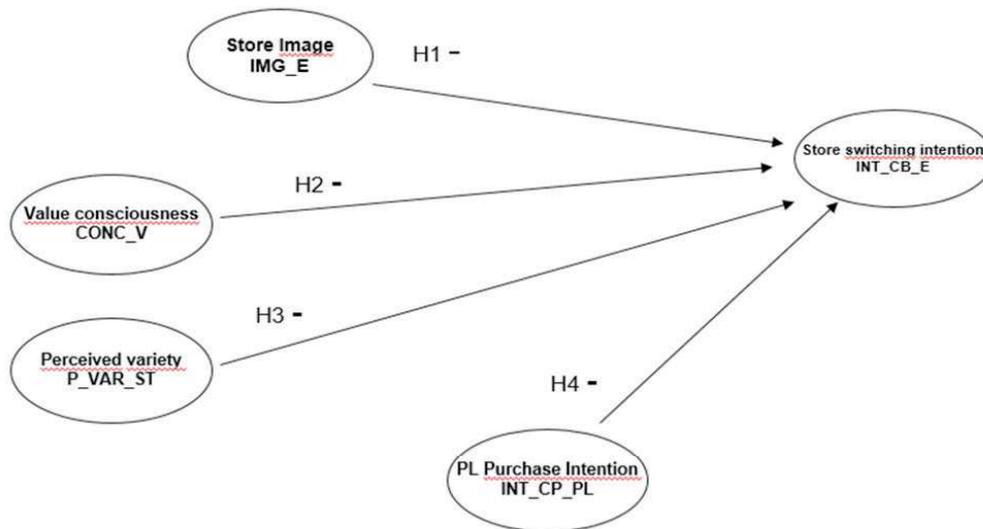
H3. The perception of a wide assortment affects directly and negatively the store switching intentions

PL are usually ownership, control and exclusive sales of retailers. The products under this brand are used to highlight the image of the distributor, attract customers and increase bargaining power with suppliers (Gomez and Okazaki 2007). PL they have a range of values that represent the company. A positive image of the PL not only helps companies become more competitive, but also helps to encourage consumers to buy back the same PL and therefore to buy back in the same store (Porter and Claycomb 1997).

Most of the literature shows the existence of a positive relationship between the PL and store loyalty (e.g. Allen and Rao 2000; Corstjens and Lal 2000). San Martin (2006) argues that there is a process of transfer of consumer confidence among the PL, the store staff and retailer. Thus when a client trusts products with PL and local staff, will also trust the store, which will decrease the intention of changing shop. Paiva et al. (2012) presented an explanatory model of loyalty to supermarkets, based on the proposals of Flavián et al. (2001), Collins-Dodd and Lindley (2002), Martenson (2007), and Martinez and Montaner (2008). This model proposes that loyalty to a retailer is composed of an affective and cognitive loyalty. From the proposals of different authors, the following hypothesis is proposed:

H4. PL purchase intention affects directly and negatively on store switching intentions

So we propose a relationship model which includes these four hypotheses regarding store switching intentions (figure 1).



Methodology

To test the hypotheses formulated above, we have developed an online experiment with a sample of 1,120 individuals belonging to a large panel of consumers in Spain, owned by IRI. At the time of the study (March 2013) IRI had a consumer panel consisting of 322,883 individuals, aged between 24 and 65, responsible for buying for their homes for food products, cleaning and personal care products in supermarkets and hypermarkets. IRI panel is statistically representative of the Spanish population, both in terms of socio-demographic variables (gender, age, income level, education level, family size), and geographical distribution. To measure the different variables of the theoretical model proposed we used composite scales, as they allow assess psychological variables that are not directly observable (Churchill 2003). Have been used Likert scales, widely used in the literature on assortment and brands.

In the experiment we considered two different sizes of assortment: small (four brands) and large (ten brands). The definitions of small and large assortments are based on previous experiments (e.g. Chernev 2003, 2006), in which the “big” assortments were typically four, five or even six times the size of “small” assortments. In this investigation a lower ratio was used, specifically three. As to the composition of the assortment, this includes mixed assortments (PL and NB).

The experiment was carried out in four product categories: yogurt, bread, detergent and toilet paper. We had chosen these four categories attending to the classification made by Dhar et al. (2001), which responds to the penetration/frequency relationship and establishes four categories of product: (1) staples (high penetration/high frequency); (2) niches (low penetration/high frequency); (3) variety enhancers (high penetration/low frequency), and (4) fill-ins (low penetration/low frequency).

Individuals were randomized to different scenarios, according to number of brands (4 or 10) and proportion of high equity of PL and NB(a third and two-third high equity). The final number of individuals for each type of variety was 35. Considering that the experiment was carried out in four categories of product, the total number of individuals for each type of assortment combination was 140. So we have a total sample of 1,120 individuals.

To carry out the analysis firstly it is carried out a confirmatory analysis of all measurement scales by using the methodology of structural equations offering satisfactory results in both scenarios. SEM statistical technique is considered the most appropriate for analysing the relationships identified in the model proposed. Results confirm that the different indicators show a good fit to the data, with right values for R² of store switching intentions and all estimates are significant in all or some of the two scenarios analysed.

Findings and discussion

Results obtained show that the assortment size influences consumer behaviour in an obvious way talking about store switching intentions (table 1). We have found significant differences between medium and large assortments. According to the findings, in small assortments store switching intentions is diminished by store image, a higher value consciousness and the perceived variety of the retailer’s assortment. We found no significant relationship between PL purchase intentions and store switching intentions. In large assortments, store switching intention is lower when store image is positive, consumer’s value consciousness is high, consumer’s perceived variety of the retailer’s assortment is high. In the same way, store switching intentions are positively affected by PL purchase intention (figure 2).

Table 1. Significant results for 4 and 10 brands assortments

Hypothesis	4 brands	10 brands
(H1) STORE CH INT <---STORE IMG	-0,393 (p=0,000)	-0,29 (p=0,000)
(H2) STORE CH INT <---VAL CONC	-0,107 (p=0,048)	-0,107 (p=0,003)
(H3) STORE CH INT <---VAR PERC	-0,207 (p=0,000)	-0,213 (p=0,000)
(H4) STORE CH INT <---PL PURCH INT	n.s.	-0,067 (p=0,009)

n.s.- No significant

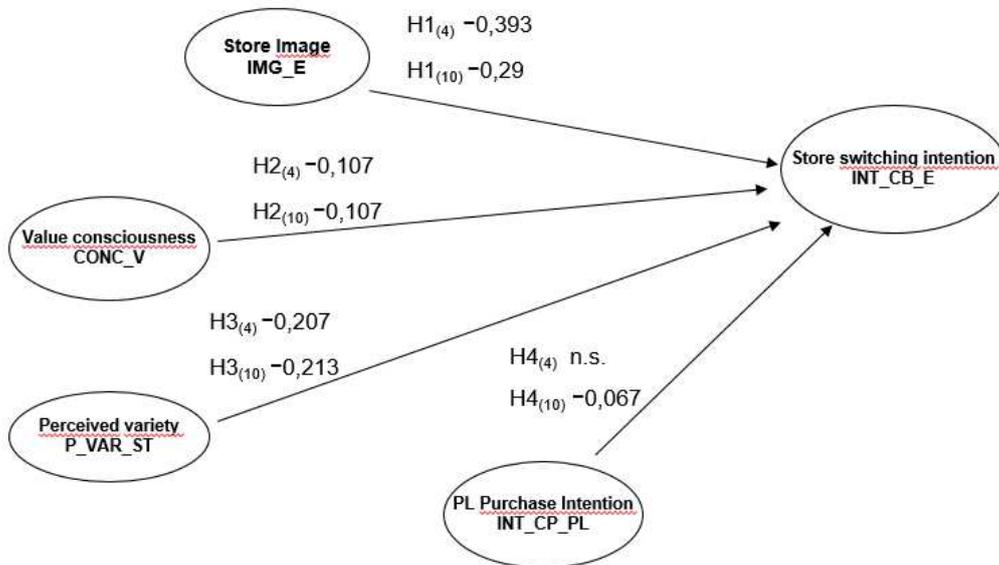


Figure 2. Relationship model

Store image and store switching intentions

The results allow the acceptance of the hypothesis H1, which established a direct relationship, with a negative sign, between positive store image and store switching intentions. So the more positive is the store image, the lower the intention of the consumer to switch stores. This relationship is confirmed for both, small assortments (-0.393; $p = 0.000$) and large (-0.29; $p = 0.000$). The intensity of this relationship is higher in small assortments.

The store image indicates the feeling of customers towards a store, being different positioning for each client. The literature supports the existence of the relationship between store image and store switching intentions. Thus, Wu et al. (2011) state that the corporate image is considered an important antecedent of store loyalty and brand loyalty, as it encourages repeat purchase and decrease store switching intentions. In this same vein, other studies show that store image is a determining factor in the competitive position of the retailer, to determine, among other things, store loyalty and reduce store switching intentions (e.g. Bellenger et al. 1976; Sirgy and Coskun 1985). Customers have a certain image of a store, which may lead them to further visits and repurchase decisions (Kunkel and Berry 1968). Consumers who have a better image of a store develop a better perception of the value, satisfaction and loyalty (Johnson et al. 2001).

Store image thus acts, similar to brand value in relation to the repeat purchase by consumers. If consumers perceive a brand with a positive and strong image, that may have a positive influence on the probability that they choose that brand over other competing brands (Vogel et al. 2008). In the same way, differentiation of the store is a key element for the retailer. When consumers perceive a positive store image, higher than its competitors, it is

likely they to increase their satisfaction when purchasing products there (Gomez et al. 2004), and is also likely they to remain loyal to the establishment.

Therefore, retailers try to develop strategies that enable them to obtain a positive image and differentiated from other competitors, which is what will allow consumers to distinguish from other stores (Ganesh et al. 2007). We can mention, as an example, the case of the German chain *Lidl*, which went from being seen on his arrival in Spain as a Hard Discount with a very limited assortment, to considerably improve its image among Spanish consumers, adding new brands, expanding its assortment and with a strong investment in television campaigns, to have been able to generate a positive store image, and not only among the "pure" PL finders, but even among the upper middle class.

Value consciousness and store switching intentions

Results allow to accept the H2 hypothesis, which proposed a direct relationship, with a negative sign, between value consciousness and store switching intentions. In both assortments, small and large, the value of parameter is the same, -0.107 ($p = 0.005$, for small; $p = 0.003$, for large).

The literature contains numerous works that argue that value-conscious consumers are characterized by providing a special concern for the quality they receive, within a certain price, when making a purchase (e.g. Thaler 1985; Zeithaml 1988; Lichtenstein et al. 1990). In this context, the literature suggests that there is a positive influence of perceived value on store loyalty (e.g. Chen and Quester 2006). In this sense, Gomez et al. (2011) confirm that the value consciousness plays a key role in the formation of loyalty, especially in the case of large buyers.

Value-conscious consumers are especially concerned about optimizing the value in their purchases. They seek alternatives until they find what they think gives them the most value for money. This tendency to seek variety is something inherent to the individual (Berné et al. 2005) and may be motivated by satiety, desire for novelty or curiosity. Because of this, these consumers seek diversity in their purchases as a way to meet these needs, while also serves to reduce the level of uncertainty. However, these consumers are also aware that the search for information and comparison, as well as diversity in shopping at a general level, involve an investment in time and opportunity costs (Marmorstein et al. 1992).

Perceived variety and store switching intentions

The results obtained allow accepting the hypothesis H3, which established a direct and inverse relationship between the perceived variety of assortment and store switching intentions. The relationship is slightly higher in large assortments (-0.207; $p = 0.000$ and -0.213; $p = 0.000$, for small and large assortments, respectively).

Academic research provides numerous empirical studies which show that consumer perception of variety with respect to assortment of a store affects the selection process, in addition to finding a positive impact between the perceived variety of assortment in a store and the store switching intentions (e.g. Hoch et al., 1999; Baker et al., 2002; Verhoef et al. 2007).

The range of assortment is a strategic element for shaping the store image, at the same time that allows it meet different needs and preferences of its customers (Dhar et al. 2001). This is considered as an important advantage for consumers, as it enables them to be more efficient in their purchases and to

avoid travelling to complete their shopping basket, having to go to different stores. Considering Berné et al. (2001), consumers seek to minimize, for each movement in the purchase, the sum of the variable costs associated with buying a certain size of the shopping basket in different stores. Thus, with larger assortments consumers reduce the perceived costs related to the effort that represents each act of purchasing, seeing increase their convenience and satisfaction, which affects their intention to remain in the store.

PL purchase intentions and store switching intentions

The results obtained allow partially accept the hypothesis H4, which established a direct and inverse relationship between PL purchase intentions and store switching intentions. This relationship is confirmed only in large assortments (-0.067; $p = 0.009$).

We find numerous studies that indicate a positive relationship between PL and store loyalty. Thus, Porter and Claycomb (1997) conclude that a positive image of the PL helps companies become more competitive and also motivates consumers to repurchase the same PL, therefore to buy back in the same establishment. Allen and Rao (2000) argue that customer retention is caused by multiple factors, among which would be the perceived image of the brand. Corstjens and Lal (2000) state that the quality of the PL can be useful to generate differentiation between retailers and increase store loyalty. San San Martin (2006) states that when a client trusts the PL and the staff of a store, also will rely on the store itself, which will diminish store switching intentions. Martinez and Montaner (2008) suggest that Spanish consumers prone to PL are characterized by being loyal to the establishment. Paiva et al. (2012) argue that store loyalty is composed of affective

and cognitive loyalty. Cognitive loyalty is an effect, among other factors, of PL loyalty.

After years improving the quality, variety and image through a strong advertising investment, PL have managed to shorten the distance with NB, not only objectively speaking, but also in the assessment of consumers. If before PL were perceived as “the choice of those who cannot afford to buy something else,” they are currently associated with a smart shopping option. This strong commitment of retailers towards PL, coupled with an environment of economic recession that favoured changes in consumer habits and the fact that many consumers bought these brands for the first time, significantly increasing its presence in the shopping basket, it has allowed a learning process based on personal experience and facilitated a better understanding and familiarity with these brands. Once consumers experience PL, many of them continue purchasing those later (Labeaga et al. 2007).

This change has not occurred only in perception of consumers, but also affects their buying behaviour and the decision-making process. Consumers no longer purchase PL as an option positioned exclusively on price, but they do aware of its value and, therefore, as a preferential option that provides balance price/quality, in addition to guarantees which are strengthened by the learning process and the self-image of the retailer. Many PL are already so deeply rooted in society that are perceived as if they were NB, with a different positioning and addressed to different consumer segments. PL as *Aliada*, *SeleQtia* or *Hacendado* (brands of *Hipercor*, *Eroski* and *Mercadona*, respectively), have their own image among consumers, many of whom visit their stores specifically looking for these brands.

That is, PL serve currently to differentiate and position the store image, which is consistent with investigations such as Bigné et al. (2013), whose results demonstrate the importance of strengthening a positive and favourable image of PL, as a means of building a strong store image, which, in turn, also affects value creation for the store. Therefore, PL become an instrument of store loyalty for retailers who promote them in order to increase loyalty to their establishments, since that can only be acquired in these. In this sense, we argue that PL may help to increase traffic on the store and to improve consumer loyalty by offering exclusive ranges that are not found in other establishments.

Consumers who intend to buy PL in retail stores with a wide assortment (e.g. *Hipercor*), have a high level of commitment and loyalty to this retailer PL (it is usually because it is PL with a higher level of reputation, given the good image of the retailer that markets them). These customers have a higher level of loyalty to these brands than consumers who buy PL in chains with small assortments (e.g. supermarkets), since they are not faithful to a certain PL, but to the PL in general, so they can find other stores with PL that best fit their demands, which favours their store switching intentions.

Conclusions and managerial implications

Results show the existence of a relationship between the four variables analysed – value consciousness, PL purchase intentions, perceived variety of assortment and store image- in large assortments, and the same results in small assortments with the exception of PL purchase intentions, which is no significant (table 2). The most important variables in relation to store switching intentions are perceived variety of assortment and store image.

Table 2. Intensity of the relationship of the variables regarding the store switching intentions in different sizes of assortment

	Size of assortment	
	Small	Large
Value consciousness	Moderate	Moderate
PL purchase intentions	n.s.	Moderate
Perceived variety of assortment	Moderate	High
Store image	High	High

n.s.- No significant

From the results obtained in this research can draw different managerial implications, especially for food based retailers.

Regarding store switching intentions we can state that value consciousness has a moderate role in all sizes of assortment. The results indicate that consumers concerned about achieving a good balance price-quality are not loyal to the store simply by offering a larger assortment. That is, as from a certain size of assortment, in which consumers feel they can make enough comparisons and evaluate alternatives, the fact of including more brands does not result in lower levels of store switching intentions.

Since the PL has significantly improved its image, providing assurance and confidence to customers, it is reasonable to think that when consumers have a wide assortment in the store, where they can find their favourite brands, its intention to change establishment will be less, also favouring this circumstance the need to spend less time searching for information. Moreover, comparison of actual savings resulting from the fact of selecting one or another brand is a simpler process when the consumer is in its usual store, even more so considering that may only be acquire in the stores of this retailer. Therefore, we believe that value

consciousness of consumers decreases their store switching intentions, as long as the store provides wide assortments and the buyers perceive that adds value to them, particularly as long as the consumer finds assortments composed of brands with different prices and qualities.

In relation to PL purchase intentions, our results do not support PLs ability for generating a genuine consumer loyalty towards them, nor towards the store itself. Although it is true that PL has significantly improved its image in recent years, we believe that it has not yet reached the level of emotional attachment that certain NB have developed. While many consumers buy PL, it does not necessarily mean they are loyal customers. Therefore, retailers must find a balance in the assortment sought by its customers, strengthen relationships with them and improve their image to attract customers, rather than basing their strategy in developing loyalty through its PL. From the results, our recommendation for retailers is seeking a balance between PL and NB, so that consumers perceive enough variety to know that they can choose between different products to meet their needs, without changing establishment. It is important to further improve both the quality of the PL as its image through promotional campaigns, expansion into new product categories and segmentation strategies based on prices and the benefits sought, that can reach to different types of consumers, and the excellent opportunity of interaction with customers at the point of sale. However, retailers who bet on PL should continue providing value through them, but without disregarding the price is still a determining factor.

The two most important elements to build customer loyalty are the perceived variety of assortment and a positive store image. The perceived variety is especially relevant in the case of large assortments, as this factor is one of its hallmarks and one

of the main reasons why consumers go to these stores, in addition to its good image. *El Corte Inglés*, to take one example, brings together two concepts, variety of assortment and a good store image among consumers. Its strategy to cover large needs and to create a memorable consumer experience among its customers by offering a wide range of services, have generated a sense of pride among its customers, improving their level of store loyalty.

It is noteworthy that the relationship between store image and store switching intentions is greater (in absolute value) when it comes to small assortments that when they are large. This could be caused by that stores offering assorted small generally correspond to retail formats like supermarkets, closer to consumers and towards whom these often develop more intense loyalty or, at least, in terms of repetition purchase (even in cases where this could occur for convenience or routine, and we were talking about spurious loyalty or inertia). In any case, it seems reasonable that consumers who are familiar with a particular store and have a positive image of this, intend to keep going to it for their purchases.

Limitations and further research

This research is not exempt from some limitations. First, research has been limited to Spanish context. Thus, it would be interesting to conduct this study in geographical contexts different from Spanish, greatly influenced by the intensity of the economic crisis in recent years and the high market share of the PL. Secondly, the methodology based on an online experiment, with its advantages and disadvantages. Third, we do not differentiate between high and low value PL. It would be interesting to know the influence of brand equity in consumer behaviour. Finally we do not include only-PL assortment which may be interesting

according to the strategy followed by some retailers in relation to assortment size and composition.

Bibliography

- Ailawadi, K.L. and Harlam, B. (2004), "An Empirical Analysis of the Determinants of Retail Margins: The Role of Store-Brand Share", *Journal of Marketing*, 68 (January), 147-165.
- Allen, D. and Rao, T. (2000), "*Analysis of Customer Satisfaction Data*". Milwaukee, Wisconsin: ASQ Quality Press.
- Arnold, S.J. and Tigert, D.J. (1982), "Comparative Analysis of Determinants of Patronage", In Ronald F. Bush and Shelby D. Hunt, Eds., *Marketing Theory: Philosophy of Science Perspectives*, Chicago: American Marketing Association, 260-264.
- Arnold, S.J., Ma, S. and Tigert, D.J. (1978), "A comparative analysis of determinant attributes in retail store selection", *Advances in Consumer Research*, 5 (1), 663-667.
- Arnold, S.J., Oum, T.H. and Tigert, D.J. (1983), "Determinant attributes in retail patronage: seasonal, temporal, regional, and international comparisons", *Journal of Marketing Research*, 20 (2), 149-157.
- Baker, J., Parasuraman, A., Grewal, D. and Voss, G.B. (2002), "The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions", *Journal of Marketing*, 66 (2), 120-41.
- Bellenger, D.N., Steinberg, E., and Stanton, W.W. (1976), "The congruence of store image and self-image", *Journal of Retailing*, 52 (1), 17-32.
- Berg, N. and Queck, M. (2010), "*Private labels: The brands of the future*". Planet retail Ltd.
- Berger, J., Draganska, M. and Simonson, I. (2007), "The Influence of Variety on Brand Perceptions, Choice, and Experience", *Marketing Science*, 26, 460-72.

- Berné, C. (2006), "Análisis de la demanda de servicios de distribución minoristas", *Información Comercial Española (ICE)*, 828, 83-98.
- Berné, C.; Múgica, J.M. and Rivera, P. (2005), "Managerial Ability to Control the Varied Behaviour of Regular Customers in Retailing: Interformat Differences", *Journal of Retailing and Consumer Services*, 12, 151-164.
- Berné, C.; Múgica, J.M. and Yagüe, M.J. (2001), "The Effect of Variety-Seeking on Customer Retention in Services", *Journal of Retailing and Consumer Services*, 8, 335-345.
- Bigné, E., Borredá, A. and Miquel, M.J. (2013), "El valor del establecimiento y su relación con la imagen de marca privada: efecto moderador del conocimiento de la marca privada como oferta propia del establecimiento", *Revista Europea de Dirección y Economía de la Empresa*, 22, 1-10.
- Briesch, R.A.; Chintagunta, P.K. and Fox, E.J. (2009), "How does assortment affect grocery store choice?" *Journal of Marketing Research*, 46 (2), 176-189.
- Brown, D.J. (1978), "An Examination of Consumer Grocery Store Choice: Considering the Attraction of Size and the Friction of Travel Time", *Advances in Consumer Research*, 5, 243-246.
- Castelló, A. (2012), "La batalla entre marca de distribuidor y marca de fabricante en el terreno publicitario", *Pensar la Publicidad*, 6 (2), 381-405.
- Chen, S.C. and Quester, P.G. (2006), "Modeling store loyalty: perceived value in market orientation practice", *Journal of Services Marketing*, 20 (3), 188-198.
- Chernev, A. (2003), "When more is less and less is more: The role of ideal point availability and assortment in consumer choice", *Journal of Consumer Research*, 30 (2), 170-183.
- Chernev, A. (2006), "Decision focus and consumer choice among assortments", *Journal of Consumer Research*, 33 (June), 50-59.
- Churchill, G.A. (2003), "Investigación de Mercados". 4ª ed. Ciudad de México: Thomson.
- Collins-Dodd, C., and Lindley, T. (2002), "Store Brand and Retail Differentiation: The Influence of Store Image and Store Brand Attitude on Store Own Brand Perceptions", *Journal of Retailing and Consumer Services*, 10, 345-352.
- Corstjens, M. and Lal, R. (2000), "Building store loyalty through store brands", *Journal of Marketing Research*, 37 (August), 281-292.
- Deloitte (2016), "Global Powers of Retailing 2016. Navigating the new digital divide".
- Dhar Sanjay, Hoch, S.J. and Kumar, N. (2001), "Effective Category Management Depends on the Role of the Category", *Journal of Retailing*, 77 (2), 165-84.
- Dick, A. and Basu, K. (1994), "Customer loyalty: Toward an integrated conceptual framework", *Journal of the Academy of Marketing Science*, 22, 99-114.
- Finn, A. and Louviere, J.J. (1996), "Shopping center image, consideration, and choice: anchor store contribution", *Journal of Business Research*, 35 (3), 241-251.
- Flavián, C., Martínez, E. and Polo, Y. (2001), "Loyalty to Grocery Store in the Spanish Market of the 1990s", *Journal of Retailing and Consumer Services*, 8 (2), 85-93.
- Ganesh J., Reynolds, K.E. and Luckett, M. (2007), "Retail Patronage Behaviour and Shopper Typologies: A Replication and Extension Using a Multi-Format, Multi-Method Study", *Journal of the Academy of Marketing Science*, 35 (3), 369-381.
- Gázquez-Abad, J.C., Martínez-López, F.J., Mondéjar-Jiménez, J.A. and Esteban-Millat, I. (2015), "Mixed assortments vs. store brand-only assortments: The impact of assortment composition and consumer

- characteristics on store loyalty”, *Revista Española de Investigación en Marketing*, ESIC, 19, 24-45.
- Gómez, M. and Okazaki, S. (2007), “Estimating store brand shelf space: A new framework using neural networks and partial least squares”, *International Journal of Market Research*, 51 (2), 243-266.
 - Gómez, M., Oubiña, J., and Rubio, N. (2011), “Antecedentes de la lealtad a las marcas de distribuidor: Diferencias entre grandes y pequeños compradores”. *DOCFRADIS, Colección Documentos de Trabajo de la Cátedra Fundación Ramón Areces de Distribución Comercial*, Oviedo.
 - Gómez, M; McLaughling, E. and Wittink, D.R. (2004), “Customer satisfaction and retail sales performance: An empirical investigation”. *Journal of Retailing*, 80, 265–278.
 - Hoch, S., Bradlow, E.T. and Wansink, B. (1999), “The Variety of an Assortment”, *Marketing Science*, 18 (4), 527-546.
 - IRI (2015): “Private Label in Western Economies”. IRI Private Label Special Report. https://www.iriworldwide.com/IRI/media/IRI-Clients/PrivateLabel_report_final_7Jan15.pdf
 - Johnson, M. D., Andreessen, T. W., Lervik, L. and Cha, J. (2001), “The evolution and future of national customer satisfaction index models”, *Journal of Economic Psychology*, 22, 217-245.
 - Kantar Worldpanel (2016): available at <http://www.kantarworldpanel.com/es/grocery-market-share/spain>
 - Kunkel, J.H. and Berry, L.L. (1968), “A behavioral conception of retail image”, *Journal of Marketing*, 32 (4), 21–27.
 - Labeaga, J.M., Lado, N., and Martos, M. (2007), “Behavioural loyalty towards store brands”, *Journal of Retailing and Consumer Services*, 14 (5), 347-356.
 - Lichtenstein, D., Netemeyer, R., and Ridgway, N. (1990), “Distinguishing coupon proneness from value consciousness: An acquisition-transaction utility theory perspective”, *Journal of Marketing*, 54 (July), 54-67.
 - Marmorstein, H; Grewal, D. and Fishe, R.P.H. (1992), “The Value of Time Spent in Price-Comparison Shopping: Survey and Experimental Evidence”, *Journal of Consumer Research*, 19, (1), 52-61.
 - Martenson, R. (2007), “Corporate brands image, satisfaction and store loyalty: a study of the store as a brand, store brands and manufacturer brands”, *International Journal of Retail and Distribution Management*, 35 (7), 544-555.
 - Martineau, P. (1958), “The personality of the retail store”. *Harvard Business Review*, 36, 47–55.
 - Martínez, E., and Montaner, T. (2008), “Characterization of Spanish store brand consumers”, *International Journal of Retail and Distribution Management*, 36 (6), 477-493.
 - McDougall, G.H.G. and Levesque, T. (2000), “Customer satisfaction with services: putting perceived value into the equation”, *Journal of Services Marketing*, 14 (5), 392-410.
 - Miranda, M.J. and Joshi, M. (2003), “Australian Retailers Need to Engage with Private Labels to Achieve Competitive Difference”, *Asia Pacific Journal of Marketing and Logistics*, 15 (3), 34-47.
 - Oliver, R.L. (1999), “Whence customer loyalty?” *Journal of Marketing*, 63, 33-44.
 - Paiva, G., Sandoval, M. and Bernardin, M. (2012), “Factores explicativos de la lealtad de clientes de los supermercados”, *Innovar*, 22 (44), 153-164.
 - Pepe, M.S., Abratt, R., and Dion, P. (2012), “Competitive advantage, private-label brands and category profitability”, *Journal of Marketing Management*, 28 (1-2), 154-172.
 - Porter, S.S. and Claycomb, C. (1997), “The Influence of Brand Recognition on Retail Store Image”, *Journal of Product and Brand Management*, 6 (6), 373-385.

- Richardson, P., Jain, A. and Dick, A. (1996), "Household store brand proneness: A framework", *Journal of Retailing*, 72 (2), 59-185.
- San Martín, S. (2006), "A Model of Consumer Relationships with Store Brands, Personnel and Stores in Spain", *International Review of Retail, Distribution and Consumer Research*, 16 (4), 453-469.
- Sirgy, J. and Coskun, A. (1985), "A path analytic model of store loyalty involving self-concept, store image, geographic loyalty, and socioeconomic status", *Journal of the Academy of Marketing Science*, 13 (3), 265-292.
- Sirohi, N., McLaughlin, E.W. and Wittink, D.R. (1998), "A model of consumer perceptions and store loyalty intentions for a supermarket retailer", *Journal of Retailing*, 74 (2), 223-245.
- Sloot, L.M. and Verhoef, P.C. (2008), "The impact of brand delisting on brand switching and store switching intentions", *Journal of Retailing*, 84 (3), 281-296.
- Sloot, L.M. and Verhoef, P.C. (2011), "Reducing assortments without losing business. Key lessons for retailers and manufacturers", *New Strategies*, 3 (2), 27-33.
- Swait, J., and Sweeney, J. C. (2000), "Perceived value and its impact on choice behaviour in a retail setting", *Journal of Retailing and Consumer Services*, 7 (2), 77-88.
- Thaler, R. (1985), "Mental accounting and consumer choice", *Marketing Science*, 4 (3), 199-214.
- Verhoef, P., Langerak, F. y Donkers, B. (2007), "Understanding brand and dealer retention in the new car market: the moderating role of brand tier", *Journal of Retailing*, 83 (1), 97-113.
- Vogel, V., Evanschitzky, H. and Ramaseshan, B. (2008), "Customer Equity Drivers and Future Sales", *Journal of Marketing*, 72, 98-108.
- White, C. and Hoffrage, U. (2009), "Testing the tyranny of too much choice against the allure of more choice", *Psychology & Marketing*, 26 (3), 280-298.
- Woodruff, R.B. (1997), "Customer value: the next source for competitive advantage", *Journal of the Academy of Marketing Science*, 25 (2), 139-153.
- Wu, P.C., Yeh, G.Y. and Hsiao, C.R. (2011), "The effect of store image and service quality on brand image and purchase intention for private label brands", *Australasian Marketing Journal*, 19 (1), 30-39.
- Zeithaml, V. (1988), "Consumer perceptions of price, quality and value. A means end model and synthesis of evidence", *Journal of Marketing*, 52 (3), 2-22.