ORIGINAL RESEARCH PAPER

Management

A CONCEPTUAL FRAMEWORK ON CONSUMER BASED IN-STORE BRAND EQUITY MEASUREMENT MODEL

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ABSTRACT

Retail sector is one among the emerging sector of Indian economy. It is categorized as organized and unorganized segment with larger share in the markets of Indian economy. When compared to unorganized segment, organized retail sector in long-term stance, has positive approach, supporting by rising income, favorable demographic factors with increasing urbanization and entry of foreign players too. Among overall in-store brand's market share, food and groceries category are the dominating one. Simultaneously when we compare private with national brands, they have sharp upward incline in both online and offline and impelling in resources to forte their growth. Reason behind the strength of private brands is they have complete control over design, size, variety, price, and stocking, distribution channel. Objective of this study is to develop and assess the customer based store brand equity model.

Introduction

Essential success factor for an organization to endure in long-run is the management of Brand Equity and it is also one of the key business functions. Drastic changes have been observed in many organizations in its profits and market share by enhancing Brand Equity. One of the most explored topics in marketing is Brand Equity. Most of the strategic changes of the organization are intensive upon achieving sustainability and modest brand equity. Entry of private brands, MNC and emergence of business practices with refined technologies has led to highly cut throat competition for the marketers in stabilizing their brand performance.

Value for brand derived from the customer's perception on product or brand is termed as Brand Equity. Brand equity helps to determine the purchase intension and preferences of consumers that changes time and again. Retailing is deliberated as the fast growing and vibrant sector. Most of the contributions of the organizations are delivered via retail channel. Retailers play an imperative role in influential success of brands in the market. Along with the quality and price of the product, way that retailer delivers or show case the product to the customers influences the acceptance and rejection of the brand. Retailing across cross borders is the present trend which is at fast growing phase. The various innovative ways of retailing are practiced in either of terms of formats, strategies like store pricing, merchandising, promotions, relationship with customers, etc. This research explores the Indian retail industry to evaluate and present about how the store brand equity is determined by placing customer at the center among various determinants of store brand equity.

Though previous literatures state various determinants of brand equity, the customer based Brand Equity determinants in context to store brands are noteworthy insufficient research attention.This study efforts to conduit this gap. Consumer Based Brand Equity (CBBE) was coined by Kevin Keller from consumer's perspective in the year of 1993. The construct of Consumer Based Brand Equity ventured a multidimensional approach (Keller, 1993). In the year of 2001,Yoo and Donthu further used this view to define a scale to measure Customer Based Brand Equity. According to the sub measurement paradigm, Brand Awareness, Associations, Perceived Quality, Brand Loyalty and Overall Brand Equity of the brands given by the consumers were the sub dimensions of Brand Equity.

However brand equity is researched to greater extent and the researches have suggested various determinants of brand equity, still there is need to generate an enhanced understanding of composition of brand equity in different cultural context and distinct product categories to make endorsements to managers to cope their brand equity.

Research Question
1. Is there a brand equity model which fits passably and relates to In-store brand equity?
2. Is this In-store brand equity model conceptually different from other brand equity measurement models?

Literature Review

According to Yoo et al and Kim et al(200,2009), Copious literatures have laid prominence on conceptualization of brand equity. Out of which one of the most beneficial literature contribution regarding brand equity is Aaker's Conceptualization (Yoo et al., 2000; Pappu et al., 2005). Aaker (1991) stated "Brand Equity as a set of assets and liabilities linked to a brand's name or symbol that adds or subtracts from the value provided by a product or service to a firm and its customers". Quite a lot of determinants have been proposed in the process of researching brand equity. By which brand equity is defined as multidimensional and it comprises of five components namely – Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty or Brand image and other exclusive assets that are linked to the brand (Aaker, 1991). According to Keller (1993), theoretically Brand equity can be defined as the resultant or comparison of marketing outcome that adds value to product with help of brand name and the same product which is not associated to any of the brand name. More precisely, customer-based brand equity refers to consumers' perceptions about a brand, that are considered as precarious to success of a brand in current competitive market (Tong and Hawley, 2009; Choi and Huddleston, 2013). Liuying He and Yaxuan Ran (2015) claimed that some characteristics factors of consumers, such as purchasing behavior, purchase frequency, gender and age, will standardize the effect of crisis on brand equity.

Customer Based Brand Equity

Brand equity is defined as the value that consumers associate with a brand. Brand awareness, brand associations, perceived quality, brand loyalty and other proprietary assets are the five components of brand equity (Aaker, 1991). Keller (2003) claimed that the Strength of a brand associate in the minds of customers by usage or their experiential learning about the brand over time. Brand knowledge comprises of brand awareness and brand image. High brand equity level leads to higher consumer preferences and purchase intentions (Cobb- Walgren, 1995). Srinivasan et al., (2005) defines brand equity as the variance between the choice probability for a certain brand and that of the base brand. Atilgan et al., (2005) stated that customer loyalty is the sturdiest foremost path to brand equity which has a direct constructive role that impact brand equity. Kim and Hyun (2010) stated that, Awareness/Associations, Perceived quality and Loyalty are the most weigh up to be the determinants of Brand equity. Brand equity plays a vital role in lowering perceived risk for new product adoption, even in situations subjugated by functional purchasing decisions (Stavros et al., 2012). Consumers' associations with the brands play a dynamic role in shaping brand equity. Bijuna C. Mohan and A.H. Sequeira (2016) stated that if brand equity is to be built, it is indispensable for managers to measure the brand association, brand loyalty, and perceived quality of FMCG brands, and further build them with the help of introducing appropriate marketing strategies.

Store Brands

Store brands are brands possessed, managed, and sold exclusively by a retailer (Baltas, 1997). Private labels has flourished in a number of product categories and procured huge market share as retailer's apparent vast benefits by their introduction. According to Raju et al., (1995), Private labels added assortment to the product line in a retail category. Private Label products draws higher retail margins in comparison to national brands (Ashley, 1998). Private Added benefits ensued to the retailer in terms of distinguishing its offerings from competitors as well as having greater impact on the manufacturers of national brands. A private label brand signifies a upright substitute for consumers to the prominent brand product and thus strives directly with targeted National Brands (Meza and Sudhir, 2003). Further, Kristof De Wulf (2005) stated that Private label products can offer the equivalent or even better quality than national brands, but at a lower price. Kumar and Steenkamp (2007) claimed that store brands are emerging more rapidly than manufacturer brands. Lin et al., (2009) stated that consumer attitude and behavior towards store brands are yet to well recognize.

Brand Awareness and Brand Equity

Alba J. W. and Hutchinson J. W. (1987) acknowledge that Brand awareness is the outcome of consumer's acquaintance to brand. Keller (1998) claimed that brand awareness plays an imperative role in consumer decision making by assigning three advantages; these are knowledge about Brand, deliberation and choice advantages. According to Keller (2001) building brand awareness ensures that the customer is conscious of the category of products the brand competes in, which results in improving brand equity. Tong and Hawley (2009) claimed that brand awareness is a source of brand equity. Brand awareness leads to a high level of brand equity (Yasin et al., 2007). Buil et al., (2013) proposed that brand awareness have a positive, through indirect, impact on brand equity. Huang et al., (2015) states, Destination brand awareness is the ability to distinguish and reminiscence a brand and it is regarded as main component of brand's effect on tourism industries Awareness is prerequisite for brand equity since consumers must be aware that the brand exits. Based on the supporting literature, brand awareness is considered as one of the determinant in this study that is believed to determine the store brand equity.

Brand Association and Brand Equity

Myers (2003) considered that brand association is not only a discrete brand theory, but it also has the quantifiable feature to test the effectiveness of brand equity in the marketplace. Leone et al., (2006) clearly exemplified that brand association is a part of brand equity, as the strong and unique brand association are essential as sources of brand equity for an initiative customer behavior. Till et al., (2011) stated that the elements of the brand equity produce the discrepancy effects of the brand knowledge to guide customers' cognition. Brand association is a part of brand equity, which provides the basis for brand equity development. Customers' feelings and perceptive capacity are supposed to vintage their brand association towards the brand equity recital in the marketplace. Thus, the relationship between brand association and brand equity are enlightened by the many researchers and therefore brand association is the second variable that is considered for the model development.

Perceived Quality and Brand Equity

Zeithaml (1988) stated superficial quality as "the customer's overall quality perception of a product or service with respect to its envisioned purpose, comparative to alternates or substitutes". Perceived quality enhances value to a brand in quite a lot of ways: high quality gives customers a resilient reason to purchase the brand and enables the brand to differentiate from its competitors, to charge reasonably priced, and to have strong opportunities for the brand extension (Aaker, 1991). Ramos and Franco (2005) states that the customer's attitude about the product's quality and its expected performance build the brand quality measurement

scale indicator perceived by the customers. Perceived quality was found to have affirmative effect on brand equity (Yoo et al., 2000). Therefore, perceived value is the third determinant considered to develop the brand equity model for store brands.

Customer Loyalty and Customer Advocacy

Prospective customers consider information acquired from peers or strangers as more unbiased and trustworthy than those of an economic entity (Brown et al., 1987). According to Price and Arnould, (1999), Customer advocacy is also regarded as an important consequence of customer obligation. In recent years, a number of studies have examined the relationship between affective obligation and advocacy allegiance (Bansal et al., 2004) and repurchase loyalty (Harrison-Walker, 2001). Consumers who are affectively dedicated to a brand are less affluent to retain; not much of vulnerable to loss from competitive efforts, alacritous to pay a price premium; and also desire to transfigure others to the brand via brand advocacy (Grisaffe and Nguyen, 2011). Susanta et al., (2013) stated that advocacy may be understood as a loyalty outcome. The studies show a consistently progressive and strong impact on affective commitment and advocacy loyalty and repurchase loyalty. Thus, customer advocacy is considered as a determinant to build the model for the study.
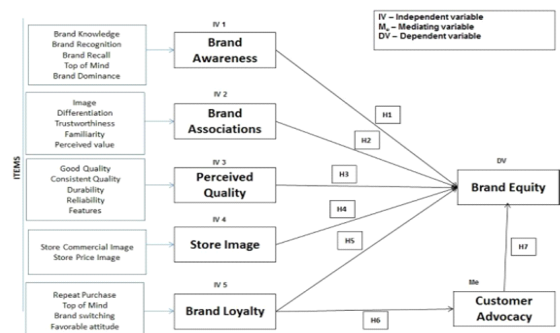
Brand Loyalty and Brand Equity

Aaker(1991) states, Brand loyalty is defined as a state which parades how likely a customer will be willing to switch to another brand, especially when that brand undergo a change, either in price or in product features. Brand loyalty is deliberated to be the strongest path leading to brand equity and has a constructive and uninterrupted role in affecting brand equity (Atilgan et al., 2005). Brand loyalty was found to have a dominant effect on brand equity as it leads to a high level of brand equity (Gil et al., 2007). Brand loyalty is at the heart of brand equity (Tong and Hawley, 2009). From the review of literatures, brand loyalty is considered to be one of the mandate determinants while developing the model for the study. J Dlacic et al., (2014) stated brand loyalty as loyalty articulated through forthcoming intensions of purchasing contributes to the business result of the organization. It can be stated that developing brands with strong brand equity is important for the sustainability and advancement of doing business of each organization in the competitive market.

Store Image and Brand Equity

Collins-Dodd and Lindley (2003) claimed that store appearance plays a role in specific store brand evaluations. Vahie and Paswan (2006) have scrutinized the impact of store image on private label brand image. They found that store atmosphere and store quality positively influence the perception of private label brand's quality. Following Ailawadi and Keller (2004) stated that the image of the retailer or the store in the observances of consumers is the basis of the store brand equity. Since, the literatures have established store image as one of the basis in specific brand evaluations, it is adopted even in this study to develop the model. From the above ratification of brand equity determinants and the relationship prevailing among them, the causes have been restructured to develop store brand equity model.

Proposed Conceptual Model

Proposed Hypotheses

H1: Brand Awareness has an effect on Brand Equity of In-store brands.

H2: Brand Association has an effect on Brand Equity of In-store brands.

H3: Perceived Quality has an effect on Brand Equity of In-store brands.

H4: Brand loyalty has an effect on Customer Advocacy.

H5: Customer Advocacy has an effect on Brand Equity.

H6: Brand loyalty has an effect on Brand Equity.

H7: Store Image is an antecedent of In-store brands' Equity.

H8: The relationship between Brand loyalty and Brand Equity is strengthened by the mediation effect of Customer Advocacy.

Discussion and Conclusion

This study intends the key determinants of brand equity based on customer perspective to enrich the quality of the store brands along with the national brands. Based on the diverse determinants considered for the study, brand equity is highly influenced by store image which is followed by consumer's perceived quality, brand loyalty with the arbitration effect of customer advocacy, brand awareness and brand association in order of impact on brand equity. Thus, it can be stated that this brand equity model fits passably and relays to In-store brand equity. Though various researches were conducted on brand equity, this research differs from them by adding store image as one of the determinant along with other determinants like brand loyalty, brand association, perceived quality and brand awareness. Other than store image, this model presents Customer advocacy as mediating determinant in order to relate brand loyalty and brand equity.   Thus based on the introduction of new determinants like store image and customer advocacy, we can rationalize that the store brand equity model is moderately different conceptually from other existing brand equity determinant models.

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