STUDY ON RETAIL BRAND AWARENESS IN RETAIL

Dabija Dan Cristian
Babeş-Bolyai University, Faculty of Economics and Business Administration, Teodor Mihali St. 58-60, cristian.dabija@econ.ubbcluj.ro , 0740.189.659

Abrudan Ioana Nicoleta
Babeş-Bolyai University, Faculty of Economics and Business Administration, Teodor Mihali St. 58-60, ioana.abrudan@econ.ubbcluj.ro , 0752.028.500

Brand awareness, together with other behavioural indicators (sympathy, trust, image, satisfaction or loyalty), is one of the main vectors that has an essential contribution to the outline of brand equity in general and to that of retail brand, in particular. The perception upon these indicators must be taken into consideration by production, service or retail companies in order to be able to identify their position on target markets, and in order to be able to create an adequate strategy that would help them reach the desired positioning.
The aim of this paper is, on one hand, to reveal both the dimensions of brand awareness, and the relationship between these and consumers' brand perception and, on the other hand, to offer a suitable instrument to measure awareness level of various retail chains. Questioning of almost 4.000 consumers indicates a significant awareness of the retailers that have been on the selected market for a longer period of time.

Keywords: awareness, recall, recognition, retail brands

JEL Classification: M3, M31

[1]Acknowledgment: This paper has been co-financed from the European Social Fund, through the 2007-2010 Human Resources Development Operational Sector Program Project number POSDRU/1.5/S59184 "Performance and excellence in the post-doctoral research within the economic field in Romania".

Introduction

In order to adequately manage a brand, its owner must understand its value and the advantages that may be obtained through its constant support. Brand equity may be quantified both from its owner point of view and from consumers' one, with the aid of two types of indicators: financial (quantitative) and behavioural. Both types are useful for the fundamentation of strategic decisions regarding correct and efficient brand positioning on the target market. While quantitative indicators are relatively easier to determine, behavioural ones require special attention. Among the quantitative indicators we must mentioned the ones that evaluate company's competitive position (market share, relative market share, commercial network density), market dimensions (competition structure, products degree of newness, size of the market, volume and structure of quantitative and value sales), estimated profits and turnover evolution, relative advertising spending or the costs with brand management (Esch 2007: 73; Hammann 1992: 226; Penrose 1989: 40-42).
Even though behavioural indicators are more difficult to understand because of their relatively abstract nature (Esch & Geus & Langner 2002: 39-47), literature identifies several such examples. Almost all proposed models are mainly based on brand awareness or image – Keller's and Aaker's models (Keller 1993: 1-22; Aaker 2004: 32). Other behavioural indicators taken into consideration by several studies include brand sympathy or trust; positive relationship between consumers and brand or intensity level of this relationship; brand associations; and loyalty,

satisfaction or contentment induced by brand use (Sirdeshmkh & Singh & Sabol 2002: 34; Yun & Good 2007: 12; Backer et. al. 2002: 131).

1. Theoretical models of brand awareness

Aaker considers in the developed model that awareness refers to the level of name and symbol recognition of the analysed brand. Besides that, Aaker also integrates within this approach as determinant behavioural vectors of brand equity, brand loyalty, supposed or perceived quality, brand associations, together with other brand merits, represented by patents, distribution systems or other various marks (Aaker 2004: 32; Esch 2007: 65). Keller shows that brand awareness, together with its image, are the vectors that compose brand knowledge (Keller 2003: 58-102; Keller 1993: 1-22). Keller's merit is that of decomposing awareness in two components: brand recall or active awareness due to its visual and verbal anchors and assisted awareness, or passive that requires its identification through verbal and non-verbal access of consumers' mind associations. Brand image must be understood through brand associations – emotional, conative or cognitive.

Besides the model in which Keller explains brand equity through the use of concepts such as awareness and image, he draws the conclusion that awareness has two dimensions (Keller 2003: 92), consisting of the depth of awareness levels (ease and speed of brand recall) and the width of awareness facets (specific situations when a person is able to remember certain brand characteristics). Departing from brand awareness depth, Aaker builds the awareness pyramid, according to the degree to which a consumer can or cannot indicate or recognize a certain brand (Aaker 1992: 84). Therefore, if a person asked to name a retail brand does not succeed in indicating one, it is considered that the retail brand is unknown. When the consumer can identify the retail brand from a list or when he decides to visit the store only when in front of it, the brand has an assisted or passive awareness. A retail brand may be considered active and to enjoy spontaneous awareness if it is considered before starting an acquisition or establishing the store where to make the purchase. A retail brand may be considered "top of mind" when the consumer recalls it as the first from a short list of brands. It occupies the dominant position in consumers' mind only if the person cannot name a competitor brand (Aaker 1992: 84; Esch 2007: 69).

2. Awareness measurement

Here it can be made a distinction between brand "recall" tests (active awareness) and "recognition" ones (passive awareness). While in the first case respondents are required to spontaneously indicate brands from a certain category, in the second one they must recognize their brand, product, packaging or logo from a given list and to be able to integrate it within a category.

In this respect, time factor may or may not be taken into account, but short thinking time makes it more difficult for consumers to remember several brands, which may represent a way to select the brands with dominant and intense awareness. Meanwhile, the brands order, together with correct or incorrect integration of the brand within a category may represent important indicators for recall tests (Esch 2007: 499-501).

3. Research methodology

In order to check in a suitable way the theoretical concepts previously described, the method employed was the survey. The questionnaire referred to Romanian consumers' perception regarding retail units present in one of the most important and relevant economic, cultural and social regions of the country. The data collection phase took place in two years under the coordination of one of the two authors (Dabija). There have been used one hundred interview operators and the number of collected questionnaires has reached 5.000. In order to quantify the awareness of investigated units there have been used an open-end question (for measuring unaided awareness), and a close-end one (for revealing assisted awareness).

If in the first case respondents were asked to spontaneously name between one and six stores they could remember, while in the second one they had to choose from a list of 18 local, regional and European retail units present in Romania. The list included at least one example of hypermarkets like Auchan or Carrefour, supermarkets like Billa, cash & carry stores like Metro and Selgros, discounters (Kaufland, Plus), Do-It-Yourself stores (Ambient, Baumaxx), several proximity shops, electronic and household appliances stores like (Altex, Domo or Flanco), specialised stores (pharmacies, bookstores, textile and clothing stores), as well as shopping centres.

Classification on retail formats (hypermarket, supermarket, discount, etc.) has not been introduced to respondents, but it has been carried out by the authors. They have used literature (Barth 1999: 88; Dabija 2010: 77; Liebmann & Zentes & Swoboda 2008: 394-419; Theiß 2007: 491-495; Zentes & Swoboda 1999: 81-85).

4. Results

4.1. Spontaneous awareness

In the case of spontaneous awareness it has been noticed, after response codification, that, in the three research years, over 99% of the respondents have been successful in indicating at least two stores and almost 70% of them named six retail units. As it may be noticed in table 1, among the two research moments, year 1 – 41% and year 2 – 57% it is present a significant increase in the number of individuals that are able to spontaneously name six retail brands.

Table 1. Total number of stores indicated by respondents on the six alternatives of the question referring to spontaneous awareness

			one	two	three	four	five	six	**Total number of respondents**
			Store(s)						
Number of people that indicated in ...	Year 1	abs.	977	976	967	864	636	403	**977**
		%	100%	99.9%	98.9%	88.4%	65.1%	41.2%	**100%**
	Year 2	abs.	1844	1834	1800	1604	1317	1057	**1844**
		%	100%	99.5%	97.6%	87.0%	71.4%	57.3%	**100%**

Legend: abs. – absolute frequencies; % – relative frequencies; resp. – respondent

Source: own research;

The distribution of the totalized responses on retail formats, but divided on the two moments of research is represented in table 2. In the category of other retail formats are included specialised stores (textiles, bookstores), electronic and household appliances, Do-It-Yourself and shopping centres.

As it may be noticed, in year 1 consumers spontaneously remember supermarkets (1593 nominations), and the two cash & carry units – Metro and Selgros (1426 nominations). If we take into account the fact that the supermarket format includes five stores, it results that the two cash & carry units express the highest level of awareness. The least known are proximity stores, which in fact have the largest number and have the largest territorial network.

Table 3. Distribution of the nominations of retail formats, divided on the six response alternatives

Number of responses on the six response alternatives								**Total**	
Year 1		**I**	**II**	**III**	**IV**	**V**	**VI**	**Nominations**	**%**
Cash & Carry		275	313	325	279	159	75	**1426**	**29.57**
Discounter		81	81	66	84	101	69	**482**	**9.99**
Supermarket		342	345	332	290	172	112	**1593**	**33.03**
Hypermarket		238	178	143	105	76	40	**780**	**16.17**
Proximity stores		19	14	17	15	17	16	**98**	**2.03**
Other formats	Shopping centre	10	13	30	22	25	18	**118**	**2.45**
	DIY	7	26	45	54	69	58	**259**	**5.37**
	Electro	5	6	9	15	17	15	**67**	**1.39**
	Specialised	0	0	0	0	0	0	**0**	**0**
Total nominations		**977**	**976**	**967**	**864**	**666**	**403**	**4823**	**100**
Year 2		**I**	**II**	**III**	**IV**	**V**	**VI**	**Nominations**	**%**
Cash & Carry		215	258	253	243	181	136	**1286**	**13.60**
Discounter		156	136	174	163	157	163	**949**	**10.04**
Supermarket		617	548	455	363	287	236	**2506**	**26.50**
Hypermarket		554	505	531	456	360	260	**2666**	**28.19**
Proximity stores		154	136	126	118	91	62	**687**	**7.27**
Other formats	Shopping centre	60	71	84	61	50	40	**366**	**3.87**
	DIY	22	68	74	93	75	54	**386**	**4.08**
	Electro	24	42	47	36	61	56	**266**	**2.81**
	Specialised	42	70	56	71	55	50	**344**	**3.64**
Total nominations		**1844**	**1834**	**1800**	**1604**	**1307**	**1057**	**9446**	**100**

Source: own research

In the second year of research the situation is distinct. Cash & carry units lose the supremacy and the dominant formats become those of hypermarkets and supermarkets. Intense communication carried out by one of them, but especially the new experience offered by this store, together with the other two new shopping centres, place the hypermarket category on the first place among global nominations (2666). Besides hypermarkets, the supermarket format also registers a significant number of nominations (2506 on the whole), succeeding in fact in a better positioning in the mind of consumers. As it may be noticed, supermarkets obtain 33.46% of the first place nominations (versus 30.04% for hypermarkets), and 29.88% of the second place nominations (versus 27.54% for hypermarkets). Only starting with the third response alternative (after which consumer strives harder to spontaneously remember a retail brand), hypermarkets surpass supermarkets. A possible explanation of this phenomenon probably resides in the proximity of supermarket locations to consumers. Hypermarkets, being developed on large surfaces require a large number of parking spaces, thus being placed in the periphery of urban areas or of neighbourhoods.

For a more exact evaluation of the competitive situation from the perspective of awareness, unassisted awareness analysis must be carried out through a classification of stores. In this respect table 3 presents a ranking of retail brands that occupy the first five positions on each response alternative. In research year 1 Cora hypermarket is the leader of the first response alternative and challenger on the second one. Its dominant position is surpassed by Metro (two, three and four response positions) and by Selgros (five and six). The two cash & carry units thus occupy five of the six response versions.

Table 3. The ranking of the first three nominations for the six response alternatives regarding spontaneous awareness in the three research moments

			Position									
			1		**2**		**3**		**4**		**5**	
Year 2	**Alternative**	1	Kaufland	330	Cora	243	Metro	162	Billa	161	ABC[1]	151
		2	Kaufland	238	Billa	190	Cora	177	Metro	166	ABC[1]	130
		3	Kaufland	198	Cora	170	Metro	164	Billa	138	ABC[1]	118
		4	Metro	162	Kaufland	154	Cora	116	Real	114	ABC[1]	111
		5	Kaufland	113	Cora	108	Billa	95	Selgros	92	Auchan	90
		6	Kaufland	95	Profi	79	Metro	76	Plus	71	Billa	66
Year 1	**Alternative**	1	Cora	235	Kaufland	196	Metro	160	Selgros	115	Billa	110
		2	Metro	178	Cora	175	Kaufland	175	Billa	148	Selgros	135
		3	Metro	193	Billa	151	Kaufland	146	Cora	137	Selgros	132
		4	Metro	169	Kaufland	139	Billa	115	Selgros	110	Cora	92
		5	Selgros	88	Billa	71	Metro	71	Profi	63	Kaufland	61
		6	Selgros	45	Profi	44	Billa	37	Oncos	36	Praktiker	36

Source: own research

Legend: [1] – Within the ABC stores have been included various proximity units that are not part of a retail chain

It is considered that this situation is explained by the fact that Metro has been present on the selected city's market even from the beginning of the years 2000, and in Romania for over ten years. In this context, it may be talked about an experience (mainly positive) accumulated by consumers with the oldest modern retail unit of the city. Moreover, it is believed that these units have become to a certain extent a sort of benchmark, a comparison base for any newcomer. It is therefore considered that Kaufland supermarket occupies one of the first five response alternatives in year 1, while in year 2 it gains five first positions. In research year 2 appears in the ranking of most often nominated units Real – once (fourth alternative) and Auchan once (fifth alternative).

In order to more accurately stress the position held by the selected retail formats on the six possible response alternatives, it has been utilized a method to weight the absolute number of nominations with the importance score (table 4), as follows (Pop & Plăiaş & Dabija 2008: 165-169): for the retail formats indicated on the first place the coefficient is six, for those on the second position five, and so on until for those on the last place one. By summing up the scores obtained on the six response alternatives it results the corresponding score for each retail format. The two cash & carry units lead in research year 1, followed by super- and hypermarkets. In research year 2 the leader type of retailers are hypermarkets, which are seconded by supermarkets.

Table 4. Classification of weighted nominations on retail formats

Retail format	Score year 1	Score year 2
Cash & Carry	4819	5745
Discounter	3242	1678
Supermarket	7793	5734
Hypermarket	9984	3391
Proximity store	4851	1050

Source: own research

4.2. Assisted awareness

As expected, when facing a list of retail units from all five retail formats previously introduced, respondents were able to easily identify even the stores that previously they had not been able to spontaneously remember. Data interpretation must be carried out paying attention to the fact that in research year 1 there have been taken into consideration only 18 retail units, while in the second year of research their number rose 30. This augmentation is owed to the fact that several retail chains have entered the analyzed location and several others have announced their intention to penetrate this market. In the first year 3.8%, and in the second year 3.5% of the respondents were able to nominate five or fewer stores, while 76.8% in the first year and 86.7% in the second year could nominate over 10 units.

Table 5. Assisted nominations distribution on questionnaires

Number of nominations on intervals			**Number of cumulative nominations**		
Year 1	**Respondents**	**Percentage**	**Year 1**	**Respondents**	**Percentage**
Up to 5	37	3.8%	Up to 5	37	3.8%
Between 6 and 10	190	19.4%	Up to 10	227	23.2%
Between 11 and 15	617	63.2%	Up to 15	844	86.4%
Between 16 and 18	133	13.6%	Up to 18	977	100%
Year 2	**Respondents**	**Percentage**	**Year 2**	**Respondents**	**Percentage**
Up to 5	65	3.5%	Up to 5	65	3.5%
Between 6 and10	197	10.7%	Up to 10	262	14.2%
Between 11 and 15	354	19.2%	Up to 15	616	33.4%
Between 16 and 20	519	28.1%	Up to 20	1135	61.6%
Between 21 and 25	550	29.8%	Up to 25	1685	91.4%
Between 26 and 30	159	8.6%	Up to 30	1844	100%

Source: own research

If in research year 1, Metro was the retail unit with most assisted nominations (959), followed by Billa (953), Kaufland (939), Cora (930) and Selgros (919), in research year 2 this top five appears to be different. Kaufland becomes the leader (1749), followed by Metro with 1792 assisted nominations and then by Billa (1653), Cora (1554) and Selgros (1520). Analysing absolute and relative frequencies (even though the values are descending) it may be stated that Kaufland became in research year 2 the benchmark unit with whom all the others are compared. However, Metro still holds a powerful position, probably because of the fact that has been the first large store on this market and had represented for many years the only real alternative to the traditional proximity units.

It is very interesting that the four hypermarkets present on the studied market have seen a spectacular evolution. From the total number of possible nominations in research year 1 (977), Cora registered 930, this representing 95.2%. In research year 2 its situation has undergone a significant decrease of over 10% (84.3%). Following the inauguration of one branch each, the other three hypermarkets experience considerable augmentation. Even though between Auchan and the other hypermarkets the difference in the second year of research between the number of actual nominations and the maximum possible one is not so great, varying between 8.9% and 12.1%, it is considered that this situation can be explained through the fact that the image of Auchan and that of Iulius Mall shopping centre, where it is located, are partially overlapped. In other words, consumers, when asked about a food store, respond Iulius Mall and not Auchan, because, paradoxically, the association between the two concepts is too tight. Of course that this situation may also be determined by Auchan’s less intense communication strategy, caused by high promotional costs or by its reduced number of stores, which are sparsely dispersed in over the country.

5. Conclusions

Of course, the present research is limited by the subjective inclusion of certain retail units among the ones introduced by interview operators to respondents. In the future it is imperative that a more complete coverage of various retail formats is being achieved. Future studies in this area will allow for better data comparability. The collected data allow the authors to conclude that European retail units have been relatively easily accepted by Romanian consumers, gaining their trust, sympathy and awareness. It is going to be interesting to find out how consumers perception will change as the number of stores of each retailer increases and other competitors penetrate the market.

6. References

1.Aaker D., Brand Portofolio Strategy – Creating Relevance, Differentiation, Energy, Leverage and Clarity, New York, 2004;

2.Aaker D., Management des Markenwerts, Campus, Frankfurt - New York, 1992;

3.Baker J., Parasuraman A., Grewal D., Voss G.B., The Influence of Multiple Store Environment Cues on Perceived Merchandise Value and Patronage Intentions, în Journal of Marketing, Anul 66, 2002, pp.120-141;

4.Barth K., Betriebswirtschaftslehre des EH, Ediția a patra, Gabler, Wiesbaden, 1999;

5.Dabija D.C., Marketingul întreprinderii de comerţ, Editura Risoprint, Cluj-Napoca, 2010;

6.Esch F.R., Geus P., Langner T., Brand performance Measurement zur wirksamen Markennavigation, în Controlling, Anul 14, Nr. 8/9, 2002, pp.39-47;

7.Esch F.R., Strategie und Technik der Markenführung, Ediția a cincea, Vahlen, München, 2007;

8.Hammann P., Der Wert einer Marke, în Dichtl E., Eggers W., Marke und Markenartikel, dtv, München, 1992;

9.Keller K.L., Conceptualizing, Measuring and Managing Customer Based Brand Equity, în Journal of Marketing, Anul 57, Nr. 1, 1993, pp.1-22;

10.Keller K.L., Strategic Brand Management: Building, Measuring, and Managing Brand Equity, Ediția a doua, Pearson Education, Prentice Hall, 2003;

11.Liebmann H.P., Zentes J., Swoboda B., Handelsmanagement, Ediția a doua, Vahlen, München, 2008;

12.Penrose N., Valuation of Brand Names and Trade Marks, în Murphy J., Brand valuation, Hutchinson, New-York, 1989;

13.Pop C.M., Plăiaş I., Dabija D.C., Awareness Assessment and its Implications on Competition Practice of Retailers, în Brătianu C., Lixăndroiu D., Pop N.A. (Ed.), Business Excellence, Special Issue of Review of Management and Economical Engineering, Anul 7, Nr. 5, 2008, pp.165-169;

14.Sirdeshmkh D., Singh J., Sabol B., Consumer Trust, Value, and Loyalty in Relational Exchanges, în Journal of Marketing, Anul 66, 2002, pp.15-37;

15.Theiß H.J., Handbuch Handelsmarketing: Erfolgreiche Strategien und Instrumente im Handelsmarketing, Ediția a doua, Deutscher Fachverlag, Frankfurt, 2007;

16.Yun Z.S., Good L.K., Developing Customer Loyalty from E-tail Store Image Attributes, în Managing Service Quality, Anul 17, Nr. 1, 2007, pp.4-22;

17.Zentes J., Swoboda B., Handelsmonitor I 98, Trends&Visionen: Wo wird im Jahre 2005 Handel „gemacht"? Deutscher Fachverlag, Frankfurt am Main, 1999.