THE RELATIONSHIP AMONG STORE IMAGE, PERCEIVED PRICE, PERCEIVED VALUE AND CUSTOMER EXPERIENCE ON PURCHASE INTENTION (THE CASE OF TRADITIONAL RETAIL STORES, PHRANAKHON SI AYUTTHAYA PROVINCE, THAILAND)

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As retail competition intensifies and technological advancements drive the growth of e-commerce, traditional grocery stores in Thailand face significant challenges. This study aims to understand consumers' purchasing intentions toward traditional grocery stores with the goal of extending their operational lifespan. The research explores the correlations between store image, customer experience, perceived price, perceived value, and purchase intention. The study distributed questionnaires to a sample of traditional grocery stores in Phra Nakhon Si Ayutthaya, collected 226 valid responses, and analyzed them using SPSS software for regression analyses.

The study's results indicate those consumers' perceptions of store image, perceived price, customer experience, and perceived value have a positive influence on their purchase intentions towards traditional grocery stores. Additionally, perceived value acts as a partial mediator in the relationship between the aforementioned variables and purchase intention. This suggests that consumers assess traditional grocery stores comprehensively, taking into account various factors, both positive and negative, which ultimately indirectly affect their purchase intentions.

Keywords: store image; perceived price; perceived value; customer experience

Introduce

In the early days, due to the inconvenience of the consumption environment and transportation logistics, traditional grocery stores were people's first choice for purchasing items.

However, with the development of international business and the increasing transformation and growth of the social economy and technology, consumers' consumption patterns have undergone tremendous changes, and the retail trade industry has also taken on
different forms. Supermarkets and convenience stores have begun to replace traditional grocery stores, while modern retail stores have played a larger role in traditional retail stores.

According to statistics, Seven Eleven expanded to more than 12,432 branches in Thailand in 2020, which has increased the difficulty of maintaining traditional grocery stores in Thailand. According to an article about an exclusive interview with a Thai grocery store, the owner has been in business for more than 40 years. Because of his extensive experience running a grocery store, he procures products directly from the company rather than through intermediaries with other grocery stores.

This allows him to maintain low product prices and provide customers with more favorable prices compared to supermarkets. In the interview, the store owner expressed that an increase in the number of supermarkets and convenience stores could negatively impact the sales of local grocery stores, potentially leading to their closure due to poor management practices. Thai grocery stores are clearly experiencing a crisis.

This study divides its research background into three sections, commencing with the previous one. The first section describes the development of traditional grocery stores in Thailand. The second section delves into the prevalence of convenience stores in Thailand, as well as the factors contributing to it. The section will discuss the impact of traditional Thai grocery stores and the importance of their existence.

**Objectives**

1) Examine the correlation between consumers' perceptions of traditional Thai grocery stores' store image, perceived price, customer experience, and purchase intention.

2) Understand whether different personal factors will have different purchasing intentions for Thai traditional grocery stores.

3) Investigate how store image, perceived price, and customer experience influence purchase intention.

4) The mediating effect of perceived value on purchase intention.

**Research hypothesis**

*The relationship between store image, perceived value, and purchase intention*

Grewal et al. (1998) found a significant positive correlation between consumers' perceptual impression of the store and their final purchase intention.

Wu & Mi (2005), Wu (2006) found that consumers' price perception and benefit perception of products and services will affect their purchase intention in the online shopping process.

Zhang et al. (2018) held the same view in their research. Other scholars have explored the mediating role of perceived value between store image and purchase intention. Shan & Fan (2016) found in their analysis that the image differences created by online merchant platforms will affect consumers' perceptions of product or service prices and product and service value. If consumers believe that the price of a product or service is too high or too low and that they cannot provide value for money, their purchase intention will inevitably decrease.

Norfarah et al. (2018) also clearly stated that a positive store image can increase customers' high purchase intentions. Cai (2014) research pointed out that perceived price, brand image, and store image will have a significant impact on perceived value, which in
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turn affects final purchase intention. The appearance of the store's cleanliness and decoration style will have a positive impact on purchase intention.

Emmaru (2021) and Zhang (2021) conducted comparative studies across multiple fields and found a significant positive relationship between the store's image creation level and purchase intention, although customer risk perception factors influence this relationship regulating effect.

Dodds & Monroe (1985) study concluded that the higher the store image, the better consumers' perception of the product's quality. We can observe that a store's image, whether positive or negative, influences consumers' assessments of product quality, leading to a favorable outcome.

However, the study by Rizal et al. (2022) also revealed that consumers' purchase intention will decrease if they perceive products and services as high-risk, regardless of how the store creates its image.

According to Wei (2019), factors such as service attitude, product price, product quality, perceived value, and store image will influence purchase intention. Drawing from the perspective of the literature, formulate the following research hypotheses:

H1: Store image has a significant positive impact on purchase intention.
H2: Store image has a significant positive impact on perceived value.
H6: Perceived value has a mediating effect between store image and purchase intention.

Customer experience and purchase intention

Gallarza & Saura (2006) pointed out that customer experience is the root of customer happiness. In an experiential marketing discussion, Yuan (2003) discovered that emotional perception has a significant positive impact on emotional and functional value.

Yang (2004) found that if the industry provides a good customer experience, it will have a positive impact on consumers in terms of functional, emotional, social, and knowledge value. Efficient services can create customer experience feelings because the feelings and pleasure experienced by customers have a positive impact on purchase intention.

Xiao (2017) posited in his study that customers categorize their experience value into preference, relativity, and mutuality, recognizing that these values can vary.

Shan (2019), Zhu et al. (2019) conducted studies on the correlation between consumer experience and perceived value, concluding that a positive experience among consumers enhances their perceived value.

Wei (2019) analyzed the operations of cross-border online e-commerce platforms and found that customers’ experiences significantly affect their perceived value.

Koay et al. (2023) discovered that students' perceptions play a mediating role when analyzing the process of primary school students' expectations and personality shaping.

When Ma & Chen (2023) and Park et al. (2023) analyzed consumers' purchase intention, they found that when the external environment affects consumers' purchase intention, perceived value will act as a mediating response.

When Wang (2021) explored the relationship between product quality and purchase intention in the online shopping process, she analyzed the mediating effect of perceived value and found that consumer groups' perceptions of price or products have different impacts in the same purchase decision-making process.
If consumers believe that the risks of such products or services are lower, they are more willing to choose them because the costs and benefits are more balanced. This demonstrates that perceived value has a mediating effect on consumer purchase intention, as well as other mediating variables.

Develop research hypotheses based on the literature perspective.

H3: Customer experience has a significant positive impact on perceived value.

H7: Perceived value has a mediating effect on customer experience and purchase intention.

The relationship between perceived price, perceived value, and purchase intention

According to Dodds & Monroe's (1985) research, if a product's actual price is lower than the psychologically perceived price, consumers will have a higher perceived value, and the degree of this will affect the customer's purchase intention. In other words, the gap between customers' perceived and actual prices primarily manifests the relationship between perceived price and purchase intention. If the gap is too large, it will inevitably affect their purchase intention.

According to Oosthuizen et al. (2015), customers of each product will form certain opinions on the price of the product or service based on practical experience and existing cognition.

Chen (2020) and Xiao et al. (2009) conducted research using tourism commodities as an example to investigate college students' purchase intentions. According to the study, college students will weigh the perceived benefits of the product and the sacrifices they must make to determine the rationality of the price. If the price is within their psychological expectations, they will have a willingness to buy; otherwise, it will influence their purchase intention.

Yang (2003) also held the same view in his research and found that in the product sales process, it is necessary to analyze the price range acceptable to customers and use reasonable pricing to promote the increase in customers' purchase intention.

Research by Zhuo & Xu (2019) found that when consumers have a higher perceived value of a product, their purchase intention will have a positive and significant impact.

Scholars such as Hakim et al. (2017), Song & Tang (2019) believe that when consumers evaluate product attributes, they will consider the product's involvement, i.e., the impact it has on the product. Uncertainty factors and perceived risk occur when customers feel insecure about the product.

For example, high-priced and complex products will increase consumers' sense of involvement and perceived risk, which may reduce purchase intention. According to Wang (2021) study, consumers will evaluate products based on the benefits they obtain or the costs they do not receive, as an entry point for analyzing the impact of perceived value on purchase intention.

Shi (2022) recognized in his research that there are two perceived characteristics when consumers purchase products: positive value and negative value. Subtracting the two can give the perceived net value, which is the positive value minus the negative value. The higher the negative value, the lower the perceived net value, which in turn increases the perceived risk.

When consumers believe that the benefits of a product or service are out of balance with its actual costs, its perceived value will decrease.
Chandra et al. (2024) proposed that perceived value influences consumers' purchase intentions and preferences. When there are no external factors and other variables remain unchanged, consumers will eventually choose products with lower risks.

Boulding et al. (1993) proposed that the product's objective price, quality and value, and attributes will influence customers' purchase intentions. Xiao et al. (2009) propose that when consumers have a higher reference price or a lower promotional price for a product, they will increase their perceived value and purchase intention.

Gan (2006) studied digital content purchase intention and pointed out that price is an important factor that customers consider before purchasing the product. Researchers discovered that a higher price leads consumers to perceive the digital product's quality as high. It is also mentioned that if the quality is not high, a product that is lower than the price that consumers expect will not be the factor that stimulates consumers' purchase intention. According to the above discussion, perceived value has a mediating effect on purchase intention. Drawing from the perspective of the literature, formulate the following research hypotheses based on the literature:

H4: The perceived price has a significant positive effect on purchase intention.

H5: Perceived value has a significant positive impact on purchase intention.

H8: Perceived value has a mediating effect between perceived price and purchase intention.

Results

The study examines the relationship between store image and purchase intention
We conducted a regression analysis with store image as the independent variable and purchase intention as the dependent variable.

Tab. 1 displays the analysis results. The analysis result shows that the F value is 183.780, the standardized β coefficient is 0.671 and is positive, the explained variation is 0.451, and the P value is 0.000 <0.05. The study establishes H1 due to the significant relationship between store image and purchase intention.

Table 1 - Regression analysis of store image and purchase intention

<table>
<thead>
<tr>
<th>Measure the configuration surface</th>
<th>willingness to buy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Standardized coefficient Beta</td>
</tr>
<tr>
<td>Store image</td>
<td>0.671</td>
</tr>
</tbody>
</table>

The relationship between store image and perceived value
We conducted a regression analysis using the store image as the independent variable and the perceived value as the dependent variable. Tab. 2 displays the analysis results.

The analysis result shows that the F value is 233.968, the standardized beta coefficient is 0.715 and is positive, the explained variation is 0.511, and the P value is 0.000 <0.05.

The relationship is significant, suggesting that the store's image positively and significantly influences the perceived value, leading to the establishment of H2.
Table 2 - Regression analysis of store image and perceptual value
(made by the author)

<table>
<thead>
<tr>
<th>Measure the configuration surface</th>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Standardized coefficient Beta</td>
<td>R square</td>
<td>F price</td>
<td>conspicuousness</td>
</tr>
<tr>
<td>Store image</td>
<td>0.715</td>
<td>0.511</td>
<td>233.968</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Once we establish H1 and H2 hypotheses, we can deduce that consumers in Ayutthaya are primarily concerned about the image of traditional grocery stores. The product styles, service attitudes, and locations in the stores will affect the subjective perception of consumers’ psychology and then determine subsequent consumption. Consumer behavior has an impact on traditional grocery store purchase intentions.

**The correlation between customer experience and perceived value**
We conducted a regression analysis using customer experience as the independent variable and perceived value as the dependent variable. Tab. 3 displays the analysis results. The analysis result shows that the F value is 203.470, the standardized beta coefficient is 0.690 and is positive, the explained variation is 0.476, and the P value is 0.000 <0.05. The study establishes H3 due to the significant relationship between store image and perceived value.

This suggests that customers in Ayutthaya are more interested in the traditional grocery store customer experience; that is, emotional experiences, lifestyle interactions, and interpersonal interactions among neighbors all influence consumers’ perceptions, which in turn influence subsequent consumption behavior.

Table 3 - Regression analysis of customer experience and perceived value
(made by the author)

<table>
<thead>
<tr>
<th>Measure the configuration surface</th>
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<tbody>
<tr>
<td></td>
<td>Standardized coefficient Beta</td>
<td>R square</td>
<td>F price</td>
<td>conspicuousness</td>
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<tr>
<td>Customer experience</td>
<td>0.690</td>
<td>0.476</td>
<td>203.470</td>
<td>0.000</td>
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</table>

**The relationship between perceived price and perceived value**
We conducted a regression analysis with perceived price as the independent variable and perceived value as the dependent variable.

Tab. 4 displays the analysis results. The analysis result is that the F value is 177.605, the standardized beta coefficient is 0.665 and is positive, the explained variation is 0.442, and the P value is 0.000 <0.05.

The study establishes H4, indicating a significant relationship between perceived price and perceived value.

Consumers in Ayutthaya appear to be primarily concerned with the perceived prices of traditional grocery stores. Sensitivity to price, rationality, and acceptance of product prices influence consumers’ perceptions and subsequent behavior.
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Table 4 - Regression analysis of perceptual price and perceptual value
(made by the author)

<table>
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<th>Measure the configuration surface</th>
<th>Sense value</th>
</tr>
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<td></td>
<td>Standardized coefficient Beta</td>
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<tr>
<td>The perceptual price</td>
<td>0.665</td>
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</table>

The relationship between perceived value and purchase intention

We conducted a regression analysis using perceived value as the independent variable and purchase intention as the dependent variable. Tab. 5 displays the analysis results. The analysis result shows that the F value is 198.267, the standardized beta coefficient is 0.685 and is positive, the explained variation is 0.470, and the P value is 0.000 <0.05. The study establishes H5, indicating a significant relationship between perceived value and purchase intention.

Consumers' purchase intentions for traditional grocery stores in Ayutthaya are likely to alter based on their subjective evaluation of these stores, ultimately influencing their subsequent behavior.

Table 5 - Regression analysis of perceived value and purchase intention
(made by the author)

<table>
<thead>
<tr>
<th>Measure the configuration surface</th>
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<tbody>
<tr>
<td></td>
<td>Standardized coefficient Beta</td>
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<tr>
<td>Sense value</td>
<td>0.685</td>
</tr>
</tbody>
</table>

Verification of the mediating effect of perceived value on store image and purchase intention

We use hierarchical regression for analysis once we meet the above conditions. The first level sets the store image as the independent variable to verify the relationship with purchase intention. The second level sets the store image and perceived value to jointly verify the relationship with purchase intention.

Tab. 6 displays the analysis results. The first-level store image has a standardized beta coefficient of 0.671, which is significant. The standardized beta coefficients of the second-level store image and perceived value are 0.371 and 0.420, respectively, and reach a significant level.

Among them, the standardized beta of the store image influences the mediating effect via perceived value. The coefficient dropped from 0.671 to 0.371 and reached a significant level. This suggests that perceived value partially mediates the relationship between store image and purchase intention, leading to the establishment of H6.

One aspect of how store image influences consumers' purchase intentions hinges on how perceived value shapes these intentions.
Verification of the mediating effect of perceived value on customer experience and purchase intention

We use hierarchical regression for analysis once we meet the above conditions. The first level sets customer experience as the independent variable to verify the relationship with purchase intention. The second level uses customer experience and perceived value to jointly verify the relationship with purchase intention.

Tab. 7 displays the analysis results. The first-level customer experience's standardized beta coefficient is 0.649, reaching a significant level. The standardized beta coefficients of the second-level customer experience and perceived value are 0.336 and 0.453, respectively, and reach a significant level. Perceived value acts as a mediator to influence the standardized beta of customer experience. The coefficient dropped from 0.649 to 0.336 and reached a significant level.

This suggests that perceived value partially mediates the relationship between customer experience and purchase intention, leading to the establishment of H7. One aspect of the impact of customer experience on consumers' purchase intention hinges on how perceived value shapes their intention to make a purchase.

Table 7 - Regression analysis of customer experience and perceptual value on purchase intention

<table>
<thead>
<tr>
<th>Configuration name</th>
<th>willingness to buy</th>
<th>R square</th>
<th>F price</th>
<th>conspicuousness</th>
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<tr>
<td></td>
<td>Standardized coefficient Beta</td>
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<tr>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer experience</td>
<td>0.649</td>
<td>0.421</td>
<td>162.880</td>
<td>0.000</td>
</tr>
<tr>
<td>second layer</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Customer experience</td>
<td>0.336</td>
<td>0.529</td>
<td>125.086</td>
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<tr>
<td>Sense value</td>
<td>0.453</td>
<td></td>
<td></td>
<td>0.000</td>
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</tbody>
</table>

Verification of the mediating effect of perceived value on perceived price and purchase intention

To verify the relationship with purchase intention, the first level sets perceived price as an independent variable.
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The second level uses perceived price and perceived value to jointly verify the relationship with purchase intention. Tab. 8 displays the analysis results. The standardized β coefficient of perceived price at the first level is 0.615 and reaches a significant level. The standardized β coefficients of perceived price and perceived value at the second level are 0.286 and 0.495, respectively, and reach a significant level.

Among them, the standardized β coefficient of perceived price through perceived value serves as the mediator. The coefficient dropped from 0.615 to 0.286 and reached a significant level. This suggests that perceived value partially mediates the relationship between perceived price and purchase intention, leading to the establishment of H8.

Table 8 - Regression analysis of perception price and sense value on purchase intention
(made by the author)

<table>
<thead>
<tr>
<th>Configuration name</th>
<th>willingness to buy</th>
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<tr>
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<td>Standardized coefficient Beta</td>
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<tr>
<td>first layer</td>
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<tr>
<td>The perceptual price</td>
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<td>The perceptual price</td>
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<td>0.515</td>
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<td>Sense value</td>
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</table>

Table 9 - Study hypothesis verification results
(made by the author)

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<th>hypothesis</th>
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<th>verification result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>The store image has a significant positive impact on the purchase intention.</td>
<td>found</td>
</tr>
<tr>
<td>H2</td>
<td>Store image has a significant positive impact on perceptual value.</td>
<td>found</td>
</tr>
<tr>
<td>H3</td>
<td>Customer experience has a significant positive impact on perceived value.</td>
<td>found</td>
</tr>
<tr>
<td>H4</td>
<td>Perception price has a significant positive impact on perceptual value.</td>
<td>found</td>
</tr>
<tr>
<td>H5</td>
<td>Perceptual value had a significant positive effect on purchase intention.</td>
<td>found</td>
</tr>
<tr>
<td>H6</td>
<td>Perceptual value has an intermediary effect in the store image and purchase intention.</td>
<td>Part of the intermediary</td>
</tr>
<tr>
<td>H7</td>
<td>Perceptual value has an intermediary effect in customer experience and purchase intention.</td>
<td>Part of the intermediary</td>
</tr>
<tr>
<td>H8</td>
<td>Perceptual value has an intermediary effect in perceptual price and purchase intention.</td>
<td>Part of the intermediary</td>
</tr>
</tbody>
</table>
Discussion

According to the literature, chain convenience stores hold a dominant position in the retail market, whereas Thai grocery stores are experiencing a decline, and their prices are not as competitive as those of large supermarkets like Big C. It's cheap, and the variety of products is no greater than that of chain convenience stores. Fortunately, most customers still have special feelings for grocery stores. Students like to congregate in grocery stores to shop. Vendors and retailers will choose grocery stores that are closest to them and meet their needs. And those in their sixties prefer to visit grocery stores because of their proximity to home and familiarity with the items and personnel.

Consumers purchase products from the expected channel or source, which will affect the steps or process of their purchase. This is a crucial factor in continuing to purchase. If consumers are dissatisfied with the service behavior or products provided, their purchase intention will decrease. In the long run, grocery stores will focus on retaining customers rather than making sales. The following are relevant suggestions for management.

**Build a good customer experience**

This study points out that customer experience and perceived value have a significant impact on purchase intention. Therefore, grocery store managers should pay attention to the interaction between customers and store staff and establish good customer relationships to enhance customers' loyalty to the store and purchase intention.

Traditional retail stores are still unique in that their owners have good interpersonal relationships with their customers. One owner typically runs traditional grocery stores. Compared with the number of employees in chain convenience stores, grocery stores can have closer interpersonal relationships with consumers, provide a good customer experience, and retain original customers.

**Provide personalized services and products**

Grocery stores provide personalized services and products based on the needs and preferences of different customers. Through personalized services and products, customers can enhance their favorability towards the store, thereby increasing their purchase intention. Grocery stores can assort products in different proportions than competitors to attract customers and listen to the needs of various customers. We also conduct regular market research to understand changes in customer needs and preferences, and promptly adjust the product mix and services to maintain the store's market competitiveness. Improve the freshness and attractiveness of products to attract more customers to buy them; improve their freshness and attractiveness.

For traditional grocery stores, nearby neighbors is the most important target customer group. The study's results indicate that the only factor influencing consumers to shop at grocery stores is proximity to home, with the majority of single consumptions not exceeding 200 baht.

**Improve customers’ trust in the store**

Perceived price has a significant impact on purchase intention, so grocery stores should ensure that costs are consistent with product value. Attract customers and boost their trust and loyalty to the store.
According to Thai grocery stores, there are no clear price tags on the products, and most stores do not have checkout counters, so consumers are reluctant to buy them. Grocery store operators must clearly mark prices so that consumers can trust the supermarket and maintain their willingness to purchase.

**Optimize the environment in the grocery store**

Business owners can improve the store environment by minimizing weaknesses, prioritizing product display and cleanliness, maintaining a clean and tidy store, and clearly dividing products. In addition, store owners can also try decorating designs. Thailand is a tourist country.

Business operators can try to recreate traditional grocery store features or designs in their stores, such as Thai specialty cloth, accessories and traditional snacks, or large wooden chairs for customers to rest on. These are all chain stores. What the retail industry cannot achieve is that traditional grocery stores can not only sell goods but also try to become tourist attractions to maintain the number of old customers and attract new customers.

As previously mentioned, the survival of ordinary grocery stores in the face of the spread of chain convenience stores may be attributed to their desire for durability, similar to traditional retail stores. We hope this study will offer valuable insights to grocers and other retail marketers, enabling them to devise more effective strategies that could boost profits and sales in the retail market.

**References:**


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