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THE ROLE OF BRAND ORIENTATION IN EXPLAINING RETAIL OFFER ADVANTAGE

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Abstract
We provide a conceptualisation and operationalisation of brand orientation within the context of retailing. We then empirically test this operationalisation in terms of a retail offer advantage across the dimensions of merchandise, trading format, customer service and customer communication. Our results suggest that the degree to which a retailer values brands and its practices are oriented towards building brand capabilities provides a valuable theoretical framework to explain variations in retailers’ advantage over their competitors.

Keywords
Brand orientation, retail offer

Introduction and Conceptual Background
The retail marketplace has become increasingly competitive with retailers evolving from simply being merchants and resellers of manufacturer brands to becoming corporate brands in their own right (Kumar, 1997). Within the retail context the brand concept has been applied in three specific ways namely; the branding of retailers’ product, corporate branding and branding the retail store. This third area constitutes the focus of this paper. The retail store name, its fascia and, in essence, the total store experience is now considered to be a brand (Leahy, 1992). The purpose of this paper is to develop a comprehensive measure of brand orientation within the context of retailing and empirically examine whether a retailer’s brand orientation; namely, its capabilities regarding branding, assists in explaining variations in a retailer’s advantage over their competitors. In so doing we also compare the findings using an aggregate measure of brand orientation and that of its dimensions taken as a set.

Brand Orientation Defined
The marketing concept contends that “achieving organisational goals depends on determining the needs and wants of target markets and delivering the desired satisfaction more effectively and efficiently than competitors” (Kotler, Brown, Adam, & Armstrong, 2001 p.18). Urde (1999) proposes that certain companies are now reaching beyond the marketing concept and embracing a brand orientation. Such organisations are placing strategic importance on brands beyond just the goal of satisfying customer needs and wants. Doyle (2001) insists that many marketing-oriented companies have oversimplified how brands improve business
performance. Simoes & Dibb (2001) also support this perspective and contend that a more strategic approach to branding will enable organisations to better manage forces in their external environment and enhance their competitiveness. Brand orientation has arisen as this new direction for branding and brand management.

Brand orientation moves beyond defining the brand or conceptualising the brand construct. It is a fusion of the historic brand definition and construct with the business orientation literature derived from the Resource Based View (RBV) of the firm. Both (Ind, 1998) and (de Chernatony, 1999a) propose that such applications of branding act as an integrative device within organisations. Doyle (2001) suggests that, as well as an attractive marketing/value proposition, brands have to be effectively integrated with the firm’s other tangible and intangible resources, which form the base for the organisation’s core processes. Mosmans & van der Vorst (1998) posit that a brand’s structural dimensions enable the alignment of the organisation’s capabilities and resources in order to meet external factors and demands. Similarly, Rubinstein (1996) concludes that to be most successful branding needs to be embedded in the entire organisation. While such conclusions have been drawn by multiple researchers, conclusive research has yet to be forthcoming. One possible explanation is that a definition of a brand oriented organisation has only appeared in recent brand literature and the construct has attracted only limited operationalisation within the charity sector (Hankinson, 2002).

Although limited by only a small number of established definitions, existing definitions of the brand orientation construct have their roots in the traditional brand definition, encompassing elements of the marketing concept and the RBV of the firm. Urde (1999) defines brand orientation “as an approach in which the processes of the organisation revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands” (p.117). Rather than identifying firms who are or are not brand oriented in their approach, Hankinson (2001b) suggests that it is more useful to conceptualise brand orientation along a continuum. Consequently, brand orientation is defined as “the extent to which organisations regard themselves as brands and an indication of how much (or how little) the organisation accepts the theory and practice of branding” (p.231). While Hankinson (2001b) and Urde (1999) definitions recognise the importance of branding and provide greater clarity, current definitions still fail to encapsulate the holistic orientation at the heart of the construct or capitalise on the extant brand conceptualisations. Building on the seminal brand orientation definitions and in line with the principles of Day & Wensley's (1988) integrated model of competitive advantage we propose that brand orientation can be best defined as the degree to which the organisation values brands and its practices are oriented towards building brand capabilities through interaction with their target consumers in order to insulate the organisation from competitors and achieve superior organisational performance.

The Dimensions of Brand Orientation
Building on the brand orientation definitions of Hankinson (2001b) and Urde (1999), brand orientation is conceptualised to encompass the organisation’s values, beliefs, behaviours and practices towards brands. Existing literature suggests that brands perform distinct roles, hence organisations need to develop critical capabilities to maximise the effectiveness of the brand. Similar to de Chernatony & Dall’Olmo Riley (1998b) pursuit of accurate brand definitions, the principles of Churchill (1979) and Singh (1991) were applied in the development of a brand orientation model. Previous research was integrated and examined for key themes,
commonalities and redundancy throughout the brand and brand orientation literature and boundaries were established.

Through a synthesis of literature it was apparent that brands have the ability to be distinctive, such as providing a symbol of ownership for legal purposes (de Chernatony & Dall'Olmo Riley, 1998a). This was identified by Goodyear's (1996) early typology work including the brand as a means of identification and over time as a guarantee of consistency and a shortcut in decision-making. Brands can also be distinctive enough to be extended to merchandise, new selling mediums and trading formats. Such activities can be referred to as an organisation’s distinctive brand capabilities. Items for distinctive capabilities were based on the identification of critical values and beliefs about the role the brand plays for the organisation including as an asset, sign of ownership, guarantee, shorthand device, risk reduction device, separate existence, distinctive name, legal protection, identity, trademark, company, logo and resource. Brand researchers consistently refer to these distinctive attributes (Bhat & Reddy, 1998; de Chernatony & Dall'Olmo Riley, 1998a; Goodyear, 1996), which suggests that organisations need to manage their distinguishing capabilities in order to achieve their brand objectives.

Functional capabilities as defined by de Chernatony & Dall'Olmo Riley (1997b), relate to the brand’s tangible, rationally assessed performance. Park, Jaworski, & Macinnis (1986) identify this dimension and refer to it as the extent to which brands satisfy consumers’ basic or rational needs. Support for the functional capabilities of brands is also provided by Goodyear (1996), who proposed six stages of brand evolution, and suggested that brand advertising at stage two focuses on rational attributes. In addition, Bhat & Reddy (1998) in an empirical study of brand classifications applied the label of functionality to the opposite end of a spectrum ending in brand symbolism. Thus, it is evident that the literature is in agreement as to the functional role brands satisfy.

Classifications that could not be categorised as purely functional or symbolic were grouped and analysed from the literature resulting in the third summary dimension ‘value adding capabilities’. Value adding capabilities are primarily rational abilities and were, therefore, distinguished from symbolic capabilities. McEnally & de Chernatony (1999) suggest this dimension relates to the satisfaction of consumers’ utilitarian value and the provision of enjoyment. Value adding capabilities refer to the critical beliefs and capabilities the organisation employs to add value beyond functional capabilities, through adding features and benefits which differentiate the brand from competitors. The adjectives and phrases associated with value adding capabilities include experiential, differentiation, communicates, physical, service, quality, experience and values. Literature consistently refers to brands as a means of adding value, which suggests that organisations need to manage their value adding capabilities in order to achieve their brand objectives.

Symbolic capabilities are often referred to in the literature interchangeable as representational characteristics. Similar to value adding capabilities they relate to organisational practices beyond functional capabilities (Bhat & Reddy, 1998). de Chernatony & Dall’Olmo Riley (1997a) define symbolic features as intangible, emotional values of the brand. McEnally & de Chernatony (1999) further define symbolic capabilities as highly emotional in nature, such as brands as a personality. Park et al. (1986) define them as desires for products that fulfil internally generated needs for self-enhancement, role positions, group membership or ego-identification. Items for both symbolic (reflection of self expression) and representational (association with social peer groups) factors were incorporated under the symbolic label. Bhat
& Reddy (1998) provide further support for including both symbolic and representation elements as they conclude that symbolism may be multidimensional. The adjectives and phrases pertaining to symbolic capabilities include representational, emotional, self expression, self image, person, personality, symbolic, prestigious, enhancement, psychological, psychic value, icon, policy, relationship and self enhancement. Thus, it is evident that brands play many roles ranging from legal protection to a representation of the consumer’s self image.

Retail Offer Advantage
Central to the definition and conceptualisation of brand orientation is the pursuit of differentiation points between a brand and its competition, as a means of insulating the brand. Johnson (1987b) argues that retailers have essentially two bases upon which competitive advantage can be sought, namely, cost-focussed and market focussed. The cost and market focus can also be considered similar to Porter's (1985) framework of generic strategies for achieving competitive advantage, which include cost leadership (input focussed), differentiation (output focussed) and focus. Where an organisation can operate at a lower cost than competitors, while offering product parity, it can achieve a cost leadership advantage (Porter, 1985). In contrast to cost leadership is the differential strategy. This strategy is the foundation of the retail offer advantage construct examined in this paper. Ghosh (1994) proposes that the creation of an advantage based on differentiation, which he refers to as differential advantage, is necessary in order for a retailer to survive in the current competitive climate. Retailers must not only achieve differential parity, they must give consumers superior reasons to visit their stores compared to their competitors (Ghosh, 1994). In the context of this study, retail offer advantage is the advantages retailers’ achieve when they are considered superior or better than some point of reference (Hunt & Morgan, 1996). The reference point can vary and may include comparison to a previous period of time or relative to a competitor or industry average. The retail offer advantage reference point to be used in this paper is consistent with Oppewal & Timmermans (1997) use of a retailer’s main competitor. In line with earlier studies (Oppewal & Timmermans, 1997), the dimensions of a retail offer advantage encompasses four theoretical areas (Walters & Knee, 1989), including merchandise, trading format, customer communication and customer service. It is the development and application of the four elements, which achieves retail positioning. The synergy and overlap between the retail offer strategies is proposed to create added value and leads to the development of competitive or retail offer advantage.

Brand Orientation and Retail Offer Advantage
Empirical evidence of a relationship between brand orientation and retail offer advantage has yet to be established in the retail or general brand literature. It is reasonable to assume, however, that these concepts are related and academic literature makes consistent anecdotal associations between the two. Simoes & Dibb (2001) provide support for this proposition by arguing that “in order to enhance their competitiveness, businesses need to establish unique features that distinguish their offerings from those of their competitors” (p.217). It is therefore proposed that the more brand oriented the organisation the greater its retail offer advantage because, at the heart of brand orientation, is the pursuit of competitor differentiation and insulation.

Urde (1999) makes a case that when customers perceive the brand to be valuable and unique it becomes resistant to competitor imitation. For instance, distinctive capabilities can provide an organisation with an advantage by enabling the business to be uniquely individual and easily identifiable in consumers’ minds. The brand then becomes a valued asset that is
extendable to other formats, selling mediums and merchandise, which may be difficult for competitors to replicate. Mudambi (1994) suggests that increasing merchandise variety can be easily replicated by competitors with comparable floorspace. In contrast the development of distinctive capabilities such as the development of in-house brands and extending the store brand name to merchandise may be more difficult for competitors to imitate. Functional capabilities distinguish the retailer from their competitors by influencing advertising campaigns that communicate the functional benefits of shopping at a specific retail store brand relative to their competitors. Adding value capabilities again focus on distinguishing the brand from competitors through the addition of service facilities, quality differences or a distinctive store experience not offered by competitors. Symbolic capabilities can provide a competitive edge by encouraging the retail brand to have a personality of its own. This can reflect consumers' own personality and enhance their self image better than competitors. Thus, it can be argued that the dimensions of brand orientation provide retailers with a retail offer advantage.

Brand orientation also specifically enhances merchandise distinctions and, therefore, a merchandise advantage over competitors. Through the organisation’s brand oriented values and practices a merchandise advantage can be achieved by influencing such retail issues as depth and breadth of range, pricing decisions and brand exclusivity. Laura Ashley, for example, is a uniquely recognisable global retail brand representing a gentle English country lifestyle (Helman & De Chernatony, 1999). The unique name is easily identifiable by consumers and influences the style of merchandise offered to consumers. Brand orientation may, therefore, provide a framework for assessing their retail offer advantage in terms of the influence of distinctive and symbolic capabilities on merchandise decisions that reinforce the English country lifestyle brand positioning.

For retailers who are resellers of manufacturer brands, brand orientation can influence suppliers in their choice of distribution outlets for their merchandise. Moreover, distinctive capabilities may influence the retailer’s choice of distinctive and exclusive merchandise which fits their brand vision. As an illustration of merchandise advantage, an independent Spanish sports retailer was able to thrive even though their size and location were at a disadvantage relative to major chain competitors. The store targeted prestige consumers and chose to support new brands not readily available and therefore, by offering the latest fashion the retailer achieved a merchandise advantage (Carr, 1999). Highly brand oriented organisations that add value and create symbolic value beyond the functional can also gain a merchandise price advantage by commanding a price premium relative to competitors (Davies, 1992a).

Brand orientation may enable the retailer to achieve a trading format advantage. For instance, value adding capabilities can distinguish a retailer from their competitors based on a differentiated store experience. Helman & De Chernatony (1999) suggest the Gap represents a classic American casual lifestyle. Brand orientation may provide a framework for assessing their advantage in terms of whether symbolic capabilities influence store design decisions and ultimately the advantage achieved relative to competitors. Spangenberg, Crowley, & Henderson (1996) provide some evidence to support this, as it was found that environmental attributes such as perfumed scent can positively influence consumer evaluations and behaviours. Through brand orientation the firm may focus on adding features such as perfumed scents to their store that are valued by customers and re-affirm the brands personality, which distinguish them from their counterparts.
Brand orientation can influence a customer service advantage by influencing staff recruitment procedures. Burghaussen & Fan (2002) found that branding shaped the perceptions and attitudes or company directors. Hankinson (2001a) also found that brands help assist staff recruitment by attracting appropriate staff with mutual fit with the brands' values. Similarly, staff can be recruited who match and enhance consumers' self image through the influence of the organisations symbolic capabilities. In addition, brand orientation may provide a framework for assessing retailers' advantage in terms of whether value adding capabilities, for instance, influence staffing levels and the provision of skilled and knowledgeable staff (Birtwistle & Freathy, 1998). The retail industry is characterised by high employee turnover (Sparks, 1992), which can negatively impact on a retailer's ability to develop a customer service advantage. Those retailers who can minimise staff turnover and retain knowledgeable staff, who fit with the brands values, may create a customer service advantage.

Finally, brand orientation may enable the retailer to achieve a customer communication advantage. Traditionally brands have been perceived as an expressive device (Burghaussen & Fan, 2002). While brand orientation is more encompassing than an expression device it does guide or, as Urde (1994) contends, synchronise communication activities. Hankinson (2001a) found that the branding process enables organisations to communicate simply and effectively through consistent communication of a set of core values. This approach suggests that all elements of the retail offer will be working in unison, sending the same signals. More specifically, distinctive capabilities may focus communication attention on creating visuals to act as a shortcut in consumer decision making. Distinctive capabilities may provide a basis for explaining Benetton's communication advantage by influencing their choice of advertising messages and mediums which are highly distinctive, at times socially confronting, and therefore uniquely recognisable. Functional capabilities may also encourage advertising to focus on the benefits and attributes of the store relative to competitors. Through symbolic capabilities, communication may focus on establishing a personality for the brand, which is valued by consumers and resistant to competitor replication. Thus, both brand orientation and its specific dimensions can provide a retailer with a customer communication advantage.

Thus, it is argued that brand orientation can enhance retail offer advantage and it is hypothesized that:

**H1:** Brand orientation will have a significant positive relationship with retail offer advantage.

Disaggregating this hypothesis to reflect the constituent dimensions of brand orientation leads to the following hypotheses:

**H2:** Distinctive capabilities will have a significant positive relationship with retail offer advantage.

**H3:** Functional capabilities will have a significant positive relationship with retail offer advantage.

**H4:** Value adding capabilities will have a significant positive relationship with retail offer advantage.

**H5:** Symbolic capabilities will have a significant positive relationship with retail offer advantage.

**Methodology**

The sampling frame for the study was based on a database drawn from the population of retailing firms operating in Australia. The mail survey method was used to collect data from respondents through a formal structured questionnaire. The study adopted the three key principles advocated by Dillman's (1978; 1991) Total Design Method: minimise the cost for the respondent, maximise the reward for responding and establish trust. The Total Design
Method incorporates three key elements: minimise the cost for the respondent, maximise the reward for responding and establish trust (Dillman, 1978, 1991). As a means of minimising the cost of responding an Australian reply-paid envelope was enclosed with each questionnaire. In terms of rewarding the respondent for participating in the study, a small token of appreciation in the form of a small notepad was included with the questionnaire. All respondents were also promised a summary of the results. Highlighting the importance of the study for retailers conveyed altruistic reward. Finally, trust was established by using Monash University letterhead for both the letter and the cover of the questionnaire as well as having the study endorsed by the Australian Retailers Association and the Australian Center for Retail Study. Utilizing the key informant method, respondents were senior executives from companies with retail operations in Australia, responsible for strategic planning and strategic brand management. The sampling frame used in the study was purchased from Dun and Bradstreet. A useable sample of 336 responses was obtained, yielding a 28% response rate. The profile of respondents demonstrates that the results are generalisable across retail sectors. For instance, firms in the sample represented food (15%), general merchandise (5%), apparel and accessories (18%), home furniture and furnishings (8%), electrical (12%), stationery and office products (5%), hardware (7%) and other specialty sectors (16%) with an additional 14% not disclosing their retail sector.

Operationalisation of Constructs
Existing empirical studies and conceptual discussions were reviewed and while the authors may differ in the number of dimensions and subsequent items that constitute a brand, they support the multidimensionality of the construct (Bhat & Reddy, 1998; de Chernatony & Dall'Olmo Riley, 1997a; Goodyear, 1996). Items from existing literature were grouped according to the common underlying capabilities of brand orientation that they captured leading to four key dimensions labelled distinctive capabilities, functional capabilities, value adding capabilities and symbolic capabilities. The scale for measuring brand orientation was derived from comparable orientation scales (Hankinson, 2002; Narver & Slater, 1990), whereby respondents were asked to indicate the extent to which their business undertakes certain practices. The scale ranged from ‘not at all’ (1) to ‘to a great extent’ (7).

Vida, Reardon, & Fairhurst (2000) contend that it is appropriate to measure retail offer advantage in relation to typical retail marketing mix items. The elements of the retail offer identified by Vida (2000) were not exhaustive so they were combined with those identified by McGoldrick & Blair (1995) and McGoldrick & Ho (1992). The retail offer advantage construct was operationalised using an interval scale. Respondents were asked to indicate their firm’s competitive position relative to their closest competitor. The scale ranged from ‘major disadvantage’ (1) to ‘major advantage’ (7). The reliability of the measurement scales was found to satisfactorily meeting Nunally's (1978) recommendation, as the Cronbach α's for brand orientation (.7540) and its dimensions were all above 0.7 (distinctive capabilities (.8793), functional capabilities (.7951), value adding capabilities (.8315), and symbolic capabilities (.8759)). The Cronbach α for the retail offer dimensions were, merchandise (.6695), trading format (.8179), customer service (.7591) and customer communication (.5447). Exploratory and confirmatory factor analysis and were performed and all items significantly loaded on the hypothesised construct in the hypothesised direction.

Results
The results are presented in two models (see Table I). The aggregate brand orientation construct was first entered into a simple regression analysis as a means of evaluating its predictive ability in terms of merchandise, trading format, customer service and customer
communication advantages. The results in Model 1 indicate that the aggregate brand orientation construct explains approximately 20% of the variance of merchandise, 25% of trading format, 12% of customer service and 10% of customer communication. All results were significant at p<0.001. It is therefore evident that brand orientation, as a summary measure, performs well. It links concepts at conceptual equivalent levels, is parsimonious and appropriate for the level of abstraction needed for a summary measure (Edwards, 2001).

Model 2 presents the disaggregated brand orientation construct entered into a multiple regression analysis as a means of evaluating its predictive ability in terms of merchandise, trading format, customer service and customer communication advantages. The results indicate that through disaggregation of the brand orientation construct, the explanatory power, in terms of all four dimensions of retail offer advantage, increased to approximately 22% of the variance of merchandise, 29% of trading format, 21% of customer service and 12% of customer communication. The relative importance and significance of each of the dimensions is assessed in terms of the beta values and t-values. Through disaggregation symbolic capabilities (β = .313) were found to be the most important predictor of merchandise followed by value adding capabilities (β = .176). Distinctive capabilities (β = .229) were found to be the most important predictor of communication followed by functional capabilities (β = .199). Value adding capabilities (β = .243) were found to be the most important predictor of trading format followed by distinctive capabilities (β = .199), functional capabilities (β = .125) and symbolic capabilities (β = .108). Furthermore, value adding capabilities (β = .445) were also found to be the most important predictor of customer service followed by functional capabilities (β = .148). Of note was the finding that distinctive capabilities (β = -.151) were found to be a negative predictor of customer service. In comparison to Model 1, Model 2 promotes the greatest degree of specificity, precision, and accuracy greater managerial appeal by addressing the relative importance of each of the brand orientation dimensions in predicting each retail offer advantage.

(Insert Table 1 here)

Discussion
The results of the multiple regression analysis provide support for Hypothesis 1. The results indicate that brand orientation does enhance a retailer's merchandise, trading format, customer service and customer communication advantage over its competitors. The results confirm that valuing brands and developing practices that are oriented towards building brands can distinguish a retailer from its competitors. Of all the dimensions of retail offer advantage, brand orientation has the most explanatory power in regard to trading format advantage, followed by merchandise, then customer service and customer communication advantages. Brand orientation acts as a compass for decision-making. This ensures that all elements of the retail offer, from products within the store, the displays, the service offered and to the methods of promotion and communication reinforce the brand position. Consequently, the store experience is enhanced and consumers will demonstrate a preference for the brand in comparison to competitors. Through disaggregation of the brand orientation construct greater explanatory power is achieved as the dimensions differ in their importance in relation to each retail offer advantage.

In terms of Hypothesis 2, the results support a relationship between distinctive capabilities and customer communication, trading format and customer service advantages. However, distinctive capabilities were not found to have a significant positive relationship with a merchandise advantage. Regarding Hypothesis 3, the results support a relationship between
Where a retailer seeks to drive a merchandise advantage, they need to foster and promote both symbolic and value adding capabilities through branding. A merchandise advantage can be established because of consumers’ perceptions of the store’s merchandise being attractive to consumers as a result of the unique attributes and positioning of the brand both symbolically and in its value adding practices. The advantage achieved via merchandise may be explained by improvements in a retailer’s merchandise quality, fashionability and the addition of exclusive merchandise to their retail offer beyond competitor offers. de Chernatony & Dall’Olmo Riley (1997a) define symbolic capabilities as the intangible or emotional value of the brand. One explanation of the influence of symbolic capabilities on merchandise advantage is that merchandise can become desirable to consumers for emotional reasons. Brands can reflect a consumer’s self image or desired image. While this capability is highly intangible, merchandise can be tangible representations of the brand. Furthermore, the non-significant finding in relation distinctive capabilities and functional capabilities with a merchandise advantage implies that retailers who are distinctive and focussed on satisfying consumer basic needs may focus less on the merchandise superiority and be satisfied with merchandise parity.

While all dimensions of brand orientation enhance a trading format advantage, retailers which seek to establish a trading format advantage, need to foster value adding capabilities more than any other dimension. Trading format is intrinsically linked to the consumer’s store experience and therefore, adding features and benefits that focus on the provision of enjoyment, as well as the distinctiveness of the brand will provide a retailer with a competitive edge. One explanation for the importance of functional capabilities in regard to trading format is, an advantage is achieved because the store layout, atmosphere and displays satisfy consumers’ basic needs better than competitors. In addition, through fostering distinctive capabilities, trading format advantage is enhanced as the more distinctive the brand the greater the distinctiveness of the trading format. In terms of symbolic capabilities, the trading format can be used by a retailer to tangibly reflect the brand’s personality thereby creating an advantage over competitors.

Value adding capabilities were also the most significant predictor of customer service advantage. A customer service advantage can therefore be best achieved through the retailer offering additional levels of in-store and after sales service in order to add value for consumers beyond their basic purchase needs. Shopping today is considered more than a rational or functional activity and now represents a leisure activity for some consumers. Customer interaction with staff is paramount to the enjoyment of their shopping experience. Functional capabilities may also provide a customer service advantage because sales staff are focused on customer satisfaction and meeting their needs. The negative association between distinctive capabilities and customer service advantage is an unexpected finding. One possible explanation for this is that retailers may focus less on providing superior customer service
when they are highly distinctive in their marketplace. In addition, symbolic capabilities were not found to significantly enhance a customer service advantage. This may be because the individual personalities of staff may intervene in the relationship. While a retailer may seek to recruit staff that correspond with the brand’s personality, this does not imply that they will provide superior customer service.

Finally, for a retailer seeking a communication advantage they need to promote distinctive capabilities and functional brand orientated capabilities. Distinctive capabilities refer to the unique and differentiated characteristics of branding. These values guide customer communication decisions and it is logical that customer communication will therefore be differentiated relative to competitors and thereby provide an advantage. These results support Urde (1994) and Hankinson (2001a) assertion that brand orientation enables firms to synchronise their communication activities and consistently communicate a set of core values to consumers. Such effective communication using assortment and advertising can distinguish a firm from its competitors who may be less focused. One possible explanation for the significant positive relationship between functional capabilities and customer communication may be related to measurement issues. Customer communication incorporates advertising as well as assortment depth and breadth. Providing consumers with greater choice can satisfy their basic rational needs for variety. Interestingly, value adding capabilities were not found to influence customer communication and it is therefore possible to suggest that it is difficult to add value through advertising and assortment. Additionally, symbolic capabilities were not found to influence customer communication advantage. This is an unexpected finding, as it is logical to assume that symbolic capabilities would be communicated through advertising messages. Firms use associations with celebrities, music and imagery in advertisements to reflect the personality of the brand. The fact that such techniques do not create a communication advantage suggests that competitive parity may exist.

Thus, we conclude that none of the brand orientation dimensions predict all of the sources of retail offer advantage. This suggests that a retailer must focus on developing each of the four aspects of brand orientation if it is to achieve and sustain an advantage across all four retail offer dimensions. However, disaggregation and examination of the individual dimensions of brand orientation promotes specificity, precision, accuracy and greater managerial useability.

Conclusion
This paper sought to address the lack of operationalisation of the brand orientation construct. In addition, the most recent branding studies, while highlighting the importance of brand orientation, have not empirically tested the relationship between an organisation’s brand orientation and dependent variables such as retail offer advantage. This paper demonstrates that brand orientation explains a significant proportion of retailers’ advantage over their competitors. While the context of this paper is the Australian retail sector it is expected that, with some adaptation, the conceptual framework and operationalisation would be applicable to a number of other industry contexts and cultures. If research in the area of brand orientation is to truly advance it is recommended that other researchers test its explanatory power both as an aggregated and disaggregated construct. It is further suggested that the framework would benefit from the inclusion of organisational characteristics such as organisational strategy, resources and other critical capabilities such as market orientation and operational orientation.
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Table I: Brand Orientation and Retail Offer Advantage

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<tr>
<th>Brand Orientation</th>
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<th>Trading Format</th>
<th>Customer Service</th>
<th>Communication</th>
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<td>.199**</td>
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<td>.229***</td>
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<td>(3.144)</td>
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<td>.125*</td>
<td>.148*</td>
<td>.190**</td>
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<td>.445***</td>
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† = p<0.1,  * = p<0.05,  ** = p<0.01,  *** = p<0.001 (The figures in the tables are standardised regression weights, the figures in brackets are t values)


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