Hypermarket Corporate Brand Extension Personality

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Products and services are complementary to each other. This research explores the relationship of hypermarket corporate brand extension of products and services as parallel independent constructs towards brand personality. Through convenience sampling of hypermarket distribution outlets throughout Malaysia, 785 data were collected from hypermarket consumers based on proportionate quota. The collected data were analysed using exploratory factor analysis, confirmatory factor analysis and structural equation modeling. It is proven that both the products and services that are offered by the hypermarkets are equally important in influencing the hypermarket corporate brand personality.

INTRODUCTION

Hypermarkets were originally introduced as a modern retailing concept based on self-service. Due to the strong competition within hypermarket retailing, most hypermarket players are trying to provide unique products and services for the consumer. Extending the existing hypermarket corporate brand into a product brand is known as ‘hypermarket corporate brand extension product’. Offering an enhancement to the basic self-service shopping concept to create a better shopping experience is known as ‘hypermarket corporate brand extension service’. Corporate brand extension of products and services is able to provide a competitive edge to a particular hypermarket retailer since the consumers can only purchase and consume them if they go to a particular hypermarket outlet. This research is an extension of a conceptual study in which it is expected that there is a significant relationship between hypermarket corporate brand extension for both products and services with brand personality (Hassan and Rahman, 2012a).

HYPERMARKET CORPORATE BRAND EXTENSION

Hypermarkets are a modern retailing concept that provide everything under one roof. This retailing concept is similar to supermarkets and shopping centres. However, hypermarkets focus more on fast moving consumer products, especially basic household necessities (Hassan, Sade and Rahman, 2013). The extension of an existing corporate brand to a new product or service by using the same brand is known as corporate brand extension. An extension that is using a corporate brand will transfer the
intangible attributes or organizational characteristics to the new product or service. Hence, a positive perception of the corporate credibility, fitness of extension and the attribute of extension will enhance the perception of quality and consumer choice of the corporate brand extension (Keller and Aaker, 1998). Furthermore, the extension of the hypermarket retail brand to a product brand that is available on the shelf as well as the extension of the basic self-service shopping concept into a better shopping experience is known as hypermarket corporate brand extension of the products and services.

Brand extension can be categorized into 1) function-oriented, which focuses on performance and 2) prestige-oriented, which focuses on the consumer’s self-image (Pitta and Katsanis, 1995). For this research, the extension of the hypermarket corporate brand of a product is more suitable to be considered as function oriented while the service extension in shopping experience can be considered as a combination of both function-oriented and prestige-oriented, since it enhances the basic functions of hypermarkets and improves the overall performance of the particular hypermarket. Hypermarket retailers will tend to introduce a corporate brand extension once the business manages to grow organically (Burt, Davies, Dawson and Sparks, 2008). The uniqueness of a hypermarket retailing brand is that it can be extended into both the products and services that are offered. It is also impossible to purchase a hypermarket corporate brand extension product or have a similar shopping experience if the consumer does not go to the particular hypermarket outlet. For example, it is impossible to purchase Tesco chilli sauce if the consumer does not go to the Tesco hypermarket. The shopping experience that is offered is also unique because it is impossible for two different hypermarket players to offer exactly the same shopping experience to the consumer.

Hypermarket retailers should make an overall improvement rather than focusing on a particular element, since the consumer will assess the hypermarket in general rather than in isolation (Swoboda, Haelsig, Morschett and Schramm-Klein, 2007). Perception, motivation and the importance of having a corporate brand extension by the hypermarket retailer is dependent on the experience. Due to the increasing cost of living, nowadays, consumers are looking for more value for almost all their daily expenses. The availability of hypermarket corporate brand extension of a product that is slightly more affordable than a well-known manufacturing brand has become an alternative for those people who are living on a tight budget or who are price conscious. The enhancement of the basic self-service concept into a better shopping experience has made hypermarkets the best place to purchase basic necessities for the household at an affordable price while enjoying a modern shopping environment. Since there is an expected growth and opportunity of sales performance, gross margin and differentiation, many hypermarket retailers have extended the corporate brand (Au-Yeung and Lu, 2009). This branding concept has been followed by hypermarket players in Malaysia. The introduction of the “1 Malaysia” brand by the local government, which is adopting a similar branding concept has stimulated hypermarket players to aggressively extend the corporate brand (Hassan and Rahman, 2013b).

**HYPERMARKET CORPORATE BRAND EXTENSION OF PRODUCT**

Hypermarket retailers are able to increase their margin by selling corporate brand extension products rather than only selling well-known brand products (Beldona and Wysong, 2007). One of the unique aspects of hypermarket corporate brand extension products is that it is highly controlled by the particular retailer and cannot be seen in other places. The benefits have encouraged more hypermarket retailers to embark on developing the corporate brand extension (Munusamy and Hoo, 2008). Hypermarkets can prioritise placing the corporate brand extension products on the shelves, which definitely provides competition to the brands of other manufacturers. Producers who do not have a stronger competitive position than the existing manufacturer brands are able to sell their products using the hypermarket corporate brand (Gomez and Rubio, 2008). The product brand is positioned according to the target consumer (Burghausen and Fan, 2002). Consumers usually perceive the product of corporate brand extension as almost the same as the core brand product. The high similarity of corporate brand extension with the core brand products will attract consumers (Buil, de Chernatony and Hem, 2009). Products that are highly related with a brand name are mostly judged as typical (Boush, 1993). Brand reliability will
determine the level of risk of a particular corporate brand extension based on the core brand (DelVecchio, 2000). Thus, a new corporate brand extension product will be accepted if the level of certainty is high (Grime, Diamantopoulos and Smith, 2002).

The hypermarket corporate brand extension can be extended to basic household necessities, especially for daily consumable food. Examples of daily consumable food that are usually purchased by the consumers include 1) beverages, such as coffee, cordial drink, soda, tea and juice; 2) carbohydrate products, such as bread, noodles, rice and spaghetti; 3) cereals, such as cornflakes and oats, 4) frozen foods, such as doughnuts, pizza, and spring rolls; and 5) light foods, such as chocolate, cookies and snacks. The theories from Aaker and Keller (1990) as well as Garvin (1987) were adapted to develop the instrument for hypermarket corporate brand extension product. The theory from Aaker and Keller (1990) is known as the dimensions of fit, which consists of 1) transfer, 2) complement, and 3) substitute. Another theory is from Garvin (1987), which is known as the eight dimensions of quality, which consists of 1) performance, 2) features, 3) reliability, 4) conformance, 5) durability, 6) serviceability, 7) aesthetics, and 8) perceived quality.

HYPERMARKET CORPORATE BRAND EXTENSION OF SERVICE

Service is able to give a high return to the company instead of just focusing on the product (Bjurklo, Edvardsson and Gebauer, 2009) since it will enhance the level of satisfaction (Martinez-Ruiz, Jimenez-Zarco and Cascio, 2011). There are many reasons why consumers go shopping (Fiore and Kim, 2007; Sit, Merrilees and Birch, 2003). Shopping activity is not just for the sake of acquiring household necessities, and is also far beyond basic economic needs (Dholakia, 1999). Malaysians tend to shop for leisure and pleasure. Approximately 48 per cent of urban young adults who are between 18 to 44 years old spend their leisure time window-shopping, which represents 49 per cent of the Malaysian population (Lee, 1995). Leisure shopping is a subset of leisure retailing. The perception of leisure shopping depends on the characteristics of the individual, the objectives, social group and the nature of the location (Howard, 2007). Hence, the shopping environment should be enhanced with a variety of other shopping provisions (Hare, 2003). The hypermarket corporate brand extension of services for this research looks at the extension of the basic self-service shopping concept into a better shopping experience.

The basic self-service concept can be extended by providing and enhancing the facilities in the hypermarket, such as 1) automatic price checkers; 2) covered parking area; 3) food and beverage area, such as cafeteria, food court, kiosk and restaurant; 4) indoor facilities, such as seats, washrooms and wheelchairs; and 5) safety and security, such as baggage counter, CCTV and assistance from a security officer. The theories from Lages and Fernandes (2005), and Zeithaml, Parasuman and Berry (1990) were adapted to develop instruments for hypermarket corporate brand extension service. The theory by Lages and Fernandes (2005) is known as service personal value (SERPVAL), which consists of 1) peaceful life, 2) social recognition, and 3) social integration. The other theory, which is adapted from Zeithaml, Parasuman and Berry (1990), is known as service quality (SERVQUAL) to rate the quality of service industries. It consists of 1) reliability, 2) assurance, 3) tangible, 4) empathy, and 5) responsiveness.

BRAND PERSONALITY

Brand personality is defined as “the set of human characteristics associated with a brand”, (Aaker, 1997), which refers to human personality traits that are related to a particular brand (Azoulay and Kapferer, 2003). This trait represents the characteristics of an individual (Ferrandi and Valette-Florence, 2002). Brand personality exists when the consumer captures the dimensions of a brand as a person’s personality (Batra, Lehmann and Singh, 1993). It is an association of functional (Maehle and Shneor, 2010; Okazaki, 2006), physical or attribute elements (Maehle and Shneor, 2010), expressive stimulation (Okazaki, 2006) and the self-concept that represents the brand image (Maehle and Shneor, 2010) of hypermarket corporate brand extensions. A brand has a personality that is similar to that of human beings (Louis and Lombart, 2010; Smothers, 1993). Brand personality is able to influence consumer behaviour.
since the traits resemble human personality traits (Louis and Lombart, 2010). The brand is acknowledged to have a personality if the consumers view it as being similar to human characteristics (Beldona and Wysong, 2007).

Brand personality demonstrates and expresses a consumer’s personality since it is parallel to the individual and perhaps the social self-concept of particular consumers (Kotler and Keller, 2005). People build a relationship with brand that matches the self-concept in the society (Maehle and Shneor, 2010). Hence, personal identification and status will assist in developing the brand. The growth and profitability of the corporate brand extension can be achieved through guarantee and social image (Del Rio, Vazquez and Iglesias, 2001). The brand personality theory from Aaker (1997) consists of five brand personality dimensions – sincerity, excitement, competence, sophistication and ruggedness – each of which has two to four facets, which are further broken down into two to three traits that represent the facet. This research adopts two traits from each of the brand personality dimensions: 1) down to earth, 2) independent, 3) confident, 4) good looking, 5) outdoorsy, 6) cheerful, 7) trendy, 8) intelligent, 9) smooth, and 10) rugged, as measurement items in the brand personality instrument.

RESEARCH METHODOLOGY

A total of 785 survey data were collected from hypermarket consumers throughout Malaysia based on proportionate quota convenience sampling of hypermarket distribution outlets by state. The distribution of hypermarket outlets throughout Malaysia by state is approximately proportionate to the Malaysian population and growth rate by state. This is because hypermarket retailers tend to be attracted to locations where there is a high population and growth rate. Each of the questionnaire surveys was administered by the researcher. In order to ensure the respondents were able to understand all the questions, a brief explanation and guidance was given by the researcher to assist the respondents to understand and provide more precise feedback. Missing data can also be reduced through close monitoring by the researcher. None of the respondents was forced to participate to ensure the feedback was more precise (Hassan and Rahman, 2012c). Statistical Package of Social Sciences (SPSS) was used as a tool for data entry, exploratory factor analysis (EFA) and to test the reliability. Analysis of Moment Structures (AMOS) was also used for confirmatory factor analysis (CFA) and structural equation modeling (SEM).

RESULTS AND ANALYSES

Once the data were entered into SPSS, the expectation and maximization method was used to solve missing data before proceeding with the main analyses. The collected data were analysed through exploratory factor analysis (EFA), confirmatory factor analysis (CFA) and structural equation modeling (SEM). Exploratory factor analysis was used to determine the underlying measurement items from each construct without losing any crucial information to ensure the data could be easily managed for the following analyses. The reliability of the underlying measurement items was tested using Cronbach’s Alpha (α). Confirmatory factor analysis was used to validate the results from EFA and strengthen the reliability test. The relationship of hypermarket corporate brand extension of product and service with brand personality was analysed through structural equation modeling.

Exploratory Factor Analysis (EFA)

All 785 collected data were analysed through exploratory factor analysis. At the beginning of the analysis, 29 measurement items were run concurrently. The estimation value for loading was 0.50. Those measurement items with less than 0.50 in the anti-image correlation table and communalities table were removed. The data were rotated twice to meet the estimated value for all measurement item loadings. The value for the Keiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) for the first rotation was 0.925, followed by 0.911 for the second rotation. Hence, both rotations met the estimation of the KMO value, which is supposed to be more than 0.60 (Pallant, 2007). Parallel to this, the Bartlett’s Test of Sphericity value for both rotations was significant (p-value<0.05). Most measurement items were also correlated
with each other with a value of more than 0.30. The final component matrix for the EFA outcome is shown in table 1.

Four measurement items loaded onto each component. The four measurement items for the product constructs are durability, serviceability, aesthetics, and perceived quality, while the four measurement items that loaded onto the service constructs are assurance, tangible, empathy and responsiveness. Independent, confident, good looking and trendy loaded onto the brand personality component. The sum of squares for product, service and brand personality are 4.490, 1.919 and 1.262, respectively. The percentages of trace are 37.416% (product), 15.995% (service) and 10.516% (brand personality), which contribute to a total of 63.927% for all components.

The reliability for all of the loaded measurement items was tested by Cronbach’s Alpha (α), which is supposed to be more than 0.60 (Nunnally, 1978). The results of the reliability test for all constructs met the estimation value, as shown in table 2. Hence, all twelve underlying measurement items were used as indicators for confirmatory factor analysis (CFA).

### TABLE 1
**COMPONENT MATRIX**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Component</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Product</td>
<td>Service</td>
</tr>
<tr>
<td>Durability (P8)</td>
<td>0.592</td>
<td></td>
</tr>
<tr>
<td>Serviceability (P9)</td>
<td>0.668</td>
<td></td>
</tr>
<tr>
<td>Aesthetics (P10)</td>
<td>0.681</td>
<td></td>
</tr>
<tr>
<td>Perceived quality (P11)</td>
<td>0.635</td>
<td></td>
</tr>
<tr>
<td>Assurance (S5)</td>
<td></td>
<td>0.652</td>
</tr>
<tr>
<td>Tangible (S6)</td>
<td></td>
<td>0.681</td>
</tr>
<tr>
<td>Empathy (S7)</td>
<td></td>
<td>0.654</td>
</tr>
<tr>
<td>Responsiveness (S8)</td>
<td></td>
<td>0.627</td>
</tr>
<tr>
<td>Independent (BP2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Confident (BP3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good looking (BP4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trendy (BP7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sum of Square (eigenvalue)</td>
<td>4.490</td>
<td>1.919</td>
</tr>
<tr>
<td>Percentage of trace</td>
<td>37.416%</td>
<td>15.995%</td>
</tr>
</tbody>
</table>

### TABLE 2
**RELIABILITY**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>0.774</td>
</tr>
<tr>
<td>Service</td>
<td>0.814</td>
</tr>
<tr>
<td>Brand Personality</td>
<td>0.692</td>
</tr>
</tbody>
</table>
Confirmatory Factor Analysis (CFA)

The results of exploratory factor analysis and the reliability test were validated through confirmatory factor analysis (CFA). The initial measurement path for CFA is as shown in figure 1. This measurement path was modified to enhance the fitness of the model through 1) absolute fit, which consists of chi-square (p-value), normed chi-square (CMIN/DF), goodness-of-fit index (GFI) and root mean square error of approximation (RMSEA); 2) incremental fit, which consists of normed fit index (NFI), Tucker-Lewis index (TLI) and comparative fit index (CFI); and 3) parsimony fit, which consists of adjusted goodness of fit index (AGFI). The initial CFA path was modified by adding covariance relationships between errors in both product and service constructs. In addition, the indicators for product and brand personality were each deleted to enhance the fitness of the model, as shown in figure 2. The initial and modified fitness value for absolute fit, incremental fit and parsimony fit is as shown in table 3. All the values meet the estimated statistical fitness value based on a combination of various statistical theories.

FIGURE 1
INITIAL CONFIRMATORY FACTOR ANALYSIS
TABLE 3
MODEL FIT OF CONFIRMATORY FACTOR ANALYSIS

<table>
<thead>
<tr>
<th>Statistics Categories</th>
<th>Indexes</th>
<th>Expected Value</th>
<th>Initial Value</th>
<th>Modified Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit</td>
<td>$\rho$-value (Hair et al., 2010; Hu and Bentler, 1995; Wheaton et al., 1977)</td>
<td>Less than 0.05</td>
<td>0.0001</td>
<td>0.0001</td>
</tr>
<tr>
<td></td>
<td>CMIN/DF (Hu and Bentler, 1995; Marsh and Hocevar, 1985)</td>
<td>Within 1 to 5</td>
<td>11.462</td>
<td>3.730</td>
</tr>
<tr>
<td></td>
<td>GFI (Chau and Hu, 2001; Hair et al., 2010)</td>
<td>More than 0.90</td>
<td>0.882</td>
<td>0.972</td>
</tr>
<tr>
<td></td>
<td>RMSEA (Brown and Cudeck, 1993; Hair et al., 2010)</td>
<td>Less than 0.08</td>
<td>0.116</td>
<td>0.059</td>
</tr>
<tr>
<td>Incremental Fit</td>
<td>NFI (Bentler and Bonnet, 1980)</td>
<td>More than 0.80</td>
<td>0.833</td>
<td>0.959</td>
</tr>
<tr>
<td></td>
<td>TLI (Tucker and Lewis, 1973)</td>
<td>More than 0.80</td>
<td>0.799</td>
<td>0.954</td>
</tr>
<tr>
<td></td>
<td>CFI (Bagozzi and Yi, 1988; Hair et al., 2010)</td>
<td>More than 0.90</td>
<td>0.845</td>
<td>0.969</td>
</tr>
<tr>
<td>Parsimony Fit</td>
<td>AGFI (Chau and Hu, 2001)</td>
<td>More than 0.80</td>
<td>0.819</td>
<td>0.949</td>
</tr>
</tbody>
</table>
Structural Equation Modeling (SEM)

The path diagram for structural equation modeling was developed based on the modified CFA path diagram by changing the covariance line between the product and service to brand personality constructs into a causal line, as shown in figure 3. Similar to the CFA, two additional covariance relationships between errors were added to the product construct in the SEM path diagram to enhance the fitness value of the model, as shown in figure 4. There was no deletion of measurement items for the SEM analysis. The initial and modified fitness value for absolute fit, incremental fit and parsimony fit is as shown in table 4. All the values met the estimated statistical fitness value based on a combination of various statistical theories.

FIGURE 3
INITIAL STRUCTURAL EQUATION MODELING

![Initial SEM Diagram](image)

FIGURE 4
MODIFIED STRUCTURAL EQUATION MODELING

![Modified SEM Diagram](image)
The relationship analysis of hypermarket corporate brand extension of product and service towards brand personality was based on regression weight. Based on the analysis, there is a significant relationship between hypermarket corporate brand extension of product towards brand personality ($\rho$-value<0.05). Parallel to this, there is also a significant relationship between hypermarket corporate brand extension of service and brand personality ($\rho$-value<0.05). This result confirms the previous conceptual study in which a significant relationship was expected between hypermarket corporate brand extension of product and service with brand personality (Hassan and Rahman, 2012a). Table 5 shows the standardized and unstandardized relationships analysis of this research through SEM analysis.

### TABLE 4
MODEL FIT OF STRUCTURAL EQUATION MODELING

<table>
<thead>
<tr>
<th>Statistics Categories</th>
<th>Indexes</th>
<th>Expected Value</th>
<th>Initial Value</th>
<th>Modified Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit</td>
<td>$\rho$-value (Hair et al., 2010; Hu and Bentler, 1995; Wheaton et al., 1977)</td>
<td>Less than 0.05</td>
<td>0.0001</td>
<td>0.0001</td>
</tr>
<tr>
<td></td>
<td>CMIN/DF (Hu and Bentler, 1995; Marsh and Hocevar, 1985)</td>
<td>Within 1 to 5</td>
<td>8.923</td>
<td>3.619</td>
</tr>
<tr>
<td></td>
<td>GFI (Chau and Hu, 2001; Hair et al., 2010)</td>
<td>More than 0.90</td>
<td>0.934</td>
<td>0.974</td>
</tr>
<tr>
<td></td>
<td>RMSEA (Brown and Cudeck, 1993; Hair et al., 2010)</td>
<td>Less than 0.08</td>
<td>0.101</td>
<td>0.058</td>
</tr>
<tr>
<td>Incremental Fit</td>
<td>NFI (Bentler and Bonnet, 1980)</td>
<td>More than 0.80</td>
<td>0.898</td>
<td>0.961</td>
</tr>
<tr>
<td></td>
<td>TLI (Tucker and Lewis, 1973)</td>
<td>More than 0.80</td>
<td>0.908</td>
<td>0.956</td>
</tr>
<tr>
<td></td>
<td>CFI (Bagozzi and Yi, 1988; Hair et al., 2010)</td>
<td>More than 0.90</td>
<td>0.908</td>
<td>0.971</td>
</tr>
<tr>
<td>Parsimony Fit</td>
<td>AGFI (Chau and Hu, 2001)</td>
<td>More than 0.80</td>
<td>0.884</td>
<td>0.950</td>
</tr>
</tbody>
</table>

### TABLE 5
RELATIONSHIP ANALYSIS RESULT

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Standardized</th>
<th>Unstandardized</th>
<th>Result(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product – Brand personality</td>
<td>0.189</td>
<td>***</td>
<td>Positively significant</td>
</tr>
<tr>
<td>Service – Brand personality</td>
<td>0.356</td>
<td>***</td>
<td>Positively significant</td>
</tr>
</tbody>
</table>

Note: *** $\rho$-value<0.05
DISCUSSION AND RECOMMENDATIONS

This research has proven that hypermarket corporate brand extension of both products and services is able to influence brand personality. Hence, purchasing and consuming hypermarket corporate brand extension products and services show the individual personality of the consumers. This finding is an extension of previous conceptual studies in which it was expected that both products and services would influence brand personality (Hassan and Rahman, 2012a). As a result of the finding, in order to develop and enhance the brand personality of the hypermarket corporate brand, it is important to emphasize both products and services. This is because, consumers will not go to hypermarkets just to purchase or consume a particular product or service but to purchase and consume both product and service offerings in the hypermarket. Hence, both products and services should be perceived as complementary from the perspective of consumers.

This research can be further extended by looking at the impact of brand personality on the hypermarket corporate brand value, which will provide a better insight into how far the hypermarket corporate brand can be extended. The availability of a corporate brand extension product in hypermarkets that is slightly more cost effective than other comparable well-known manufacturing brands is expected to assist society to reduce the expense of basic household necessities, and, at the same time, enjoy the modern shopping experience through the service extension that is provided by the hypermarket.

CONCLUSION

The conceptual research of hypermarket corporate brand extension of both product and service as parallel independent constructs to brand personality (Hassan and Rahman, 2012a) is proven through this research. It is confirmed that there is a significant relationship between hypermarket corporate brand extension of product and brand personality. Hence, purchasing a hypermarket corporate brand product does represent the personality of the consumer. Parallel to this, there is also a significant relationship between hypermarket corporate brand extension of service and brand personality. Therefore, consuming service in hypermarkets also represents the personality of the individual consumers.

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