UK Mid-Market Department Stores: Is Fashion Product Assortment One Key to Regaining Competitive Advantage?

Abstract

This paper investigates consumer's attitudes towards fashion product assortment in UK mid-market department stores. It aims to determine whether changes to assortment will increase purchase intention and help regain competitive advantage through aligning customer perceptions of product quality and fit with brand image. Our findings challenge the traditional role of the department store in curating fashion assortment. We find that increases in perceived quality, perceptions of brand portfolio and brand fit will increase the purchase intention of UK mid-market department store consumers, whilst reduced assortment sizes would lead to a decrease in purchase intent.

Key Words
Department store; fashion; assortment; differentiation; pls-sem; uk.

1. Introduction

The UK retail industry is in a current state of transformation – as the Retail Lifecycle Theory foresees, many established retailers have now reached maturity and are slowly heading towards decline (Davidson *et al.,* 1976). Conversely, many new retailers are in the introduction stage; inspired by the drive to innovate (Davidson *et al.,* 1976; Moore and Doyle, 2016). The integration of the physical and digital worlds has driven a change in consumer behaviour (Deloitte, 2018) and retailers that have struggled to adapt to this changing environment have faced store closures and administration (Butler and Wood, 2018). The shift to online poses a serious risk to physical estates; the convenience of online shopping has meant that online sales rose by over a third in 2018, damaging footfall in bricks-and-mortar stores (Morley, 2018). It is predicted that the number of store closures in the UK will rise by 3,764 in 2019, affecting approximately 26,918 jobs in the retail sector (Geoghegan, 2019). Legacy operators, such as Mothercare and Arcadia Group, face the highest number of store closures (Whelan and Fish, 2019); their complacency continuously challenged by inspiring offerings from new entrants. Department stores have fallen victim to this retail apocalypse - large retail footprints and increasing rents have meant they are particularly at risk (Evans, 2018). Nevertheless, by failing to present a differentiated offer to consumers their competitive advantage has been eroded (Mintel Academic, 2018). Department stores, once a source of curated inspiration for consumers, conveniently stocking a multitude of brands under one roof (Oliver, 2018) are now challenged by the vast assortments of online marketplaces such as Amazon and ASOS. How can department stores reposition themselves to regain the competitive advantage in the market? Is their product curation role the key?

After entering a company voluntary arrangement (CVA) in August 2018 (Morrison, 2018), mid-market department store House of Fraser announced several store closures (Pinnock, 2018). Such failings are not exclusive to the UK - in 2016, US department store Macy's closed 100 stores across the country (Berfield and Rupp, 2017). There is little to suggest that other European department stores have faced the same level of closures to date but it is likely they will follow suit if their offerings remain unchanged.

However, not all department stores appear to be doomed. Luxury department stores, such as Selfridges and Fenwick's, are driving forces in the sector (Mintel Academic, 2018). The ability to self-disrupt the traditional retail concept to cater to a new generation of shoppers is essential to a brand's success (McKinsey, 2018). Selfridges' reimagined menswear floor showcases a unique brand mix and innovative adjacencies (Moran, 2018), contributing to an 8% rise in sales (Brown, 2019). Evolving with the consumer is a crucial success factor; Harvey Nichols eliminated traditional branded shop fits in favour of a navigable space to complement how their customer now shops (O'Connor, 2018). John Lewis attributes their success to the ability to understand how their customer's shop (Mintel Academic, 2018). However, they too are struggling in the retail climate reporting a 22% loss in profits (Reuters, 2018). Luxury department stores have a clear positioning in the market; with a strong identity, a focus on customer experience and a product clear strategy that consumers identify with (Oliver, 2018). On the other hand, the failure to innovate and an inability to provide desirable fashion products have contributed to the risk of obsolescence for the UK mid-market department store. Stores such as House of Fraser and Debenhams have failed to change with the environment; offering nondescript product which has led to strategic drift.

The failure to provide differentiation has been the downfall of established department stores (Thomas, 2018). No longer occupying a niche in the market by being a “one-stop-shop” they now struggle to find a clear point of difference amongst competitors such as Amazon (Clark, 2018; Rogers, 2018). Brand identity is an aspiration that a brand uses to create a relationship with the consumer and is integral to a department store’s success (Aaker, 2002; Rogers, 2018). A strong brand identity, such as Selfridges’ creativity, is what motivates consumers to visit one store over another (Clark, 2018; Marciniak, 2018). Debenhams is developing an innovative strategy, ‘Debenhams Redesigned’, to regain its identity and entice customers back to stores through well-curated products (Sutherland, 2018). Established US department store Nordstrom, is also using small brands to provide differentiation - boosting traffic to stores and increasing margins (McKinsey, 2018). Ultimately, it seems fashion product curation is key (Oliver, 2018); consumers want to be surprised and delighted by a new product that they like, this will only happen if buyers understand their consumer and are willing to take risks.

Department stores rely heavily on discounting to provide short term solutions to problems such as meeting key performance indicators (KPIs) (Anderson, 2016). Deep clearance discounting is detrimental to a brand’s long-term success as it diminishes its value proposition (Anderson, 2016). It signals a lack of understanding of the consumer, as it suggests that they did not buy products their consumers were willing to buy at the price offered. Consumer attitudes have changed, they are confident to dictate the product they want to see in-store and willing to price-match online to ensure value. Consumers are also aware of promotional discounting events and will time their spending accordingly, Retailers, such as House of Fraser and Debenhams, are caught in this promotional discounting cycle which is near impossible to escape from (Hounslea and Geoghegan, 2018; Thomas, 2018). Heavy discounting tightens margins, minimising cash flow available to improve stores and experience (Thomas, 2018) and constrains the ability to take risks with new product offers. Competitor discounting affected retailers over the 2018 Christmas period, with John Lewis’ ‘Never Knowingly Undersold’ price matching strategy resulting in decreasing its margins due to the discounting depths of its competing retailers (Monaghan, 2019). Nevertheless, premium department stores, such as Selfridges, use discounting as a clearance strategy to eliminate old stock and free cash rather than as a promotional tactic to drive revenue (Mustoe, 2019).

Whilst modified and contested, Michael Porter's (1980) model of generic strategies remains the dominant view of how a retailer creates and sustains competitive advantage. The simple idea that holding a sustainable advantage will lead a firm to achieve profits over and above its competition (Hendry, 1990; Porter, 1980; Slater, 1997). Porter's original model located firms as competing either on cost or differentiation to achieve this competitive advantage but attempting to do both at once was envisaged as a failed strategy. The logical simplicity of this model as firms possessing skills to exceed at low-cost strategy are unlikely to be compatible with excellence in differentiation (Hall 1980) has led to its endurance over time. Examples of clearly successful firms competing on both strategies led Porter (1985) to modify the view that combination is possible if the dominant strategic choice is not cannibalised (Wright 1987; Hendry, 1990). Porter's model still holds relevancy for department stores, but differentiation has a stronger focus as it is becoming increasingly difficult to compete on cost (Kim et al., 2004). A model further developing the bases of differentiation in retail by Ander and Stern (2004) and a hybrid model of both competing factors articulated by Bowman and Faulkner (1997) both resonate with the strategic challenge faced by the mid-market department stores.

With mid-market department stores the anchor tenant for most UK shopping centres, their collapse risks the obsolescence of many shopping destinations (Phillips, 2017). It is important therefore that they reposition themselves to become competitive once again. To this end, the aim of this paper is to quantitatively analyse UK consumers' attitudes towards changes to fashion product assortment within mid-market department stores and identify its impact on purchase intention in order to regain competitive advantage. To achieve this aim, the following objectives have been defined:

1. To critically evaluate how differentiation of product and brand assortment impacts purchase intent.
2. To analyse consumer attitudes towards mid-market department stores and identify whether changes to product and brand assortment could increase purchase intention.
3. To provide managerial recommendations that department stores can adopt to increase purchase intention.

This research is important for several reasons. First and foremost, the future of department stores has been at the forefront of industry analysis over the past few years. However, there has been no academic research to evidence why they are failing, and how they can regain competitive advantage through changes to fashion product assortment. Secondly, the Retail Lifecycle Theory proposed that firms follow a pattern of development whereby they initially enjoy the rapid sales growth and profitability, but ultimately the sector will become saturated and the business will decline due to agile and indirect competitors (Davidson *et al.,* 1976; Moore and Doyle, 2016). Davidson *et al.* (1976) predicted that department stores would have entered the decline stage 40 years ago – however, they continued to remain prominent in the UK high street, suggesting there is still a place for them. Thirdly, earlier literature investigating consumers' purchase behaviour focused almost solely on store brands (Grewal *et al.,* 1998; McColl and Moore, 2011; Huang and Huddleston, 2009) and brand extensions (Aaker and Keller, 1990; Bridges *et al.,* 2000; Petromilli *et al.,* 2002). In addition to this, retailing literature has shifted its attention to experiential marketing – focusing on what a firm can do to increase customer patronage in terms of in-store experience (Addis and Holbrook, 2001; Senthil *et al.,* 2012). While an important differentiation strategy for luxury department stores, it is something that has not yet seen results for their high street counterparts. As such, we seek to build on this, acknowledging that experience is important to the success of a department store, but highlighting that the focus needs to shift back to one of the core components – assortment.

The remainder of this paper is organised such that Section 2 presents a literature review followed by a detailed methodology in Section 3. The analysis is presented in Section 4 whilst the paper concludes in Section 5.

2. Literature Review

Bowman and Faulkner (1997) developed Porter's generic strategies model to focus on the customer. They asserted that sustainable competitive advantage can be achieved when a firm is aware of what the customer values. Slater (1997) supports this view by stating that the only way to sustain value is to learn from the customer through constant interaction: this is defined as perceived use value (Slater, 1997; Devlin, 1998). Whilst there is general agreement that firms compete on two basic options - cost and differentiation – it is a much more dynamic process, and an attractive value proposition can be created for the customer when the two are combined (Bowman and Faulkner, 1997; Devlin, 2001). Bowman and Faulkner (1997) adapted Porter's industry-focused model to create The Customer Matrix which allows a firm to benchmark themselves against competitors and evaluate the risks of shifting within the matrix (Bowman and Faulkner, 1997). Compared to Porter, the matrix is more inclusive as it includes a hybrid position that combines differentiation and low cost, acknowledging that it can be viable (Bowman and Faulkner, 1997; Agnihotri, 2016). However, the authors highlight that increasing price while decreasing customer value will ultimately ruin a firm's competitive advantage (Bowman and Faulkner, 1997). The intimate knowledge of its customer is the added value of the department store model, that customers are willing to pay a premium for, to a point (Varley et al, 2019).

Ander and Stern (2004) developed Porter's generic strategies model for competitive advantage in a customer focussed application to the retail sector, The Est Model. The authors concur that to achieve a sustainable competitive advantage, a firm must excel in one proposition that is essential to its main customer base, even if others are neglected (Ander and Stern, 2004). Developments of Porter's original industry-based model generally recognise that sustainable competitive advantage must place the consumer at the centre of strategy (Ander and Stern, 2004, Slater, 1997, Bowman and Faulkner, 1997). The Est model states that for a firm to create competitive advantage, they have to compete in an area that is of most value to their customer while still maintaining competencies in all other areas (Ander and Stern, 2004). However, the authors highlight that some constructs of the Est model may not as be as relevant to consumers today (Ander and Stern, 2004). For example, firms may create greater competitive advantage by competing on factors such as quality or sustainability rather than bigger assortment sizes. On the other hand, Kandampully and Duddy (1999) argue that quality is no longer a competing factor of competitive advantage and superior quality should be essential to the firm.

Kim and Mauborgne (2004) argued that firms can pursue low cost and differentiation simultaneously through value innovation (Agnihotri, 2016). Blue Ocean strategy states that, while a firm can compete within already defined industry boundaries, to sustain competitive advantage they must reconstruct the market boundaries (Kim and Mauborgne, 2004; Agnihotri, 2016). Currently, firms are competing in saturated markets, 'red oceans', but by entering a reconstructed market they are creating a 'blue ocean' (Kim and Mauborgne, 2004). This is maintained by Kandampully and Duddy (1999), explaining that firms need to anticipate consumer's future needs in new markets. Furthermore, instead of having a trade-off between low cost and differentiation, a firm can create new demand through value innovation (Kim and Mauborgne, 2004; Agnihotri, 2016; Madsen and Slåtten, 2019). The idea of value innovation is again cementing the idea that consumers should be at the forefront; by creating value through low cost and differentiation in an untapped market, the theory states that demand for a product will increase and there will be minimal competition (Kim and Mauborgne, 2004). However, the originality of Blue Ocean theory can be questioned, as value innovation has been suggested earlier than this. As previously mentioned, Bowman and Faulkner's (1997) Customer Matrix included a 'hybrid' position which is defined as a combination of low cost and differentiation (Agnihotri, 2016). The concept of blue oceans can be compared to Prahalad and Hamel's (1994) Core Competencies Model whereby they argued that creating white spaces - recombining core competencies in a new market - will give a firm a greater market share. This resource-based view counters that of the aforementioned market positioning views, it instead looks at company strengths as a source of advantage to be leveraged (Prahalad and Hamel, 1994). Furthermore, although not a completely new concept, using value innovation in Blue Oceans as a way to create sustainable competitive advantage is a successful driver of value. However, as evidenced by Burke et al. (2009), a competitive strategy in Red Oceans is still needed as a support to sustain the firm's value innovation.

In more recent literature, the viewpoint on sustainable competitive advantage has shifted with many strategists arguing that a firm needs to move between advantages in order to create value. The theory of transient advantage emerged from this strategic change, creating new assumptions that a firm should build on, and exploit a range of opportunities at once (McGrath, 2013; Leavy, 2014). McGrath (2013) highlights the idea of achievement of a competitive advantage leads to dangerous complacency, whereas the idea of advantage being transient ensures the firm is focused on sustaining it. This can be compared to Barney's (1995) VRIO framework which asserts that a firm must hold resources that are valuable, rare, costly to imitate, and organised to capture value in order to create sustained competitive advantage. The author recognises that a firm can create a temporary competitive advantage with rare and valuable resources, however, all four are necessary for it to be successfully sustained (Barney, 1995).

Congruent with Kim and Mauborgne (2004), McGrath's strategy of creating temporary competitive advantages focuses on innovation and makes it difficult for competitors to imitate the differentiation. For a firm to achieve transient competitive advantage, they will go through a lifecycle of five phases: launch, ramp up, exploitation, reconfiguration, and disengagement (McGrath, 2013; Leavy, 2014). McGrath (2013) explains that having a clear point of differentiation in the exploitation phase will increase market share and consumer adoption through demand. Zhou et al. (2009) support the argument that a demand-based view on strategy will give a firm a competitive advantage; knowing what the customers value and creating value are what will give the business its core competencies (Zhou et al., 2009; Ander and Zemsky, 2006). As a transient advantage is a faster-moving strategy, firms need to ensure that assets and people attached to a project are minimised, as these will hinder the next advantage and cause collateral (McGrath, 2013). If a firm is to be successful in its strategy, it is imperative they are flexible which will allow them to exploit any opportunities (Dreyer and Grøngaug, 2004; Peters, 1987). A smooth disengagement phase will allow for the next advantage to be launched successfully into the business; meaning the firm always holds a competitive advantage, only now, transiently (McGrath, 2013).

For a firm to differentiate itself from competitors they must have a unique offering that provides value to consumers (Porter, 1985). By differentiating their offering, a firm can command a greater price premium however it must exceed the added costs of becoming unique (Porter, 1985; Allen et al., 2007; Banker et al., 2014). A firm can differentiate in a number of tangible and intangible ways including distribution, service quality, delivery and characteristics of the product, all of which increase brand value (Allen and Helms, 2006). In a study by Banker et al. (2014), it was identified that pursuing a differentiation strategy, over a cost leadership strategy, will lead to greater sustained performance for a firm. As previously discussed, cost leadership is a competitor oriented strategy which has a negative effect on a differentiation strategy - it is ultimately a race to the bottom between competitors (Zhou et al., 2009). Further, it was highlighted that a customer-oriented strategy is more successful in sustaining a competitive advantage. Therefore, if a firm pursues a differentiation strategy, it will be more successful in increasing customer value and achieving greater financial performance (Zhou et al., 2009). However, differentiation is a riskier strategy as the earnings are more volatile; managers will have to make a trade-off between a sustainable performance and stability of stakeholders (Banker et al., 2014). For this study, the opinion that differentiation will achieve greater sustainable advantage for mid-market department stores will be followed. This is supported by the reliability of Banker's et al. (2014) study of thousands of firms over a ten-year period.

2.1 Assortment Size

A large customer choice has always been viewed as the panacea in traditional retail models, meaning the bigger the product assortment the better. With the rise of the internet, brick-and-mortar retailers are finding it increasingly difficult to compete with their online competitors in terms of assortment (Simonson, 1999). However, consumer behaviour is changing in the face of time-poor consumers faced with a bewildering choice; curation of the assortment may be something firms can differentiate on. Porter (1985) suggests that reconfiguring a current selling approach, to align with changing consumer behaviours, could be a successful differentiation advantage. Although it has long been universally suggested that wider product assortment is beneficial to consumers, meeting the heterogeneity of customer needs, recent research suggests this could actually be detrimental to market share (Gourville and Soman, 2005; Chernev, 2003). Gourville and Soman (2005) propose that firms should shift their focus from non-alignable assortments to alignable assortments. This means moving from a variety in the number of attributes on similar products to variety in one attribute, such as size (Gourville and Soman, 2005). Assortments that are non-alignable cause consumers to psychologically trade-off between products and can inherently lead to an internal conflict that delays the customer from purchasing (Tversky and Shafir, 1992; Gourville and Soman, 2005; Simonson, 1999). Namely, if a customer is presented with equally attractive products, they will defer from purchasing to mitigate the risk of making an inferior decision (Simonson, 1999). Given that the original role of department stores is to have a curated selection of what customers are likely to demand, a reduced assortment size could be useful in helping consumers with the decision-making process. Therefore, it could be argued that it is beneficial to differentiate the assortment by reducing the number of options but increasing the alignable assortment, consequently, making the purchase decision easier for the consumer by reducing any trade-offs that they may have to make that lead to decision-making paralysis.

H1: Reducing assortment size offered by brands will have a significant positive effect on the purchase intention of UK mid-market department store consumers.

2.2 Perceived Quality

Many retailers used quality as a differentiator in the market, however, this is only a successful strategy when consumers perceive the quality of a brand as high (Grewal *et al.,* 1998). Aaker (1991) suggests that perceived quality can aid consumers' judgement of a brand and highlight the important differentiation of a product - ultimately making the brand the most suitable in a consumer's mind. Strizhakova *et al.* (2011) support this by stating that perceived quality is the most important factor when it comes to a consumers' purchase decision, further arguing that quality signals are imperative to a consumer when they are assessing the risks associated to purchasing a particular brand or product. Furthermore, quality perception is the most salient attribute in brand selection to a consumer as it minimises risk and increases customer patronage to a store (Grewal *et al.,* 1998; Strizhakova *et al.,* 2011). In addition to this, a brand name is commonly used as a signal of quality to a consumer and can provide them with substantial information about the product (Richardson *et al.,* 1994; Grewal *et al.,* 1998). Store image is closely related to the quality perception of brands; if a store is connected to a badly perceived brand then its store image could be damaged (Grewal *et al.*, 1998). Likewise, if a store is connected to well-perceived brands then its image could be improved. This is important for department stores that house a plethora of brands that could easily ruin their store image and ultimately profitability. Therefore, it is hypothesised that:

H2: Perceived quality of a brand has a significant effect on the purchase intention of UK mid-market department store consumers.

2.3 Quality Variation

In addition to quality perception as an intangible cue for purchase decisions, consumers also use quality variation as a signal when purchasing (Bao *et al.,* 2011). In a study into private labels, Hoch and Banerji (1993) exampled that brands with a lower perceived quality variation, and higher perceived quality, attained a greater market share. The presence of a lesser quality variation increases consumer confidence towards the quality of a new brand, as the existing brands provide them with a reliable quality cue (Bao *et al.,* 2011; Batra and Sinha, 2000; Dacin and Smith, 1994). Foremost, it is argued the presence of quality variation across brands increases the degree of perceived risk for the consumer (Narasimhan and Wilcox, 1998). As consumers use a brand name to signal quality, variation can make it difficult for them to accurately evaluate the quality of a new brand, thus reducing consumer confidence (Dacin and Smith, 1994; Bao *et al.,* 2011). The increased degree of perceived risk for consumers can ultimately affect their quality perception and purchase intention (Bao *et al.,* 2011; Hoch and Banerji, 1993). Despite this, it should be noted that the reviewed literature was based on private label brands, however, it could be translated to other retail channels, especially in the case of department stores where a wide range of brands are on offer and thereby an increased risk of quality variation.

H3: Quality variation between brands has a significant negative effect on the purchase intention of UK mid-market department store consumers.

2.4 Perceptions of Brand Portfolio

A firm can differentiate itself from competitors through its brand portfolio, especially in a department store context. Keller (2012) defines a brand portfolio as a group of individual brands that a firm offers to consumers. The coherence of brands in a portfolio is imperative in most circumstances, as synergy between the brands will increase customer loyalty and value of the brands, ultimately increasing the performance of the whole portfolio (Petromilli *et al.,* 2002; Nguyen *et al.,* 2018). Nguyen *et al.* (2018) argues that if there are strong associations between brands in the portfolio, consumers are more likely to apply their brand trust to other brands in the same portfolio. This is further supported by Morgan and Rego (2009) who state that brands will have a stronger positioning in consumers' eyes if they are complementary to each other. Brand portfolio coherence provides the parent brand with a distinctive brand identity which can allow them to command a greater price premium (Aaker and Joachminsthaler, 2000; Nguyen *et al.,* 2018). In addition to this, coherence in the status of the brands in a portfolio ensures there is consistency in intangible cues such as quality and reputation (O'Cass and Frost, 2002; Nguyen *et al.,* 2018). This means that purchase decisions are more likely to be made based on the status of the portfolio, rather than on an individual brand or product (Nguyen *et al.,* 2018). The extant literature reviewed has been based on a house-of-brands strategy, whereby a company markets brands that are independent of each other, or brand extensions. However, it can be applied to a department store context as this too is essentially a house of brands. The extant literature has not yet gained an understanding into consumer perceptions of a department store brand portfolio, therefore it is hypothesised:

H4: Perception of a department store's brand portfolio has a significant effect on the purchase intention of UK consumers.

2.5 Perceived Brand Fit

Customer value can be strengthened through the perceived fit of a parent brand and its sub-brands (Aaker and Keller, 1990; Bridges *et al.,* 2000). The extant literature surrounding brand fit is based on brand extension from a parent brand, where there is a dyadic relationship between the two (Nguyen *et al.,* 2018; Aaker and Keller, 1990; Broniarczyk and Alba, 1994). Similarly, to perceived quality variation, perceived fit relates to associations between a brand and its extension (Bridges *et al.,* 2000). Consumers are likely to have positive associations with an extension brand when there is a high degree of perceived fit, however, these associations have to be salient and relevant to the parent brand (Park *et al,* 1991; Aaker and Keller, 1990; Bridges *et al,* 2000). Further, a negative degree of fit may cause the consumer to form undesirable associations to the extension brand due to inconsistencies between the two (Aaker and Keller, 1990; Nguyen *et al.,* 2018). Given that consumers visit department stores in expectation of a curated line of products, it is imperative to evaluate the importance of brand fit within this context.

H5: Brand fit in department stores will have a significant positive effect on purchase intention.

Overall, the lack of academic literature surrounding department stores meant that store brand and brand extension strategy literature was reviewed and evaluated for the independent variables. It has emerged that there is a direct relationship between customer perception and purchase intention.

Purchase intention can be defined as the consumers' preference to buy a product (Younus *et al.*, 2015). Namely, purchase intention occurs after a consumer has thoroughly evaluated a product or service. There are a number of external factors that affect a consumer's intention to purchase a product or brand (Keller, 2001). First, Dodds *et al.* (1991) suggest that consumers' intent to purchase is affected by perceived value, which is affected by perceived quality. It has been argued that perceived quality is the most important factor that affects the customer's purchase intention (Aaker, 1991; Strizhakova *et al.,* 2011). This is further corroborated by Bao *et al.* (2011), who assert that variation in perceived quality could affect consumer's purchase intention through reduced consumer confidence. The degree of fit between a new brand and an extension, or portfolio, is a major factor that affects purchase intention, as consumers are able to transfer their subjective ideas and awareness on to extended products or a new brand (Aaker and Keller, 1990; Barone *et al.,* 2000, Czellar, 2003). Lastly, purchase intention is increased in private label products when the degree of perceived quality is high (Sethuraman, 2003). Finally, the following conceptual model is proposed:

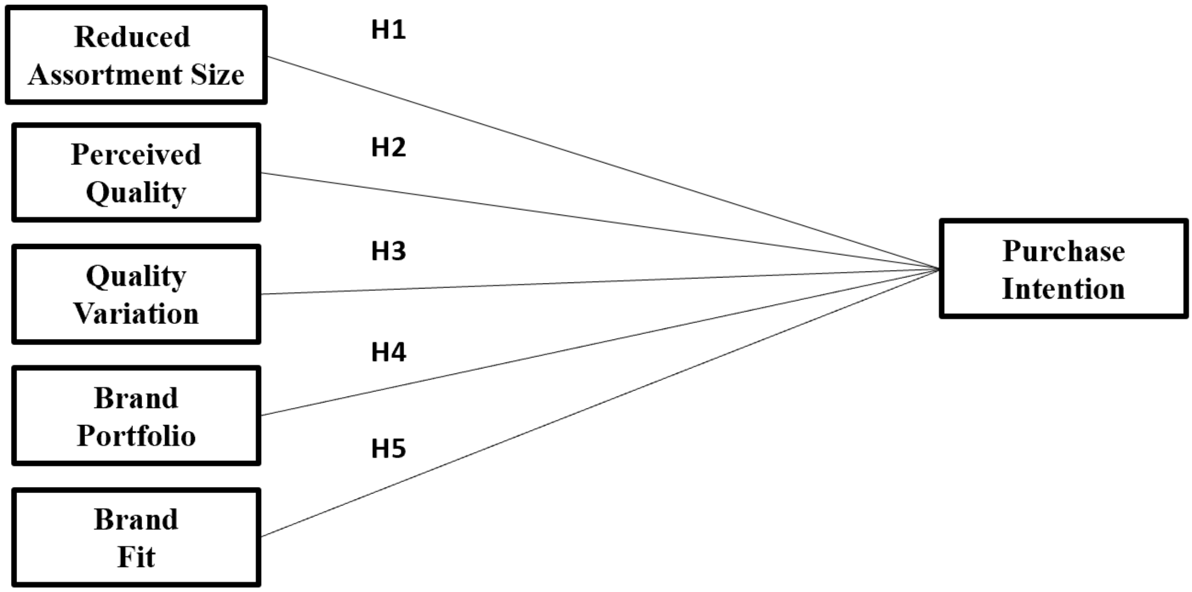

Figure 1. *A conceptual model for factors influencing purchase intention of department store consumers.*

3. Methodology

In brief, our study took on a positivist philosophy (Creswell and Creswell, 2018) and a deductive approach coupled with a mono-method quantitative methodology. We opted for a survey research strategy as we are interested in testing hypothesis (Creswell and Creswell, 2018; Oppenheim, 1992) relating to consumer attitudes. Accordingly, the primary data collection tool was a questionnaire.

The survey consisted of four demographics questions and 25 construct-based questions, answered using a 7-point Likert scale. The reason to opt for Likert scales was due to their ability to measure different aspects of consumer attitudes in accordance to the questions (Brace, 2008; Likert, 1932). Furthermore, Likert scales over five points are widely regarded in the literature as highly reliable (Friedman and Amoo, 1999). Table 1 shows the manifest variables used to measure the latent variables of this study. Except for the indicators for ‘reduced assortment size’, all other indicators were adapted through existing, validated scales, further adding to the reliability and validity of this research. In brief, to measure quality variation, a scale was adapted from Bao’s *et al.* (2011). Nguyen’s *et al.* (2018) measurement scale for brand portfolio was adapted to measure department store consumer perceptions. Additionally, Nguyen’s *et al.* (2018) scale for measuring brand portfolio fit was adapted to measure brand fit. In this instance, the word ‘sub-brand’ was replaced with brand and ‘parent brand’ was replaced with ‘House of Fraser’. This provided respondents with a situational context so they were fully informed to answer the question. Strizhakova’s *et al.* (2011) scale was used to measure how consumers perceive the quality of brands. As there were no pre-existing scales for the measurement of the variable ‘reduced assortment size’, initially, the authors developed their own scale using 5 Likert-items with a similar wording style to the other variables. Careful consideration was given to ensure face validity and several department store shoppers were asked to feedback on the scale. This resulted in the removal of one of the Likert-items within this scale as respondents indicated that it was ambiguous. Thereafter, the piloting process was able to show that the scale has high internal reliability. Finally, Dodd’s et al. (1991) scale was adapted in order to measure the dependent variable, purchase intention.

Due to the lack of access to a sampling frame, convenience sampling was used (Creswell and Creswell; 2018; Berenson *et al.,* 2011) and the survey was posted on various social media groups such as Facebook and LinkedIn. Onwuegbuzie and Collins (2007) argue that non-probability sampling can be used in quantitative research and that most of the quantitative research is based on a non-probability sample. The questions on demographics within the survey were used to maintain the representativeness of the sample to the target population. As this study is focused on UK consumers, a question was asked to identify whether consumers have ever lived in the United Kingdom. Respondents were also asked whether they had ever purchased an item in a department store to ensure that all respondents had adequate knowledge of what constitutes a department store and had previously purchased from them. Overall, a sample size of 205 was achieved.

The data was then analysed using quantitative methods which began by summarising the responses to the indicators via descriptive statistics such as frequencies and measures of central tendency. However, for dispersion, we called upon a relatively new measure known as consensus (Tastle and Wierman, 2007). Consensus is a measure of dispersion applied to Likert scale data (Tastle and Wierman, 2007) and is built on Shannon entropy (Shannon, 1948). In brief, a complete lack of consensus (agreement) generates a value of 0, and a complete consensus yields a value of 1 (Tastle and Wierman, 2007). Tastle and Wierman (2007) define consensus as:

$$Cns(X) = 1 + \sum_{i=1}^{n} p_i \log_2(1 - \frac{|X_i - \mu_x|}{d_x}),$$

where p_i is the probability of outcome X_i (which ranges from 1-7 in this study), *n* is the number of categories being investigated, μ_x is the mean of X, and d_x is the width of X, $d_x = X_{max} - X_{min}$.

Thereafter, Partial Least Squares – Structural Equation Modeling (PLS-SEM), which does not impose any distributional assumptions on the data (Hair et al., 2019), was used to test the conceptual model in Figure 1. This model was chosen as our study involves testing theory by considering several constructs and indicators which are measured using Likert-scales, and thereby parametric tests would not be suitable owing to distributional concerns (Hair et al., 2019). Moreover, PLS-SEM is reputed for its greater statistical power and is more likely to identify truly significant relationships (Sarstedt and Mooi, 2019). In brief, the PLS-SEM model processes the data by calculating partial regression relationships in the measurement, followed by structural models using separate ordinary least squares regressions (see, Wold 1975; 1982 for the statistical theory underlying PLS-SEM). In this study, the PLS-SEM models were estimated using SmartPLS (http://www.smartpls.com).

The indicators used to measure the latent variables of reduced assortment size, perceived quality, quality variation, brand portfolio, brand fit and purchase intention are reported in Table 1. Both convergent and divergent validity have been assessed through the application of PLS-SEM (Mateos-Aparicio, 2011). To ascertain internal consistency, Cronbach's alpha was used with 0.7 as the acceptable reliability level (Tavakol and Dennick, 2011). These results are discussed in detail in the following section.

Table 1. Variable operationalisation.

Variable	Variable Code	Measurement Items	Adapted From	Coding Instructions
Reduced Assortment Size	ASSORT01	A large assortment size is overwhelming	N/A	1 “Strongly Disagree” to 7 “Strongly Agree”
	ASSORT02	A reduced assortment size makes it more convenient to shop	N/A	1 “Strongly Disagree” to 7 “Strongly Agree”
	ASSORT03	A reduced assortment size makes it easier to make a purchase decision	N/A	1 “Strongly Disagree” to 7 “Strongly Agree”
	ASSORT04	I am less likely to purchase a product if there is too much choice	N/A	1 “Strongly Disagree” to 7 “Strongly Agree”
Perceived Quality	PERQUAL01	A brand name is an important source of information about the durability and reliability of the product.	Strizhakova et al. (2011)	1 “Strongly Disagree” to 7 “Strongly Agree”
	PERQUAL02	I can tell a lot about a product's quality from the brand name.	Strizhakova et al. (2011)	1 “Strongly Disagree” to 7 “Strongly Agree”
	PERQUAL03	I use brand names as a sign of quality for purchasing products.	Strizhakova et al. (2011)	1 “Strongly Disagree” to 7 “Strongly Agree”
	PERQUAL04	I choose brands because of the quality they represent.	Strizhakova et al. (2011)	1 “Strongly Disagree” to 7 “Strongly Agree”
Quality Variation	QV01	All brands in a department store should be the same in terms of quality	Bao *et al.* (2018)	1 “Strongly Disagree” to 7 “Strongly Agree”
	QV02	I prefer shopping at department stores which houses brands with the same product quality	Bao *et al.* (2018)	1 “Strongly Disagree” to 7 “Strongly Agree”

	QV03	If I were to purchase a pair of jeans at a department store, then the quality of the jeans should not differ by brand.	N/A	1 “Strongly Disagree” to 7 “Strongly Agree”
Perceptions of Brand Portfolio	BP01	These brands create an atmosphere of quality.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	BP02	These brands symbolize a commitment to excellence.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	BP03	These brands seem to exhibit consistent reputation.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	BP04	These brands appear to exhibit consistent styles.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	BP05	These brands seem to have a shared identity	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	BP06	These brands get along well with each other	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
Brand Fit	FIT01	The brands in the portfolio are a good fit with House of Fraser brand values.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	FIT02	The brands in the portfolio are similar to House of Fraser brand values.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	FIT03	The brands in the portfolio are representative of House of Fraser brand values.	Nguyen *et al. (2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”

	FIT04	The brands in the portfolio are consistent with House of Fraser brand values.	Nguyen *et al.* *(2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
	FIT05	The benefits I associate with the House of Fraser are relevant to the brands.	Nguyen *et al.* *(2018)*	1 “Strongly Disagree” to 7 “Strongly Agree”
Purchase Intention	PI01	The probability that I would consider purchasing a product from a department store is high.	Dodds *et al.* (1991)	1 “Strongly Disagree” to 7 “Strongly Agree”
	PI02	The likelihood of my purchasing a product from a department store is high	Dodds *et al.* (1991)	1 “Strongly Disagree” to 7 “Strongly Agree”
	PI03	My willingness to purchase a product from a department store is high	Dodds *et al.* (1991)	1 “Strongly Disagree” to 7 “Strongly Agree”

4. FINDINGS AND ANALYSIS

4.1 Sample Demographics

Table 2 summarises the sample demographics. The sample consisted of 205 UK respondents of whom 66.8% were female and 31.2% were male with the remainder preferring not to disclose their gender. All respondents were UK residents and had purchased an item from a department store. Moreover, a major department store in the UK, House of Fraser identifies their core customer as 'Jo' - a middle-aged, mother of two (Hounslea, 2017), and therefore indicates that our sample is representative of department store shoppers in the UK. The distribution of age groups across the respondents was relatively equal with the largest group aged 45-54 (28.8%) and the smallest 65+ (5.90%).

Table 2. Sample demographics.

Variable	**Frequency (Percentage)**	**Variable**	**Frequency (Percentage)**
Age Groups		**Gender**	
18-24	38 (18.5%)	Male	64 (31.2%)
25-34	35 (17.1%)	Female	137 (66.8%)
35-44	37 (18.0%)	Prefer not to say	4 (2.00%)
45-54	59 (28.8%)		
55-64	24 (11.7%)		
65+	12 (5.90%)		

4.2 Descriptive Statistics

Table 3 presents a summary of the descriptive statistics for the indicators used to measure the latent variables. Across all indicators, the modal responses ranged from $2 \leq Mode \leq 7$. Whilst we do not go into detail with the descriptive statistics, it was interesting that all indicators measuring perceptions of brand portfolio and brand fit saw the majority of respondents selecting the 'somewhat disagree' option suggesting severe issues with the brand portfolio and brand fit in terms of the offering by department stores. Overall, the median responses ranged from $3 \leq Med \leq 6$. Those interested can also find a summary of the mean response for each indicator which enables direct comparison of results in any future study. Across all indicators, the mean ranges from $3.16 \leq M \leq 5.18$. Dispersion is measured using the consensus criterion. As evident from Table x, there is neither a complete lack of consensus in terms of opinions nor is there a complete consensus as across all indicators the consensus criterion ranges; $0.54 \leq Cns(X) \leq 0.62$. However, as these values are closer to 1 than 0, it is reasonable to conclude that there is more agreement in opinions rather than disagreements in terms of the variation in responses to the indicators.

Table 3. Descriptive statistics for the indicators

	%	%	%	%	%	%	%				
Indicator	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**M**	**Med**	**Mode**	***Cns(X)***
ASSORT01	10.2	16.6	13.2	6.80	21.5	13.7	18.0	4.26	5.00	5.00	0.61
ASSORT02	9.80	10.7	8.80	9.80	21.5	20.0	19.5	4.60	5.00	5.00	0.61
ASSORT03	7.80	11.2	7.80	6.30	22.9	23.4	20.5	4.78	5.00	6.00	0.61
ASSORT04	12.2	22.9	12.2	5.90	12.2	12.7	22.0	4.09	4.00	2.00	0.62
PERQUAL01	3.40	4.90	10.7	8.30	23.9	30.2	18.5	5.09	5.00	6.00	0.55
PERQUAL02	1.50	6.80	12.2	7.30	23.9	30.7	17.6	5.08	5.00	6.00	0.55
PERQUAL03	2.00	8.30	9.80	7.30	23.4	32.2	17.1	5.07	5.00	6.00	0.55
PERQUAL04	2.00	6.80	11.7	6.80	19.5	30.2	22.9	5.18	6.00	6.00	0.55
QV01	8.30	25.9	9.30	6.30	13.7	20.0	16.6	4.18	5.00	2.00	0.54
QV02	3.90	20.5	8.80	13.2	10.2	26.3	17.1	4.53	5.00	6.00	0.55
QV03	5.90	21.5	14.1	7.30	12.2	8.00	21.0	4.37	5.00	2.00	0.55
BP01	14.1	29.8	12.2	13.7	15.6	11.7	2.90	3.34	3.00	2.00	0.59
BP02	17.1	24.9	17.1	17.1	14.6	7.30	2.00	3.17	3.00	2.00	0.58
BP03	15.1	24.9	7.80	8.80	22.9	19.0	1.50	3.62	4.00	2.00	0.60
BP04	17.1	23.4	7.80	16.6	19.5	13.2	2.40	3.47	4.00	2.00	0.60
BP05	17.6	24.4	12.7	15.6	19.0	9.30	1.50	3.28	3.00	2.00	0.59
BP06	19.0	17.1	10.2	25.9	13.7	12.7	1.50	3.42	4.00	4.00	0.59
FIT01	17.6	24.4	15.1	14.6	10.7	13.2	4.40	3.34	3.00	2.00	0.60
FIT02	17.1	23.9	18.0	21.0	8.80	9.30	2.00	3.16	3.00	2.00	0.60
FIT03	19.0	21.5	14.6	21.5	9.8	11.2	2.40	3.35	3.00	2.00*	0.59

FIT04	18.5	22.9	13.7	21.0	12.2	10.2	1.50	3.22	3.00	2.00	0.60
FIT05	18.5	22.4	17.1	21.5	8.80	8.30	3.40	3.18	3.00	2.00	0.60
PI01	7.30	9.30	11.7	6.30	16.6	23.4	24.9	4.86	5.00	7.00	0.56
PI02	7.30	11.7	11.2	5.40	17.1	23.4	23.9	4.79	5.00	7.00	0.56
PI03	6.30	9.30	12.7	8.30	15.6	22.9	24.4	4.85	5.00	7.00	0.56

Note: **M** – Mean, **Med** – Median, **1** – strongly disagree, **2** – disagree, **3** – somewhat disagree, **4** – neutral, **5** – somewhat agree, **6** – agree, **7** – strongly agree. ***Cns(X)*** – Consensus.

4.3 Final PLS-SEM Results

The final PLS-SEM model[1] included the latent variables named reduced assortment size, perceived quality, brand portfolio and brand fit which were regressed against purchase intention. We begin by assessing the acceptability of the refined PLS-SEM measurement model. Table 4 reports the indicator loadings, Cronbach's Alpha, and Average Variance Extracted (AVE) values. As visible, all indicator loadings were above the 0.708 threshold (Hair et al., 2019), confirming the factor loadings are reliable, whilst the Cronbach's alpha values were above 0.70 indicating good internal consistency (Heale & Twycross, 2015). The AVE values for the constructs were also above 0.5 (Hair et al., 2019) and thereby confirms an acceptable level of convergent validity. Finally, discriminant validity was assessed via the Henseler et al. (2015) Heterotrait-Monotrait (HTMT) criterion. As the HTMT values were all less than 0.90 (Henseler et al., 2015) we can conclude that discriminant validity is present. Therefore, overall, the measurement model is satisfactory.

Next, we evaluate the PLS-SEM results further by assessing the structural model. We begin by examining the latent variables for collinearity issues using the Variance Inflation Factor (VIF). Table 5 presents the latent variable correlations and VIF values. Instead of relying on correlations alone, we make a more informed decision about collinearity by relying on the VIF values. Hair et al. (2019) suggest that VIF values should be close to 3 and lower. As visible, the VIF values are all well below 3, thereby confirming that there are no collinearity issues that could bias the regression results. The R^2 which measures the model's in-sample explanatory power indicates that 22.2% of the variation in purchase intent could be explained by the four latent variables of reduced assortment size, perceived quality, brand portfolio, and brand fit.

Finally, we assess the statistical significance and relevance of the path coefficients. Based on the findings, we can conclude that reduced assortment size (β = -0.197, p<0.01), perceived quality (β = 0.256, p<0.01), brand portfolio (β = 0.296, p<0.01) and brand fit (β = 0.130, p<0.10) are statistically significant predictors of purchase intent. First and foremost, these results indicate that the two most important factors influencing consumer's purchase intent are brand portfolio and perceived quality, respectively. In addition, brand fit was also found to have a significant positive influence on purchase intent. This indicates that when consumer's perception of brand portfolio, perceived quality and brand fit within department stores increase, so does the purchase intent. As such, UK department stores should focus on strengthening its brand portfolio with brands that are perceived to be of high quality and

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[1] The initial PLS-SEM model indicated that PERQUAL01 and PERQUAL02 should be excluded from the model as the indicator loadings were below the acceptable threshold of 0.708 (Hair et al., 2019). Moreover, quality variation was non-significant (*p=0.682*) and was therefore excluded from the PLS-SEM equation to obtain a more parsimonious model. Accordingly, there was no evidence to support H3.

possess a good fit with the department store brand itself. Accordingly, we find evidence to support H2, H4 and H5. In contrast, a reduced assortment size was found to have a statistically significant negative impact on purchase intent, indicating that if consumers perceive there is less choice of products on offer within the brands available at a department store, then it will negatively influence their purchase intent. Given that this relationship is negative, we find no evidence to support H1. Table 6 summarises the outcomes from the hypothesis testing process whilst Figure 2 presents the re-fitted conceptual model.

Table 4. Indicator loadings and internal reliability.

Indicator	Loading
Purchase Intention (*α* = 0.980) | AVE = 0.961	
PI01	0.982
PI02	0.986
PI03	0.973
Reduced Assortment Size (*α* = 0.937) | AVE = 0.839	
ASSORT01	0.911
ASSORT02	0.924
ASSORT03	0.903
ASSORT04	0.924
Perceived Quality (*α* = 0.910) | AVE = 0.888	
PERQUAL03	0.887
PERQUAL04	0.995
Quality Variation (*α* = 0.943) | AVE = 0.897	
QV01	0.952
QV02	0.937
QV03	0.953
Brand Portfolio (*α* = 0.948) | AVE = 0.793	
BP01	0.914
BP02	0.887
BP03	0.925
BP04	0.914
BP05	0.816
BP06	0.884
Brand Fit (*α* = 0.977) | AVE = 0.916	
FIT01	0.959
FIT02	0.969
FIT03	0.974
FIT04	0.979
FIT05	0.902

Note: α indicates Cronbach's alpha. AVE refers to Average Variance Extracted. Only indicator loadings above 0.708 are considered when developing the PLS-SEM model (Hair et al., 2019).

Table 5. Latent variable correlations.

	Brand Fit	Brand Portfolio	Perceived Quality	Purchase Intention	Reduced Assortment Size
Brand Fit	1.000				
Brand Portfolio	0.545	1.000			
Perceived Quality	-0.258	-0.280	1.000		
Purchase Intention	0.320	0.384	0.050	1.000	
Reduced Assortment Size	-0.480	-0.452	0.456	-0.276	1.000
VIF	1.577	1.535	1.273	0.000	1.605

Table 6. Summary of Hypotheses Testing Results

Hypothesis		Result
H1	Reducing assortment size offered by brands will have a significant positive effect on the purchase intention of UK department store consumers.	Rejected
H2	Perceived quality of a brand has a significant effect on the purchase intention of UK department store consumers.	Supported
H3	Quality variation between brands has a significant negative effect on the purchase intention of UK department store consumers.	Rejected
H4	Perception of department stores brand portfolio has a significant effect on the purchase intention of UK consumers.	Supported
H5	Brand fit in department stores will have a significant positive effect on purchase intention.	Supported

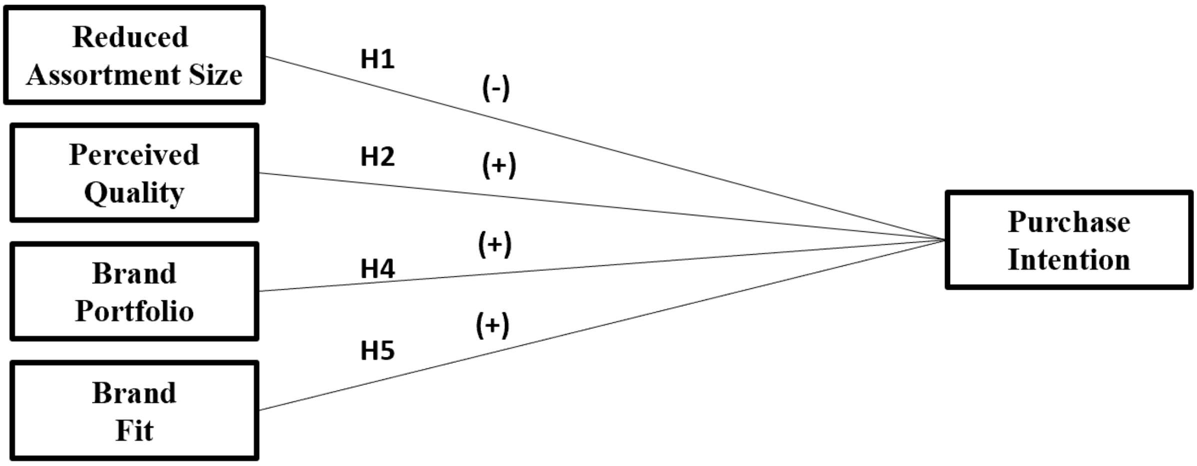

Figure 2. Refitted Conceptual Model for Purchase Intention.

5. Discussion

An unexpected finding was that a reduced assortment size had a significant negative effect on purchase intention. From the more recent literature reviewed, it was suggested that reducing assortment sizes mitigates the risks a customer faces when making a purchase decision by reducing the need for trade-offs (Simonson, 1999; Gourville and Soman, 2005). Therefore, it was hypothesized that if a department store were to reduce the assortment sizes of individual brands it would have a significant positive effect on purchase intention. Contrary to this, it was revealed it would decrease the purchase intention of consumers. This could be attributed to the fact that wider product assortments meet the heterogeneity of customer needs (Gourville and Soman, 2005), as suggested by earlier literature. Boatwright and Nunes (2001) had previously evidenced that an increase in sales can be seen if there is even a minor reduction in assortment size. The results of Boatwright and Nunes' (2001) study may not concur with the findings of this study as it was conducted with grocery store consumers. The findings could still contribute to Chernev and Hamilton (2009), who asserted that a reduced assortment size is only beneficial when the overall attractiveness of the products is high. A reduced assortment size in a department store could be successful if the customers perceive a high attractiveness of the products offered. However, the main findings of this study revealed that department store consumers still prefer a larger assortment size. Descriptive statistics did show that most respondents found a reduced assortment size to be more convenient and easier to make a purchase decision - signifying that it could be beneficial to take into account convenience when merchandising products in a department store. Creating the illusion of a smaller assortment size, while still providing the customer with choice, could increase purchase intention and create value for the customer.

It was evidenced by the findings that perceived quality had a significant positive effect on the purchase intention of UK department store consumers. More specifically, if a customer perceives the quality of a brand or product to be high then purchase intention will increase. This could be attributed to the fact that consumers use quality signals when assessing the risks associated with the purchase (Strizhakova *et al,* 2011). However, unlike the findings of Strizhakova et al. (2011) which indicates that perceived quality is the most important factor when it comes to a consumers' purchase decision, our findings indicate that a brand portfolio coherent in quality, identity, and reputation is the most important factor for a UK mid-market department store consumer's purchase intent. The findings also revealed that consumers use brand names as a signal of quality when making a purchase decision. This concurs with the existing literature that states that a brand name provides the consumer with substantial information about the product, which ultimately aids them in minimizing any risk (Grewal *et al,* 1998; Richardson *et al,* 1994). For department stores to increase purchase intention they need to understand how their consumers perceive quality and what attributes they associate with quality. This understanding will allow firms to retail an offering that satisfies the customer relative to cost and ultimately creates customer value for the firm (Monroe, 1990; Woodruff, 1997). As previously discussed in the reviewed literature, store image can be damaged if the quality perception of the brands is low (Grewal *et al,* 1998). This means that, for department stores, their brand image is being damaged by stocking brands that customers do not perceive to signal quality. Consequently, it can be concluded that department stores are losing their competitive advantage through a lack of customer value and differentiation in the market.

The findings of the effects of perceptions of brand portfolio revealed that respondents exhibited a significant positive effect on purchase intention when all brands in the portfolio are coherent in quality, identity, and reputation. This could be associated with the fact that consumers are more likely to make a purchase decision based on the status of the portfolio rather than an individual brand - a consistency in reputation will, therefore, increase their purchase intention (Nguyen *et al,* 2018; O'Cass and Frost, 2002). The research findings concur with the extant literature highlighting that strong associations between brands allow consumers to apply their brand trust to new brands in the portfolio (Petromilli *et al,* 2002). This means that for a department store to increase the purchase intention of its customers, it is necessary for the brands in their portfolio to be coherent. In a departmental view, a customer is more likely to place their trust in a new brand in the portfolio when they trust that it's attributes are consistent with the primary brands in the portfolio. In more explicit terms, a department store with brands coherent in tangible and intangible attributes such as quality, status, reputation and consistency will hold a larger value to the customer. However, if a customer perceives that a department store's portfolio lacks coherence they will be less likely to purchase and customer value is decreased. This is attributed to the fact that customer value is the customers' evaluation of the perceived product and its attributes (Woodruff, 1997). As previously discussed in the reviewed literature, a firm can only successfully sustain competitive advantage when they hold customer value (Zhou *et al,* 2009; McGrath, 2013). Therefore, the findings of the research suggest that, for department stores to gain competitive advantage they must offer a brand portfolio that customers perceive to be coherent.

The findings revealed that brand fit in department stores has a significant positive effect on the purchase intention of UK consumers. This could be attributed to the fact that when there is a high perceived fit between a parent brand and its extension, consumers are more likely to have a favourable attitude towards the extension (Bridges *et al,* 2000; Aaker and Keller, 1990). The findings that a perceived coherence between the parent brand and the portfolio is imperative is in line with the literature which states that consumers form positive perceptions of fit and explanatory links when there are salience and relevance between brands (Bridges *et al,* 2000). Once again, this provides a department store with customer value as consumers can see meaningful associations between the store and the brands offered. An increase in perceived customer value will ultimately create a competitive advantage for a UK mid-market department store (Varley et al, 2019).

6. Conclusion

To date, there is no known research relating to consumers' attitudes towards fashion product assortment in UK mid-market department stores. This research, therefore, advances theory on consumer attitudes towards UK mid-market department stores by demonstrating that customer perception has a significant effect on fashion product purchase intention. The key theme that emerged was that customer perception is extremely important and has a significant effect on purchase intention. It has been identified throughout the study that for department stores to survive it is necessary that they should differentiate beyond their current business model and propositions. The literature explored how firms could successfully create customer value through differentiation; something department stores were once proud innovators in. Themes emerged surrounding assortment size, perception of quality, quality variation, perceptions of brand portfolio, and brand fit. A series of hypotheses were developed relating to the themes, aiming to explore how they affected purchase intention. A conceptual model was created from these independent variables and quantitative data was collected in the form of an online survey. The conceptual model was then tested through multiple regression analysis and several findings emerged.

UK mid-market department stores have become increasingly focused on seeking cost advantage, losing their understanding of the consumer as a result and their competitive advantage as curators of product suited to that customer. The findings indicated that consumers did not believe that the current portfolios and fashion product assortments were coherent with the department stores' brand identity. Consumers are however still willing to shop in these destinations which therefore still have a place on the UK high street. Customers still desire a "one-stop-shop" where they feel valued and the product offering appeals to them. The recent shift towards enhanced customer experience is a move in the right direction to develop these relationships but to truly regain their competitive advantage, the focus needs to shift to their fashion product and brand portfolios. By localising the offering, department stores will be providing a portfolio that is truly curated for their core customers. The introduction of new and independent brands will once again make department stores a source of inspiration on the high street. Ultimately, putting customers at the heart of their product strategy should increase purchase intention and help UK mid-market department stores regain their competitive advantage.

The findings of this study must be considered in light of limitations in the sampling strategy. Due to time constraints and inaccessibility to appropriate sampling frames, the study could not use a probability sampling strategy but instead adopted a non-probability convenience sampling strategy. As the survey was shared on social media, this could have exposed the data to sampling bias due to the respondent's relationship with the researcher. However, ensuring a large sample size minimised any bias. While not the ideal sampling strategy, the results show that UK mid-market department stores lack an understanding of their target consumer. As an area for further research, probability sampling would yield a more representative result for the entire population.

The lack of academic research on this topic provides many opportunities for further research. The disconnect between department stores and their target consumers, and the effects that consumers' perceptions of the brand portfolio have on department stores are few examples. Moreover, there is scope for further research into localisation strategies as a gap that has emerged from the current study. Finally, as briefly alluded to during the analysis, future research should consider varied factors which could impact the purchase intent of department store consumers as our model only accounted for 22.2% of the variation in purchase intent.

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