



Empirical Study on Influence of Store Brand Personality on Consumer Choice of Store Across Organized Retail Formats in Pune

Prof Komal Chopra
Assistant Professor, SIMS

Abstract

The purpose of the study is to investigate the impact of "brand personality" of an organized retail format on "consumer choice" in selection of a store. Five personality dimensions: Sincerity (store moral values), Excitement (in store promotions to create excitement), Competence (competence of service personnel in the store), Sophistication (presentation of merchandize), and Ruggedness (ruggedness of products within the store) given by *Aaker (1997)* have been selected to test the assumption. Secondary data was collected through research reports and research papers related to brand personality and retailing. Primary data was collected through a structured questionnaire. The stores surveyed were selected on the basis of characteristics of the retail format (one hypermarket, one specialty store and one departmental store). Three stores of different formats were selected to examine the variation in impact of brand personality on consumer choice across the three different formats. Sample size of 120 respondents (40 from each format) was taken through a structured questionnaire. The respondents were selected through simple random sampling. Simple regression analysis and ANOVA were administered to test the hypotheses. The results revealed that "brand personality" had a significant impact on the "consumer choice" of store. The research will enable the organized retailers to focus on enhancing those brand personality dimensions which consumers perceive as important for store selection. Enhancing "brand personality" will lead to enhanced market image thereby generating more consumer traffic within the stores leading to increased sales and profits.

Keywords : brand personality, consumer choice, organized retail, India

1. Introduction

While shopping for goods in an organized retail store, consumers have to make decisions regarding product choice and store choice. Prior research shows customers possess and utilize store personality in making store choice (e.g., Finn and Louviere 1996). Various store attributes such as ambience, product presentation, promotional activity, service delivery by personnel, product quality and durability add to the brand personality of the store.

1.1 Brand Personality

The American Marketing Association describes a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one

seller or group of sellers and to differentiate them from those of competition." Brand personality can be defined as "the set of human characteristics associated with a brand" (*Aaker 1997*). Brand personality stems from one stream of research that emphasized human qualities of brands inspiring personality-led branding and the creation of brand personality as a concept. Hence, generally, brand personality is viewed as brand image component. (*Magin, S. ., Algesheimer, R. ., Huber, F. and Herrmann, A. 2003*) It is noteworthy that, because of the strong link to marketing communications, brand personality became synonymous with all the brand's nonfunctional benefits. (*Plummer, J. T. 1984*). There are five personality dimensions: Sincerity (store moral values), Excitement (in store promotions to create excitement), Competence (competence of service personnel in the store), Sophistication (presentation of merchandize), and Ruggedness (ruggedness of products within the store) given by *Aaker (1997)* in the brand personality framework. Humanizing a brand empowers it to play a more central role in the consumer's life, potentially enabling the consumer to project an aspect of his or her self that might be desirable for relationships he or she seeks (*Aaker 1997; Wallendorf and Arnould 1988*) or possibly even give him or her a sense of comfort at having found a brand that "fits" with his or her self-concept (*Aaker 1999; Sirgy 1985; Swaminathan; Page and Gurhan-Canlı 2007*)

1.2 Consumer Choice

Consumer store choice results from a process whereby information on various alternatives is evaluated by the consumer prior to the selection of one of these alternatives. In the application of store choice models it is often assumed that the information-processing strategy underlying store choice is a simultaneous one in which *all* possible alternatives are evaluated by an individual. Models like the well-known NBD and Dirichlet models have been applied to store choice (e.g., Kau and Ehrenberg 1984; Wrigley; 1985 and Uncles and Ehrenberg 1988) Wrigley and Dunn (1984) suggest a multivariate extension including store choice, the Dirichlet model. The Dirichlet model combines purchase timing and store choice. Sinha (2000) estimated a factor analytic nested logit model that combines spatial interaction models with internal market structure analysis. Store choice is estimated as a two-stage process where consumers first select a region or suburb and next select a store within this region. Although this model provides information concerning the competitive retail market structure, it only utilizes information concerning the share of household shopping trips to different stores.



2. Retailing in India

India ranks as the most emerging destination for retail in the world ahead of Russia and China (A.T. Kearney's annual Global Retail Development Index, 2009). The organized retail market in India is expected to reach 637 \$ billion by 2015 (KSA Technopak Analysis). Mall space, from a meager one million square feet in 2002, was expected to touch 40 million square feet by end of 2007 and an estimated 60 million square feet by end of 2008 (Jones Lang LaSalle's third annual Retailer Sentiment Survey-Asia). In January 2006, the Union Cabinet approved a major rationalization of the policy on FDI in retail to further simplify procedures for investing in India and to avoid multiple layers of approvals required in some activities. To facilitate easier FDI inflow, FDI up to 100% was allowed under the automatic route for cash and carry wholesale trading and export trading. However to protect the interests of Indian retailers, the FDI in retail was limited to 51 % in “single brand retail” only.

2.1 Organized Retail in India

Organized Retail in India refers to the modern retail formats like supermarkets and hypermarkets that have an organized structure, systems, people and processes. Currently, the share of organized retail continues to remain at 6 % (A.T. Kearney & CII, 2008). The drivers of organized retail in India include higher disposable incomes of consumers, change in consumer lifestyles, double income households, product variety and one stop solution for all needs coupled with shopping and entertainment.

2.2 Unorganized Retail in India

Unorganized Retail in India is refers to kirana stores, street markets, kiosks and roadside peddlers. The term “unorganized retail” is better understood by the following characteristics:

- 1) Family-run stores
- 2) Lack of best practices when it comes to inventory control and supply-chain management
- 3) Lack of standardization
- 4) Essentially a sector populated by anyone who has something to sell

2.3. Global Retail Scenario

The signs of economic slowdown in the US were visible in 2007 (Euromonitor International, 2007) leading to slowdown in various sectors including retail. The US market is dominated by giant retailers such as Walmart, Kmart, Home Depot, Office Depot, Toys R Us, McDonald's, Starbucks and a few others, leading to a complete saturation of the market. Hence the US retail giants are exploring possibilities in emerging markets. However, markets in Latin America continue to be promising with Brazil taking the lead. The rising middle class due to higher disposable incomes has offered numerous opportunities to country's domestic and international retailers to capitalize on the consumer purchasing power.

Europe can be considered as a mature market with presence

of large number of retailers. Mature markets include countries such as UK, Ireland, Austria, Denmark, Spain and Finland. However Russia continues to be a favorite destination due to strong income growth and higher consumer spending. The GDP of Russia in 2010 is expected to grow at 6 % as per IMF estimates. Strong GDP growth in Asian countries (projected at 5.6 % for India and 7.5 % for China in 2010 as per IMF report) coupled with absence of major competition has lured global retailers to look towards Asia.

3. Literature Review

The concept of store image is the way consumers 'see' the store in their minds (Farhangmehr et al. 2000). According to Yalch and Spangenberg (1990), the right use of colour, lighting, sound and furnishing may stimulate perceptual and emotional responses within consumers, which eventually affects their behaviour. Store as choice is also dependent on the timing of shopping trips, consumers may go to a smaller local store for short 'fill-in' trips and go to a larger store for regular shopping trips (Kahn and Schmittlein, 1989).

Many studies have examined the effects of self-congruity on consumer behavior (Bauer, Mäder, and Wagner 2006). However, self-congruity research in retailing has been limited (Sirgy, Grewal, and Mangleburg 2000). In a related stream of research, a widely accepted brand personality scale has been proposed by Aaker (1997). Investigating the brand personality concept in retailing has been listed among the top research priorities for future retail research (Ailawadi and Keller 2004). It has long been suggested that symbolic attributes of a brand are important for explaining purchasing behavior (Aaker 1997). Previous research demonstrated that the greater the congruity between a brand's personality and the individuals' actual self, the greater the brand loyalty (e.g. Bauer et al. 2006; Sirgy 1982). Some studies also indicate an effect on retail patronage (e.g. Bellenger et al. 1976).

Kaul (2005) made a study on the store attributes that are appealing to the self-image of consumers and their impact on in-store satisfaction and patronage intentions. She concluded that service expressiveness value is distinct from the performance value obtained from service delivery. Consumers satisfied with service quality are most likely to become and remain loyal (Wong and Sohal, 2003). Kaul (2005) further observes that a store having modern equipment, good and clean physical facilities and ease in transactions would be able to yield satisfaction and patronage intentions. Leung and Oppewal (1999) had conducted research on the roles of store and brand names in consumers ' choice of a retail outlet and concluded that a high-quality brand or high-quality store is sufficient to attract the customer to a retail store. The study also revealed that store names have a larger impact on store choice than the brand names of the products that these stores have on offer.

Perceptions of human personality traits are inferred on the basis of an individual's behavior, physical characteristics, attitudes and beliefs, and demographic characteristics (Park 1986). However, perceptions of brand *personality* traits



have a more diverse origin. They can be formed by not only direct but also indirect contact that the consumer has with the brand (Plummer 1985). This means that *personality* traits can be associated with a brand through product-related attributes, product category associations, brand name, symbol or logo, advertising style, price, and distribution channel (Batra, Lehmann, and Singh 1993). Thus, there are diverse sources of brand personality and the question is how can marketers understand and use them to develop desired personalities for their brands. However, the applicability of brand personality in context of organized retail formats in India has not been explored. The purpose of the study is to find out how brand personality of an organized retail format affects consumer choice in selection of a store.

Hypothesis

- H1 : Consumer choice of store is influenced by store moral values
- H2 : Consumer choice of store is influenced by excitement created within the store
- H3 : Consumer choice of store is influenced by competence of service personnel within the store.
- H4 : Consumer choice of store is influenced by presentation of merchandize within the store.
- H5 : Consumer choice of store is influenced by ruggedness

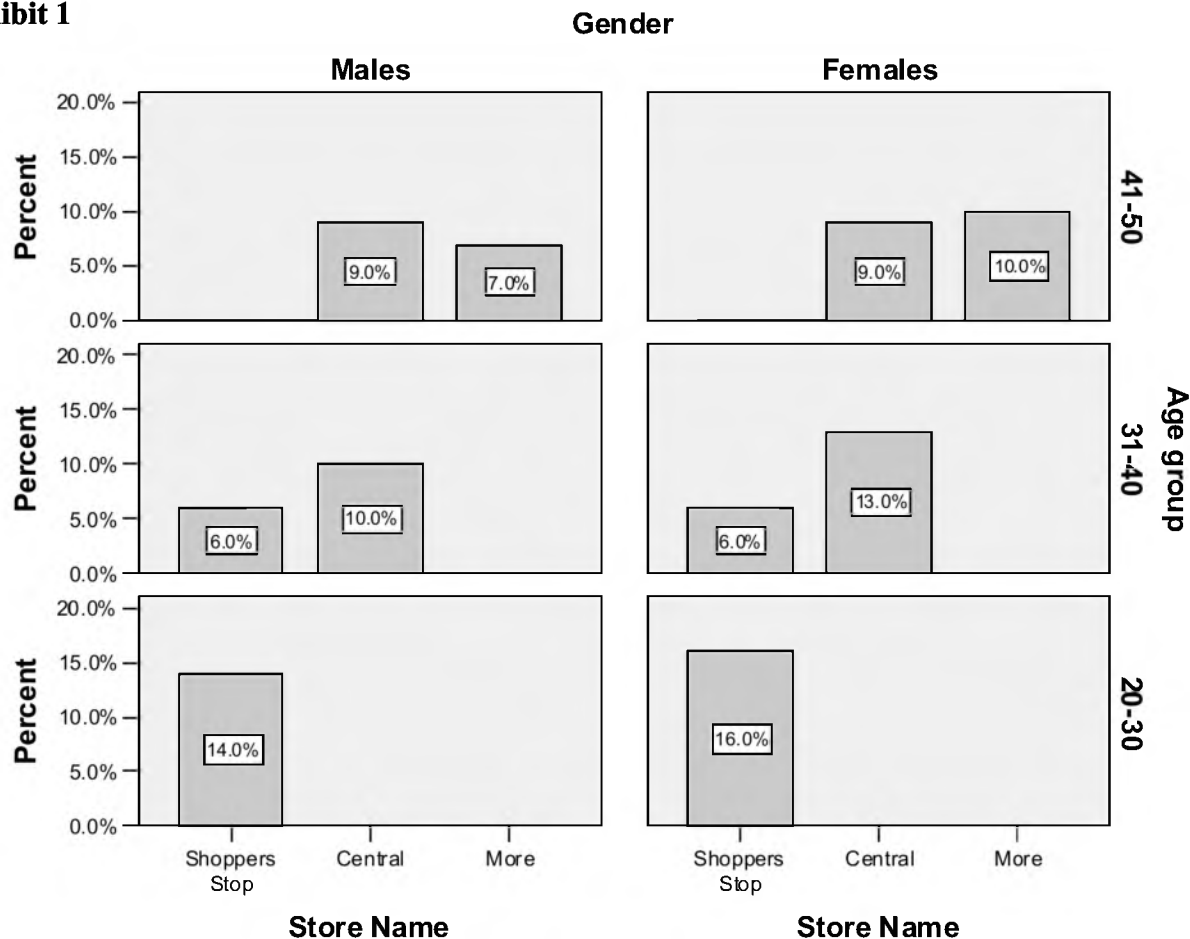
of products within the store.

4. Research Methodology

Secondary data was collected through research reports and research papers related to brand personality and retailing. The stores surveyed were selected on the basis of characteristics of the retail format (one hypermarket, one specialty store and one departmental store) to examine the variation in the impact of brand personality on consumer choice across the three formats. Pune has a large number of organized retail stores in various formats and hence this city been chosen for study. The outlets surveyed included Raheja Group's "Shoppers Stop", Future Group's "Central" and Aditya Birla Group's retail venture "More". As permission was given to interview the customers of the three stores, hence these stores were selected for survey. Sample size of 120 respondents (40 from each format) was selected through simple random sampling taken through a structured questionnaire. Three stores of different formats were selected to include the variation in impact of brand personality on consumer choice across the three different formats. Sample consisted of respondents of different age group and gender. They were asked to evaluate the extent to which the suggested sources of brand personality influenced their choice of retail store. A 5-point scale ("5" = "Extremely

5. Data interpretation

Exhibit 1





relevant”; “1” = “Not at all relevant”) was used.

Inference

The bar diagram shows the composition of respondents (age group and gender) across the three retail formats that were selected for survey.

Inference (Exhibit 3)

F = 21.575 is significant at 95 % of confidence interval level. Hence the independent variables are significant predictors of dependent variables.

Exhibit 2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835(a)	.697	.664	.39366

Predictors: (Constant), ruggedness of products, competence of personnel, merchandize presentation, in store promotion, store moral values

Inference (Exhibit 2)

The value of R square = 69.7% which indicates that the variables under consideration contribute to 69.7% of choice of store.

Exhibit 3

ANOVA^a

Model		Sum of Square	df	Mean Sq	F	Sig.
1	regression	16	5	3.2	21	.000 ^a
	residual	7.1	41	.17		
	Total	23.1	46			

^a. Predictors: (Constant), ruggedness of products, competence of personnel, merchandize presentation, in store promotion, store moral values

^b. Dependent Variable: choice of store

Exhibit 4

Coefficients^a

Model		Unstandardize Coefficients		Standardize Coefficien	t	Sig.
		B	Std. Err	Beta		
1	(Constant)	-2.1	.71		-3.0	.003
	in store promotion	.36	.11	.34	3.1	.002
	merchandize presentation	.36	.11	.34	3.1	.002
	competence of personnel	.31	.09	.35	4.2	.000
	store moral values	.21	.11	.19	2.1	.041
	ruggedness of products	.31	.11	.31	2.8	.008

^a. Dependent Variable: choice of store



Inference (Exhibit 4)

The Exhibit 4 shows that sincerity (store moral values), excitement (in store promotion), competence (competence of service personnel), sophistication (merchandise presentation) and ruggedness (ruggedness of products) which are the attributes of store brand personality have an impact on the choice of store. Hence we have proved the five hypotheses.

6. Limitations of Research Paper

- (i) The research is confined to selected outlets in the city of Pune. However, the results may differ in other cities and with varied outlets.
- (ii) The sample size selected was 120 respondents from different age groups and gender. A large sample size may show slight variation in the findings.
- (iii) Selection of a store by consumer cannot be made on the basis of brand personality alone. The other factors have not been taken into account in this paper.

7. Implications for Practitioners

Grewal *et al.* (2004) indicate that the rise of the retailer as a brand is one of the most important trends in retailing. Ailawadi and Keller (2004) indicate that branding can be especially important in the retailing industry to influence consumer perceptions and drive store choice and loyalty. Considering the high set up costs and operation costs of organized retail in India and a strong competitive unorganized market, it is important that retailers focus on customer satisfaction and retention. The findings show that the brand personality attributes (Aaker, 1997) play an important role in creating positive store image in the mind of consumer and enhance the brand image of retailers. Enhancement of brand image will lead to higher sales, customer satisfaction and build customer loyalty for the store.

Apart from brand personality, there are various other factors that influence consumer choice of store. These are price, convenience, shopping motives and distant traveled to name a few. Hence, consumer choice of store cannot be seen on the basis of brand personality alone. Another area of research in this field would be to understand the fit between consumer self concept and brand personality. Consumers have certain perceptions about themselves. If they feel that their personality traits are in congruence with the personality that a store portrays, it could play an influential role in making a store choice.

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