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ABSTRACT

The personification approach (e.g. customers view company name as a person) has been used in the past to understand corporate brand image (CBI). However, empirical studies using this approach were limited to only a few settings (e.g. department store and automobile). The applicability of this type of methodological approach is questioned due to its limited empirical findings. The present study enhances this understanding by providing the empirical evidence in the context of retail bookstore. The research is informed by 511 responses from experienced shoppers. Structural equation modelling was performed to identify the bookstore’s CBI. While previous literatures stress consumers appeared to express department stores to be more agreeable, chic and ruthless, the study found that the bookstore’s appeared to be expressed as more agreeable, competent and enterprise. The practical contribution of the study and its managerial implications can be seen in the context of defining strategy and positioning the corporate brand in book retailing context.

Keywords: Retail, corporate branding, retail positioning

Introduction

There has been a growing interest in the subject of corporate branding in recent years amongst academics and practitioners because there is a belief that a business operating in a competitive corporate market gains reputational value from a strong corporate image (Van Riel and Van Bruggen, 2002). However, there have been only limited empirical studies aimed at identifying the dimensions that actually represent corporate brand images or brand personality. Understanding corporate branding is vital because a positive corporate brand will help a company achieve higher levels of performance, for example, by increasing profitability through increased sales, without having to spend enormous amounts of money on advertising. As a corporate brand is more about the intangible and emotional values associated with a brand or company name, these values are the most sustainable source of competitive advantage (de Chernatony and Harris, 2000). It is therefore the study’s intention to explore consumers’ perceptions of corporate brand image in a retail bookstore context. Specific research questions for this study are as follows:
1. Is the corporate brand image(s) presented by multi-dimensional constructs in the organisation that sells books?
2. If so, what would the corporate brand image be?
3. Which dimension(s) is more important when associated with the bookstore’s corporate brand image?

**Literature Review**

**Corporate Brand Image: A Definition**

Marketers focus on incorporating emotional values (by portraying this through the metaphor of brand personality) into their brand in order to position and differentiate them from their rivals (McEnally and de Chernatony, 1999). However, while academics like Martineau (1958) and Semeijn et al., (2004) conceptualise the image of a company or store as more related to qualities and attributes of the organisation, others such as King (1973), Aaker (1997) and Davies et al., (2004) conceptualise the image of a store or company as more related to a person. Thus, there are two types of corporate brands defined by previous studies. On the one hand, corporate brand is seen as more about attributes or perceived quality, whereas on the other hand, it is more about affect or emotional feeling/reaction that is attached to the brand. The methodological approaches differ between the two, since the former may use a direct attitude measures approach, whilst the latter may use the projective technique or personification approach. For the purpose of the present study, the chosen context is a bookstore in a retail setting – the consumer may evaluate the brand attached to the company name or retail store name (or the corporate brand name) of the bookstore. The study is concerned with consumer evaluation of the company or store name (corporate brand image) based on consumer experiences with the chosen company or store. Explicitly, the study defines corporate brand image as the sum of values that represent an organisation (Ind, 1997) and these values or perceptions held by stakeholders are based on their accumulated experiences with an organisation (Goldsmith et al., 2000; Davies et al., 2003), thus, corporate brand image is about the consumer’s emotional response to a brand that leads to the personification of brand attributes, and this is then used to differentiate between alternative offerings (Patterson, 1999). Although the use of the metaphor of brand personality is an increasing area of interest for many academics, empirical research is still lacking. The next section reviews the literature so far in this field.

**Metaphor of Personality Traits**

Corporate brand images are commonly measured by human personality traits to portray the brand image of a company. In fact, Aaker (1997) and Keller (2003)
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indicate that recently growing attention has been given to the understanding of the more abstract, intangible aspects of consumer brand knowledge (such as brand personality or corporate brand image). By using metaphorical expression, specifically the personification approach (i.e. by viewing the company as a person), these studies have examined corporate brand images or brand personalities in various settings. Yet, with a few exceptions (e.g. see Aaker, 1997; Davies and Chun, 2002; Rojas-Mendez et al., 2004), past studies about corporate branding have predominantly been conceptual rather than empirical (Balmer and Gray, 2003).

Reputation or CBI could be measured via the metaphor of human personality traits (Davies et al., 2001). Examples of the trait scale include: (1) Corporate Character Scale (Davies et al., 2004) or Brand Personality Scale (Aaker, 1997). These scales propose a projective technique that asks respondents to imagine that the company comes to life as a person. This kind of research is thought to be very important (Sirgy and Samli, 1985). Sirgy and Samli (1985) state that the retail manager needs to realise that symbolic images of the store play a significant role in store patronage and loyalty behaviours. "The retailer should gather information about how consumers see their stores in personality terms" (p. 287). Besides, the advantage of using this methodological approach is that it is proposed as a creative form of research, as by asking the respondent to imagine that the company was alive, respondents were asked to think of brand differently through personality traits (Franzen and Bouwman, 2001). Aaker (1997) suggests the symbolic use of brands is possible because consumers often imbue brands with human personality traits: for example, Coca-Cola is 'cool'. Furthermore, Davies et al. (2003) recommend that in order to understand the CBI of a company, researchers could adopt the metaphor of personality traits scale as an indirect measure to the corporate brand image. Another strength of brand image research is the meaning of the symbolic brand value itself as it is more of a stable factor over time (Franzen and Bouwman, 2001; Davies et al., 2003).

Rokeach (1973, p.5) defined value as "an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence". In fact, marketers use these brand personalities or CBI dimensions as their guide when they advertise their brand value or message to their customers (McEnally and de Chernatony, 1999, p. 10). This shows that this type of research is indeed seen as important to marketing.

However, a number of academics have raised concerns in using this methodological approach. Morgeson and Hoffmann (1999) state, "metaphor can illuminate but it can also deceive if the metaphor is taken too literally, as metaphors are, literally false". Hunt and Menon (1995) added that the company is not a human being and does not share their characteristics. Besides that, because of very limited literature in this kind of research (Aaker, 1997, p. 348), (e.g. see Davies and Chun, 2002; Rojas-Mendez et al., 2004), the personality trait
approach is, by and large, based on empirical (factor-analytic) studies with limited
discussion on the theoretical background of the factors, (Beren and Van Riel,
2004). Furthermore, Eysenck, (1991) questions the number and nature of
personality factors. Beren and Van Riel (2004, p. 171) argue that personality traits
are not always evaluative in comparison to social expectation (such as delivering
good products, having good financial performance and being environmentally
responsible).

Despite the criticisms surrounding the use of human personality traits,
research of this kind remains important because marketers need to understand
how their companies are perceived by consumers, what personalities their
companies have, and brand personality can also help them in the formulation of
their advertising strategies. For example, brand personality is heavily built by
advertising, using advertising characteristics, slogans, packaging and other
elements of the marketing mix (Plummer, 1985). However, since consumers are
thought to connect most brands they recognise with physical and or/functional
product attributes, this is commonly seen as the image of the brand, and hence
may overlook the more symbolic brand meaning usually expressed by brands
(Franzen and Bouwman, 2001, p. 198). In fact, it has been pointed out by Beren
and Van Riel (2004), that despite not being sufficiently evaluative (as discussed
above), the concept of corporate personality has somehow made a significant
contribution in recent years in the understanding of the gaps between internal
and external stakeholders (e.g. see studies by Davies and Chun, 2002; Davies et
al., 2003), as well as in the impact of corporate branding or reputation on
stakeholders’ preferences (e.g. see Davies et al., 2003). Furthermore, it is indicated
that the association of values in relation to human personality traits with a
brand, tends to be relatively stable, enduring and distinct (Aaker, 1997), and this
phenomenon helps in a brand’s positioning and differentiation. Neglecting this
type of research would not help the brand management team to better understand
their consumers in terms of what their company brand means to them, particularly
in emotional terms. Moreover, without this type of research, insufficient
information to facilitate promotional or advertising campaigns (i.e. which values
for instance to accentuate) may prove detrimental to the organisation. Thus,
from these discussions, functional element of brand is important but it is the
emotional elements that help in company differentiation and positioning.

However, the empirical research in this area is still very limited, and it is the
intention of the current study to explore consumer evaluation of a company
through emotional element of CBI. By incorporating the metaphor of personality
traits (which is more influenced by the emotional or affective elements as explained
earlier) to measure the corporate brand image, this study thus hopes to add to
the current knowledge on the feasibility and applicability of this methodological
approach in other settings, where knowledge is very limited.
Corporate Brand Image—Previous Empirical Research

Empirical studies that examine company name as a brand in general, and more specifically, corporate brand image that represents an organisation using the metaphor of brand as a person, are limited in comparison to reputational studies. As highlighted earlier, Aaker (1997), Davies et al. (2003), and Keller (2003) indicate that recently growing attention has been given to the understanding of the more abstract, intangible aspects of consumer brand knowledge (such as brand personality or corporate brand image). Yet, the past studies about corporate branding have predominantly been conceptual rather than empirical (Balmer and Gray, 2003).

Nevertheless, early attempts to examine corporate brand image or acknowledge a corporation as a brand name can be seen in the works of Markham (1972) and King (1973). The more recent studies in this area include the works of Davies and Chun (2002) and Rojas-Mendez et al. (2004). By using metaphorical expression, specifically the personification approach that views the company as a person, these studies have examined corporate brand images in various settings (e.g. department stores and automobile respectively). A more relevant recent study into retail corporate branding was undertaken by Davies and Chun (2002). They compared corporate brand images between employees and customers of two British department stores with similar ranges of products. They used seven-dimension Corporate Character Scale developed by Davies et al. (2001). Their study found that the corporate brand images of the two department stores were similar (i.e. consumers and employees express the department store CBI as more Agreeable, Competent, Chic and Ruthless). The main gap found was between employees’ identity and consumers’ image, and not within the image itself. For example, employees appeared to perceive the company as being more Ruthless than the consumers. However, as there is still a lack of research in this area, it is not possible to generalise these findings. According to Aaker (1997) and Davies et al., (2003), different settings may result in different dimensions. Thus, the study proposes that: ‘Corporate brand image(s) may vary in the context of retail bookstore’.

Methodology

CBI: The Measures

The study has earlier defined CBI as an affective and emotional construct. This definition appeared consistent with several academics (e.g. Davies et al., 2003; Franzen and Bouwman, 2001) that regard the corporate brand image or brand personality variable as more about the intangible or affective and emotional side of the brand rather than the functional or tangible side of it. The study has
adopted corporate brand image scales from Davies et al., (2004) namely the ‘Corporate Character Scale’. Corporate Character Scale identifies seven dimensions (Agreeableness; Enterprise; Competence; Chic; Ruthlessness; Informality, and Machismo, consisting of 49 items).

Pilot Testing of ‘Corporate Character Scale’

Due to the newness of the ‘Corporate Character Scale’, a major concern is its reliability and validity, therefore pilot testing of the scale is needed. Consequently, a pilot study was conducted within the Manchester Business School and other schools in the University of Manchester in order to test the appropriateness and validity of the scale in the Internet setting. A drop-off/pick-up method was employed in the participating schools and 187 questionnaires consisting of the 49 items of the Corporate Character Scale, were distributed. The final number of usable questionnaires from the pilot testing was 53, giving a 28.3% response rate.

In order to assess the validity and reliability of the items, Cronbach’s Alpha internal consistency measure was used, and the 49 items were analysed using SPSS version 14. Results at this stage indicated a high level of internal consistency among the seven dimensions of the Corporate Character Scale for example: Agreeableness (.80); Enterprise (.89); Competence (.92); Ruthlessness (.67); Chic (.61); Informality (.54); and Machismo (.59). These results appear consistent with previous studies that have adopted the same scale in other settings in UK retail stores. For example, in a recent study by (Davies et al., 2004), the internal consistencies were as follows: Agreeableness (.91); Enterprise (.89); Competence (.92); Ruthlessness (.67); Chic (.61); Informality (.54); and Machismo (.59). Thus, because the scale demonstrated its validity (internal consistencies ranging from .92 for Enterprise to .54 for Informality), the full Corporate Character Scale was considered to be suitable for use in the actual research, without the need for any alteration whatsoever.

Sampling and Research Procedures

The empirical context being studied here was of one retail bookstore. This bookstore offers their customers a wide range of books, including academic books, children’s books and fiction. To meet the objectives of the study, the survey instrument was distributed to respondents that met the following conditions. They had to:

1. Have visited the bookstore at least once a month;
2. Have bought a book at least one to three times from the bookstore in the last year.
In operational terms, the respondents were approached before they left the bookstores and were screened before being handed the questionnaire to ensure they had sufficient experience with the chosen bookstore being studied. Specifically, they were stopped and asked if they could allow five minutes to be screened (i.e. the above conditions 1-2 must be met first before given questionnaire to be completed on the spot or in their own time, to be returned in a self-addressed envelope). The main purpose for the above screening is compatible with the Corporate brand image definition (i.e. "corporate branding or corporate reputation is viewed through an accumulation of consumer reactions to the experiences they had with an organisation (Davies et al., 2003, p.178) as explained earlier. The main survey was carried out at bookstores around (London, Manchester and Leeds) in the UK over a period of approximately one month (i.e. about one-and-a-half weeks in each branch).

Data Analysis

Characteristics of the Sample

The usable questionnaires were 511. The average age of the respondents in the sample in this study was between 25 to 34 years and 58.9 per cent were male. In terms of the background information, on average, the respondents visited the chosen bookstore at least once a month, (accounted for 53.2%). They spent up to one hour on each visit (accounted for 78.3%) and 58.1% bought up to three books from the bookstore over the last twelve months.

Corporate Brand Image (CBI)

In order to test the study proposition, CFA (First and Second Order) has been performed. Specifically, both first and second order model were performed to meet the construct validation purpose. According to Garver and Mentzer (1999), both first and second order need to be performed to ensure the underlying theoretical structure is tested for unidimensionality and reliability. Although the corporate brand image consists of several distinct and unique dimensions, it is generally regarded that these dimensions are interrelated, as proposed by the priori theoretical structure. The latent (or second order) construct, namely CBI, when there is a clear priori theoretical structural proposing the constructs to be multidimensional, in itself needs to be empirically tested as a second order or higher order form (Hair et al., 1998, p. 627; Schmidt, 2005).
First Order Model

The measures of the Corporate Character Scale which consists of 49 items as proposed by Davies et al., (2004), were then sent to CFA specifically performing the first order. The initial results for both contexts showed a poor fit and needed to be re-specified. For example, the result of \( \chi^2(1100) = 3831, p < .001; \) GFI = 0.735; TLI = .684, CFI = 0.703, \( \chi^2/df = 3.5 \). CBI store suggests that there were misfits in the two models.

Assessment of Model Misspecification

Items that are cross-loaded in more than one dimension were relaxed one at a time as proposed by Long (1983) and insignificant parameters were excluded from the study. For example, one item (Corporate) was excluded in the early stage of this analysis due to being insignificant. Besides relaxing parameters, removing or adding items (or parameters) from one dimension to another dimension, which is highly cross-loaded, was also performed in this study. However, any removing, excluding or adding parameters need to be performed based on theoretical, statistical and practical considerations (Bagozzi and Heatherton, 1994). For example, one item ‘Leading in Competence has been moved to Chic, not only for statistical reasons (such as high modification indexes, standardised residuals and higher standardised loading which reflect the item’s convergent validity when removed), but because it makes practical sense when it is associated with the items ‘prestige’ and ‘elegance’ in the Chic construct. The model was then revised until they attained acceptable values in the goodness-of-fit indexes. The final results show 21 items were retained for as depicted in Figure 1.

Specifically, four dimensions (Agreeableness, Enterprise, Competence and Chic) represent the bookstore’s CBI. Goodness-of-fit statistics show that the model \( \chi^2(1132) = 497.73, p < .001; \) GFI = .915; TLI = .900; CFI = .913; RMSEA = .058; \( \chi^2/df = 2.7 \) fits the data well. Convergent validity for the model was supported in this study with all parameter estimates (i.e. the item’s standardised loadings > .5, (Kline, 1998) and all items were statistically significant at \( p < .001 \), (see Figure 1). One issue remain unresolved at this point though. The issue relates to high correlation. Since the covariance (the correlation) results between Agreeableness and Competence = 0.82 (as depicted in Figure 1) is quite high, the question of discriminant validity has yet to be dealt with. In other words, discriminant validity will be achieved if the degree of association is weak and this means that the corporate brand image dimensions are distinct in concept, (Bagozzi and Heatherton 1994). However this was yet to be shown in this case. Thus, a chi square differences test (SCDT-\( \chi^2 \) test) was conducted to compare a two-factor model with a one-factor model solution to see whether the factors hold up as separate factors despite being highly correlated. The test result indicated that the differences were significant in the two-factor model and \( \chi^2(1) = 62 \)
40, p < .001) for the offline store, thus confirming that those factors were indeed separate factors. Besides that, other correlation results for both stores were low (.41 to .57) as depicted in Figure 1. In this sense, discriminant validity was supported for the model.

**CBI: Second/Higher Order Model & Alternative Models**

Result from the first order was then sent to second order for further analysis. However, before a decision is made to select the second/higher-order model, there is a need to compare the second-order model to two other alternative models. This comparison is important as it provides an additional test for common method bias (Davy et al., 1997). The first alternative model is the first-order model (as depicted in Model 1, Appendix A). The second alternative model is a one-factor model (presented in Model 3). The results of the second order model (Model 2) were then compared with the two alternative models. The results of the one-factor model (i.e. the Model 3) did not acceptably fit the data ($\chi^2$=1162 p < .001; $\chi^2$/df = 6.2, GFI = .79, TLI = .69; CFI = .731; RMSEA = .10). Furthermore, according to the Chi-Square Test Statistic ($\chi^2$ test) comparing Model 2 and Model 3, $\chi^2(23, N = 511) = 702.44$, p < .001, the differences between the two models (Model 2 and Model 3) were significant. The significant $\chi^2$ test would indicate that Model 2 is being supported for its multidimensionality and not Model 3 (i.e. the one-factor Model). Therefore, Model 3 was rejected. When comparing the first-order model (Model 1) and second-order model (Model 2), both perform similarly where the second-order model produced near identical results to the first-order model (see Model 1 & 2 in Appendix A comparing their fit indexes). However, when both models indicate their fit indices are acceptable as in this case, decision concerning which model to choose for further analysis could be made based on the priori status of the corporate brand image structure. As it is recommended by priori theoretical structure, whereby corporate brand image consists of multidimensional constructs with at least five personality dimensions (Davies et al., 2003), this suggests that the second order model may be preferred. Secondly, as explained earlier, second order increases the validity of the construct (Graver and Mentzer, 1999). In other words, if the model could be empirically tested in a second order form, this would allow a stronger statement: “while there may be some overlap between the dimensions of corporate brand image, the dimensions are to some extent distinct from each other (Hair et al., 1998; Schmidt, 2005). Therefore, on the basis of priori status of the scale and construct validity (that the measures indeed covary), a decision to select the second order (or Model 2) was made. In terms of variance explained by each dimension, the bookstore's corporate brand image explains 88%, 33%, 74% and 36% of the variance associated with the dimensions Agreeableness, Enterprise, Competence and Chic respectively.
Discussion and Conclusion

The study has earlier outlined the research proposition: 'Corporate brand image may vary in the context of retail bookstore'. The above results have shown that the store was represented by four CBI dimensions (Agreeableness, Competence, Enterprise and Chic as depicted in Figure 1). This result simultaneously supported the postulation that corporate brand image could be explained by multi-dimensional construct (with four CBI dimensions) and that the dimensions vary depending on in which context it is operating. For example, Davies and Chun (2002) found that consumers express CBI of department store as Agreeableness, Ruthlessness, Competence and Chic. Although not all of the seven dimensions appeared in the context of bookstore, as different study environments may result in different dimensions (Davies et al., 2003), the differences were apparent between the two contexts. Agreeableness (88%) and Competence (74%) were found to be the first and second most important in explaining the corporate brand image in the retail bookstore while in the department store, consumers appear to express the CBI as not only Agreeableness and Competence but also more Ruthless. Although the inclusion of a negative dimension (Ruthlessness) in this scale was not relevant in this study’s context as ‘Ruthlessness’ was found inappropriate in explaining CBI for bookstore, but it was not the case for department store. Moreover, bookstore was also seen as ‘Enterprise’. Theoretically, Davies et al., (2003) explain that Enterprise organisation has an image of being talented and ingenious, witted and resourceful. The Enterprise organisation could be regarded as the seminal source for a particular expertise. This image could be appropriate in the present study context where organization that sells books may be associated with resourceful, ingenious, expert and witted. This study has also confirmed earlier results by Davies et al., (2004) where the two most important CBI dimensions were Agreeableness and Competence. Agreeableness dimension appear to be consistent for both contexts (department store and bookstore) perhaps due to in the bookstore, it may be seen as not only having friendly and pleasant environment with supportive and reassuring treatment due to the personal interaction between staff and customer, but also is viewed as more integrity (such as sincere and socially responsible) due to the bookstore itself may be sponsoring an event or simply seen as a shop selling books as fulfilling moral obligation to its society.

The comparison of the study results with past research in relation to which personality traits may be represented or are more significant in the retail context, have been limited due to lack of such research in the past. Yet, this finding perhaps gives some insight into which CBI is considered to be more important in the retailing contexts (bookstore) to both academics and practitioners, and simultaneously helps to address the issue concerning whether the corporate
brands are similar in the retail contexts. Since brand personality is heavily built by advertising (McEnally and de Chernatony, 1999), the company may want to address or emphasise its symbolic value (being Agreeable, Competent and Enterprising) in the bookstore's message appeal. According to Davies et al. (2003), when a company is seen as Competence and Enterprise, this might be useful to assure the less confident consumer (Davies et al., 2003, p. 244). These results thus supported the above research proposition that corporate brand image dimensions vary in the retail bookstore context. Explicitly, while Agreeableness, Competence, Enterprise and Chic have been found to help explain the CBI in the bookstore context, Agreeableness, Ruthlessness, Competence and Chic dimensions have been found to help explain the CBI in the department store. The results also shows that metaphor of personality traits, despite its criticism, does appear to be applicable in other setting (e.g. the bookstore context).

References


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