## **2015 Proceedings**

## Santa Fe, New Mexico



Female consumers' utilization of diagnostic cues to evaluate work wear assortments in major department stores

Lizet Bezuidenhout, Bertha Jacobs and Nadine Sonnenberg Department of Consumer Science, University of Pretoria, Pretoria, South Africa

Keywords: diagnostic cues; department stores; assortment; conjoint analysis

Department stores offer extensive product assortments and services to diverse consumer populations under one roof. Determining which attributes (cues) are important to and used by consumers to evaluate product assortment are essential in planning popular product assortment, that will ultimately lead to consumer patronage of the store. By adding and combining the right diagnostic intrinsic/extrinsic cues in a product assortment; the consumers' overall anticipated identification costs (i.e. the costs of the process to establish the character of each alternative in the assortment) are lowered (Herpen & Pieters, 2007). Specific study objectives were to determine the priority ranking of diagnostic a) intrinsic cues (i.e. style, colour, size and quality) and b) extrinsic cues (i.e. price, brand, store image and store name) that are used by female consumers to evaluate work wear product assortment in department stores.

The cue diagnostic framework was used as a theoretical perspective together with conjoint analysis to establish the importance ranking of identified diagnostic cues. Cue diagnostic theory implies that cues have diagnostic abilities and the degree to which a specific cue is used by a consumer as a baseline for evaluating products depends on its predictive or diagnostic value (Connolly & Srivastava, 1995; Slovic & Lichtenstein, 1971). Consumers will usually choose and rank one cue from a well-defined list of cues as the most significant (Bradlow & Rao, 2000). Conjoint analysis permitted the estimation of the relative importance (diagnostic value) of each attribute as well as the relative importance of each attribute level (Jin, Park & Ryu, 2010:186).

A survey research design was employed for the study. Data were collected through a self-administered questionnaire and completed by a sample of 121 (n=121) female consumers living and working in Gauteng, South Africa. The sample size adhered to the suggested sample size of 100 or more for a conjoint analysis study (Hair et al. 2006). The sample contained females between the ages of 20 and 60 years, currently working with some type of training, diploma or tertiary degree. Product assortment attributes were narrowed down to intrinsic cues (style, size, color and quality) and extrinsic cues (price; brand; store image and store name) with different attribute levels (i.e., style = cue with different levels namely classic styles, high fashion styles, tailored styles and casual styles) to create different assortment offerings. A conjoint value analysis (CVA) design was used to generate 34 pair wise profiles with Sawtooth Software©. Participants had to indicate their preference for one of the hypothetical scenarios on a nine point scale, 1 = a strong preference for the left profile and 9 = a strong preference for the right profile. The ordinary lease squared (OLS) method was used to calculate the utility values of the cues (attributes). The average R-squared goodness of fit measure for this study was 0.963 which indicated a very good fit.

The findings indicated that diagnostic cues are used in a certain ranking order by female consumers when evaluating work wear assortments and their preference structure contained both intrinsic and extrinsic diagnostic cues. Store name and store image, both extrinsic cues, was rated the two most important diagnostic cues used by female consumers. Color followed and was ranked as the most significant intrinsic diagnostic cue that is used by female consumers in their evaluation of a department store's product assortment. Contrary to previous research studies, this study did not find that female consumers considered price to be the driving factor when evaluating work wear apparel assortment. The results indicated that female consumers favored product assortments with an extensive range of options. This is consistent with the preference to patronize department stores that offer a variety of styles, sizes, colors and brands under one roof. These findings can be used to formulate recommendations and suggestions to retailers and marketing teams to plan and develop ideal product assortments that are based on customer preference.

## References

- Bradlow, E., & Rao, V. (2000). A hierarchical Bayes model for assortment choice. *Journal of Marketing Research*, 37(2), 259-268.
- Connolly, T., & Srivastava, J. (1995). Cues and components under multi attribute evaluation. *Journal of Organizational Behaviour and Decision Processes*, 64(2), 219-228.
- Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E., & Tatham, R.L. (2006). *Multivariate data analysis*. 6<sup>th</sup> Ed. Upper Saddle River, NJ: Prentice Hall.
- Herpen, E. & Pieters, R. (2007). Anticipated identification costs: Improving assortment evaluation by diagnostic attributes. *International Journal of Research Marketing*, 24, 77-88.
- Jin, B., Park, J., & Ryu, J.S. (2010). Comparison of Chinese and Indian consumer's evaluative criteria when selecting denim jeans: a conjoint analysis. *Journal of Fashion Marketing Management*, 14(1), 180-194.
- Slovic, P., & Lichtenstein, S. (1971). Comparison of Bayesian and regression approaches to the study of information processing judgement. *Journal of Organizational Behaviour and Human Performance*, 6, 649-744.