

Abstract to NRWC 2014

Track: Retail branding and brand management

The role of perceptual alignment between multiple stakeholders: effects on satisfaction, commitment and turnover growth in Swedish retail stores

The central idea that served as a conceptual basis for this study was that the alignment of brand perceptions was a predictor to greater brand performance (Schultz & de Chernatony, 2002; Brown et al., 2006; Anisimova, 2010; Gosselin & Bauwen, 2006). There is an underlying conceptual assumption in the normative brand management literature suggesting that a pre-requisite to successful brands, is to have a strong alignment between internal and external perceptions of the brand. As a result, managing the gap between what the brand stands for and how it is being perceived is a common issue for brand managers. Yet, there is surprisingly little empirical work that has looked at this assumption. Few have attempted to test and trace the impacts and consequences of gaps and alignment of brand perceptions.

This study investigates the relationship of employees' and multiple stakeholders' brand perceptions and how an alignment or gap affects job satisfaction, employee commitment and turnover growth in the Swedish retail industry. The multiple stakeholders included in this study were employees, customers, colleagues, store managers and top management.

One primary objective of this study was to assess the most appropriate way of operationalising perceptual alignment and gaps. Three types of methodological operationalisations of alignment and gaps were compared. The first one being traditional performance measure, where the respondents scored how well the brand is performing on a set of items. This served as a benchmark for the other two approaches. The second operationalisation approach was difference scores, a common measure approach in consumer research where a difference involves the subtraction of one measure from another to create a measure of a distinct construct. In this case, for example, it involved employee perceptions subtracted with the other stakeholder's perceptions. Third operationalisation was direct comparison measure, where the respondent mentally considered the differences rather than letting the researcher calculate an arithmetic difference.

The research was based on a quantitative survey with a sample of 559 respondents from a total of 151 different store brands in the retail industry, including grocery stores, home electronic stores, fashion retailers, home and household stores, sports and leisure stores amongst others. Out of the 151 different retail store brands, public brand performance figures were collected from secondary data market reports for 119 of these retail store brands. The public brand performance measures used in the study were; 1) strength – an overall index measuring awareness, knowledge, prices, assortment, service, convenience, experience and social responsibility, 2) awareness – the level of customers that were aware of and had a perception of the brand, 3) good service level, and 4) corporate social responsibility. It also included three economic and financial measures; 5) turnover (figures from 2013), 6) turnover growth (figures from 2012-2013) and 7) turnover growth in percentage (figures from 2012-2013).

The results showed that direct comparison measure was the most suitable approach to measure perceptual alignment. In terms of significant relationships with job satisfaction, commitment and turnover growth the direct comparison measure clearly outperformed the difference scores. In general, the findings demonstrated that direct comparison measure of

perceptual alignment was competitive with the traditional performance benchmark and in some cases the approach outperformed the benchmark.

In particular, the perceptual alignment between the employees and their colleagues was shown to be the most important along with alignment with top management as it had significant positive correlations to turnover growth on top of job satisfaction and employee commitment as well as significant negative correlations to turnover growth.

This study can be seen as a stepping point towards a coherent and continuous use of measuring perceptual alignment and gaps. The literature has shown different researchers covering different steps and aspects of alignment and its impact on various performance outcomes. Satisfaction and commitment are two commonly reoccurring outcome measures used. However this study distinguishes itself as it links the consequences of perceptual alignment to financial measures.

References:

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