

Brand Building of Retail Stores

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ABSTRACT

The emerging organized retail sector of India puts forth many challenges for both the new entrants as well as the existing retailers, the retailers have to differentiate themselves from the competition to gain the customer trust and loyalty. Branding is considered as one of the important means in establishing and maintaining competitive advantage by most of the companies in various industries. Earlier the focus of the marketers was limited to the marketing mix elements to develop competitive edge over their counterparts. The paradigm shift in marketing emphasizes the importance of branding. The digital economy which initiated the transformation in retail by changing traditional geographic boundaries, and enabled customers to access the products and services through the digital media also offer both opportunities and challenges to the retailers in building brands. In this scenario establishing and communicating a brand may be harder for multibrand retailers than for their single-brand counterparts, but brand building is essential for both. The present study focuses on brand building strategies of the retail stores which fall under the hypermarket format in Coimbatore city. Case study method was adapted to discuss the brand building strategies of retailers in the city. The major retailers of the Coimbatore city were contacted with a set of questions to find out their initiatives in building their brands. Based on the findings this paper highlights the various brand building strategies need to be adopted in the retail industry.

Introduction

The present generation looks for best quality products, variety and insists on time saving efforts, thus the future for many retailers lies with their brand building efforts. The customers are now more informed and empowered to access anything from anywhere and with the increased customer intelligence they look for value for the time and cost they incur. The digital media not only made the information about the market

available to customers, it also initiated the change in business process. The digital economy is one of the driving forces behind the transformation in retail by changing traditional geographic boundaries, the very economics of the distribution chain, and access to customers through the digital media. With a fast-paced society and faster-paced technological changes, customers want new, different and customized goods. The manufacturers are also using multi channels for both communication and distribution

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of the products and also for retailing. The rapidly growing retail sector in India with the entry of Multi National Corporations (MNCs) and national corporate players presents a highly competitive environment to the retail stores. In this scenario establishing and communicating a brand may be harder for multibrand retailers than for their single-brand counterparts, but brand building is essential for both. Brand ensures quality, and reduces the searching time of the customers for the best product in the market place. As the traditional Indian retailers prepare to meet the competition from the organized retailers and the multinational retailers, consistency and simplicity are the key drivers in delivering a winning customer experience.

Brand Building in Retailing

In most consumer industries, the image and equity of retail brands also depends on the manufacturer brands they carry and the equity of those brands. Retailers use manufacturer brands to generate consumer interest, patronage, and loyalty in a store. Manufacturer brands operate almost as “ingredient brands” that yield significant consumer pull, often more than the retailer brand does. To the extent “you are what you sell,” manufacturer brands help to create an image and establish a positioning for the store (Ailawadi & Keller 2004). Three trends of development have been identified within industry making brand orientation a strategic choice: decreasing product divergence, increasing media costs and integration of markets. These trends can be viewed as opportunities for Differentiation, Positioning and Internationalization (Mats Urde, 1994). The changes in consumer behaviour are the basis for changes in any type of industry. The recent trends in retail explain that consumers make psychological assessments of where to spend and where to save their personal currency.

If the consumers do not perceive a product as having an added value, then price and availability will probably determine their choice. The ultimate goal of branding is to establish a powerful, relevant identity in the minds of customers by adding value to the products. The established brands give the company a great potential to compete in the improved market place.

Review of Literature

In the context of assessing and identifying the brand building strategies adopted by the retail stores, the existing literature on brand building was reviewed and is presented as follows.

Branding activity created a means to distinguish the goods of one maker from those of another and it contributes to the competitiveness/ competitive advantage of the company as it cannot be easily copied or imitated (David A Aaker, 1991; American Productivity & Quality Center (APQC), March 1999; Philip C. Zerrillo, 2010). Brand is an added dimension on which buying decisions could be made. In addition to considering the price, availability, and functional attributes of the product, buyers could take into consideration their knowledge of the maker; brand's reputation for quality, for consistency, for honesty; and the brand's standing in the community. While brands historically have been within the purview of manufacturers, today all levels of distributors, intellectual property holders, value-adding organizations, and the like are attempting to apply branding principles to distinguish themselves from competitors. Thus, the brand becomes the latest focal point of competition, and by adopting branding orientation as company strategy, an organization can achieve meaningful and sustainable differentiation among target customers and prospects (American Productivity & Quality Center (APQC), March 1999; Mats Urde, 1994).

A framework for building brand identity was developed based on the existing literature. It includes positioning the brand, communicating the brand message, delivering the brand performance, and leveraging the brand equity (Bhimrao M. Ghodeswar, 2008). Organizations have begun to consider the brand as the embodiment of the relationship among the organization, its employees, and its customers. An empirical study which employed questionnaire method has studied the brand power and uncovered the best practices to be followed to leverage the brand identity in the market. Modern Organizations with enormous opportunities and challenges ahead, have to adopt activities across the sections such as Overall Brand Structure, Policies, Practices, Building the Brand, Communicating the Brand and Measuring Results of Brand Activities to distinguish themselves from the competitors in the market place (American Productivity & Quality Center, APQC, March 1999).

Retailer brands are typically more multi-sensory in nature than product brands and can rely on rich consumer experiences to impact their equity (Kusum L. Ailawadi & Kevin Lane Keller, 2004; Vibhuti Tripathi & Anitabh Pandey, 2008; Roychowdhury, Indranil, 2009; Alexander Leischnig, et.al. 2011). Retailers create their brand images in different ways such as by attaching unique associations to the quality of their service, their product assortment and merchandising, pricing and credit policy (Kusum L. Ailawadi & Kevin Lane Keller, 2004; YU Chunling, ZHAO Ping, Mike BASTIN, 2008; Kevin Lane Keller, M. G. Parameswaran, Isaac Jacob, 2011) In most consumer industries, the image and equity of retailer brands also depends on the manufacturer brands they carry and the equity of those brands. Since a large portion of most

retailers' revenue and profit comes from selling manufacturer brands, which many of their competitors also offer, building their own equity is a particularly challenging problem, but one with big potential rewards. Brands and branding have taken on broad new meanings in the emerging interactive information age that we are entering. Understanding the retailers' positioning and the brand assortment sold by the retailer and their relative image are thus of critical importance.

Researchers have studied a multitude of retailer attributes that influence overall image, e.g., the variety and quality of products, services, and brands sold; the physical store appearance; the appearance, behavior and service quality of employees; the price levels, depth and frequency of promotions; and so on (Kusum L. Ailawadi & Kevin Lane Keller, 2004; Chandrasekar, 2010; Sanjay Jena, et.al., 2012). Carmen Abril, Diana Gavilan, Maria Avello, (2009) also stated that store image, delivery, customer service and post purchase experience will create total purchase experience for the customers. Different dimensions which influence retail branding exercises can be access, store atmosphere, price & promotion, cross- category product/ service assortment, brand assortment, Private Labels and Experiential marketing customer service and post purchase experience. (Kusum L. Ailawadi & Kevin Lane Keller, 2004; Chandrasekar, 2010; Sanjay Jena, et.al., 2012). In a meta-analysis, Pan and Zinkhan (2006) include these dimensions into three broad antecedent categories for retail patronage, namely product-relevant factors (such as product quality, price, and product assortment), market-relevant factors (such as store atmosphere, store image, service quality and convenience) and personal factors (such as demographic variables). Product assortments are extensively cited in the

literature pertaining to more developed markets as important dimensions of retailer image (Areni, Sparks, and Dunne 1996; Keller and Ailawadi 2004) and key determinant of retailer patronage (Chernev 2006; Pan and Zinkman 2006). Apart from private labels, store brand preferences are influenced by three dimensions associated with a retailer's image (store atmosphere, product assortments as well as price and quality perceptions) in addition to certain value added services offered by the retailer (Sonnenberg, N.C. and Erasmus, A.C., 2008).

These studies form the basis to construct the questionnaire to find out the strategies adopted by the retailers of the Coimbatore city to build their retail store brand. The major dimensions were included in the questionnaire.

Methodology

Retail sector is one of the fastest growing sectors in the Indian economy which is keenly watched by the major global retailers as the retail destination with its aspiring middle class and young Indians. As the competition intensifies in the retail sector with the entry of corporate players and the global retailers, the need to differentiate the store from the competitors and proper positioning in the customers' mind is essential. In this context, the study on brand building of retail stores is carried out to understand the present situation in the retail environment.

Coimbatore is chosen as the study area as it recently attracts investments in retailing from major corporates and organized players. SPAR and BIG BAZAAR- the major hypermarket formats and the Kannan Departmental Store has been chosen as samples for the study. According to PwC's thought leadership report on 2011 "The hypermarket is a popular format especially for

many of India's food and grocery operators." Case study method was adopted to find out the brand building activities of the major retailers in Coimbatore City. To develop the cases on the retailers the questionnaire which was constructed with the major dimensions such as Product Assortment, Pricing strategy, Promotion, Brand Building activities, Brand image and marketing paradigms was utilized and an in-depth interview was taken with the retailers.

Results and Discussion

The cases were developed from the outcomes of the interviews with the retailers which are conducted with the help of the questionnaire. It discusses the various activities undertaken by the retailers to create and establish a unique identity and positioning of the store in the minds of the customers.

Case –I: Store-A

Spar Profile

A Dutch Wholesaler started DESPAR in 1932 (later abbreviated as SPAR) with the philosophy that independent wholesalers and retailers can achieve more by working together than working alone. DESPAR translated in English as: "All benefit from Joint Co-operation". SPAR in Dutch means fir tree thus, fir tree symbol was used to identify the organisation.

The Internationalization of SPAR

SPAR expanded steadily in Netherlands during the 1930s and went international in 1947 with its entry in Belgium. In the late 1940s the name was abbreviated from DESPAR to SPAR. SPAR International was established in 1953 to support and develop the SPAR concept internationally. In the later years, it went worldwide including

Europe, Asia and Africa. The continued success of SPAR in existing countries and the level of interest expressed by new countries prove the relevance of the SPAR Partnership model in modern food retailing. Year 2000 onwards, SPAR has entered the major developing countries like Russia, China and India.

SPAR India

SPAR Hypermarkets and Supermarkets in India is the result of a license agreement between the Dubai based Landmark Group's Max Hypermarkets India Pvt. Ltd. and SPAR International. Max Hypermarkets is responsible for the entire business operation – from capital expenditure outlay, day to day operations and management control, while Spar provides knowledge transfer, technical expertise and brings with it best practices in international retailing to ensure that the brand is being accurately represented, whilst ensuring that the local partner retains their financial independence to deliver the best solution in each market. SPAR International plays an integral support role in the development of the hypermarket format in India.

Spar @ Coimbatore

SPAR, the world's largest food retail chain is operated from the Brooke Fields' Plaza –the first shopping mall in Coimbatore. It operates in the 36500 sq ft area with 28 billing counters for the benefit of the customers, and offers nearly 24500+ products. It is the first store in Coimbatore, 9th store in India under this Landmark group. SPAR currently has 13 stores in India, and offers Shoppers to choose from a wide variety of quality products across various categories.

Branding

SPAR utilizes the space in and around for building their brand and creating brand awareness among

people. The passage to SPAR entrance talks about the four pillars of SPAR-Choice, Service, Value and Variety. The brand name SPAR and its logo are presented in each of the concept counter. SPAR promises to elevate shopping from a daily chore to a world class shopping experience that also offers value for money. SPAR offers the freshest quality, widest choice, greatest value for money along with a personalized and friendly service all packaged together to create a truly enjoyable shopping experience. SPAR's tag line "Live Life Better" epitomizes this philosophy. SPAR also assures world class service. The stores are customer focused and aim to improve the quality of the shopping experience by bringing tried and tested solutions in lighting and visual merchandising. The intention is to move beyond meeting the product needs of the customer to providing an unmatched shopping experience.

To ensure freshness, vegetables and fruits are sourced directly from the farmers and maintained at controlled temperatures till they reach the store, within an 18 hour timeframe. State of the art technology is used to keep the produce fresh while in-store. The emphasis on fresh food is unique and unparalleled and SPAR is committed to bring value to the consumer by increasing the number of fresh lines across all its food and beverage concepts. Spar also focuses on easy and seamless trolley movement in the store and fast billing process at the numerous billing tills and even small details like the token system at the fish counter where consumers get freshly cut and cleaned fish, packaged with ice and proper entrance and parking space to ensure its world class service.

Pricing and Promotion

SPAR adopts various pricing strategies on different occasions. It offers everyday low pricing,

value deals, clearance sale, etc. 'EDLP' or 'Every Day Low Price' concept means that SPAR offers the lowest retail price on certain products that are fast moving and are an integral part of the housewife's shopping list. SPAR also has Best Deals that run every fortnight and offer the customer the best bargains of up to 75%. This best deal offer is promoted with proper hoardings. Through such strategies SPAR assures excellent value for money throughout the year.

Spar @ www

SPAR has common website for its stores in India. Customers can go to their specific city by selecting store locator in the website. Currently

SPAR store at Coimbatore does not provide any online purchase facility to its customers. But it utilizes its website for promotion and to get feedback from its customers. They regularly update their website with the value deals offered for various products. Disclosing price information to consumers prior to their shopping by posting prices on multiple retail channels like catalogues, Web sites, etc will assist them in making dynamic shopping decisions (Rajagopal,2011). The common website also provides a store magazine which aims to help the customers to live their life better. Spar has opened its Facebook (famous social networking website) account – recently <http://www.facebook.com/sparindia>.

Table 1 : Product Assortment at SPAR

<u>Children World</u> Stationery Sports & Fitness Toys Infant Apparels & Accessories	<u>Electronics World</u> IT Accessories Home Appliances Personal Entertainment Home Entertainment	<u>Packaged Foods</u> Ready Foods Snack Food Preparatory Foods Beverages	<u>Kitchen World</u> Plastics Utensils Crockery
<u>Living World</u> Home Decor & Gifts Travel Furniture Do it yourself Auto Accessories Accessories Intimate Apparel Ready to stitch Home Furnishing	<u>Staples World</u> Rice, Flour & Sugar Pulses Spices & Dry Fruits Dry Fruits Edible Oils/Fats Organic	<u>Fresh World</u> Fruits & Vegetables Meat & Poultry Seafood Dairy & Frozen Bakery & Concepts	<u>Health & Beauty World</u> Skin Care Hair Care Men's Grooming Feminine Care Oral care Deos & Perfumes Baby Needs OTC Cleaning Aids

SPAR Exclusive

SPAR has decided to focus strongly on private labels as private label products offer excellent value to the customer. This is especially so when prices of brand commodities are on the rise & therefore helps to build loyalty. Private labels help to widen the customer base of stores by attracting both value seekers and branded users.

SPAR private labels are primarily in the FMCG - food (tomato ketchup, instant noodles, cookies, breakfast cereals, spices, beverages, fruit juices, spreads, pickles), FMCG- non-food segments (cleaning aids, air fresheners, paper products), textiles- towels, bed sheets, curtains and non-stick ware in kitchen aids. Spar looks at private label ranges contributing to 20% of its food and grocery revenues in the short term.

Private label products were always an integral part of its plan. Spar has a dedicated team that works on consumer research followed by product, vendor & packaging development to execute private label launches. Product launches were planned in a phased manner based on research reports and the trust reposed by the customers.

Customer Care

An abiding focus on catering to customer needs is the driving force behind every initiative, product and service at SPAR. Quite naturally, all efforts are directed at ensuring a single objective – ensure customer delight. It is this objective that forms the corner stone of the SPAR's brand promise. SPAR cares for its customers. Feedback and suggestions are welcomed and customers can be sure that their concerns will be addressed. It ensures the customers will receive a response within 48 hours on all 5 working days.

SPAR Connect- the monthly SPAR India magazine for its customers is the online Publication and the hard copies are also available at the stores. The Magazine talks about beauty care, health care, kitchen recipes and discusses about the products and its usage, best deals of the month and so on. This helps the customers not only to know the value deals available, but also enriches the customer knowledge upon various products. The online availability of this magazine makes it simple for the customers to browse through the offers of the spar by sitting at their home.

Live Life better

This is the basic motto of SPAR retailer. Spar website offers various Recipes, Store Cupboard, What's in Season, Enliven your trolley, Super Foods, Cooking Tips, Wine- types, Cheese

varieties, etc, and in the link -live life Better. These offers aim to help customers to improve their way living.

Inner Circle

In conjunction with the Landmark Group's corporate loyalty programme, SPAR launched 'The Inner Circle', a loyalty program for its customers in March 2009 which offers shopping and saving benefits in all stores across the group. The Inner Circle is the most privileged shopping circle in the country. As a privileged member of 'The Inner Circle', the customer get to enjoy a world of exclusive rewards and benefits - privilege points, gift vouchers, exclusive offers, special invites and much more – all designed to make the shopping a rewarding and memorable experience.

As a member of 'The Inner Circle', customer earn 2 points on purchase of INR 100 in Lifestyle, Max, Bossini, Splash, Citymax & Funcity and 1point on purchase of INR 100 in SPAR. For every 100 points, the customer get INR 70 credited to his/her account. On accumulation of 143 points he/she get a gift voucher of INR 100. These vouchers can be used on their purchase at any Lifestyle, Max, Bossini, Splash, SPAR, Citymax and Funcity outlets across the country. They can also enjoy exciting benefits like special previews, priority billing, exclusive promotions, quarterly offers from non-competing brands and tier retention gifts. At SPAR, the gift vouchers transcend conventional notions associated with gifting. SPAR gift vouchers give the recipient the freedom to choose from a vast array of options thus customer will not be left saddled with a gift that he may not want.

Corporate Social Responsibility (CSR) & Awards

SPAR India has assiduously taken up the cause

of reduction in the consumption of plastic bags. Spar uses oxo-biodegradable bags instead of plastic bags.

SPAR has won the Most Admired Food & Grocery Retailer of the Year for Large Formats for the year 2011.

Challenges/Pitfalls

The Store sales people and the people at billing counter in Coimbatore store are not so efficient in providing the best service to the customers. SPAR has to train them on its corporate culture of providing world class service.

The store directory has to be placed at the entrance and the concept center signages should be seen from everywhere. This will help the customer to go to the sections they are interested without difficulties.

Specialty of SPAR India

The Landmark Group is one of the largest retail conglomerates in the Middle East and India having a diverse portfolio of retail and hospitality brands. The Landmark Group provides value-driven product range for the entire family through an extended portfolio of core retail brands. The Landmark Group has grown consistently in every market condition displaying stability of performance and high value for customers across the globe. The Landmark Group's strengths are based on the four pillars of Strategic business, efficient operations, Logistics and the People who drive its success as a group. The combined strength of the Landmark groups and SPAR International's knowledge, operating excellence in international retailing and the four pillars of SPAR-Choice, Service, Value and Variety will definitely provide unique and excellent shopping experience to its customers and delight them.

Expansion

SPAR will continue to operate & expand in the Hypermarket segment while it will remain committed to its customers by delivering on the 4 strategic pillars - freshness, value, choice & service. In cities that Spar is present today, it has definitely built credibility within its target audience. Spar has planned to introduce 22 to 25 stores in the next 3 years. This will also help them to quickly attain critical volumes required for launch of private labels.

Case –II: Store-B

Big Bazaar Profile

Despite the massive size of opportunities in retail industry in India, it was almost entirely dominated and controlled by the unorganized sector. Big Bazaar is credited with bringing organized mega retailing to India. Big Bazaar, the flagship retail chain of the Future Group, is the first hypermarket format in India, with more than 100 stores in operation marking one of the fastest expansions of the hypermarket format anywhere in the world. It follows the business model of US based Wal-Mart and called as Indian Walmart for the modern Indian families. With a slogan of "Is se sasta aur accha kahin nahi!" ("Nowhere cheaper or better than this!"), the Big Bazaar targets itself directly at the average Indian's love of following the crowd and scrambling for a good discount.

Future Group

Future Group operates India's most popular retail chains including Pantaloons, Central, Big Bazaar, Food Bazaar, Home Town and eZone and also has allied businesses in consumer finance, life and non-life insurance, logistics infrastructure and supply chain and brand development. The group operates over 17 million square feet of retail space

in over 90 cities and towns and 60 rural locations across India. The group's retail formats connect over 300 million customers to over 30,000 small, medium and large enterprises that supply products and services to its retail chains. Future Group believes in developing strong insights on Indian consumers and building businesses based on Indian ideas, as espoused in the group's core value of 'Indianness.' The group's corporate credo is, 'Rewrite rules, Retain values. It believes that the modern Indian retail rests on the strength of two pillars – scale and efficiencies. The Group's strategy is aimed at achieving inclusive, sustained and profitable growth with three levers - Customer-orientation, Continuous-innovation and Collaborative transformation.

Product assortment

Big Bazaar claims to offer over 1, 70,000 products under one roof. Big Bazaar gives a variety of options across categories such as furniture, electronics, clothes, cookware, cosmetics, household items, food, gifts, jewelry and books. Most stores open from 10 a.m. until 9.30-10 p.m. daily.

Ambience

The Big Bazaar is a useful place to find cheap household items, clothes, and food all under one roof. There is no specific theme followed at present to increase the store ambience. The ambience is more of a generalized form with uniform lighting everywhere. There are continuous announcements going on about the discounts and the offers the outlet provides. There is no specific fragrance or music. There are signages which easily direct the customer to the specific category. It was observed that the better the store display, the higher the attraction of the retail store (Rajagopal, 2011).

Pricing & Promotion

Big Bazaar adopts various pricing strategies such as value pricing, price bundling, and promotional pricing-Psychological pricing and differentiated pricing-time bound pricing. The waiting line model in big bazaar is not so efficient compared to spar because the counters are lesser in number and the crowd is huge especially during festivals and the time of discount offers.

Big Bazaar uses both the below line and above the line promotions regularly. They offer coupon, discount purchases, exchange offers, and special occasion offers. The store advertises frequently on newspapers, radio, and television and on its website.

Store location

Big Bazaar stores are mainly concentrated in the tier I and tier II cities. They usually situated at the busy streets and at approachable distance.

Positioning

The name itself says it's positioning. This format was termed as Bazaar because the store was designed keeping in the mind the Indian mandi style. Since the size of the hypermarket was bigger than the average mandis it was named as Big Bazaar. It adopts the Indianness to the retail format in the organized world. Big Bazaar occupies the low price –high service Plane along the low to high service versus low to high price matrix/axis (Ravi Bhatia, 2010).

Awards & Recognitions

The brand has been recognized with the following awards - Consumer Award for the most preferred large, food and grocery store -2006 & 2007, Value Retailing and Retail Destination of the Year-2006 by Reid & Taylor, Reader's Digest Platinum

Trusted Brand Award-2006, International Retailer of the Year-2007 and Emerging retailer of the year-2007 award at the world retail congress. It also won the Best Value Retail Store and Best Retail Destination at the Images Retail Forum for four consecutive years, beginning 2004. CNBC Awaaz, in association with ACNielsen-ORG Marg, which conducts a study across 21 major cities and some 10,000 consumers, on their most preferred brands, has voted overwhelmingly for Big Bazaar.

Online Presence

The Big Bazaar has entered the E-Retailing with its launch of future bazaar.com. Customers can buy products ranging from Apparel and Accessories, Mobiles, Digital Cameras, Optics, Computers, Consumer Electronic, Jewellery to Books and Magazines, Music and Movies, Food, Gift Vouchers and Watches through online.

In house Brands

Big Bazaar sells noodles, pasta, vermicelli, soups, namkeens, chips, toast, khari, papads, jams, pickles, carbonated drinks, ketchup and fruit beverages under its private label. It has added breakfast cereals –tasty treat to the range. Some of the In house brands are Sensei and Koryo in Consumer durables & electronics, fresh & pure in FMCG, Dream-line in General Merchandise, DJ&C in Apparel, Sarapolo, Renuka- Sugar, Clean mate -Detergent, etc. The in house brands are not that good when it comes to quality and style.

Branding

Brand Big Bazaar stands for delivering value for money. Customer service and shopping comfort are at the core of Big Bazaar's philosophy. Innovation and initiative define its brand character.

It strives to reach out to its customers by imbibing the local flavour and melting into the local geography. It promotes Big Bazaar as a value retail store under future group whereas the pantaloon comes under lifestyle retail store. Thus Big Bazaar continuously strives to add value to its customers as well as its shareholders.

Customer Care

Big Bazaar and ICICI Bank has launched ICICI Bank-Big Bazaar Gold credit card program to reward its loyal customers. It also launched Shakti, India's first credit card program tailored for housewives.

Table 2 :
Big Bazaar-Advantages & Weaknesses

Based on the observation the overall advantages and weaknesses of Big Bazaar can be stated as follows:

Advantages	Weaknesses
Low prices	Overcrowded
Frequent sales promotions & Discounts	Quality is variable
Wide range of products under the one roof	Poor customer service

Case –III : Store-C

Kannan Departmental Store Profile

Kannan Departmental Store operates with nearly ten branches in Coimbatore itself. It also made its presence in other parts of Tamilnadu. They understand the business of retailing better because of their years of experience in the local market. They ensure that their customers enjoy best-in-class customer experience through a range of customer focus initiatives that include

proper store location, better store environment and so on. They give attention to the proper merchandise selection and its presentation, offers and schemes which aims to create customer satisfaction. The people at Kannan Departmental Store also keen on increasing its customer patronage with various initiatives at their stores to fulfill and exceed the customer expectation.

Online Presence

Kannan Departmental store has launched its website as the competition is intensifying with the entry of corporate players such as Reliance Fresh, Big Bazaar, More, Etc. It uses the website to get complaints from customers and to announce the daily offers. The store has gone further to make its presence on the social networking sites such as Facebook, twitter, etc.

Product Assortment

Kannan Departmental store offers a wide variety of products ranging from Food and Grocery, Clothing, Kitchen Appliances, Electronics, Pharmacy, Cosmetics, Fruits, etc

Store Ambience

The signages are displayed for the easy access of the customers and each floor carries different product categories and the store directory is also placed at the entrance. There are places with dull lighting and the space for movement is less. The products on the shelf are sometimes covered with dust.

In House Brands

Kannan Departmental Store also understood the value of In house brands and their role in building the retail brand. Thus the private label products are branded as Shri Kannan and distributed to other vendors also. The in house brands are

offered in various categories such as Groceries, Cosmetics, Cereal Varieties, Sweets and Snacks, Medicines, Stationery Items and Art materials, Ready Made Garments etc.

Pricing & Promotion

Kannan Departmental Store adopts discount pricing for the products which are frequently taken in the customers shopping basket.

Kannan Departmental Store provides opportunity events for customers to ensure that it continues to expand and retain its customer base. It celebrates customer day and annual day to ensure customer connect and to recognize employees and vendors for customer focused performance and delivery. It also provides seasonal offers during festivals and shopping seasons to reward customers for their loyalty.

Brand Building

The brand building activities of Kannan Departmental store were way behind when compared to Spar and Big Bazaar. The lack of such initiatives makes Kannan Departmental store to lose its customers to the competitors like SPAR with its International feel and Big Bazaar with its frequent promotional programs.

Kannan Departmental store has better understanding of its local customers and the strength of the earlier entrant to the market. Still its image in retailing gradually decreases because of the entry of corporate players and due to the intense competition in the sector. The lack of understanding on the importance of branding is also one of the reasons for it.

Awards: It has won the Coca cola Golden Spoon Award for the Most Admired Regional F&G Retailer of the Year 2010.

Managerial Implications

The results and cases were developed to understand the retailers brand building strategies and presented for learning and adaptation.

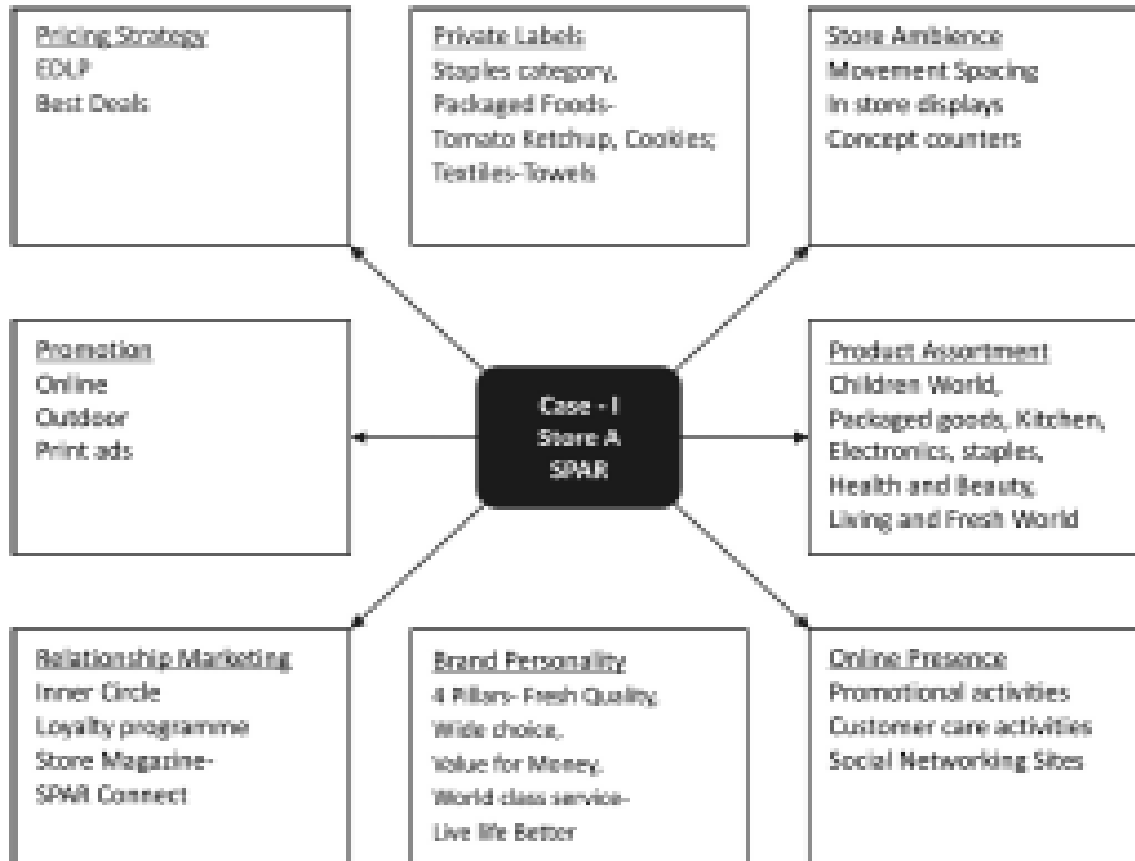


Figure 1 : SPAR

SPAR ensures that the brand 'SPAR' and its personality are well established and communicated to the customers. It takes up the each dimension as an important means for the brand building activity.

Big Bazaar believes that value for money and shopping comfort as its brand personality and takes up indianness in each of its brand building activity and its retail mix also ensures that.

Kannan Departmental Store's promotional theme is all under one roof and it focuses mainly on the outdoor promotions and works towards improving its store ambience and to provide better shopping experience to its customers. This regional based Indian retail incumbent is competing steadily with their counterparts by expanding their presence across cities, experimenting with formats, launching private labels, strengthening supply chain systems and through the investments in cash & carry trading, they ensure that the market share is not lost to the new entrants.



Figure 2 : BIG BAZAAR

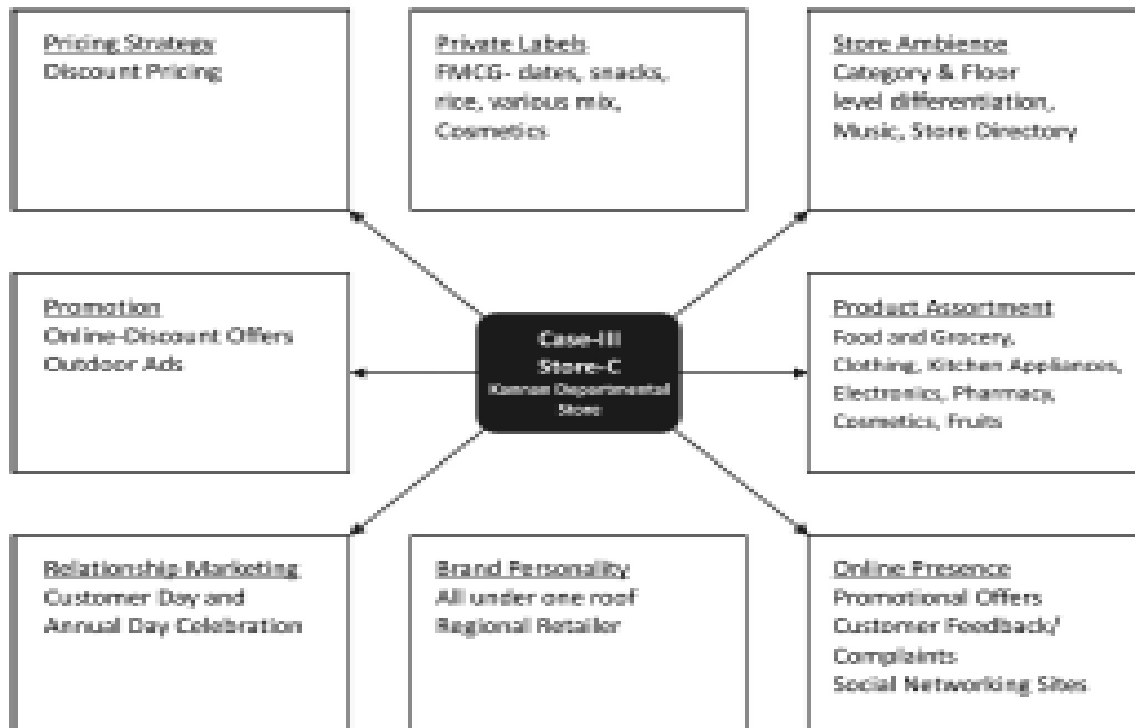


Figure 2 : KANNAN DEPARTMENTAL STORE

Table 3 : Comparison of SPAR Hyper Market, Big Bazaar, and Kannan Departmental Store

The comparative interpretation of the Brand Building Strategies of the three retailers is as follows:

Dimensions	Features / Factors	Store - A- SPAR	Store - B - Big Bazaar	Store-C- Kannan Departmental Store
Store profile	Format	Hyper Market	Hyper Market	-
	Market Coverage	International	National	Regional
	Target Customer	Upper Middle class to upper class	Middle class to Upper Middle class	Lower Middle class to Middle Class
Product Assortment	Variety and Assortment	Wide	Good	Ok
Store Atmosphere	Store ambience	Good	Ok	Ok
	Lighting	Normal	Normal	Normal
	Parking and Shopping space	Ample space – trolley are used easily	Not adequate	No proper spacing
	Arrangement	Well Organized	Less Organized	Clumsy/ not so organized
	Billing	Quick	Comparatively slow	Very slow and messy
Brand Profile / Store Image	Branding	International Branding Highly experienced Well known brand worldwide	National branding Unique Idea with Indian touch	Regional Brand
	Brand / Store Image	Branded International store / Corporate Player	National Discount store / Corporate Player	Discount Store/ Local player
	Brand proposition	Freshness, Service, Choice, Value	Nowhere cheaper or better than this	All products under one roof
Marketing Paradigms	Pricing	Average	Cheapest	Cheaper
	Products Quality	Good Quality	Moderate Quality	Moderate Quality
	Service	World class service/ International shopping experience and customer satisfaction	Average/ Better Service	Average/Low Price / saving money
	Online Presence	Well Presented & organized website No Online transaction	Clumsy Website Online transaction available	Not Good No Online transaction
	Loyalty program	Inner Circle	Credit card program with ICICI Bank	None

Thus from the above table it could be inferred that the SPAR is the International brand which focuses on the World class service to customers whereas Big Bazaar is the National brand which focuses on providing better service to the modern Indian middle class families with its various and continuous promotional offers. Kannan Departmental Store is the regional brand, which is not yet, clear with its

brand and it's positioning. Thus the retailers need to take up actions to differentiate and position themselves in the mind space of the customers.

Table 4 : Action to be taken

Challenges in brand building of Retail Stores	Events/Actions need to be taken in brand building of Retail Stores
Lack of brand characteristics and differences	Creating proper brand proposition and communicating the brand and its personality clearly to target customers
Lack of overall Brand Building Planning	Proper planning for the brand building strategies of Retail Store
Lack of market research / consumer behaviour research	Understand the target market better and offer services that exceeds the customer expectations and earns customer loyalty
Lack of brand positioning	Positioning Retail store based upon customer demands
Lack of importance to the retail-mix	Creating winning customer experience with best store atmosphere and proper utilization of store environment

Conclusion

The companies/corporate of any industries which took the brand building exercise seriously won the recognition from the customers as well as from their employees and among the public. Recently the retail sector has been opened up for foreign investments, thus create rigorous competition from the multinationals and the retail companies need to take up the brand building strategies seriously. Only if they start to build their brand they can stay long in the industry in the coming years as the future customers will look for the best from the market with their less time left. They will look for shopping, entertainment and also the quality time that can be spent with their family in the mean time. When the Ford Motor Company sold physical assets and invested over twelve billion dollars to acquire prestigious brand names: Jaguar, Aston Martin, Volvo and Land Rover, the *Forbes* reported that, "None of these marquees brought much in the way of plant and equipment but plant and equipment aren't what the new business model is about. It's about brands and brand building ...

Ford has been selling things you can touch and buying what exists only in the consumers' minds" (Akasie 2000). This shows the importance of brand building efforts in any industry. Thus taking brand building activity seriously is the major concern for the organized retailers who are focusing to introduce more stores in coming years.

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