The Impact of Hypermarket Corporate Brand Extensions on Brand Personality: A Conceptual Analysis of Malaysian Market

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Abstract
In line with the strategy to enhance entrepreneurship opportunities, it is expected that there will be a growth in brand extensions development especially by hypermarkets. The industry is developing competitively and fiercely with strong as well as continuous support from consumers. This research paper is proposing a conceptual framework to investigate the relationship between hypermarket corporate brand extensions with dimension of brand personality within the Malaysian market. The extension from a hypermarket brand to product and service brand is known as a corporate brand extension. Both product and service are equally important in hypermarket retailing. Brand does have personality which is similar as human being. Dimensions of brand personality are adapted from a framework that was introduced by Aaker (1997). The framework consists of 1) sincerity, 2) excitement, 3) competence, 4) sophistication and 5) ruggedness.

Keywords: brand personality, corporate brand extension, hypermarket

1. Introduction
Grocery retailing especially hypermarket is mainly based on self-service (Swoboda, Haelsig, Morschett and Schramm-Klein, 2007). Grocery retailers sell variety of products (Esbjerg and Bech-Larsen, 2009) and this is exactly what is being offered by hypermarkets. Hypermarket retailing is a common industry to everyone regardless of social status, income and even background. The emergence of hypermarket retailing in Malaysia since 1993 (Lee, 2004) has changed the whole retailing industry and has forced the industry to be more efficient and effective (Ambler and Styles, 1996; Barros, 2006) from the stakeholders’ perspective. Consumer can conveniently choose any place to shop since almost all hypermarkets are offering the same products and services. The only way hypermarkets can differentiate is by offering corporate brand extension products and services that is only unique to a particular hypermarket. Currently, there are many hypermarkets that are extending the existing corporate brand name into products (de Wulf, Odekerken-Schroder, Goedertier and Ossel, 2005) and services brand. The introduction of this branding concept has created a platform for corporate brand extensions among hypermarket players in the industry.

Hypermarket industry has been developing excessively within a short duration. This has been caused by aggressive push given by the consumers. Today, there are a lot of international as well as local hypermarket players in Malaysia. The revolution of hypermarket retailing industry is very impressive compared to other industries. Sometimes, it can be perceived as an automatic development that is beyond control. High amount of emergence and competition in the industry have made it highly competitive (Barros, 2006). Since 2006, hypermarket retailers have made significant investment to develop strong networks (Business Monitor International Ltd, 2007) in value chain to meet expected output in a competitive market (Linder and Seidenstricker, 2010). One of the main networks is with small medium enterprises to produce hypermarket corporate brand extension products. This network also assists the hypermarkets to offer better shopping experience through sub-retailers as service extension.

2. Corporate Brand Extensions of Hypermarket Retailing
Brand name represents an identity (Mishra and Datta, 2011). A good brand is able to be extended and those with very good brand extension will be able to build up the brand name (Aaker, 1991). The extension of brand is
becoming crucial (Arora and Stoner, 2009). A highly well-known and reputable brand will create a path for brand extension by utilizing brand equity and brand image to create brand momentum. Brand extension is an innovative strategy to generate more revenue by using existing brand name for newly launched products. Consumers develop brand architecture through personal interpretation towards retail stores, services and assortments (Esbjerg and Bech-Larsen, 2009). However, brand as an interface will influence consumer more than the retail interface (Ewing, 2000) and this will lead to consumer choice (Clarke, Hallsworth, Jackson, Kervenonael, Aguila and Kirkup, 2004). Due to the importance of retail brand, this conceptual study will be focusing on corporate brand extension of hypermarket into new products and services.

Corporate brand extension uses the existing corporate brand name for a new product or service (Keller and Aaker, 1998). Thus, the extension from a hypermarket brand into products and services brand is known as a corporate brand extension. Products and services by hypermarket brand extension is also known as a private brand, store brand, retail brand, distributor brand, own label, own brand or private label product (Burt and Davies, 2010; Gomez and Rubio, 2008; Tifferet and Herstein, 2010). In general, this study will categorize the hypermarket brand extensions into product and service as corporate brand extensions. In other words, corporate brand extensions could involve product and service provided by the hypermarket with similar retail brand name.

Five main hypermarket players in Malaysia are Carrefour, Econsave, Giant, Mydin and Tesco. All of the players have extended their corporate brand to product brand such as beauty and health care products (tissue, soap and baby wipe), carbohydrate products (rice, bread, noodle, and spaghetti), clothes (male, female and children), frozen foods (karipap, popiah, roti canai, donut and pau) as well as light food and beverages (soda, cookies and snack). Hypermarkets have also extended basic self-service grocery shopping concept into a better shopping experience through other sub-retailers such as bookstore, food court, bank, post office, pharmacy, boutique and other variety of sub-retailers business to create an excitement for the consumers.

3. Corporate Brand Extension of Hypermarket Product

Producers who do not have strong competitive position than existing well-known manufacturer brand have the opportunity to sell their products through hypermarket by using the same hypermarket corporate brand name (Gomez and Rubio, 2008). This strategy is an alternative for small and medium enterprises to earn revenue easily without putting tremendous effort to develop brand name from scratch. Due to this, the trend of collaboration between suppliers and sellers are growing. Corporate product brand extensions by hypermarkets increase the product assortments on the shelves. This is not just for the sake of display but it can also be used as a strategy to attract people to purchase more at affordable prices (Anchor and Kourilova, 2009; Uusitalo, 2004). With the introduction of hypermarket brand extension products on the shelves, consumers have more options to choose from. Varieties of products on the shelves will give advantage to the retailers to build up profitable mix (Salmon, Buzzell and Cort, 2000). Hypermarkets do have priority to place corporate brand extension products on shelves than other manufacturing brands. The differentiation in products offering will determine the capability of retailer to build the corporate brand extensions (Fernie and Pierrel, 1996). This credibility depends on the perception of expertise, trustworthiness, quality of core brand and history of previous extension (Keller and Aaker, 1992).

Brand extension by hypermarkets can be considered as a shipment of channel authority from the manufacturer to the hypermarket (Burt, 2000). Brand extension functions to enhance market positioning, communicate quality, value and image (Moore, 1995). In addition, it gives more flexibility in term of pricing. Perception, motivation and the importance of having corporate brand extensions by a hypermarket depends on experience (Au-Yeung and Lu, 2009) and skills. The high exposure of a brand in the market will make a brand stronger (Aaker, 2007). Hypermarkets have high capabilities to extend their retail brands through strong effort in experience marketing to the end shoppers (de Wulf et al., 2005). The product of brand extension is highly controlled by a particular hypermarket and it cannot be seen in other places. The benefits of brand extension have encouraged more hypermarkets to embark on developing brand extension (Munusamy and Hoo, 2008). Hypermarket brand extension is trustable if consumers perceive it as an alternative brand and not as an alternative product by the manufacturer. The trust or reputation of a brand is built through interactions between consumers and the retail stores (Burt and Davies, 2010). Companies which are innovative, ambitious, ingenious and hardworking will always be attractive to people (Blackston, 1993). Thus, instead of offering variety of well known products to be sold, hypermarkets must also develop and sell corporate brand extension products (Knee, 2002) and services. In fact, hypermarkets are able to make a higher margin by selling corporate brand extension products rather than selling only other well-known manufacturing brands product (Beldona and Wysong, 2007).

The way consumers perceive brand extension is highly dependent on the culture of a particular location. Although a lot of well-known branded products were originally introduced by Western countries, it seems that
the Westerners themselves do not really emphasize on brand names (Anchor and Kourilova, 2009). On the other hand, Asians are known to be more brand-conscious than the Westerners (Shannon and Mandhachitara, 2008). The truth beyond this myth will hopefully be discovered through this conceptual research since there exists a perception that Malaysian lifestyles are becoming more westernized, sophisticated and cosmopolitan (PricewaterhouseCoopers, 2004, 2005) with an increasing overall percentage of middle class (Fam and McNeill, 2009).

4. Corporate Brand Extension of Hypermarket Service

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 fulfilling household necessity. It reaches far beyond basic economic needs (Dholakia, 1999). Finding that was made by Tauber (1972) in eleven motives for shopping shows that most of the motives are both pleasure and leisure driven (Millan and Howard, 2007) especially among young adults (Howard, 2007). Shopping for grocery is a low involvement activity. Thus, it is a great opportunity for the retailer to spice up the shopping experience with more positive feelings (de Wulf et al., 2005). Shopping experience is crucial since the scope is not just about selecting products on shelves (Fiore and Kim, 2007). Sit et al. (2003) have added that the augmented product or service can become part of the core product and shopping environment. However, shoppers will perceive its meaning and importance differently.

Due to stiff competition among players in the industry, many hypermarkets have embedded entertainment elements as differentiation positioning strategies to attract consumers. The entertainments that can be offered to the shoppers are special events, food and beverages as well as safe and attractive shopping environment. The food and beverages that are being offered at cafés, food courts or restaurants motivate the shoppers to extend the shopping duration by having short breaks during shopping (Sit et al., 2003). Shoppers who spend longer duration are more likely to purchase more as compared to shoppers who spend shorter duration for shopping. One of the strategies to cater this leisure activity (Howard, 2007) is by having sub-retailers that will improve the overall value of shopping. Thus, hypermarket is a place to build experience through tenants (Hutchison, Adair and McWilliam, 2008).

Leisure shopping is a subset of leisure retailing. The perception of leisure shopping depends on the characteristics of individual, objectives, social and nature of location (Howard, 2007). Malaysians tend to shop for pleasure and leisure. 48 percent of urban young adults who are between the ages of 18 to 44 spend their leisure time at shopping centers for window shopping and this represents 49 percent of the Malaysian population. In general, Malaysian shoppers visit six sub-retailer outlets per trip (Ahmed, Gningold and Dahari, 2007). Thus, there is a good opportunity to expand the size of the main store by having more sub-retailers. Renting out sites or spaces to the sub-retailers could assist in providing financial stability or income to the main retailer. The focus of product variety or perhaps sub-retailers should be based on location and lifestyle in a particular place (Salmon et al., 2000).

5. Brand Personality

5.1 Characteristics of Brand Personality

Brand personality is defined as “the set of human characteristics associated with a brand”, (Aaker, 1997). Other researchers defined it as “the set of human personality traits that are both applicable and relevant to brands” (Azoulay and Kapferer, 2003) and “all personality traits used to characterize the individual and associated with a brand” (Ferrandi and Valette-Florence, 2002). Brand personality in service is “the set of human characteristics associated with a service firm”, (Aaker, 1997). Service personality is highly intangible in nature and is crucial in order to gain success since it is able to create differentiation. At the moment, there is very little effort to delineate service personality (Harris and Fleming, 2005). Brand personality exists when the consumer captures the dimensions of 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 self-concept that represent brand image (Maehle and Shneor, 2010).

Brand personality could be updated depending on new information that is generated in addition to the existing information. Thus, brand personality could not be updated without any existing information. The nature of new information and the perception by an individual will determine the updating of brand personality. Brand personality is more influenced by those who are more accessible to that particular brand generated from trait-relevant information. Trait information could be enhanced through priming or salience procedures to boost brand personality for a temporary period. Those who are unfamiliar with certain brand will use overall evaluative implications rather than trait implications to determine brand personality (Johar, Sengupta and Aaker, 2005). Due to this, a consumer will have better understanding on the brand personality if there is an experience towards that...
particular product brand. Without an opportunity to taste and experience a product, consumers usually believe those well-known manufacturing brands have stronger brand personality than hypermarket brand extensions. However, this rating changed after the consumers have experienced the hypermarket brand extension products. Thus, consumers should be given the opportunity to experience the product by getting free sample, giveaway and promotion to build up the positive perception towards hypermarket brand extension products (Beldona and Wysong, 2007) and services.

5.2 Dimensions of Brand Personality

Brand often does have personality (Milewicz and Herbig, 1994; Pitta and Katsanis, 1995) which is similar as human being (Louis and Lombart, 2010; Smothers, 1993). It is built through advertising and consumer knowledge (Pitta and Katsanis, 1995). The brand is known to have personality if consumers view it as how they view human characteristics (Beldona and Wysong, 2007). Brand personality demonstrates and expresses a consumer personality since it is parallel with the individual and perhaps the social self-concept of the particular consumer (Kotler and Keller, 2008). Due to this, brand personality is studied by looking into human personality as a platform of analysis (Louis and Lombart, 2010). It represents all the similar personality traits of a person that helps to enhance and maintain relationships (Fetscherin and Toncar, 2010; Louis and Lombart, 2010). Brand personality dimensions that were introduced by Aaker (1997) consist of 1) sincerity, 2) excitement, 3) competence, 4) sophistication and 5) ruggedness.

5.2.1 Sincerity

“Sincerity is defined by attributes related to warmth and honesty that are also present in agreeableness”, (Aaker, Benet-Martinez and Garolera, 2001). It represents down-to-earth, honest, wholesome, cheerful (Aaker, 1997), real and sincere (Aaker et al., 2001) that indicate strong social orientations, cooperative and harmony seeking person (Maehle and Shneor, 2010). The following propositions for sincerity of brand personality in hypermarket brand extensions were developed to assist in detailed investigation of the subject.

P1a: Hypermarket brand extension in product has significant influence on sincerity of brand personality.
P1b: Hypermarket brand extension in service has significant influence on sincerity of brand personality.

5.2.2 Excitement

“Excitement captures the energy and activity elements of extraversion”, (Aaker et al., 2001). It is represented by daring, spirited, imaginative, up to date (Aaker, 1997) as well as exciting and contemporary (Aaker et al., 2001) that represent the “tendency towards change, visionary orientations, strong intuition, creative imagination and inherent enthusiasm…”, (Maehle and Shneor, 2010). The following propositions for excitement of brand personality in hypermarket brand extensions were developed to assist in detailed investigation of the subject.

P2a: Hypermarket brand extension in product has significant influence on excitement of brand personality.
P2b: Hypermarket brand extension in service has significant influence on excitement of brand personality.

5.2.3 Competence

“Competence denotes dependability and achievement similar to conscientiousness”, (Aaker et al., 2001). It is “the individual’s knowledge in all forms as well as personality related capacities”, (Bjurklo, Edvardsson and Gebauer, 2009). Three traits in competence are 1) reliable, 2) intelligent and 3) successful (Aaker, 1997) which are more on task-oriented, structured and logical (Maehle and Shneor, 2010). It can also be represented by two more attributes which are 1) secure and 2) confident (Aaker et al., 2001). Competence enables an individual to focus on certain aspects by acting, learning and changing behaviour (Bjurklo et al., 2009). The following propositions for competence of brand personality in hypermarket brand extensions have been developed to assist in detailed investigation of the subject.

P3a: Hypermarket brand extension in product has significant influence on competence of brand personality.
P3b: Hypermarket brand extension in service has significant influence on competence of brand personality.

5.2.4 Sophistication

Sophistication is represented by upper-class, charming (Aaker, 1997; Aaker et al., 2001), glamorous, good looking (Aaker et al., 2001) and romantic which indicate the tendency of strong emotion and sensitivity of a person (Maehle and Shneor, 2010). Different consumer will respond differently towards a particular aspect. Sophistication is one of the ways to segment and target markets (Matzler, Bidmon and Grabner-Kräuter, 2006). Brand extension products tend to be more sophisticated but improvement in quality and labelling enable a brand to be on par with other manufacturing brands (Beldona and Wysong, 2007). The following propositions for
sophistication of brand personality in hypermarket brand extensions were developed to assist in detailed investigation of the subject.

P4a: Hypermarket brand extension in product has significant influence on sophistication of brand personality.
P4b: Hypermarket brand extension in service has significant influence on sophistication of brand personality.

5.2.5 Ruggedness

Ruggedness represents outdoor lifestyle, tough (Aaker, 1997) masculine and western (Aaker et al., 2001) which indicate a reliable, strict and structured individual (Maehle and Shneor, 2010). This dimension is suitable for the Americans. In order to look into brand personality dimensions according to suitable culture, ruggedness that is originally referring to the American market was changed to peacefulness for the Japanese market and passion for the Spanish market. The understanding of culture values is very important and will reflect commercial symbols in certain community market (Aaker et al., 2001). The original brand personality dimensions is going to be used in this conceptual research since it seems to be more suitable for the Malaysian community that is perceived as westernized from the findings in various literature reviews. The following propositions for ruggedness of brand personality in hypermarket brand extensions have been developed to assist in detailed investigation of the subject.

P5a: Hypermarket brand extension in product has significant influence on ruggedness of brand personality.
P5b: Hypermarket brand extension in service has significant influence on ruggedness of brand personality.

6. Conceptual Framework

It would be beneficial to focus on factors that could impact brand extension (Story and Loroz, 2005) or feedback towards impact in diverse product categories within real environmental settings (Thorbjørnsen, 2005). The importance of brand extensions leads to the investigation on how far the brand could be stretched (Meyvis and Janiszewski, 2004) and also a deeper investigation on factors that could enhance the elasticity. However, there are very little findings on main driver and assessment of brand extension elasticity (Ahluwalia, 2008). Further research is needed on the effect of success in brand extension by corporate entities (Keller and Aaker, 1998). Thus, a conceptual framework on the relationship between hypermarket corporate brand extensions into product and service with brand personality dimensions (Aaker, 1997) were developed to understand the prospect relationship. The dimensions of brand personality framework that was introduced by Aaker (1997) are as shown in figure 1. Brand personality consists of five dimensions which are 1) sincerity, 2) excitement, 3) competence, 4) sophistication and 5) ruggedness. The lowest layers represent traits within each of the dimensions.

![Figure 1. Dimensions of Brand Personality](image)

Source: Aaker (1997)

There have not been many researches that have investigated brand personality as dependent construct and how it could be affected by brand extension (Diamantopoulos, Smith and Grime, 2005) especially in hypermarkets. Thus, dimensions of brand personality by Aaker (1997) were adapted as dependent constructs to fulfill the existing research gap. Further than this, none of studies has been made by looking into both product and service of hypermarket corporate brand extensions as parallel independent constructs. Thus, in this study, product and
service of hypermarket corporate brand extensions are positioned as parallel independent constructs. The proposed conceptual framework can be tested by multivariate analysis of variance (MANOVA) and structural equation modeling (SEM). This conceptual framework is specifically suitable for Malaysian market due to culture and lifestyle that tend to be urbanized with price conscious minded. Thus, this conceptual framework is not suitable for those countries that have different culture and lifestyle.

![Diagram of Hypermarket Corporate Brand Extensions with Brand Personality](image)

**Figure 2. Relationship of Hypermarket Corporate Brand Extensions with Brand Personality**

### 7. Conclusion

The study of hypermarket brand should contribute to both academicians and practitioners (Lavin, 2009). Thus, research in hypermarket brand management will definitely be applicable in practice (James, Lyman and Foreman, 2006). It is crucial for management to have awareness through involvement in developing a strong hypermarket brand (Swoboda, Haelsig, Schramm-Klein and Morschett, 2009). At the moment, there has been very little research conducted for hypermarkets in Malaysia. This conceptual research will hopefully assist to provide a transparent path on the understanding of relationship between hypermarket corporate brand extensions and brand personality as an overall value to the consumers. This definitely will create some awareness to all practitioners who would like to know more on meeting consumers’ expectations and what are some potential actions that are more reasonable for this branding strategy. It will also be useful to determine the potential paths to develop local hypermarket players in enhancing the overall revenue as well as sustaining in the industry through corporate brand extensions. The overall findings of this research through data analysis and interpretation will hopefully be able to push this industry into a new edge. As a kick-start momentum, hypermarket retailers should always look for opportunity to collaborate with both business consultants and academicians to enhance the overall business operations.

### References


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