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Measuring Customer Based Brand Equity on Hypermarket Store in India

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Abstract

A retail revolt is extensive throughout India. Organized retailing has grown with growth of Supermarket, malls, multiplexes, and hypermarkets; the consumer is being revealed to a new kind of shopping knowledge and services which is gently and surely redefining customer expectations from shopping. With stiffening of competition among different hypermarket store in India. Now it is become extremely important for marketers to spotlight on branding of their store. Brand equity is significant tool for associating a brand and influencing customers mind in making purchase decisions for particular hypermarket store. Retail market now expands in the form of hypermarket. Putting these factors at the center of investigation in this research, this would be the leading future format of retail in India. The data collection in this context reveals that customer based brand equity on hypermarket store in India.

Keywords: Hypermarket, Brand equity, Image, Awareness, Loyalty, Association and Quality.

1. Introduction

Indian hypermarket industry is more effervescent than ever, with key industry players vying for their share in the retail segment. The size and market share of Indian hypermarket is possible to increase in the upcoming years, given the well-developed macro-economic performance, positive consumption pattern owing to rising personal disposable income, swift development of level II and III cities, availability of excellence retail space and recent entry of giant industrial houses into retailing with spotlight on large store formats. Liberalization of the Indian market in the nineties and the entry of giant players in the retail business operations have been brought the retail industry into limelight. Big players and national retail chains are shifting the rules of the game. After supermarkets stores, departmental stores and convenience stores, Indian retail market has seen concept of hypermarkets coming of era. The hypermarkets are not latest to the western countries. Players like Wal-mart, Metro

have established hypermarkets in various countries. In India, hypermarket concept is in growing stage, retailers like Pantaloons, RPG, Reliance and Future group has been started hypermarket business operations and they are having tactics to swell up aggressively to all the regions of India. A huge number of international retailers have evinced attention in India, despite the absence of favorable government policy for foreign players. India has the largest unorganized retail markets in the world. India's per capita of retailing space is the less in the world as more than 96% of the retailers function in less than 500 square foot of area. India has geographical, cultural and socio economic diversity there is no role model to be adopting by Indian suppliers and retailers. Hence, the retail industry witnesses the development of region specific formats. At present, the organized retailers are penetrating in B class towns. They introduce a large discount formats. Hypermarkets are the competitors for both organized and unorganized retailers. Organized retailers offer the customers a wide range of low priced products, which includes groceries, processed food, fresh food, apparel products and consumer durables. These products are within the reach of the lower income groups of people. In India the organized retailers are spared over 50,000 square foot. There are more than 25,000 stock keeping units in India. Regarding hypermarkets, the larger part of their operating cost goes towards rentals. The cost of labour, social security to employees, high quality, bigger premises real estate, air-conditioning, back-up power supply taxes etc. add to the price of the products.

At present there is a expansion of organized retail space in major Indian cities. Real estate is a deciding factor of the profitability of any store. In Indian organized retailers occupy a lot of space on the other hand; malls and hypermarkets are coming up only in cities like Mumbai, Delhi, Chennai, Bangalore, Kolkata and Pune. The profit of retailers depends upon selling manufactured brand products a reality. Hence, building brand equity of retailers in a challenging problem. Such brand equity to compete with retailers has the straight impact of increasing revenue and profitability. Indirectly the retailers have to decrease the cost of the products and the manufactures increase the price of their products. Retailer brands are different from product brands. Retail brands are multisensory than product brands. Rich consumer experiences have an impact on their retailers. Attaching unique association to the quality of their operation, service, their product variety merchandising, pricing and credit policy, retailers can create their brand image.

1.1. Hypermarket

The concept of hypermarket comes into existence in USA by merging the food supermarkets store and non-food discount store. The sales areas of hypermarket store various from country to country. This concept of hypermarket is also popular in India and it is divided in two big hypermarket and small hypermarket according to the total sales area. If the stores have between 2000 to 5000 square meters of sales area, they are considered as big supermarkets or small hypermarkets. If the stores have more than 8000 square meters area they are considered big hypermarkets. Some of the Hypermarket stores in India. Big Bazaar, Dmart, Trent, Landmark, Star Bazaar, More ,Spencer's, Hypercity, Metro Cash and Carry,Reliance,SPAR, V Mart, Saravana stores, Shopperstop etc.

2. Review of Literature

Mehrabian and Russell (1974) note that the response that retail store atmosphere elicits from consumers varies along three key areas of pleasantness, arousal, and dominance. This results, in turn, influences behavior, with superior likelihood of purchase in more settings that are enjoyable and in settings of intermediate arousal level. (Bellizzi, Crowley, and Henderson 1983;

Milliman 1982; Eroglu and Machleit 1990; Grewal et al. 2003) Different dimensions of a retailer's in-store setting, e.g., color, music, and crowding, can influence consumers' perceptions of a store's ambiance, whether or not they visit a store, how greatly time they spend in it, and how much money they pay out there. Baker et al. (2002) offer a good review of this research and classify the elements of in-store atmosphere into objective features like design, lighting, and layout, ambient

features like music and smell, and communal features like type of clientele, employee availability and responsiveness. They note that atmosphere can have an effect on consumers' perceptions of the economic and psychological expenditure of shopping in a store and find that pleasing physical design lowers both economic and psychological costs while music lowers the latter. Store atmosphere mediates consumer perceptions of other dimensions of store image. Baker et al. (2002) find that store environment factors, particularly physical intend perceptions, significantly affect consumers' perceptions of merchandise price, merchandise quality, and employee service quality. Schlosser (1998) argues that, since store atmosphere has a societal identity appeal, an enjoyable atmosphere in the store should influence perceptions of socially communicative products in the store, not so much essentially rewarding products. This logic can be comprehensive to argue that store atmosphere would have a greater impact on perceptions of products with top perceived (social) risk. Indeed, Richardson, Jain, and Dick (1996) do find that consumers' ratings of the private label's quality are higher when the store is aesthetically pleasing than when it is lowest attractive, although there is no significant difference in their ratings of national brands' quality.

3. Theoretical Background

3.1. Brand Equity

Customer based brand equity is the degree of difference effect of brand knowledge on customer reaction to the marketing of the brand. A brand is supposed to have positive or negative brand equity when customers react more or less favorably to a component of the marketing mix for the product or brand than they do to the similar marketing mix element while it is accredited to a dishonestly named or unnamed version of the product or service. Brand knowledge is conceptualized to an associative system memory model in terms of two components, brand awareness and brand image (i.e., a set of brand associations). Customer-based brand equity occurs while the customer is well know with the brand and holds several favorable, strong, and distinctive brand associations in memory. Much interest has been dedicated recently to the concept of brand equity (Aaker and Biel 1992; Leuthesser 1988 ;) Brand equity been viewed from a variety of perspectives (Aaker 1991; Farquhar, Peter H 1989; Srivastava, Rajendra K. and Shocker Allan D 1991; Tauber 1988). In a broad sense, brand equity is define in terms of the marketing special effects distinctively attributable to the brand-for example, when positive outcomes result from the marketing of a product as of its brand name that would not arise if the same product did not have that name.

3.2. Brand Image

Brand image beliefs include all the associations that consumers bond with the brand (Batra and Homer, 2004). According to Aaker (1997), many of the brand associations that make brands unique and strong are of nonfunctional nature; they go beyond the perceived quality of the brand on functional product and service criteria and deal instead with 'intangible' properties of the brand (e.g. Coca-Cola is "All American", Mercedes is "prestigious", etc). These brand associations are created or developed from brand and product category experiences, positioning in promotional communication, or user imagery (Gwinner & Eaton, 1999; Keller, 1993). McCracken (1986) posed those brands benefit from associations with endorsers, because endorsers acquire or possess a variety of desirable meanings, (e.g. Pepsi becomes more attractive to teenagers when endorsed by Madonna, because of her anti-establishment image). In his research, he explained that the associations (meaning) transfer from the celebrity endorser to the brand when both endorser and product are positioned together in an advertisement. The greater the perceived fit of brand associations between the sponsor/ endorser and the brand, the more likely brand image transfer will take place (Smith, 2004). However, why is this fit a necessity to transfer image associations? McCracken (1989) pointed out to the endorsement process in which the consumer needs to see the essential similarity (congruity) between endorser and brand

(e.g. appropriate tone, pace, etc.), in order to incorporate the endorsers associations (e.g. gender, lifestyle, social class, personality)

3.3. Brand Awareness

According to Aaker (1991, p.61), brand awareness is the ability of prospective buyer to identify that a brand is a component of a certain product category. Moreover, brand awareness is one significant role in consumer decision making as it accentuates the brand to enter consideration set, to be used as a heuristic and the perception of quality (Macdonald & Sharp, 2000).To reach purchase decision stage, the consideration set plays a part for the brand products to be chosen (Mowen & Minor, 2001). The reason brand awareness is crucial for customer to reach buying decision is that consumers usually reach a purchase decision by using a heuristic such as "purchase the brand they have heard of"or "choose the brand they know" and then buy only the familiar, well established brands (Keller, 1993). To add on the importance of brand awareness, Atingan et al. (2005, p. 241) claimed that brand equity occurs when the consumer possess awareness and familiarity with the brand at high level and hold some strong favorable, unique brand association in memory.

3.4. Brand Loyalty

Aaker (1991, p.39) claimed that brand loyalty is the measure of an attachment a customer has for a brand. According to Oliver (1997), brand loyalty is a held commitment to repurchase or support a preferred product continually, despite other brands' marketing efforts causing the switch of the brand. Brand loyalty could signify high brand equity-which linked to future profit when a customer buys with concern to the brand name rather than the respect for price, features and convenience. When a brand make a change in prices or product features, strong brand loyalty would indicate that it is unlikely for a customer to switch brand. Brand loyalty can be categorized into five levels ranking from non-loyal buyer, habitual buyer, satisfied buyer, and likes he- brand buyer to committed buyer. According to Ukpebor and Ipogah (2008), it is presumed that consumers understanding of quality will be associated with their brand loyalty. As the more loyal a consumer to a brand, the more he/she is presumed to see the brand as a superior quality and vice verse. In addition, the more favorable association's consumers have towards a brand, the more their loyalty and vice versa. According to Jacoby and Kyner (1973), brand loyalty can describe the preferential behavior toward one or more alternatives out of a larger field containing competing alternatives. It serves an acceptance-rejection function. Not only it does 'select in' certain brands, it also 'selects out' certain others.

3.5. Brand Association

Brand association is anything relate to the preference of a brand (Aaker, 1991, p.109; Keller, 1993). This factors in brand association assist in the building brand's image (Biel 1991). Brand image is seen as the perceptions-reasoned or emotional- consumers attach to specific brands (Dobni & Zinkhan, 1990). Brand image consists of functional and symbolic brand beliefs. It is based on the suggestion that consumers buy not only a product but also the image association of the product, such as power, wealth, sophistication, and most importantly identification and connection with other users of the brand (Evans et al., 2006, p.138).

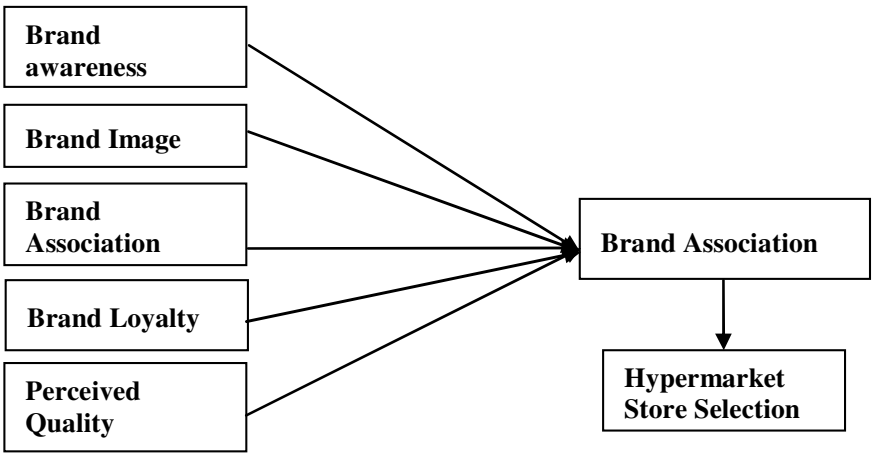
3.6. Perceived Quality

Perceived quality-customer's perception of the overall quality or superiority of the product ; thus, intangible, it is overall feelings about the brand (Aaker, 1999, p.85). Zeithaml (1988) claimed that perceived quality can be defined as the consumers' judgment about a product's overall excellence or superiority. Through a research, one brand name is regarded as one of many possible extrinsic cues of product quality (Bristow et al., 2002).When objective quality of a product is hard to justify, buyers

would take more abstract signals such as brand name as the key consideration. In the mind of customers, perceived quality defines perception, product quality and superiority. This effect on customers generally stimulates brand integration and exclusion which leads to positive consideration set before purchase decision. According to Zeithaml (1988), a consumers' perception of product quality is based on evaluation of intrinsic and extrinsic attributes. Consumers depend on intrinsic attributes when the cues have high predictive value such as when consumers study the beverages, they use taste as the signal of quality assumption. If the beverage did not taste fresh, the evaluation was that quality was low. On the contrary, extrinsic cues are posited to be used as quality indicators when the consumer is operating without adequate information about intrinsic product attributes. This situation may occur when the consumer has little or no experience with the product or has insufficient time or interest to evaluate the intrinsic attribute and cannot readily evaluate the intrinsic attributes.

According to Iglesias and Guillen (2004), consumer perceives the product with the consideration of quality before making a decision to purchase or not purchase a certain product from a certain brand.

4. Research Model



4.1. Methodology

The study is based on the primary data. The relevant secondary data have been collected from various journals, magazines, books and websites. The collected data coded, tabulated and analyzed with the help of a few statistical tools.

4.2. Sample Design

The present study is infinite. Hence, it was decided to use convenient sampling method. Since the study connected to the urban people, sample chosen consisted of 100 respondents representing from different status viz., businesspersons, professionals, students, employees etc.

4.3. Statistical Tools

Various statistical tools used in analyzing the primary and secondary data. This involves a lot of calculation and computations. In order to economies the time and ensure accuracy computer is used for analysis, whenever problems arise. The researcher has used the regression analysis for analyzing the data.

5. Results

For reliability test of the research was used Cronbach‟s alpha coefficient and the results of variables reliability are shown in table 1.

Table 1: The result of Brand equity variables research and questionnaire based on Cronbach's alpha coefficient

Brand Equity Variables	Alpha	Items
BA-1Brand Awareness	0.807	5
BI 2-Brand Image	0.821	4
BP3-Perceived quality	0.463	6
BL4-Brand Loyalty	0.789	5
BA5-Brand Association	0.823	5

It is calculated Cronbachs alpha coefficient for all of questions of this research and results are 0.823 to 0.789, then the reliability of research is supporting. For validity evaluation was used from content validity and verification of expert professors and expertise in SPSS Software.

Table 2: Mean, Standard Deviations, and Pearson Correlation Coefficients.

	Mean	Std Deviation	1	2	3	4	5
Brand awareness	3.4888	.88930	1				
Brand Image	3.2279	1.01737	.419**	1			
Brand Association	3.4694	1.01041	.573**	.389**	1		
Perceived Quality	3.2925	1.02399	.433**	.330**	.598**	1	
Brand Loyalty	2.8175	.83728	.258**	.212**	.268**	.325**	1

**correlation is significant at the 0.01 level (2-tailed)

Table 3: Regression Analysis

	Standardization Beta Coefficient	t	Sig.
Brand Equity (Dependent Variables)		3.321	.000
Brand awareness	.206	2.893	.002
Brand Image	.375	4.371	.000
Brand Association	.043	.507	.306
Perceived Quality	.025	.342	.366
Brand Loyalty	.185	2.328	.010
R Square	.408		
Adjusted R Square	.387		
F	19.42		.000

To test the research model, liner multiple regression analysis was performed by using SPSS with brand equity as the dependent variable. Results summarized in table 2 shows that model was significant at p<, 001 and adjusted R square =0,378 meaning the constructs included in the model explained approximately 40% of variations. Table 2 also explained the Standardization Coefficients indicating the relative effects of brand equity. These results show three of five hypotheses. From a branding perspective, an appealing in-store atmosphere offers much potential in terms of constructing a unique store image and establishing differentiation.

Increasingly, brands are being positioned based on their intangibles, attributes, and benefits that transcend product or service performance. Even if the products and brands stocked by a retailer are similar to others, the ability to create a strong in-store personality and rich experiences can play a crucial role in building retailer brand equity.

6. Conclusion

This study proposed to explore the customer based brand equity on hypermarket store in India and result provide some interesting and useful information. Considering the five selected brand equity together, Perceived quality was found to be effective on building brand equity. That is, for hypermarket customer quality is important indicator for selection of hypermarket shop. Perceived quality may be reflected of advanced technology, shop atmosphere, product, service etc. These findings may be still rational since the brand image, brand awareness, brand association and brand loyalty are not perceived as important factors building brand equity. This shows importance of Perceived quality in creating awareness and brand image in the hypermarket.

6.1. Managerial Implications

As managerial implications, if retailer enhance their brand equity (brand image, brand awareness, perceived quality brand association and brand loyalty) they will get loyal customer for that retailers should use effective advertisement, service, promotional strategy, offer quality products etc. we can conclude that brand equity is essential in retail sector to increase sales.

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