

# **Branding the Store**



### **Introduction to Branding the Store**

Branding the Store is one of the most powerful aspects of modern retail, and understanding how to create a memorable brand is essential for success.

In India, branding is especially crucial due to the market's unique diversity. This market has everything from large retail chains like Reliance Aditya Birla Fashion and Retail Ltd (ABFRL) to smaller local stores and kiranas, each with its approach to branding. While Kirana stores might rely on long-standing community trust, organized retail has increasingly embraced branding to stand out in a crowded marketplace.

In this unit, we will explore topics such as brand and brand equity, why branding matters for retailers, how branding benefits retailers and customers, and considerations for building strong brands.

After completing this unit on Branding the Store you will be able to:

- Define brand
- Explain brand equity
- Understand branding the store and store brands

- Explore why retailers should invest in brand and brand equity
- List the benefits of branding from a retailer's and customer's perspective
- Explain how to build brands by integrating manufacturer and store brands in retail
- Describe the considerations and steps for building brands

So, let's begin the learning journey into Integrated Retail Marketing Communication.

#### What is a Brand?

The American Marketing Association defines a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors."

For example, we identify Amul from its tagline, "A Taste of India," the Amul girl, the Amul logo, and its trendy and environmentally friendly packaging.

Brands have greater meaning to customers. They identify the seller but also give the seller physical, emotional, and qualitative attributes in their minds. A brand creates expectations and is a source of reassurance. Brands create added value in people's minds through beliefs, expectations, and associations for generic products, services, and commodities. Brands stand for something (positioning) and create an attitude towards the product, service, or store.

For example, when you see a black or red swoosh or tick symbol, you immediately identify the seller as Nike. You associate this symbol with speed, victory, heroism, status, style, and so on. When combined with the tagline "Just do it," it is a call for action to prevail against all odds and emerge victorious.

These nationwide or national brands are sold at company showrooms, retail shops, franchise shops, online stores, etc. A retail store can sell a national brand or exclusively sell their brand of goods, called store brands.

Store brands are also called 'private labels. The products of these brands belong to retailers. For example, 'Avaasa', women's Indian wear at Reliance, or 'Stop' apparel at Shoppers Stop.

Private labels are retailer-owned brands that compete with national brands; for example, 'Avaasa' may compete with 'Soch'. Some women prefer 'Avaasa' as it is

stylish, affordable, and offers great options for mix and match. It is also one of the top-selling brands during the holiday season.

### **Brand Equity**

Many of us tend to buy branded goods instead of generic ones. For example, we may purchase clothes from the Westside store rather than our local store. Why do we do this? Because we think that it has better quality, fit, style, uniqueness, value for money, and social standing compared to the local clothing store. In other words, we buy products based on brand equity, which is the value a brand adds to a product or service. Think of it as the goodwill a brand builds in the consumer's mind over time-based on their perceptions and associations, often leading to brand loyalty.

### **Definitions of Brand Equity**

According to John Torella, "Brand equity is a key indication of your brand's present strength, of your relationships with core customers, of your customer's propensity to buy from you in the future and of their willingness to pay a premium price of your brand."

The American Marketing Association defines brand equity as "the value of a brand. From a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favourable consequences of brand use."

Kotler defines it as "Brand equity is the added value endowed to products and services. This value may be reflected in how consumers think, feel, and act concerning the brand, as well as the prices, market share, and profitability that the brand commands for the firm.

While David Aaker states, "A strong brand has four dimensions: awareness, associations, perceived quality, and brand loyalty. To understand what drives a brand's value, you must understand each of these four dimensions."

### **Components of Brand Equity**

Here are the components of brand equity as stated by David Aaker:

**Brand Awareness:** This is the degree to which customers recognize and recall a brand. For example, Tata's various brands, such as Tata Tea and Tata Salt, are trusted household names in India, benefiting from high brand awareness.

**Brand Associations:** These are the qualities customers associate with a brand. For instance, shoppers associate Fabindia with authentic Indian wear and ethically sourced products, a strong association that makes the brand distinct.

**Perceived Quality**: This involves the customer's perception of the product's overall quality. Brands like Titan, for example, are known for reliability and quality, which drives customer loyalty.

**Brand Loyalty**: A strong brand inspires loyalty. For example, Shoppers Stop's First Citizen Club is designed to foster loyalty by offering exclusive benefits to repeat customers. Loyal customers are not only repeat buyers but are more likely to recommend the brand to others.

Building brand equity requires a consistent, well-rounded approach. Every interaction—from customer service to in-store experience—affects how customers perceive the brand. In India, where customers value relationships and trust, brand equity can make a significant difference in competitive retail environments.

## **Brand vs. Brand Equity**

Though brand and brand equity interchangeably, they are different. Let us understand these differences.

A brand has tangible elements like a name, term, sign, symbol, or design, whereas brand equity has intangible added value endowed to products and services.

A brand identifies the goods or services of seller/sellers and differentiates them from competitors, while brand equity is all about brand awareness, brand associations, perceived quality, and brand loyalty.

A brand builds a seller's reputation and customer relationships, while brand equity enables a seller to charge a premium for their products and services depending on the value it adds to the customer.

### **Branding the Store and Store Brands**

### **Branding the Store**

In retail, branding does not just apply to products but to the store itself. A retail brand creates its own identity in the minds of customers. For instance, when you think of Reliance SMART Superstore, you likely think of a clean, organized store that provides quality products at reasonable prices. That's Reliance SMART

Superstore's brand identity, carefully built through customer experiences and consistent messaging.

When branding is applied to a store, it leads to branding the store. Branding the store refers to creating brand equity for the retail store or chain. For example, Zara, Shoppers Stop, and Westside are all brands of stores that have created a unique identity in the minds of their customers. In the case of Zara, it stems from a strong brand identity, high quality, quick response to fashion trends, customized fit, global presence and limited editions. For Shoppers Stop, brand equity emanates from product diversity, presence across various channels, loyalty programs, personalized selling, strong social media presence, etc.

#### **Store Brands**

One critical aspect of branding a store is private labels or store brands. These are brands created and owned by the retailer. These store brands often compete with national brands by offering similar quality at a lower price. For example, Reliance's Snactac instant food brand competes with Maggi Noodles, Haldiram's mixture, Good Day Cookies, etc. Other examples include Amazon's AmazonBasics consumer goods and Flipkart's Billion products, which are manufactured in India exclusively for Indians.

### **Private Label Popularity**

Here are the reasons why private labels are becoming popular among Indian retailers:

**Differentiation**: Store brands help retailers stand out by offering exclusive products. This differentiation drives customer preference and loyalty.

**Increased Control:** With store brands, retailers have full control over production, pricing, and marketing. Shoppers Stop, for instance, uses this control to ensure that its 'Stop' apparel line reflects its quality standards.

**Higher Profit Margins**: By eliminating the middleman, retailers can offer competitive prices and maintain higher profit margins.

**Similar Quality**: Store brands have almost the same quality as national brands as they may be manufactured by the same companies.

As Indian consumers become more quality-conscious and brand-savvy, retailers are increasingly investing in branding their stores and developing private labels that offer added value to shoppers."

So, retailers need to create brand equity before introducing their products under store brands or private labels. This is because brand equity would have created a positive image of the retailer in the customer's mind and forged strong customer relationships.

## **Relationship Between Branding a Store and Store Brands**

**Branding a Store Supports Store Brands**: The store's overall branding plays a significant role in the success of its private labels. Strong store branding can make customers more likely to trust and buy the store's products. For example, Reliance Retail's private label products, such as Snactac, Puric, Glimmer, Enzo, Campa, and Get Real products, benefit from Reliance Retail's overall strong brand image, seen as reliable and affordable. If the store is well-branded, customers are likelier to give store brands a chance.

Store Brands Strengthen the Store's Brand: A retailer's strong and reputed private label can enhance the store's overall branding. Offering exclusive, high-quality private labels can improve the retailer's image and create a unique selling proposition (USP). For instance, Lifestyle has integrated its private label products, such as Melange, Ginger, Fame Forever, Kappa, and CODE, alongside established national brands, giving it a competitive edge and reinforcing its positioning as a premium store.

Creating a Cohesive Brand Experience: The products under a store's private label should align with the store's overall brand image. If a store is positioned as a premium retailer (for example., Lifestyle), its private labels should reflect that same premium quality, targeting customers who expect high-end products at a more affordable price. A mismatch between a store's branding and its private label could confuse customers and undermine the store's image.

**Profitability and Customer Loyalty**: Offering store brands helps retailers increase profitability, as they can sell private-label products at higher margins than national brands. A strong store brand can generate greater customer loyalty, especially if customers associate the store with value, quality, or uniqueness. For example, DMart's success in India is partially due to its ability to offer quality private label products at lower prices (value for money) than many competitors.

### Why should Retailers invest in Brand and Brand Equity?

In the past, the most important factor for retailing success was location. Today's consideration is value. For example, DMart, a chain of hypermarkets, is highly

successful in India because it offers value for money, stores in high-population areas, strong brand reputation, customer loyalty, strong supplier relationships, etc.

While investing in IT and building partnerships with suppliers is more crucial than ever before, building a brand for the store has not yet received much attention. It is easier for single-brand retailers (like Bata, Liberty Shoes or Tanishq) to create a brand personality than for multi-brand retailers (like Reliance and Westside).

The need to create a brand of their store exists for both types of retailers. The McKinsey Quarterly stated, "According to our analysis of retailers in several formats, consumers make more frequent visits, check out larger than average shopping baskets, or pay price premiums at the stores of brands they perceive as strong."

David Aaker's article "Managing the Most Important Asset: Brand Equity" mentions two reasons why investment in building brands is worthwhile. Firstly, it can result in real sustainable competitiveness. Awareness, perceived quality, and customer loyalty are all dimensions of brand equity. Secondly, strong brands make sense in price competition.

As Tom Peters puts it, "In an increasingly crowded marketplace, fools will compete on price. Winners will find a way to create lasting value in the customer's mind." It is viewed that in today's retailing environment, providing low prices appears like a panacea, whereas providing "value" should be the mantra. In addition, brand equity should be considered.

When one considers the various steps in forming an evoked set of outlets for a particular purchase, Figure 1.1 gives a good understanding of the steps that the consumer goes through. This emphasizes that a store has to take various steps in the minds of its prospective customers before it becomes a preferred outlet for a consumer to shop.

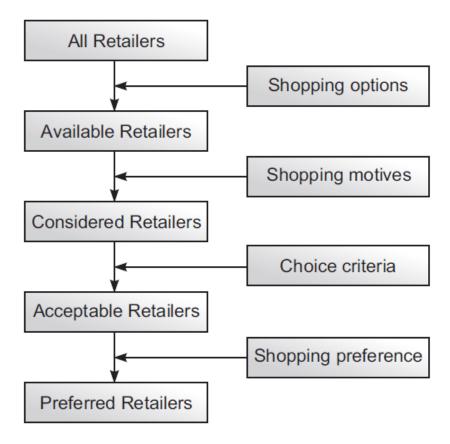


Figure 1.1 Process of choosing a store.

(Source: Adapted from Jagdish N. Sheth, 1982)

Having understood the customer, his needs, wants, and motivations to define the location, merchandise selection, price and similar other factors, building favourable brand equity is essential for retail success.

Also, here's why retailers should focus on branding:

**Improved Customer Trust**: A brand creates familiarity, which translates into trust. In India, trust is important, as customers tend to be cautious about quality and value. Brands like Tanishq have invested heavily in building a reputation for authenticity, which sets them apart in the competitive jewellery market.

**Enhanced Competitive Advantage**: A strong brand allows retailers to stand out. For example, Reliance Retail differentiates itself by targeting price-conscious customers with a unique proposition of product variety and multi-channel shopping options.

**Reduced Marketing Costs**: Once a brand is established, it requires less marketing to attract customers. An established brand with high customer loyalty,

like Westside, benefits from repeat customers who are already familiar with the brand's offerings and quality.

**Increased Customer Loyalty**: A brand with high equity inspires loyalty, as customers feel confident in their choices. Brands like Decathlon, known for affordable, quality sportswear, foster loyalty through consistent value.

Building a brand is not just a financial investment but a strategic one. It requires a clear understanding of what the brand represents, a consistent delivery of that promise, and constant communication with customers.

In addition, retailers should invest in brand equity. This is because a customer considers various steps in deciding their store choice for a particular purchase. According to Jagdish N. Sheth, this process involves the customer looking at all retailers and choosing available retailers based on shopping options. Then, narrowing this pool to considered retailers based on their shopping motives. Next, they filter them based on choice criteria to an acceptable pool of retailers. Finally, they select the preferred retailer based on their shopping preference.

This process of store selection by a customer emphasizes a store has to take various steps in the minds of its prospective customers before it becomes a preferred outlet for a consumer to shop.

A retailer can achieve this by strengthening the four components of brand equity, which are brand awareness, brand associations, perceived quality, and brand loyalty. Once the retailer does this, they can retain customers, improve differentiation, ensure customer loyalty even in a bad economy, create barriers to entry for other retailers, and increase the customer's willingness to pay a premium price.

So, a retailer needs to understand customer needs and motivations to define the location, merchandise selection, price and other factors to build favourable brand equity critical for retail success.

### Benefits of Branding from a Retailer's and Customer's Perspective

Branding provides several long-term benefits for retailers, particularly in today's competitive market. These benefits are:

**Premium Pricing**: Customers are willing to pay a higher price for the reassurance and other intangible values a brand brings. They compare the price of a non-branded commodity and a branded commodity and decide on which they would

want to pay a premium. In other words, a strong brand can charge a premium because customers perceive added value. For example, Tanishq charges higher prices than local jewellers due to its established trust and brand image.

**Reduced Marketing Costs:** An established brand reduces the cost of marketing considerably. For example, when a brand like 'Westside' or 'Shoppers Stop' has many repeat customers, the retailer need not spend excessively on new customer acquisition. Also, brand value can be extended to other stores/products (brand extension).

**Increased Footfalls**: Popular brands attract more visitors. Stores like Shoppers Stop and Westside experience high footfalls because customers are familiar with their quality and range. Also, when they shop at a top brand shop, it adds to their status or prestige.

**Employee Retention**: People want to work for reputable brands. Strong retail brands can attract skilled employees, reducing employee turnover and improving customer experience.

Consistency in the Sales Patterns: When a store competes on price, customers buy when the prices are low, especially during a 'sale' or shop for cheaper items. However, when a brand name has been established, there will be no sales fluctuations if there is customer preference based on what the brand stands for.

Franchise and Licensing Opportunities: An established brand can be franchised or licensed. This is extending the brand through others. For example, in the franchisee outlets of McDonald's or Titan watches, the brand owner adds value through reputation and the franchisee managing the operations. However, a brand name can be damaged if the franchisee is not chosen well and closely monitored. So, the brand owner should take utmost care of the standards being followed by the franchisee.

**Avoiding the Discounting Spiral:** When customers buy for the comfort a brand gives them, the retailer does not need to compete on price. Otherwise, it is a downward spiral that leads to nowhere.

**Trademark—Legal Protection:** Generally, brands are protected as trademarks. This helps in protecting them against brand imposters to a large extent, reducing imitations of the original brand. For example, Sardarbuksh Coffee & Co used a logo similar to Starbucks. The case went to court. The court ruled that

Sardarbuksh must rename itself "Sardarji-Bakhsh Coffee & Co." to avoid trademark infringement.

**Store Loyalty**: A strong brand inspires store loyalty, creating a dedicated customer base that prefers to shop at that brand's locations even when alternatives are available. For example, many customers of 'Westside' who move to Bangalore from Mumbai or Delhi continue to shop at 'Westside' in Bangalore as they are loyal customers of that brand.

**Reduced Need for In-Store Contact:** Well-established brands will translate to reduced requirements for in-store contact. For example, a customer will not ask many questions if they are confident about the quality of a product.

Helps in Segmentation, Promotion and Pricing: Customers are willing to pay a premium for what they want, be it bigger or high-end brands. Brand names strongly identify the customers who enter the store. For example, 'Nike' is strongly positioned as a young/sporty brand and therefore attracts those who think of themselves as having such qualities.

### **Benefits of Retail Outlet Brand Building**

Successful retail outlet brand building enables organizations to:

- 1. Build stable and long-term demand based on the customer strength of
- 1. the brand store.
- 2. Build and hold better margins when compared to smaller brands.
- 3. Differentiate themselves through creating associations that can endure over long periods and which may allow brand stretch (e.g. Starbucks from coffee to ice cream and CDs).
- 4. Add values that entice customers to visit and buy, especially their brands.
- 5. Act as a signal to the customer implying trust in the fulfillment of service expectations.
- 6. Promote customer loyalty and implement relationship marketing schemes for their retail offers/services.
- 7. Protect themselves against the growing competition and gain leverage in the distribution channel.
- 8. Protect themselves against aggressive competitors by strengthening barriers to entry.
- 9. Transform themselves into companies that are attractive to work for and deal with.
- 10. Negotiate with suppliers from a position of improved strength."

11. Now, let's look at the benefits of branding from a customer's perspective.

### **Benefits of Store Brand to Customers**

From a customer's point of view, a store brand has the following benefits:

- It enhances self-image
- It reduces uncertainty and psychological risk
- It simplifies choice, saves time and effort, and increases shopping efficiency

### **Building Brands by Integrating Manufacturer and Store Brands in Retail**

Understanding how manufacturer and store brands interact is crucial in developing a store's brand strategy and ensuring its success. Also. Integrating national and store brands enhances a retailer's brand identity and profitability.

### **Fundamental Relationship Between Manufacturer and Store Brands**

A manufacturer brand is a product branded by the manufacturer and is usually sold through multiple retail outlets. Examples in India include well-known names like Sony, or Samsung Galaxy phones, Tata Sampann, Proctor & Gamble's Ariel or Gillette, Unilever's Lux or Comfort, and ITC's Aashirvaad, Yippee!, or Bingo. These are national or global brands with significant marketing and recognition power.

On the other hand, store brands or private labels are created and owned by the retailer, often designed to appeal to the store's customers. These products are sold exclusively within the retailer's stores. Examples in India include Reliance Retail's Snactac, DMart's D'Homes or Le Café, and Flipkart's Billion private label products.

Now, manufacturers usually want their brands to be represented strongly within retail stores. For example, Raymond would want the retail store to reflect the brand's identity, atmosphere, and quality associated with its fabrics and apparel. Retailers, however, aim to build a unique identity for their stores. They want customers to see their store as a destination in itself and develop brand loyalty, which is essential for success, especially with the increasing profitability of private labels.

#### The Role of Private Labels

Private labels have been a rising force in retail. These products allow retailers to offer their brand alongside national brands, often at more competitive prices. In

India, we see this strategy used by DMart, Reliance Retail, and Shoppers Stop among others. For example, Reliance Retail's Snactac instant food brand competes with national food brands, providing customers with an affordable yet quality alternative.

But private labels aren't always about being cheaper. They can be premium as well. Reliance Trends, for instance, has a premium private label offering like Rio and Fig that directly competes with high-end international brands like Diesel and Armani. The key here is to offer products that meet customer needs effectively while differentiating from the manufacturer's brands.

In mature markets like Europe, private labels make up almost 40% of total supermarket sales. In India, however, private labels are still growing, but the potential is enormous. In categories like food, private labels can thrive more easily because production runs are smaller, and manufacturers can replicate national brands at a more competitive price. On the other hand, in categories like fashion or electronics, developing a private label that competes with established manufacturer brands requires more investment in quality, design, and technology.

# **Blending National and Store Brands**

The mix of national brands and store brands is critical to creating the right shopping experience for customers. A good blend can offer customers the best of both worlds: the trust and quality assurance of well-established national brands, and the unique, cost-effective offerings of private labels.

For example, when a store like Lifestyle stocks a combination of brands like Levi's alongside its private label Forca, it appeals to different customer segments. Some customers come for Levi's jeans because they trust the brand, while others might be enticed by the affordability and exclusivity of the store's private label.

In certain categories like fashion or electronics, the manufacturer's brand will dominate because of technological advancements, product differentiation, and brand loyalty. However, retailers can still leverage these brands to establish the store's identity. For example, a store that focuses on premium brands like Apple and Sony will create a different image and perception than one that emphasizes value brands.

### The Symbiotic Relationship Between Manufacturer and Retailer Brands

Interestingly, the relationship between manufacturers and retailers can be symbiotic. Retailers can benefit from the reputation and marketing power of established manufacturer brands, while manufacturers can leverage the store's branding to reach a larger customer base.

For example, a Barista outlet (which is a manufacturer brand) may want to associate itself with a retail store that shares its focus on premium coffee. A retailer can build its brand identity by associating with established manufacturer brands, just as Titan stores leverage the reputation of their brand to establish a strong identity.

It is important to note that while large manufacturers can invest heavily in R&D and brand marketing, small manufacturers can also succeed with private labels. This is especially true when they can offer products that are more niche, innovative, or of better quality than the leading national brands.

### **Considerations and Steps for Building Brands**

Brand-building is not a one-time task—it's an ongoing process that involves every aspect of the store, from its physical environment to its customer service, pricing strategy, and even the experience it provides.

Building a strong retail brand requires an integrated approach and the involvement of everyone from the shop assistant to the CEO. It's not just about advertising or a catchy logo—it's about creating a consistent experience at every customer touchpoint. According to brand expert **David A. Aaker**, there are five key considerations for building strong brands:

**Clear Identity:** The first step in building any brand is defining its identity—its core values, mission, and what it stands for. This includes both what the brand promises to deliver to its customers and how it will do so. A clear identity helps the store position itself in the minds of consumers, making it easier for them to identify and remember the brand.

For example, in India, DMart has established itself as an affordable, value-formoney retail destination, focusing on offering a wide variety of products at discounted prices. The brand's identity is built around savings, accessibility, and convenience, which appeals to middle-income families.

**Corporate Brand:** Retailers need to focus on building not just a store brand but also a corporate brand—an overarching brand identity that applies to all their operations and outlets. A retailer's corporate brand encapsulates everything from its business philosophy to its reputation in the market. It's the "umbrella" that holds everything together.

Take Reliance Trends as an example. The retailer's corporate brand reflects its values of affordability and accessibility, while each store focuses on specific customer segments, such as young professionals or families. Their corporate brand builds trust across all outlets.

**Integrated and Consistent Communications:** Effective brand building requires integrated communications—meaning that every message a retailer sends to its customers, whether through advertising, in-store promotions, or customer service, must be consistent and aligned with the brand's values.

Imagine you see a commercial for Café Coffee Day that emphasizes a cosy, relaxed atmosphere, but when you visit the store, the experience is noisy and chaotic. The disconnect would harm the brand's credibility. Branding isn't just what you say—it's what you do. For instance, Apple communicates its premium, high-tech brand through not just its products but also through store design, customer service, and even the packaging.

**Customer Relationships:** The most successful retail brands are built on strong customer relationships. A retailer must engage with customers at multiple touchpoints: in the store, online, and through customer support. Building customer loyalty through personalized service and consistent experiences is key.

For example, Shoppers Stop in India has a strong loyalty program where customers earn points and rewards for every purchase. This not only incentivizes repeat purchases but also creates an emotional connection with the brand. The more a customer feels valued, the stronger their relationship with the brand becomes.

**Symbols and Slogans:** The final piece of the branding puzzle is the use of symbols and slogans—elements that customers can easily identify with the brand. Whether it's a logo, tagline, or even a specific colour scheme, these visual and verbal cues reinforce the brand's identity.

For example, Nike's "Just Do It" slogan has become synonymous with motivation and achievement, reinforcing the brand's emotional appeal.

### **Branding Retail Stores vs. Product Brands**

Retail brands are service brands—they focus on creating a complete, multisensory experience for the customer. While product brands focus on delivering specific benefits or promises, retail brands are more about delivering an experience that aligns with the consumer's expectations and emotions.

For example, Titan has built a strong retail brand by focusing on a combination of quality, style, and innovation in its watches. The Titan brand is reflected not just in the product but in its retail environment—whether it's the Titan showroom experience, customer service, or even the brand's communication strategy. Similarly, the Barista focuses on creating an ambience for customers to enjoy their coffee, making the Barista experience as much a part of the brand as the coffee itself.

### The Role of Differentiation and Positioning in Retail Branding

In a crowded market like India, differentiation is critical. Retailers need to distinguish themselves from their competitors by creating unique brand positioning. This involves understanding what the customer values most and offering something that stands out in that area.

For instance, FabIndia has positioned itself as a brand that celebrates traditional Indian craftsmanship and sustainability. It differentiates itself through a unique product assortment and a strong focus on quality, heritage, and environmental responsibility. Customers seeking authentic, handcrafted products are more likely to choose FabIndia over other retail brands.

So, retailers need to be genuinely interested in creating communities and building consumer relationships, offer training, and look at long-term planning and executing experiences for potential customers at all touch points (points of contact).

According to Terilyn A. Henderson and Elizabeth A. Mihas in the article "Building Retail Brands," "It is impossible to imagine a retailer surviving and flourishing in the years to come without creating a genuinely robust brand. Establishing and communicating it is more difficult for multi-brand retailers than for their single-brand counterparts, but brand building is essential for both. Senior managers must make building the brand an integral part of how they think about the business, whether they are deciding what their target segments will be or how to

speak with customers. Multi-brand retailers must take back from their vendors' full responsibility for managing their banner brand."

According to A. Parashuraman et. al (Delivering Quality Service, Balancing Customer Perceptions and Expectations) "Brands are now thought of as living entities that take on a life of their own inside the consumers' minds, creating something known as a 'mental model'. Mental models provide insight into how consumers create, store, recall, and relate to brands in everyday life. In effect, a brand becomes a representation of an individual's collection of experiences at each of the 'touch points' at which the brand wittingly or unwittingly engages the consumer. These experiences provide a mix of rational, emotional, social, and cultural benefits to the individual consumer. If the supplying organization is defining and creating value effectively, then this bundle of complementary benefits will be delivered through the value-adding factors associated with the brand. The brand is, therefore, the consumer's experience of the value proposition"

To create a strong brand, retailers follow a structured approach. Here are the main steps of this approach:

**Identify Your Target Market**: Understand who you are serving. Is your audience value-focused, trend-focused, or quality-focused? For example, Pantaloons targets urban, middle-class customers who want stylish yet affordable clothing.

**Develop a Unique Positioning Strategy**: Your brand should stand for something distinctive. Decathlon's positioning as a quality sports brand for everyone is a great example, as it offers affordability without sacrificing quality.

**Select Brand Elements**: Your brand's name, logo, slogan, and colours should reflect its values. Look at Reliance Smart Bazaar's logo—its simple, bold design conveys value and accessibility, appealing to its broad customer base.

**Build Brand Associations**: Develop associations that are positive and memorable. A brand like Fabindia, for instance, has built strong associations with traditional craftsmanship, organic materials, and authenticity.

**Consistent Communication**: To build trust, the brand message should be consistent across all touch points. If you're positioning your brand as premium, this should be evident in the store layout, customer service, and promotional materials.

# Continuous Monitoring of Brand Image

Building a brand is not a one-off task. Continuous monitoring is necessary to ensure that the store's image remains aligned with customer expectations. Retailers must track customer feedback, review brand perceptions, and adapt their strategies accordingly.

Retailers can use tools like surveys, social media feedback, and customer satisfaction scores to monitor their brand's performance and make adjustments as needed.

### Servqual

Retail brands must be built keeping in mind the dimensions of quality from a customer point of view. A. Parashuraman, N.Z. Zeithml and L.L. Berry have given us the concept of 'Servqual' which is short for service quality. According to the servqual framework, customers evaluate a service, including a retail store on the following dimensions.

- 1. Reliability Providing service as promised
- 2. Empathy Individual attention and caring
- 3. Responsiveness Promptness and willingness to help
- 4. Tangibles Physical infrastructure/Touch and feel
- 5. Assurance Instil confidence in customers about the service

It would help to consider this when building a retail brand. Brands are as much, if not more, about 'experience' as they are about 'communication'.

Thus, building a successful retail brand requires a multifaceted, integrated approach. It involves crafting a clear identity, maintaining consistent communication, fostering strong customer relationships, and differentiating your brand from the competition. Retailers must create memorable experiences that resonate with customers at every touchpoint, whether in-store or online.

# Summary

- A brand is "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors."
- Brand equity is "the value of a brand. From a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favourable consequences of brand use."

- Branding the store refers to creating brand equity for the retail store or chain.
- Store brands are brands created and owned by the retailer
- Some of the benefits of branding from a retailer's and customer's perspective are premium pricing, reduced marketing costs, increased footfalls, employee retention, franchise and licensing opportunities, store loyalty, and reduced need for in-store contact.
- According to David A. Aaker, the key considerations for building strong brands are clear identity, corporate brand, integrated and consistent communications, customer relationships, and symbols and slogans.

### **Exercises**

- List three retail brands that you patronize regularly. Using the reasons for branding that you just read, list the benefits of branding for each of the retail brands you listed.
- 2. List two brands of products that you use that are also available without a brand name (as a commodity or generic product). Compare these with reference to the same commodities which have a brand name. What are the benefits of branding these commodities to the consumer and to the retailer?
- 3. Do you think own brand or private labels will have a greater share of the market in the future? If yes, how can manufacturers respond to such a challenge?
- 4. What attributes of service quality can be used to build a retail brand for a super-market chain (ref. SERVQUAL attributes)? Choose two attributes and explain how these can be communicated to the customers.
- 5. What are brand extensions? List the brand extensions of a major national retailer. Do you think all the extensions 'fit' what the brand stands for?

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