The Semantic Differential: An Information Source for Designing Retail Patronage Appeals

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and

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The authors propose that the semantic differential, an attitudinal scaling device, be employed by retailers and consumer service institutions to identify factors underlying consumer patronage decisions. Three specific areas of application described are (1) just prior to opening a new store, (2) shortly after a new store has opened, and (3) once a store has reached a stage of relative maturity. Emphasis throughout is on the operational implications of information produced by application of the semantic differential.


Retail Patronage Appeals: An Information Problem

Retailers and consumer service institutions are continually compelled to make decisions directed toward meeting the demands of prospective customers. The more nearly a store's product and service offerings meet customer expectations, the more likely the store will induce customers to become patrons. The retailers' decisions should be conditioned by information on prevailing consumer attitudes and expectations in a store's prime market area. All too often, however, such information simply does not exist; the retailer is forced to make product, service, and promotional decisions in an information vacuum.

Lack of decision information undoubtedly accounts for many of the unimaginative and imitative practices, for example, in food store merchandising. Stores that are unable to differentiate themselves from their competitors on any basis other than a particular set of weekly price-offs deals provide very little basis for patronage loyalty. In fact, customers are more or less encouraged to shift from store to store in those instances where price is the only tangible decision criterion about which they have sufficient information.

This article focuses on a technique—the semantic differential—that may provide more comprehensive information, not only about consumer attitudes toward one's own store but about competing stores as well. Furthermore, use of the semantic differential with a representative group of prospective customers can indicate where both a given store and its competitors fall short in meeting customer expectations. The operational implications of such information for a retailer are obvious. It is unlikely that a store possessing comprehensive data on consumer attitudes can abandon price-oriented competition altogether, but such a store probably can provide a series of nonprice inducements that will attract and hold a significant number of customers who now shift from store to store throughout a market area.

Food retailing is used as the industry setting for this article since the authors are currently doing research in that area. However, the suggested applications of the semantic differential may be employed by retailers in other areas and by consumer service institutions such as banks, consumer finance companies, and personal service organizations.

The Character of the Semantic Differential

While this discussion is concerned primarily with applications of the semantic differential, it may prove useful, first, to describe the
Neither
One Nor
The Other
Slightly
Quite
Extremely

dirty ______: ______: ______: ______: ______: ______: clean (a)

fast checkout ______: ______: ______: ______: ______: ______: slow checkout (b)

FIGURE 1. Paired adjective scales from a semantic differential instrument.

organized to deal with one major dimension of patronage at a time, for example, service, store appearance, product offerings. Additional elimination of redundant adjectives and adjective phrases can be accomplished by factor loading once the instrument has been used in the field.4

Some Applications of the Semantic Differential

Information such as that provided by the instrument in Figure 2 can be valuable in a variety of situations. The discussion that follows describes three situations distinguished by their positions in the life cycle of a store:

(1) Just prior to a store opening,
(2) Shortly after a store has opened, and
(3) When a store has attained some degree of maturity.

Prior to Store Opening

A field survey of potential customers of a new store (using the semantic differential as the basic instrument) can reveal a great deal of information about existing market opportunities. Respondents are asked to rate, on an instrument similar to the one shown in Figure 2, each competitive store in the target market area; that is, each respondent provides a separate set of ratings on all dimensions


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### GENERAL CHARACTERISTICS OF THE COMPANY

<table>
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<tr>
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<th>Extremely</th>
<th>Quite</th>
<th>Slightly</th>
<th>Neither One Nor</th>
<th>Slightly</th>
<th>Quite</th>
<th>Extremely</th>
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<td>unattractive decor</td>
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<td>easy to find items you want</td>
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<td>easy to move through store</td>
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<td>fast checkout</td>
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### PHYSICAL CHARACTERISTICS OF THE STORE

- Clean
- Attractive decor
- Difficult to find items you want
- Difficult to move through store
- Slow checkout
- Easy to find parking place
- Inconvenient to other stores I shop
- Limited selection of different kinds of products
- Understocked products
- Dependable products
- Low quality
- Few brands
- Well known brands
- High compared to other stores
- High values for money spent
- Small number of items specially priced
- Low values for money spent
- Wide selection of different kinds of products
- Fully stocked
- Undependable products
- High quality
- Numerous brands
- Unknown brands
- Low compared to other stores
- Large number of items specially priced
- Courteous
- Friendly
- Helpful
- Inadequate number
- Uninformative
- Informative
- Helpful in planning purchases
- Unappealing
- Misleading
- Infrequently seen by you

### CONVENIENCE OF REACHING THE STORE FROM YOUR LOCATION

- Distant
- Long time required to reach store
- Easy drive
- Easy to find parking place
- Inconvenient to other stores I shop
- Short time required to reach store
- Difficult drive
- Difficult to find parking place
- Convenient to other stores I shop

### PRODUCTS OFFERED

- Limited selection of different kinds of products
- Understocked products
- Dependable products
- Low quality
- Few brands
- Well known brands
- High compared to other stores
- High values for money spent
- Small number of items specially priced
- Low values for money spent
- Wide selection of different kinds of products
- Fully stocked
- Undependable products
- High quality
- Numerous brands
- Unknown brands
- Low compared to other stores
- Large number of items specially priced

### STORE PERSONNEL

- Courteous
- Friendly
- Helpful
- Inadequate number
- Uninformative
- Informative
- Helpful in planning purchases
- Unappealing
- Misleading
- Infrequently seen by you

### ADVERTISING BY THE STORE

- Known generally
- Large number of stores operated by company
- Short time in community
- Well known generally
- Large number of stores operated by company
- Short time in community

### YOUR FRIENDS AND THE STORE

- Unknown to your friends
- Well liked by your friends
- Poorly recommended by your friends
- Numerous friends shop there

Figure 2. Example of semantic differential for patronage research.
covered in the instrument for each store. In addition, each respondent provides a separate set of ratings for the hypothetical store that represents to him the “ideal store.” This latter set of ratings will provide valuable information about customers’ desires or expectations regarding a particular type of store.

This procedure may appear lengthy and cumbersome on first impression, but the authors’ experience suggests that ratings for four or five stores plus an ideal store can be obtained within approximately half an hour. Once respondents have successfully rated one store, they can rate each additional store in a relatively short time.

The end product of the field procedure using the semantic differential is a separate rating for one’s principal competitors on a common set of criteria by a representative group of prospective customers. And, assuming that an ideal store rating is also obtained, information is developed as to how well the various competing stores in an area are serving the perceived needs of consumers in an absolute sense. This analysis can be made by comparing the ideal store rating with the ratings of existing stores.

With the information described in the preceding paragraph, the managers of a proposed retail outlet may tailor their products, services, and promotional strategy to provide an optimum match between what the store has to offer and what consumers are seeking. It is also quite possible that the retailer will discover specific areas in which his competitors are doing a particularly poor job in meeting customer expectations, thereby making entry into the market (and store differentiation) substantially easier than it might otherwise be. Finally, one may identify major groups of customers who are rather unique in their product or service demands, thus providing the basis for market segmentation. This strategy is every bit as valid for retailers as for producers, although far less often practiced. As Martineau has pointed out, no store can be all things to all people, and this holds particularly true for a store that hopes to be more than an occasional way-station for price-shoppers who happen to be in the neighborhood, that is, for a store that provides unique features designed to promote store loyalty.\(^5\)

Use by a Newly-opened Store

Application of the semantic differential by a newly-opened store may yield two important types of information. First, the retailer may learn whether his store is successfully communicating to its prospective customers. Second, he may learn whether the attitudes consumers are forming about a new store are consistent with the development of a loyal group of patrons; this information is needed before attitudes have solidified. If the embryonic attitudes consumers hold toward a store appear to be developing in a manner consistent with that store’s best interests, simple reinforcement would seem appropriate. If, on the other hand, attitudes indicate that a store’s promotional program is clearly not meeting its objectives, a major alteration of promotional tactics may be required. In this case, information produced by the semantic differential may be helpful in formulating a new promotional plan as well as in simply indicating the need for such a change. That is, one may identify those specific factors in a store’s offerings that require attention.

Timing is the most critical factor in applying the semantic differential to a new store situation. One must permit sufficient time to pass so that the majority of the prospective customers will have become aware of the new store and a significant number will actually have visited it. For reasons suggested in the preceding paragraph, however, one must be careful not to allow too much time to pass that attitudes, positive or negative, reach a functionally irreversible stage. For a food store in which the repurchase cycle is something less than a week, somewhere between three and five weeks after store opening is judged appropriate by the authors.\(^6\) Applying the semantic differential at this time should enable one to differentiate between those whose attitudes have been formed through actual store visits and those whose attitudes are a function of advertising and/or word-of-mouth communication. Obviously, such differentiation will permit one to judge whether remedial action should be applied to store operations, or store promotion, or both.

Use by a "Mature" Store

The makeup of a market and the behavior of one’s competitors is constantly reevaluated and, where necessary, modified to react to those changes. The semantic differential provides a means by which such evaluation is possible.

If characteristics of market area consumers change, important patronage determinants may also change. By comparing ratings on one’s own store with those for an ideal store, divergencies may be detected, thus suggesting a change in promotional tactics designed to match more closely store offerings with consumer expectations. Follow-up surveys can reveal the impact of promotional changes. Finally, the semantic differential may be used by an established store to evaluate competitors’ promotional strategies, providing a basis for deciding

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whether some form of retaliation is warranted and, if so, what form such action should take.

A Research Illustration

The preceding materials contained several research suggestions whereby the individual firm can enhance the information used to develop its patronage appeals. To provide a specific illustration, the following is a description of similar research currently being done by the authors. The purpose of this research study is to examine several aspects of the patronage decision process. Thus, its nature is considerably more generalized than that suggested above. However, it will serve as a meaningful illustration since the semantic differential was used as the basic research instrument and since respondents were asked to rate two competing stores plus an ideal store.

The research was conducted with the cooperation of the management of a newly-opened specialty meat store. The first phase of the project involved identification of all new customers who trial-shopped the store during its initial weeks of operation. From this group a random sample was selected for two waves of interviews. During the first wave, respondents were asked to complete the semantic differential scales shown in Figure 2. More specifically, they were asked to complete three versions of the same instrument, each with regard to a different store: 1. The newly-opened meat store, 2. The store in which they concentrated the majority of their meat purchases prior to the opening of the new store, and 3. An ideal store from which to purchase meat.

Furthermore, respondents were classified according to the subsequent outcome of their patronage decision. Given the availability of a new retail outlet, potential customers (potential in the sense that they are located in a loosely defined trading area and are aware of the new store) must arrive at some decision relative to that store. That decision can range from a patronage commitment to failure even to visit the store on a trial basis. Thus, respondents' subsequent patronage behavior was determined during the second wave of interviews. It was, therefore, possible to classify respondents' ratings of the three stores according to the outcome of their patronage decision: 1. Those who visited the new store on a trial basis and eventually became patrons, that is, their patronage was shifted from a previously shopped outlet, 2. Those who visited the new store on a trial basis but did not fully become patrons; their meat purchases were split between the new store and outlets previously patronized, 3. Those who visited the new store on a trial basis, but who reverted to the outlet previously patronized, and 4. Those who were aware of the new store but failed to shop there even on a trial basis.

Obviously respondents in the latter group could not be identified on the basis of the initial selection technique. Instead, these subjects were selected and interviewed by means of a separate field procedure.

Problems in Application

There are some important limitations to the suggested applications of the semantic differential. First, the instrument is unlikely to distinguish small differences in attitude. Consequently, there may be difficulties in situations where consumers' perceptions of alternative stores differ only slightly. If these small differences are sufficient to produce variations in patronage behavior, data produced by the semantic differential would not explain the pattern of patronage choices.

The so-called halo effect presents a second problem. If a respondent has a quite positive attitude toward a particular (and important) attribute of a retail organization, he may project this positive feeling to other attributes covered by the scaling instrument. The result would be a positive biasing of the subject's responses. Of course the reverse situation (negative bias) may also occur.

Finally, a perfect one-to-one relationship between attitudes and patronage behavior should not be expected. The results of research using the semantic differential (particularly with regard to ideal measurements) cannot be taken as precisely literal. Attitudes may reflect patronage behavior, but the relationship will not be perfect. The results, and this is true of all research efforts, can be applied only in the context of managerial judgment and the peculiar characteristics of the organization in question.

Summary

Retailers are constantly faced with the problem of how best to attract and hold patrons. All too frequently decisions related to this problem are made with relatively little information regarding customers' expectations and competitors' activities. Specific aspects of customers' expectations and responses to various appeals are often highly abstract and difficult for them to verbalize. The semantic differential offers one means of partially overcoming these barriers. It can be used to develop information on virtually any patronage determinant a decision-maker finds interesting and at virtually any stage in the life cycle of a store or service institution.