

BRANDING AND REBRANDING – GROCERY MARKET PERSPECTIVE

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Abstract. The paper presents problems of branding and rebranding as strategies of brand image creation. The study focused on grocery market as an example. The article aims to analyze branding activities of the grocery market and to identify trends, as well as the reasons for rebranding actions and tactics. Brands host many qualities, some of them spiritual (i.e. values, mission) or virtual (i.e. logo). A change of image is one of the ways to regain or keep competitive advantage. Effective rebranding activities – those positively influencing brand image – must distinguish a brand from competition, increase brand awareness and be conform to company mission and strategy. The article is based on studies of national and foreign literature, as well as on results of authors' own primary studies (questionnaire and focus group interview).

Key words: branding, rebranding, brand image, brand identity, grocery market

INTRODUCTION

The everyday complexity for firms in an international environment is that marketers struggle with branding and the establishment of brands. Various questions are raised within this area, regarding building brands in the most effective way? [Keller 2003].

“Brand” can be defined as the name, design (shapes, colours, sounds etc.), logo, symbol, or any other characteristics or attributes that distinguish one company’s product or service from those of other companies [Ghodeswar 2008]. Brands are composed of intangible elements related to their specific promise, personality, and positioning and tangible components with identifiable representation including logos, Figureics, colours and sounds. A brand creates perceived value for consumers through its personality in a way that makes it stand out from other similar products. Its story is intricately intertwined with the public’s perception and consistently provides consumers with a sense of security, of knowing

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what they're paying for. In a world where every individual is also a media entity, your consumers own your brand (as it always was) [Cohen 2011]. In common understanding, brands are symbolic, shorthand marketing messages creating emotional bonds with trades and, in a context of competitors comparison, an emblem to print in customers' memory.

Still, there are few studies concerning branding on grocery market. Some studies focus on use of foreign language in branding. For example, F. Leclerc, B.H. Schmitt and L. Dubé had investigated how French and English brands names affect consumer evaluation of brands and products. The authors used brand names that can be pronounced in either French or English. They found that when the name was pronounced in French rather than English, attitudes toward the brand were significantly more positive for hedonic products. For utilitarian and so called hybrid products brand attitude did not differ with pronunciation [Leclerc et al. 1994].

Most authors focus their attention on multiple roles of branding in international marketing [Leclerc et al. 1994, Wong and Merrilees 2007, De Mooij and Hofstede 2010], on the role of particular branding elements, like the role of a salesperson in branding process, brand loyalty creation, and Business-to-Business branding [Lynch and de Chernatony 2007, Chernatony et al. 2011], or on branding performance, communication and corporate branding [Harris and de Chernatony 2001, Rubinstein 2002, Knox and Bickerton 2003, Balmer and Greyser 2009]. There are also studies on non-profit branding [Stride 2006, Daw et al. 2011] and branding in different sectors, such as: place (city and region) branding [Kavaratzis 2004, Van Ham 2008, Govers 2009, Łuczak 2011], fashion and luxury goods branding [Okonkowo et al. 2007].

As L. de Chernatony, M. McDoald and E. Wallace pointed out, powerful branding theories are not just well grounded, but are also easily applied in a variety of situations [Chernatony et al. 2011]. Effective branding may lead to improved customer loyalty, larger number of orders, better sale volume, and higher revenue and profits. There are diverse branding strategies, including company names, individual branding, attitude branding, private labels and social media brands. Increasing brand awareness is vital to the survival and success of most businesses [Schuliang and Jin Zeng 2014]. A brand can be seen as a promise of a package of attributes, which a person buys and which leads to satisfaction. The attributes which create a brand can be illusory or real, emotional or rational, invisible and tangible [Ambler and Styles 1996]. Being understood as major parts of all brands, changing these would be considered as a vital event.

Referring to the PMR report *Grocery retail in Poland 2012. Market analysis and development forecasts for 2013–2015* in December 2012, the grocery market in Poland reached the value of over 230 billion PLN (54.9 billion EUR), 2.5% more than previous year (in methodology, the value of the grocery market covers the value of all products sold in grocery stores, including non-food range, as well as food items purchased through other distribution channels). According to PMR's initial estimates for 2012, there are already nearly 80 discount stores per one million Poles, their share reaching 17%. Over the last five years their number has surged by almost 80%, to nearly 3 thousand outlets, with their market share doubling in the same period. In the medium term the discount segment will remain the market leader as regards the growth rate. Forecasts indicate that in three years there will be about 4 thousand discount stores in Poland, or over 100 per one million Poles, and by then they might account for already nearly a quarter of the grocery market.

The grocery retail sector in Poland is changing as a result of economic and demographic factors, trends and an ever-increasing number of influences. Grocery producers, processors and distributors, as well as companies that support the retail industry with products, services and technology are interested in the prognosis for Poland's economic recovery and expansion and the results that recovery will produce for grocery retail chains, franchises and other retailers [Wood 2013]. The market's rapid evolution, as well as its value justify, therefore, studies of the rebranding process.

BRANDING AND REBRANDING

Product branding focuses on individual product's identity and value [Ghodeswar 2008]. Researchers and practitioners both realized that brands, same as humans, have specific personalities which might make them different in customer minds [Roustasekehrevani and Hamid 2014]. Most firms attempt to measure satisfaction and loyalty for their brand, because customer loyalty is a vital indicator whether a product is successful or not. However, they do not think about vital factors that build satisfaction and loyalty. A major problem with this kind of effort is that measuring satisfaction and loyalty does not show how to build it. One of essential strategies to build satisfaction and loyalty in branding strategy is brand personality [Roustasekehrevani and Hamid 2014].

There are many theories about the way consumers buy brands, and debate still continues about their respective strengths and weaknesses. For example, some argue that brand choice can be explained by what is known as the expectancy-value model. In this model, it is argued that consumers intuitively assign scores to two variables, one being the degree to which they expect a pleasurable outcome, the other being the value they ascribe to a favourable outcome. When faced with competing brands, this model postulates that consumers assign scores to these expectancy-value parameters and, following an informal mental calculation, make a selection based on the highest overall score [Chernatony et al. 2011]. As P. Doyle pointed out, having a successful brand will result in a bigger market share and more profitability [Doyle 1989]. Brands need to evolve and adapt to dynamic competition, consumer expectations, and environmental changes. Marketing efforts and advertising campaigns should be made by companies to build positive perceptions for their corporate and product brands and thus to achieve better sales and profit margins than competitors [Schuliang and Jin Zeng 2014].

Brand awareness and recognisability is related to the consumers' ability to confirm they have had contact with a brand before upon hearing its name. Spontaneous recall of a brand is a situation in which consumers can think of a given brand on their own upon hearing of a category of products and the needs they satisfy. Branding is, therefore, a continuous and complex process which creates brand identity through ascribing given traits and attributes to it, thus building brand awareness and image.

Rebranding is not only changing the visual, Figureical image (though this is the most common approach to rebranding), but a series of decisions related to broader aspects of brand perception. Many companies, especially big firms and global corporations operating as franchise systems, have regularly rebranded their outlets by changing one, some or many elements of their activity and image. Looking at the list of the world's 100 biggest franchises in 2015, fast food brands dominate the list [Franchise Direct 2015].

For example, McDonald's and Burger King had no indoor dining till the 1960s – and that was part of their strategy. Their strategy was also strongly focused, referring to the R. Lauterborn 4 C's Concept [Lauterborn 1990], on convenience and therefore, adapting to new consumer trends, they have shifted towards indoor dining. As A.F. Smith pointed out, most companies require their franchisees to change their design every few years. When McDonald's shifted from the original red-and-white-tile drive-in design to a brick building with indoor sitting, the change increased sales by more than 50%. Adding drive-thrus a few years later brought similar results. Rebranding occasionally meant attracting new target audiences, such as children, those interested in eating a fast food breakfast, or those who wanted more nutritious meals. Today, chains are adding new technology, new equipment, new products, and new architectural designs. Constant rebranding keeps up the company's image and tells customers that there's always something new and innovative about the chain [Smith 2012]. The study suggests that, although periodically redesigning a brand logo is a pre-requisite to guarding one's position in consumers' consideration set, drastic changes require more time to process, especially from highly brand conscious consumers (deeper levels of attention), and their attitude towards the brand becomes more negative [Verlregt et al. 2015].

As is the case of marketing, where there is not a single mode of action accurate always and for all enterprises, there is no single effective course of action in branding, no universal strategy to successfully communicate and market a brand. In business practice, rebranding is one of the ways of reacting to deteriorating or bad brand image: resurrecting it in consumer awareness. Several phenomena may justify rebranding strategies, such as [Kłosiński 2015]:

- customers having no emotional connotations with the brand,
- new fashions and customer trends,
- customers considering a brand untrustworthy,
- mergers or takeovers.

Another motive for rebranding can be an attempt at changing or erasing some stereotypes associated with a brand or company [Borbis Media 2015] Rebranding is a process of creating new image of a product, service or organisation in an attempt at distinguishing this image and its associations from the competition in the customer perception. Successful rebranding should distinguish a brand from the competition and be conform to company mission and strategy [Danilewicz 2015].

METHOD

The theoretical part was based on literature review, and the following research questions have been posed:

- How is the grocery market perceived in Poland?
- What is the image of grocery market brands and what elements are coded for this category?
- Do rebranding activities influence the image of chosen brands on said market, and if so, how?

Answering these questions was done through primary studies. Quantitative research through online questionnaire has been made via the ankietka.pl website in October and November 2015. Exactly 148 answers were received, though 131 questionnaires were qualified for analysis. The majority of the respondents had university education (44% having a master degree and 12% finished postgraduate courses), lived in large cities (25% living in cities up to 500 thousand inhabitants, and 58% in cities with over 500 thousand inhabitants) and were aged 18–65, with age proportions being: 18–24 (32%), 25–34 (37%), 35–44 (23%), 73% were women, 27% were men.

Qualitative research, in the form of focus interviews, was conducted between 12th and 15th October in two groups eight participants each. The participants were students of two colleges of Wrocław (aged 20–24). They were not previously acquainted. During the interviews they were shown materials related to grocery market brands (brands of certain grocery stores and foodstuff manufacturers) which had undergone rebranding processes, and they were asked about their feelings and opinions on those brands and changes in their image.

Analysis of literature and own results also allowed to formulate several hypotheses, which have been presented in the summary of this article.

FINDINGS

Grocery stores offer an inclusive variety of food products, household goods and medicinal products to local areas. According to a survey conducted by Information Resources Inc., 52% of shoppers choose a grocery store to shop in based on the lowest prices on the items they're looking for [Legler 2014].

Respondents were asked to list the qualities they take into account when buying groceries, and to point out the qualities they considered the most important. The large majority (70%) agreed that the country of origin was the least important aspect of grocery products. The four most important qualities were, from the top: the price, the brand, expiration date and packaging esthetics. Vast majority of respondents agreed that it was important for a product to be of Polish make (as seen on Fig. 1).

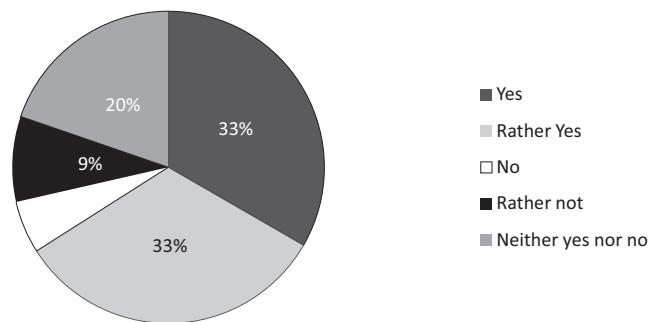


Fig. 1. Is it important for you that the food product is of Polish origin?

Source: Based on author's own research.

Respondents were also asked to determine for which kinds of food products the brand mattered most or least (where 1 mattered most and 9 mattered least), and the majority stated that the brand was most important in meat and cold cuts products. Figure 2 shows the results of this evaluation in detail.

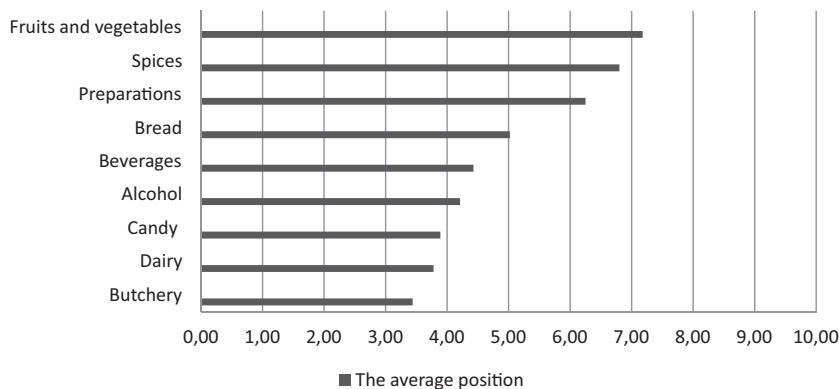


Fig 2. What categories of foods is of the most importance for you, and which the least?

Source: Based on author's own research.

In answer to questions about foodstuff advertisements (where a maximum of three responses could be chosen), respondents replied that they should be factual (73%) and show the product's history (52%). Figure 3 shows the responses in detail.

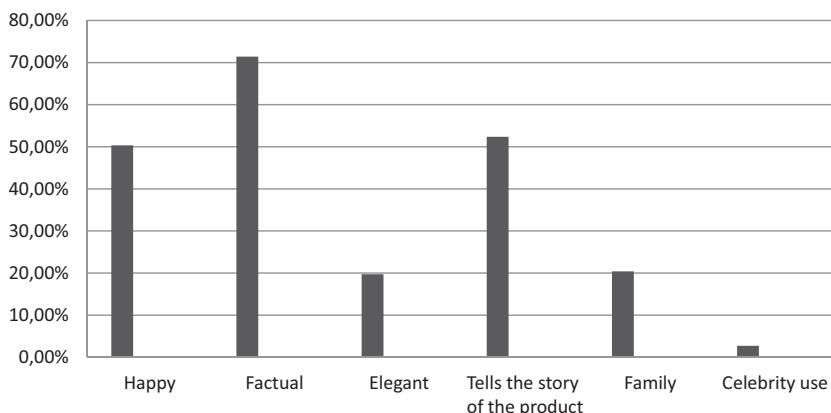


Fig. 3. What should be a good advertisement of food products?

Source: Based on author's own research.

These results were confirmed in qualitative research: respondents said that grocery advertisements should be "modern and contain elements of storytelling" and "have high esthetical quality". During focus interviews, respondents noticed an important, positive

influence of TV shows on cooking and healthy eating on the grocery market (it should be noted here that 71% respondents said information on environmental and ecological properties of the product was important for them). This is reflected in rebranding projects. Two examples were studied, that of the Lidl discount chain and Roleski, manufacturers of mustard, mayonnaise and ketchup. Both cases were evaluated positively: respondents claimed Lidl helps to inform the public on healthy eating, and Roleski managed to create a brand identity for itself. All members of the focus group said they were not aware of the brand's existence before their rebranding projects, despite the fact that Roleski was the first company in Poland to obtain a concession to produce mayonnaise in 1972.

CONCLUSIONS

The core idea of branding process is brand identity – the ways in which brand architects create brand personality and how they want the clients to perceive it. In a narrow sense, the meaning of branding is to create specific brand image in consumers' minds. This definition limits the branding process to creating a product, brand or service, and to activities introducing the brand to the market. In a broader sense, branding is a process connected to marketing strategy, which aims to create and strengthen the positive image of a particular brand. Brand personality plays a crucial role in the branding process.

Rebranding, or "creating brand again", can be divided into active and reactive phenomena, as this difficult process is usually performed for two main reasons. The first is an active desire to change the brand image by distancing it from the past, unattractive image or to communicate new features to consumers. The second reason is a consequence of brand ownership change, mostly through a takeover or merger, which naturally force changes.

Our research has shown that Polish consumers are aware of brand importance on the grocery market: it is of equal importance to product price to them. Consumers expect factual information, but also – since they follow modern consumer trends – they appreciate and expect the brand's story (storytelling advertisements). Important qualities in grocery market branding are family and humour. Esthetics and educational aspects of branding (environmental information) have also been pointed out as important, and respondents have shown themselves to be supportive of ethnocentric consumer attitude.

Rebranding is a process of creating new image and reception of a brand, product, service or organization, in an effort to distinguish this image and its associations from the competition. Rebranding process may concern changes in the logo, name, packaging, marketing communication, or category code (for example changing the color scheme used in the entire category). Effective rebranding should distinguish a brand from the competition.

Basing on the analysis performed, the authors formed the following hypotheses:

- H1 – there are certain specific traits ascribed to a grocery brand which can positively influence its reception.
- H2 – rebranding on the grocery market can have significant influence on repositioning the brand in the long term.
- H3 – the so-called consumer trends have a significant influence on rebranding processes on the grocery market.

- H4 – rebranding the leader of a given section of the market has a positive influence on the image of the whole section.
- H5 – rebranding has a positive influence on customer loyalty in the long term.
- The authors intend to verify these hypotheses in the course of further original research.

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BRANDING I REBRANDING NA PRZYKŁADZIE RYNKU SPOŻYWCZEGO

Streszczenie: Artykuł przedstawia problematykę związaną z procesem brandingu i rebrandingu jako strategii kreowania wizerunku marki na przykładzie rynku spożywczego. Celem artykułu jest analiza działań brandingowych na rynku spożywczym oraz identyfikacja po-

wodów podjęcia się określonych działań i taktyk rebrandingu. Marka jest ucielesnieniem wielu atrybutów, niektóre z nich są duchowe (jak np. wartość, misja), inne wizualne (jak np. logo). Zmiana wizerunku jest jednym ze sposobów podtrzymywania lub pozyskiwania przewagi konkurencyjnej. Efektywne działania rebrandingowe – te, które pozytywnie wpływają na wizerunek marki – powinny odróżnić markę na tle konkurencji, powodować wzrost świadomości marki i być spójne z misją i ze strategią marki. Artykuł opracowano na podstawie studium literatury krajowej i zagranicznej oraz wyników badań własnych o charakterze pierwotnym (badanie ankietowe oraz grupy focusowe).

Słowa kluczowe: branding, rebranding, wizerunek marki, tożsamości marki, rynek spożywczy

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