Competitive Analyses for Shoes Retailers: A Correspondence Analysis

Youn-Kyung Kim, Mostafa Zaman, Sejin Ha, Ann Fairhurst

The University of Tennessee, Knoxville, TN

Keywords: shoes, patronage, segmentation, positioning

Rationale: During the past five years, the footwear industry has shown signs of growth as economic conditions have improved, generating an increased consumer demand for shoes. As footwear is becoming more recognized as a fashion product, apparel designers establish footwear collaborations and putting a big focus on shoes (Butler-Young, 2018). In this growing shoes market, consumers have enjoyed increasing numbers of retail outlets including department stores, specialty stores, discount stores, online stores, warehouse clubs, and catalogs. Although previous studies on shoes identify retail attributes leading to customer satisfaction such as assortment, service, brand names, materials, convenience, price, and atmosphere (Endo, Yang, & Park, 2012; Silva & Giraldi, 2010; Wang, 2014), the literature fails to reveal evidence about where consumers shop frequently and why. In this competitive environment, shoes retailers must assess who patronize their stores through a segmentation analysis and assess what retail attributes contribute to their customers' patronage through a positioning analysis.
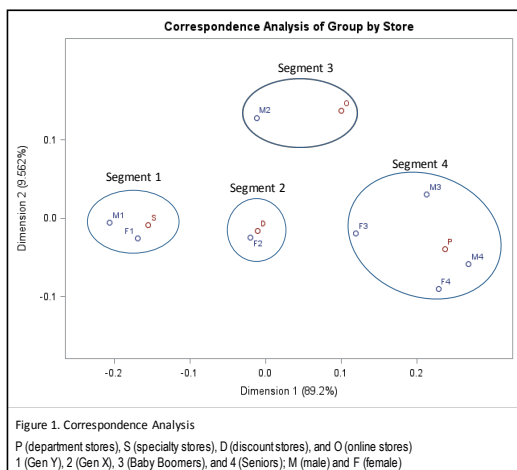
Theoretical Framework/Purpose: Patronage theory argues that consumer choice or loyalty toward a specific retail format is determined by multiple retail attributes that encompass three antecedents: product-relevant factors (e.g., product attributes), market-relevant factors (e.g., store attributes), and personal factors (e.g., demographic characteristics) (Pan & Zinkhan, 2006; Sirgy, Grewal, & Mangleburg, 2000). In this study, we use personal factors in segmentation analysis to identify who compose a specific segment and product- and market-relevant factors in positioning analysis to identify important attributes for each segment (Blackwell, Miniard, & Engel, 2006).

Although empirical research is limited for footwear products, anecdotal findings suggest that shopping habits, interaction with store employees, price, clean store, and product availability differ by age and gender for both online and offline stores ("Does gender influence," 2015; "He buys, She shops," 2007). In Laiwechpittaya and Udomkit's (2013) study on shoes, female respondents demand better service, higher value for price, and fashion and color collections than male consumers. Also, baby boomers value retail experience and in-store service more than Generation Y; Baby boomers' purchase process starts with a retailer the consumer trust, while Generation Y's purchase process starts with selecting the product (Parment, 2012). These findings suggest that gender and generation play a significant role in perceptions of retail performances and in determination of patronage of retail shops. To examine the possibility, this study (1) identifies segments via a correspondence analysis (Greenacre & Hastie, 1987) based upon personal factors (gender and generation) along with a retail format, and (2) compares segments in product-relevant and market-relevant retail attributes with ANOVA.

Method: We utilize data (n = 5518) from Predictive Analytics survey, conducted by Prosper Foundation in July 2017 for National Retail Federation, which is the world's largest retail trade

association. The largest group consists of female (57.2%), Caucasian (76.4%) and has household income of \$50,000-\$75,000 (22.1%); median age is 45.

Segmentation involves running a correspondence analysis (CA) based on retail format, gender, and generation. Specialty stores (43.33%) is most frequented, followed by department stores (24.16%), discount stores (20.51%), and online stores (12.00%). Warehouse clubs and catalogs are deleted due to low numbers of responses (< 50). Also, the ages are divided into four generations based on Reeve and Oh's (2007) classification: Generation Y (34.92%), Generation X (24.97%), Baby Boomers (33.22%), and Seniors (6.89%). For the positioning analysis, each attribute is coded based on whether it is a reason to shop at a specific shoes retailer format using binary responses (1 = "yes"; 0 = "no").

Figure 1. Correspondence Analysis
P (department stores), S (specialty stores), D (discount stores), and O (online stores)
1 (Gen Y), 2 (Gen X), 3 (Baby Boomers), and 4 (Seniors); M (male) and F (female)

Results: Figure 1 depicts the segmentation result. For Segment 1, Gen Y female and male consumers most frequently shop at specialty stores. Segment 2 is characterized by Gen X females who shop most frequently at discount stores. For Segment 3, male consumers prefer shopping online. For Segment 4, Baby boomer and Senior female and male consumers shop most frequently at department stores.

Table 1. Means of Retail Attributes by Segment: ANOVA

	n	Product-Relevant Attributes					Market-Relevant Attributes				
		Price	Selection	Quality	Brands available	Newest styles	Service	Promotion	Store credit card	Trustworthy retailer	No hassle return policy
Segment 1	985	0.73	0.66	0.53	0.32	0.21	0.14	0.28	0.03	0.17	0.07
Segment 2	154	0.91	0.44	0.21	0.13	0.08	0.39	0.12	0.05	0.10	0.12
Segment 3	99	0.87	0.75	0.35	0.37	0.09	0.17	0.16	0.06	0.17	0.18
Segment 4	677	0.70	0.70	0.50	0.33	0.13	0.14	0.34	0.18	0.23	0.14
F Value		12.97***	14.22***	21.06***	9.04***	10.21***	4.64**	13.01***	38.00***	6.26***	10.35***

**p < .01, ***p < .001

Regarding the positioning result (Table 1), product attributes (especially price, selection, quality) are more important than market-relevant retailer attributes to all segments. Not surprisingly, price is most important for Segment 2, while other product attributes are relatively unimportant to this segment. This segment also views service as important compared to other segments. To Segment 1, newest styles are more important than to other segments. To Segment 3, selection, brands available, and no hassle return policy are more important than to any other segment. Promotion, store credit card, and trustworthy retailer are more important to Segment 4.

Discussion/Implications: This study identifies four market segments based on retail format, gender, and generation. Both product- and market-relevant retail attributes are crucial in explaining differences across market segments, which yield empirical support for patronage theory. Practically, the results provide footwear retailers a tool for market segmentation, and assist them to develop segment-specific, customized retail marketing strategies. An up-to-date knowledge of key retail attributes critical to target markets can be utilized to develop marketing strategies in the footwear industry. Although we used the existing secondary data based on shoes, further research can repeat this study by specific types of shoes (e.g., dress shoes, athletic shoes).

References

Blackwell, R., Miniard, P., & Engel, J. F. (2001). *Consumer behavior* (9th ed.). New York, NY: Harcourt College Publishers.

Butler-Young, S. (2018, March 1). Industry moves: February 2018. *FN*. Retrieved from http://footwearnews.com/2018/business/executive-moves/fashion-shoes-industry-moves-february-2018-491093/

Does gender influence shopping behavior? (2015, July). *Retail perceptions*. Retrieved from http://www.retailperceptions.com/2015/07/does-gender-influence-shopping-behavior/

Endo, S., Yang, J., & Park, J. (2012). The investigation on dimensions of e-satisfaction for online shoes retailing. *Journal of Retailing and Consumer Services, 19*(4), 398-405.

Greenacre, M., & Hastie, T. (1987). The geometric interpretation of correspondence analysis, *Journal of the American Statistical Association, 82*(5), 437-447.

He buys, She shops: A study of gender differences in the retail experience (2007). *Executive summary.* Retrieved from https://www.verdegroup.com/wp-content/uploads/2012/10/He-Buys-She-Shops.pdf

Laiwechpittaya, T., & Udomkit, N. (2013). A matter of shoes: The analysis of desired attributes of shoes and its retail shops from Bangkok consumers' perspectives. *International Journal of Marketing Studies, 5*(2), 33-40.

Pan, Y., & Zinkhan, G. (2006). Determinants of retail patronage: A meta-analytical perspective. *Journal of Retailing, 82*(3), 229-243.

Parment, A. (2012). Generation Y vs. Baby boomers: Shopping behavior, buyer involvement and implications for retailing. *Journal of Retailing and Consumer Services, 20*(2), 189-199.

Silva, T. S., & Giraldi, J. M. E. (2010). The influence of store image on customer satisfaction: A case study of a shoe store. *BBR: Brazilian Business Review, 7*(2), 60-77.

Sirgy, M. J., Grewal, D., & Mangleburg, T. (2000). Retail environment, self-congruity, and retail patronage: An integrative model and a research agenda. *Journal of Business Research, 49*(2), 127-138.

Wang, Y. (2014). Consumers' purchase intentions of shoes: Theory of planned behavior and desired attributes. *International Journal of Marketing Studies, 6*(4), 50-58.