



Holistic consumer evaluation of retail corporate brands and impact on consumer loyalty intentions



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ABSTRACT

We offer a holistic framework of consumer evaluation of retail corporate brands called perceived customer equity. Drawing upon the customer equity theory, we hypothesize that perceived customer equity is a higher-order consumer evaluation that is measured via brand equity, value equity and relationship equity. A major theoretical contribution of our study is that we offer a novel holistic (versus an atomistic) perspective to retail corporate brands. Additionally, consistent conceptualization as well as operationalization of perceived customer equity overcomes limitations in image-based measures that tend to rely on idiosyncratic approaches to capturing consumer perceptions. We offer a novel mindset to managing retail corporate brands. Our analysis, conducted using a consumer survey, supports our conceptualization of perceived customer equity as a second-order construct. Moreover, we observe that perceived customer equity significantly explains consumer loyalty intentions, and explains greater variance in the outcome relative to that achieved jointly by the three dimensions.

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CHINESE ABSTRACT

我们提出了名为“认知顾客资产”的零售企业品牌消费者评估整体框架。借鉴顾客资产理论，我们提出了认知顾客资产是一种通过品牌资产、价值资产及关系资产进行衡量的高层次顾客评估这一假说。我们的研究带来一大理论贡献在于，我们对零售企业品牌提供了新型的整体（与微观相对）观点。另外，持续概念化以及认知顾客资产的操作化超越了基于图像、倾向于采用特制方法来获取消费者认知的衡量方式的局限性。我们提出了关于管理零售企业品牌的新的思维方式。我们的分析采用了消费者调查的方式，对我们将认知顾客资产作为第二级建筑的概念化提供了支持。而且我们观察到，认知顾客资产显著诠释了消费者忠实度意向，并对与上述三方面相关联的结果提供了更大程度的说明。

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1. Introduction

Corporate brands in retailing are omnipresent. Retailers such as Walmart, Tesco, and IKEA are not just shopping destinations but major globalized businesses. [Deloitte \(2014\)](#) reports that the top 250 retailers worldwide generate revenues in excess of US\$4 trillion annually. Retail corporate brands are unique compared to product brands, comprising distinctive and varied brand associations ([Ailawadi and Keller, 2004](#)) such as product assortment, store layout, staff interactions, and uniquely identifiable retail environments. As such, retailer corporate brands need to be examined using

consumer-based frameworks that are suited to capturing the multi-faceted nature of consumer evaluations. The emergence of the ‘retailer as a brand’ paradigm ([Burt and Davies, 2010](#)) necessitates such an enquiry. Moreover, retailer branding frameworks not only need to be sufficiently encompassing of the broad variety of consumer evaluations but be parsimonious enough so as to enable consistent measurement and management over time. Adapting consumer-based frameworks (e.g., brand image) from the product branding context to retailer branding may pose challenges as these have been argued to suffer from “conceptual abstractness or excessive specificity” ([Halkias, 2015](#), p. 443).

Within a retailer branding context, it has long been recognized that consumers form holistic (Gestaltist) judgments of brands based on available information ([MacInnis and Price, 1987](#); [Zimmer and Golden, 1988](#)). Yet, there remains a lack of frameworks that capture consumers’ holistic evaluations of retailer brands in a consistent

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manner. A possible reason for such paucity could be an excessive practitioner focus on managing individual (atomistic) elements of a retailer brand in order to shape consumer behavior, though without giving much consideration to and managing the unified whole – the brand. For instance, a review by Paul et al. (2009) reveals thirty-four variables that might impact consumer loyalty intentions. Such atomistic and piecemeal approaches have two main limitations; one, these pose challenges towards attaining a consistent and uniform approach to managing retailer corporate brands, and second, these do not seem to model consumers' Gestaltist evaluations. The challenge therefore, is to identify frameworks that can reflect holistic judgments but also incorporate aspects that are strategically manageable.

In this paper, we offer a holistic framework of consumer evaluation of retail corporate brands. We base our framework on Rust et al.'s (2000) customer equity theory, where firm value (i.e., customer equity) is shaped by consumer perceptions of brand equity, value equity and relationship equity (Rust et al., 2004). Originally proposed by Rust et al. (2000) in the context of airline retailing, the three-equity framework has been validated within a retailer branding context (Vogel et al., 2008). The three equities are purported to be broadly encompassing of major consumer evaluative aspects, which in turn can be used to devise marketing strategies around the three equities (Rust et al., 2000, 2004), thus making it an integrative framework. The research question of this research is 'Do the three equities jointly reflect a holistic consumer evaluation?' Specifically, we propose that the three equities are jointly reflective dimensions of a higher-order construct that we term 'perceived customer equity' (PCE). We base our notion on Gestalt approaches that suggest that consumers evaluate consumption objects holistically (Hosany and Witham, 2010).

We offer two theoretical contributions. First, PCE overcomes certain challenges associated with image-based frameworks that are often used to evaluate retail corporate brands. For instance, studies into retail corporate brand image (Bravo et al., 2012; Martenson, 2007) demonstrate inconsistencies and idiosyncrasies in conceptualizing the image construct, whereas PCE measured via the three dimensions permits a relatively uniform measurement approach. Second, our holistic approach to conceptualizing PCE offers a novel perspective on retail corporate brands that is lacking in the literature (Burt and Davies, 2010). In essence, PCE represents an integrative approach to managing retail corporate brands, thereby shifting the focus of the literature from relatively atomistic to more holistic evaluations of retail corporate brands. Additionally, we offer two major managerial contributions. First, our higher-order configuration of the perceived customer equity framework offers a holistic mindset to managers for improving brand performance. That is, managers can now envision brand, value, and relationship judgments as actually reflecting consumers' overall corporate brand judgments. Second, we expect our model to possess explanatory power of customer loyalty intentions beyond that achieved by its individual dimensions.

2. Corporate brand evaluation

Research offers multiple frameworks of corporate brand evaluation. Prominent frameworks that adopt an inside-out approach, that is, those focusing primarily on strengthening a corporate brand internally, are corporate identity (Hatch and Schultz, 1997), corporate brand personality (Muzellec and Lambkin, 2007) and corporate brand orientation (Balmer, 2013). The inside-out perspective is beyond the scope of our research since we focus on investigating outside-in (consumer) perceptions. The most prevalent of the consumer-based corporate brand evaluation judgments is corporate brand image (Dowling, 1986), which is reviewed next.

2.1. Corporate brand image

Corporate brand image is defined variously as a "set of meanings by which an object is known and which people describe, remember and relate to it" (Dowling, 1986, p. 110), "what comes to mind when one hears the name or sees the logo" (Balmer, 1998, p. 696), and as stakeholders' "total experience of the company" (Kennedy, 1977, p. 121). Theoretically, corporate brand image is supported by the associative network memory theory (Keller, 1993). This theory suggests that consumer knowledge pertaining to a corporate brand is stored as a network of information-laden associations in people's minds. Corporate image is therefore an accumulation of diverse corporate associations, based on consumer knowledge of factual practices of a company, personal experiences, as well as perceptions of various activities of a firm (Dowling, 1986). Empirical investigations into consumer perceptions of corporate brand image are limited (Bravo et al., 2012; Brown and Dacin, 1997). Brown and Dacin (1997) observe that consumer perceptions of a firm's corporate ability and social responsibility favorably influence consumers' overall evaluation of a firm. Similarly, others observe a positive impact of corporate brand associations on consumer satisfaction and loyalty (Anisimova, 2007, 2013). Such investigations however, are rooted in the traditional product context. Martenson (2007), using the context of grocery retailing, offers a multidimensional conceptualization of retail corporate image comprising consumer evaluations of a store as a brand, store (i.e., in-house) brands and manufacturer brands. The results suggest that corporate image impacts consumer loyalty via its influence on consumer satisfaction. More recently, Bravo et al. (2012) offer a similar multidimensional perspective on corporate brand image for financial service brands, observing a positive impact on consumer attitude and purchase intentions. Overall, the empirical studies advocate a vital role of corporate brand image in explaining consumer outcomes.

Notwithstanding, the literature on corporate brand image faces multiple challenges. First, there seems to be a lack of consensus around the concept (Brown et al., 2006). Terms such as corporate image, corporate identity, corporate reputation, and corporate branding are used interchangeably (Fetscherin and Usunier, 2012). Such terms typically describe diverse mental associations of various stakeholders of an organization, and a possible source of confusion could be an inability to distinguish among intended, construed or actual associations (Brown et al., 2006). For instance, corporate image when defined as collective meanings or total impressions of stakeholders has been treated equivalently with corporate reputation (Gotsi and Wilson, 2001).

Second, retail corporate brand image measures tend to adapt 'store' image measures from the retailing literature in an idiosyncratic manner (Bravo et al., 2012; Martenson, 2007). Our concern with such adaptations is that the concept of store image per se is not uniformly conceptualized (Hartman and Spiro, 2005). It remains contentious whether aspects of a store's environment, such as product assortment, are dimensions of image (Zimmer and Golden, 1988) or its antecedents (Baker et al., 1994). Further, there is little agreement on whether store image is multidimensional (Beristain and Zorrilla, 2011) or unidimensional (Baker et al., 1994).

In summary, corporate brand image represents the prevailing framework with regards to consumers' corporate brand evaluations. Though theoretically useful, the concept and its applications to retail corporate brands are characterized by a lack of conceptual consensus as well as idiosyncratic operationalizations. Moreover, the emergence of 'retailer as a brand' paradigm (Burt and Davies, 2010) is influencing the way retailers are viewed in the literature. This paradigm necessitates that frameworks other than corporate image be introduced that can capture consumer evaluations of retail corporate brands. We introduce an alternative framework of PCE for evaluating retail corporate brands, discussed next.

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