



The importance of retail brand equity and store accessibility for store loyalty in local competition



Bernhard Swoboda ^{a,*}, Bettina Berg ^{b,1}, Hanna Schramm-Klein ^{c,2}, Thomas Foscht ^{d,3}

^a Marketing and Retailing, University of Trier, Universitaetsring 15, 54286 Trier, Germany

^b Marketing and Retailing, University of Trier, Universitaetsring 15, 54286 Trier, Germany

^c Marketing, University of Siegen, Hoelderlinstraße 3, 57068 Siegen, Germany

^d Marketing, University of Graz, Elisabethstraße 50b, 8010 Graz, Austria

ARTICLE INFO

Article history:

Received 12 March 2012

Received in revised form

24 August 2012

Accepted 9 January 2013

Available online 13 February 2013

Keywords:

Retail brand equity

Store accessibility

Local competition

ABSTRACT

Previous research shows that the success of a retailer depends on strong retail brands and attractive, easily accessible store locations. However, little is known about the relative importance of retail brand equity and store accessibility for store loyalty in different local competitive contexts. To provide insight into this issue, we conduct on a cross-sectional study of 4151 interviews and objective data on 30 stores of a focal retailer and its local competitors. We find that store loyalty benefits more from a strong brand than from a conveniently accessible location and that location can benefit from a strong brand. We also find that competitor's brand equity has an especially negative influence on store loyalty towards a focal retailer and that the strength of the effects of brand equity and location accessibility on store loyalty depends on the local competitive context.

© 2013 Elsevier Ltd. All rights reserved.

1. Introduction

Retailers increasingly aim to position their chains in the minds of consumers as strong, attractive, and unique brands (Ailawadi and Keller, 2004; Verhoef et al., 2007). For example, IKEA has built a strong retail brand that mobilises customers to drive substantial distances to their stores (Jonsson and Foss, 2011), and Aldi's brand strength is evoked in the memories of consumers even before a location opens. However, although the mantra for success is still 'location, location, location for some retailers, Grewal et al. (2004, 2009) stated that retail brand equity determines the perceived values of local stores and the images of those stores. These authors assigned the predominant role of retail brand equity to consumer behaviour, which is important because of the growing overstoreing and convenience orientation of consumers, and because firms typically have one retail brand but several stores that differ in terms of local competition and access convenience. To analyse the relative importance of retail brand equity and store accessibility for store loyalty, this study focuses on two perspectives: (1) consumer evaluations of a focal retailer (i.e., a specific

chain under investigation) and its local competitors in the same type of business and (2) the relationships among a focal retailer's brand equity, store accessibility, and loyalty in different (objective) local competitive situations. Accessibility is crucial in retailing (Reilly, 1931; Grewal et al., 2009) and is understood as the perceived convenience of a store's location. Retail brand equity is understood as the qualities that consumers associate with a retail chain, which serve as an important intangible asset (Jinfeng and Zhilong, 2009). This topic is important for retailers because they must consider such effects when they allocate, for example, investments for building or supporting a strong retail brand or searching for accessible locations.

Although scholars often study location issues, they have rarely focused on the relative importance of strong retail brands and store locations. According to early research (Reilly, 1931; Huff, 1964; Achabal et al., 1982; Rust and Brown, 1986; Durvasula et al., 1992), prior studies have focused on location as the core antecedent in explaining the store choices of consumers (Nakanishi and Cooper, 1974; Finn and Louviere, 1990; Bell et al., 1998; Popkowski Leszczyc et al., 2000), their patronage, and store image (Lindquist, 1974; Mazursky and Jacoby, 1986). However, several studies have highlighted the decreasing relevance of location for the store choices of consumers (e.g., Bell et al., 1998), as explained, for example, by the increasing mobility of consumers. Furthermore, retail brand equity has increasingly garnered interest in recent literature (Grewal et al., 2004; Hartman and Spiro, 2005; Jinfeng and Zhilong, 2009; Burt and Davies, 2010). Previous studies conceptualised the determining

* Corresponding author. Tel.: +49 651 201 3050; fax: +49 651 201 4165.

E-mail addresses: b.swoboda@uni-trier.de (B. Swoboda), b.berg@uni-trier.de (B. Berg), schramm-klein@marketing.uni-siegen.de (H. Schramm-Klein), thomas.foscht@uni-graz.at (T. Foscht).

¹ Tel.: +49 651 201 2607.

² Tel.: +49 271 740 4281.

³ Tel.: +43 316 380 7200.

role of retail brand equity in location and consumer behaviour (Grewal et al., 2009). However, despite the indisputable relevance of both retail brand equity and accessible store location, we found no research that analyses the effects of both constructs in explaining store loyalty, either in general or with regard to different local competitive situations. Thus, we aim to answer the question of whether retail brand equity or store accessibility has a stronger influence on store loyalty. Furthermore, two additional research gaps emerge.

Studies have considered local competition to be an issue of perception, such as the perceived value of local competitors (Sirohi et al., 1998) or the impression of competitive intensity (Seiders et al., 2005), but have not compared the effects of retail brands and location associations on retailers with the effects on competitors. For example, Hartman and Spiro (2005) conceptualised store equity as consumer perceptions of one retailer in relation to those of other retailers using one variable. But separate evaluations of focal retailers and their competitors would allow for advanced conclusions regarding how the strong brand equity and store accessibility of both a focal retailer and its competitors determine store loyalty towards the focal retailer. For these reasons, we analyse the dependence of store loyalty towards a focal retailer on its own and the brand equity and store accessibility of its local competitors. An analysis of these issues will advance our knowledge of whether the brand equity or store accessibility of competitors has a stronger influence on the store loyalty of consumers with respect to a focal retailer. This approach will further our understanding of the relationship between centrally managed retail brand equity and local, conveniently accessible store locations.

Many studies (e.g., Borgers and Timmermans (1987), Fotheringham (1988), Lo (1990), Cleeren et al. (2010)) have considered the objective characteristics of local competition in shopping alternatives and choice or cherry-picking behaviour (Talukdar et al., 2010). These studies have not addressed the objective differences of local competition within retail brand–location–loyalty relationships. However, those studies, in addition to research on both multi-purpose shopping and comparison shopping (e.g., Dellaert et al., 1998; Popkowski Leszczyc et al., 2004; Gijbrecchts et al., 2008), suggested that a substantial distance between a focal retailer and a competitor may strengthen the relative importance of convenient access to the focal retailer's store because consumers may not wish to drive long distances. In contrast, a large number of competing stores may enhance the relative importance of a strong brand. Both scenarios are relevant for research and practice because a retailer can benefit from knowledge of how consumers are affected by brand and accessibility in different competitive situations. This knowledge may assist retailers in determining whether future investment allocations should support strong retail brands or accessible locations in their store networks.

In sum, this study aims to answer three research questions. Does retail brand equity or a convenient, accessible store location provide a greater contribution to the store loyalty of a focal retailer? To what extent do the retail brand equity and store accessibility of local competitors affect store loyalty towards a focal retailer? How do different objective competitive situations affect the brand and location effects on a focal retailer?

By investigating these questions, this study contributes to the retailing literature, particularly with respect to brand effects, location, and local competition. From a theoretical perspective, we respond to the recommendation of Grewal et al. (2004) for further research on retail branding and their call for more current studies on the issue of store location (Grewal et al., 2009). Additionally, we present store loyalty as an important issue that remains worthy of further research (Puccinelli et al., 2009), but

loyalty is also a well-known outcome variable and thus facilitates our task of interpreting our findings in the context of past research. Furthermore, this study provides a detailed perspective on how retail brands predict the location perceptions and store loyalty of consumers, particularly in the context of local competition (subjective and objective). The latter has not been addressed in the retail literature; thus, centrally managed chain brands have not yet been properly studied. The findings of this study may further enhance retail managers' understanding of the current roles of strong retail brands and convenient, accessible locations in local competition. The remainder of the article is structured as follows. Based on theory and past studies, we derive a set of hypotheses that are tested using a cross-sectional consumer sample from 30 cities. The results are presented and followed by a discussion of the study and its limitations.

2. Conceptualisation and hypothesis development

2.1. Conceptual framework and theory

Our conceptual model summarises the set of relationships that are examined in this paper (see Fig. 1). Using the work of Grewal et al. (2004, 2009) and schema theoretical reasoning, we propose that the brand equity of a focal retailer's chain determines store loyalty both directly and indirectly via its influence on consumer perceptions of store accessibility. Moreover, we suggest that a focal retailer's store loyalty also depends on influences from each store's environment and thus focus on the influence of local competitors. Thus, we argue that consumers' subjective perceptions of retail brand equity and the store accessibility of local competitors (Sloot et al., 2005; Gauri et al., 2008b) influence consumer store loyalty towards a focal retailer. Finally, we propose that the effect on store loyalty is moderated by the objective characteristics of local competition because the literature shows that these characteristics may change the scope of the effects concerning focal retailers (Seiders et al., 2005; Gauri et al., 2008b).

Store loyalty is defined as the intention and readiness to repurchase at a particular store or recommend a store (Oliver, 1999; Evanschitzky and Wunderlich, 2006). Therefore, store loyalty is understood as conative loyalty that represents the penultimate stage in loyalty formation (Harris and Goode, 2004) and is viewed as a core predictor of consumer spending (Macintosh and Lockshin, 1997). Retail brand equity is defined as a consumer's associations of a focal or competing retail chain as a strong, unique, and attractive brand (Verhoef et al., 2007, p. 100). Retail brand equity refers to a chain-level retailer (Burt and Davies, 2010); therefore, it corresponds to the 'Gestalt view' of a retail brand (Keaveney and Hunt, 1992) and differs from the perspective of Martineau (1958), who interpreted store image as the sum of store-level associations (Ailawadi and Keller, 2004). Store accessibility is defined as the consumer-perceived convenience

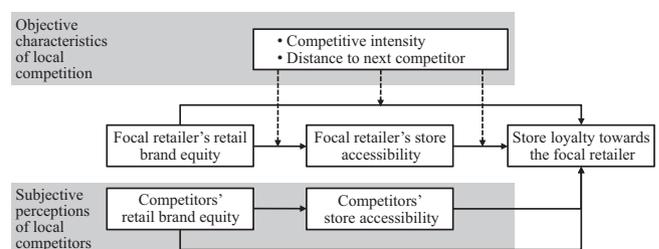


Fig. 1. Conceptual framework.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات