St. Petersburg University

Graduate School of Management

Master in Management Program

APPLICATION OF CUSTOMER-BASED BRAND EQUITY MODEL FOR STRENGTHENING THE COMPETITIVE POSITION OF UNIQLO BRAND ON THE RUSSIAN MARKET

Master’s Thesis by the 2nd year student

Concentration — Management

Aleksandra Tomilova

Research advisor:

Associate Professor, Sergey A. Starov

St. Petersburg

2016

ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ

ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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**АННОТАЦИЯ**

|  |  |
| --- | --- |
| Автор  | Томилова Александра |
| Название магистерской диссертации  | Применение модели пользовательского капитала бренда для укрепления конкурентной позиции бренда UNIQLO на российском рынке |
| Факультет | Высшая школа менеджмента |
|  Направление подготовки | Менеджмент |
|  Год  | 2016 |
| Научный руководитель  | Доктор экономич. наук, Старов С. А. |
| Описание цели, задач и основных результатов  | Целью исследования являлась концептуализация понятия пользовательского капитала бренда розничной сети и его измерение в отношении бренда одежды UNIQLO на российском рынке. В исследовании был задействован количественный метод с применением онлайн анкетирования в качестве способа сбора эмпирических данных. Результаты исследования свидетельствуют о том, что осведомленность о бренде, его воспринимаемая ценность и имидж оказывают значительное влияние на пользовательский капитал исследуемого бренда. Была выявлена проблема воспринимаемой ценности предложения UNIQLO на российском рынке и предложены рекомендации и потенциальные пути решения данной проблемы на основе проведенного анализа. |
| Ключевые слова  | Брендинг, пользовательский капитал бренда, российский рынок одежды, UNIQLO  |

**ABSTRACT**

|  |  |
| --- | --- |
| Master Student's Name  | Aleksandra Tomilova  |
| Master Thesis Title  | Application of customer-based brand equity model for strengthening the competitive position of UNIQLO brand on the Russian market |
| Faculty  | Graduate School of Management |
| Main field of study  | Management |
| Year  | 2016 |
| Academic Advisor's Name  | Associate Professor, Sergey A. Starov |
| Description of the goal, tasks and main results  | The study aimed to to provide an understanding of customer-based retail brand equity construct and to measure customer-based retail brand equity of apparel brand UNIQLO on the Russian market. The study adopted quantitative research approach with the on-line questionnaire as a data gathering method. Results of the study suggest that retail brand equity dimensionality in case of UNIQLO goes in parallel with the previous research and retail brand awareness, retail brand image and perceived value of retail brand are all significantly positively related to customer-based retail brand equity. The issue of value proposition communication was identified and recommendations are given based on the conducted analysis. |
| Keywords | Branding, customer-based brand equity, Russian apparel market, UNIQLO |

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**Introduction.**

In the recent decades the definition of brands, branding and brand equity have become increasingly important. Brands are perceived as an intangible and competitive assset due to their longevity, ability to create various advantages and premiums and easy transferability among different products. The rapidly growing importance of brands is directly related to the fact that most of the consumers nowadays gradually become more aware of the products they are purchasing and also have a possibility to compare the prices and share their opinions on them via digital platforms. Nowadays they are checking out products and service information mostly through the internet and particularly through social media sites. Ultimately, the company with an established brand image will have a much bigger chance to success.

A brand is either a recognizable symbol, name, design pattern or the mix of all those features combined with an ultimate aim of making one seller or manufacturer identifiable from his other competitors. The owner is usually granted an exclusive right to the use of the brand under the trademark law in case it is legitimately registered according to the laws in force. Moreover, it is granted in perpetuity, thus making brand different in this aspect from copyrights or patents. However, even though in historical retrospective brands indeed were used primarily in order to efficiently differentiate between various sellers and manufacturers, nowadays it posesses more symbolic significance than simply in terms of differentiation. Thus today brand has a value of its own, effectively representing consistency in quality, status, enhanced image, or some defined features that a product offered supposedly has. The decision-making process for consumers is subsequently simplified and the perception of a brand may either encourage or discourage them to purchase the product. The brand image also may potentially lead to brand loyalty or even enable the owners to set higher prices on the products.

One of the most important concepts in both the business practices in general and in brand management, as well as in the academic research is brand equity. Brand equity has an ability to increase the company's cash flows and subsequently lead to various competitive advantages. Brand equity may be perceived as an added value, which contributes positively to the business in a variety of ways and it is primarily revealed in how customers feel or act towards this particular brand, also in the profitability that the brand itself commands to the company. Therefore, it is incredibly important to properly manage the brand equity, as it is considered to be one of the most notable intangible assets a firm can possess.

The first chapter provides a comprehensive overview and comparative analysis on the main extant studies within the research territory, while the second chapter provides company background, situational analysis and competitive positioning. The third chapter contains empirical analysis, including outlining research desing and theoretical model, hypotheses testing, results discussion and implications formulation, limitations and conclusion.

Having analyzed the conceptual framework for the topic of brand equity and some of the empirical studies conducted in this area during the recent years, as well as the most significant models proposed for evaluating the customer-based brand equity, I have identified the existing *research gap*, which is related to deeper understanding and conceptualization improvement for customer-based brand equity of retail brands. While the CBBE concept has been addressed in particular industries, such as the hotel industry, the concept of retail brand equity has been previously touched upon only in a limited number of studies (such as Gil Saura et al., 2002; Calvo-Porral et al., 2013). However currently there is no common agreement regarding the dimensions of retail brand equity. Moreover, there is a lack of conducted studies on customer-based retail brand equity directly focusing on the topic of CBBE modeling specifically for large retail brands operating on the Russian market, while this field has not been addressed enough yet.

It also should be mentioned that the models previously established for evaluating the customer-based brand equity were primarily applied in the developed markets, thus there is visible lack of research on the similar models tested in transition economies in general or specifically in Russia.

The objective of this study is twofold:

1. to provide understanding and conceptualization of customer-based retail brand equity construct;

2. to measure and examine the significance of the customer-based retail brand equity dimensions in relation to apparel retail brand UNIQLO on the Russian market.

Therefore, the main research question is: How can the customer-based brand equity model be applied in order to strengthen the competitive position of UNIQLO on the Russian market?

Moreover, the sub research question is formulated as the following:

How does UNIQLO generate value to its customers in Russia?

 The purpose of the study is to provide managerial suggestions on improving the customer-based brand equity of UNIQLO on the Russian market. The study also contributes to the understanding of the customer-based retail brand equity and defining its applicability specifically within the Russian market.

**1. Theoretical background**

**1.1 Defining brand equity**

Brand equity is nowadays widely acknowledged as one of the most important concepts in brand management. This fact is further recognized in an academic research, while a significant number of studies related to the topic of brand equity had been written in the last decade. The issue of creating and effectively managing brand equity has been a center of attention for various firms due to the fact that it’s proper management may potentially lead to the increased cash flows and lastly form competitive advantages. Thus, brand equity is considered to be one of the most notable intangible assets a firm can possess.

The concept of brand equity has gained recognition since 1980s. A number of definitions for brand equity have been presented in academic research in the last years, but one of the most fundamental works related to the topic belongs to David A. Aaker (1991), who initially defined brand equity as «A set of brand assets and liabilities linked to a brand, its name and symbol, that adds to or subtract from the value provided by a product or service to a firm and to the firm’s customers»[[1]](#footnote-1). It should be noted that in general the advancement of brand equity as a concept primarily emerged following the publications by the already mentioned Aaker (1991) and Keller (1993). According to Keller (1993), brand equity is first and foremost a differential effect of knowledge on response of consumers to the brand marketing. Keller stated that the key elements of brand knowledge are brand's favorability and awareness, as well as overall uniqueness of the brand associations in the consumers' perceptions.

In Blackston's view (1995) brand equity equals brand meaning, whereas it involves such components as brand personality, associations and brand value as the following result of brand meaning's managing. Shocker and Srivastava (1991) defined brand equity as a two-component system, combining brand value and brand strength. In their view brand strength is primarily based on consumer level measurements, while brand value defines financial benefits following the brand strength. In definition provided in the study by Farquhar (1990), brand equity may be defined as simply an additional value to both to consumer and the firm. Sullivan and Simon (1993) define brand equity is the sum of future cash flows which are expected to be accrued from the branded products over the sales of unbranded ones.

It is necessary to distinguish between the definitions of brand equity as the one expressed in financial terms and also the consumer-based brand equity. According to Moisescu (2007), the measurement models of brand equity in general may be differentiated into 3 groups. In the first one the emphasis is on psychological elements of consumer behavior (the models of the previously mentioned Aaker (1991) and Keller (1993) both fall into this category), economic-based models (represented by Sullivan and Simon (1993) and other mixed and complex models of the brand equity.

Some of the studies on brand equity suggest that the term itself has various different meanings (Feldwick, 1996) depending on the context of the term's usage. Feldwick (1996) points out that brand equity may be used either to refer to the description of the brand (of the various consumers' associations related to the brand name), the value of the brand (this category is used when it is necesary to define the price for the brand when there is a need to sell it) and lastly, the strength of the brand, referring to consumer's relative demand to the brand. Feldwick (1996) further provides arguments in support of ambiguity of the concept, stating that the term brand equity lacks applications and opportunities to measure it in the business setting. The author then suggests that in reality brand equity can not be used as a holistic and precise measure for defining which features the firm should implement in order to strengthen the its future performance. Thus, according to Feldwick (1996), brand equity may create an illusion of the existing correlation between strength of the brand, the value of the brand and brand description which in practice does not seem to be operating. The author states that this emerging issue related to the term definition is not unanticipated due to the fact that two of the categories: the strength of the brand and brand description are often used in a very broad sense, whereas the term brand value os considered to be first and foremost an accounting-related issue.

Thus, an alternative point of view on precision of the term brand equity exists, represented by Feldwick (1996). Nevertheless, Kotler (1996) supports the previously described ideas of Aaker and Farquhar and gives the following definition for the term brand equity: “The value of a brand, based on the extent to which it has high brand loyalty, name awareness, perceived quality, strong brand associations, and other assets such as patents, trademarks, and channel relationships.”[[2]](#footnote-2) As the problem of measuring the brand equity has further developed, various studies have contributed to the validity of the topic, the articles by Agarwal et al. (1996) are among the notable examples of conducted research in this area.

According to Winters (1991) the term brand equity refers to the added value, stating that it consists of the value added to the product by associations of consumers and their various perceptions for the brand name. However, the statements referring to the value added remain unclear, while it is not completely understandable how exactly the mentioned added value is used and created. Another definition for brand equity is proposed by Leuthesser (1988), who referred to the term as a complex of different associations and the behaviour of the particular brand's customers and distribution channel members, which altogether provides an opportunity

for this brand to earn more than it would without the brand name. In some of the later conducted studies researches suggest that the brand equity itself leads to brand loyalty, overall increases the probability that the particular brand will be chosen and, lastly, isolates the brand from the possible incressing threats of competitors.

**1.2 Conceptual framework for customer-based brand equity**

As follows from the previous subchapter, brand equity is a complex construct and has various conceptualizations in academic literature (Farquhar, 1990; Sullivan and Simon,1993; Shocker and Srivastava, 1991, Zeithaml, 1988). Even though in general the lack of agreement regarding the concept exists, the overall consensus is that brand equity defines the value, which is added to the product through the brand. As it was previously noted, it is necessary to distinguish between the definitions of brand equity as the one expressed in financial terms and also the consumer-based brand equity. The financial view of brand equity basically denotes the asset value of the brand on the market (Simon and Sullivan, 1990). However, when it comes to customer-based brand equity, it stresses on customer's perception of the brand. This research is based on the customer-based brand equity approach, while one of the research questions defines the necessity to find out how does the particular brand (UNIQLO) generate value to its customers on the Russian market.

Customer-based brand equity as a concept is mainly based on cognitive psychology (Christodoulides and de Chernatony, 2009). In accordance with this view, customers' brand awareness of the brand leads to perceptions' formation and influences purchasing behavior. Having reviewed the current academic literature devoted to the field, customer-based brand equity has been provided various definitions, as can be seen in the table below.

|  |  |
| --- | --- |
| Leuthesser (1988) | Behaviour and associations expressed by the brand's customers, as well as parent corporation and channel members, which allows the brand to earn bigger margins than it could do without the brand name |
| Swait et al. (1993) | The consumer’s implicit valuation of the brand in a market with differentiated brands relative to a market with no brand differentiation. |
| Kamakura and Russel (1993) | Implied utility or value assigned to the brand by consumers. The attempt to measure a brand in the research was conducted on the actual purchase behaviour, under regular market conditions. Two major sources of brand equity were identified. |
| Keller (1993) | Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand. |
| Lassar et al. (1995) | Customer-based brand equity as the enhancement in the perceived utility and desirability a brand name transfers on a product.  |
| Yoo and Donthu (2001) | Consumer-based brand equity as a measurement of cognitive and behavioral brand equity at the individual consumer level (measured through a consumer survey). Multidimensional scale was proposed. |
| Vázquez et al. (2002)  | Consumer-based brand equity as the overall utility that the consumer associates to the use of the brand; containing associations expressing both symbolic and functional aspects. |
| Clow and Baack (2005)  | Particular set of features and characteristics that make the brand unique on the market. |
| Szőcs (2012)  | Consumer-based brand equity as a construct, derived from associations, related to a brand in which their effect is concentrated. |

During the past few decades, brand equity has become one of the major areas of attention to managers and marketing researchers owing to its key role as a significant intangible firm asset. However, the researchers point out the lack of definite dimensionality and measurement scale for measuring brand equity (Gil-Saura et al., 2009). This fact can be explained by the relative novelty of the concept and related areas in research agenda.

The earlier definitions and conceptualization attempts for brand equity (Leuthesser,1988; Aaker, 1991) suggest the similar approach regarding brand equity dimensions to the studies conducted later. Brand equity is considered as a multidimensional concept and a complex phenomenon (Tong and Hawley, 2009). Various studies (Hartman and Spiro, 2005; Arnett, 2003; Kim et al., 2008; Washburn and Plank, 2002; Tolba and Hassan, 2009) suggest that the nature of brand equity can be considered as multidimensional, consisting of several components whereas each component affecting brand equity also typically has its own subdimensions. The common denominator for brand equity concept appears to be application of the following constructs: brand awareness, brand associations, brand loyalty and perceived quality.

It is important to mention that even though currently there is no universal view on brand equity and its measurement, the two main models, developed by D. Aaker (1991, 1996) and K. Keller (1993) are extensively used, with the former one being the most generally accepted and tested empirically.

The brand equity model developed by an American consultant and professor David Aaker (1991) is considered to be the most widely acknowledged in both academic and business circles. Along with another model presented by K. Keller (1993), it made a great contribution to conceptualization of brand equity and also popularized the research area. Following the publishment of his book  «Managing Brand Equity» in 1991, a number of researches have appeared, which have further tried to expand and develop the already introduced model.

According to the model presented by D. Aaaker, brand equity is created by five intangible assets: brand name awareness, brand associations, perceived brand quality, brand loyalty and other proprietary brand assets. The model implies that even though the brand equity is necessarily based on various assets and liabilities and their proportion would differ in each particular case, generally they still may be grouped into those five categories, defining how each of them generates value either for the firm or the customer in different ways.

*Aaker's Brand Equity Model (1991)[[3]](#footnote-3)*

 

Brand awareness. Aaker (1991) states that brand awareness can contribute with a sense of familiarity and commitment. Brand awareness is crucial, while at the recall level it affects the potential customer’s brand consideration, which then leads to the choice on whether to buy the product or not. Brand awareness at the recognition level is important, because the linkage exists between recognizing the brand and perception of reliability and quality.

Brand loyalty. This dimension relies upon the notion of loyal customer base, while loyal customers expect the products of the brand to be of higher quality and also often further advice other potential customers to buy them (Aaker, 1991). Attracting new customers is always much costly than trying to retain already existing ones, so this factor necessarily plays a big role in defining the brand equity. With the stable and loyal customer base the competitor brands also have various difficulties related to communication and attracting those customers to another brand, while the loyal customers are less likely to be interested in any alternatives available in the market. Therefore competitor brands are often discouraged by this factor, while it takes great efforts and resources to attract the already loyal and satisfied customer base of another brand (Aaker, 1991).

Perceived quality. This dimension is measured by the perception of quality, which lies in the mind of the customer or a potential customer. Perceived quality is very important, while it basically provides the reason to buy a particular product. Aaker (1991) points out that in order to build a strong brand it is important to sustain at least a minimal perceived quality for low market competitor niche or manage to achieve an above average perceived quality for the others.

Brand associations. This dimension of the brand equity model proposed by D. Aaker means the context of use for particular product. Aaker (1991) states that the two similar products may create an absolutely different effect just because the brand associations for their representative brands significantly vary. This dimension also plays a big part in the process of positioning and differentiation, thus generating the initiative to buy the product for those potential customers who may become emotionally or physically attached to particular products. The strong and stable brand association may become a competitive advantage for the brand because it may serve as a basis for further brand extension.

Other proprietary brands assets. The last grouping factor for the model of brand equity proposed by Aaker (1991) is other proprietary brand assets, which are either trademarks, patents or some relationships which can also potentially create competitive advantages for the brand.

In «Managing Brand Equity Across Products and Markets» (1996), D. Aaker introduces the so-called paradigm «the brand equity ten», which combines five categories with ten sets of various measures, among them: loyalty measures, perceived quality/leadership measures, associations/differentiation measures, awareness measures and finally market behaviour measures. Aaker defines loyalty measure as a key dimension of the brand equity, since a loyal customer base represents timeliness in responsing to innovations of competitors, advantage in setting prices and in price competition overall and a barrier to entry. Another central feature of brand equity according to Aaker (1996) is perceived quality and leadership measures. The latter is defined by various scales, among them market size, innovation and popularity, thus providing a complex brand equity measurement dimension. Another defined concept is associations/differentiation measures, which are mostly based upon three main components: brand personality, value (the-brand-as-product) and organizational associations.

 Aaker (1991,1996) also defines the several ways by which the brand assets previously described can build the value for the customer. In his point of view, they may affect the confidence of the customer related to the purchase decision, while the customer is usually more willing to purchase the products that was either familiar or considered ot be of a high quality. Another point mentioned by Aaker (1991) is that brand equity may serve as helping tool in the process of customer’s processing and interpretation of information directly of indirectly related to the brand. Lastly, it was suggested that the brand equity dimensions together together create value to the customer by increasing the level of customer’s satisfaction (Aaker, 1996).

In the addition to the proposed by Aaker (1991) ways by which the brand assets can create the value to the customer, the author also defines several ways in which they manage to create the value to the firm as well. Thus perceived quality, brand awareness and brand associations are able to increase brand loyalty by boosting customer satisfaction's level and also by providing the reasons to purchase the product. Moreover, brand equity may serve as a platform for the brand extensions, diminish the level of uncertainty when dealing with distribution channel members and introduce various barriers for competitors that eventually prevent the the loyal customer base of the brand to switch to one of the competitors. Lastly, brand equity directly affects the effectiveness of marketing strategies and programs, while they most likely will be more efficient in case when the brand name is already recognized.

A strong contribution to the conceptualization of the customer-based brand equity and branding theory in general was made by K. Keller (1993; 2001; 2003). According to Keller (2001), creating and managing a strong brand has become a key priority for firms and organizations due to now already acknowledged fact that it brings various financial and other rewards.

Keller (2001) proposes the model of the customer-based brand equity consisting of four different steps: creating the depth of the proper brand identity and awareness, following with shaping the brand meaning through uniqueness and creativity of brand associations, then evoking the brand responses and finally establishing the brand relationship with the customers which would be based on intensity of the customer loyalty. As a consequent and logical result of those four steps' implementation the six brand-building blocks are created – brand imagery, brand judgements, brand resonance, brand salience, brand feelings and, lastly, brand performance.

Keller (2001) states that the most significant block in brand-building is brand resonance, which establishes itself when all the other blocks are stable. In his point of view this brand-building block holds the most significant part, while with the stable brand resonance the loyal customer base of the particular brand effectively and rapidly increases, which subsequently leads to their intentions of sharing their favorable experiences with the other porential customers and increasing the level of interactions with the brand. As a result, those firms that can achieve high degree of brand resonance may potentially benefit from it in a variety of ways, including an ability to set price premiums and also more efficiency from the conducted marketing programs and strategies. Keller (2001) points out that the customer-based brand equity model is a significant construct, which can be either used for assessing the efficiency of the brand-building tactics of the company in general or also to serve as the guide for research in the field of marketing. Another very effective application of the customer-based brand equity is brand staretegies' analysis, interpretation and forecasting, which necessarily created a platform for choosing the right strategic direction for the firm and also in help in decision-making process both for the firm on the whole and in terms of brand-related issues.

Following the description of the brand-building «4 steps», Keller (2001) once again emphasizes the significance of the brand-building blocks, used for easier understanding of the whole model. Keller (2001) points out that in the brand pyramid presented, the brand-building blocks must be in place in order to create stable and significant brand equity. The described model of the customer-based brand equity pyramid is presented in the figure below:

*Keller’s Brand Equity Model (2001)[[4]](#footnote-4)*



According to Keller (2001), the first step of creating the strong customer-based brand equity is brand identity, which relies on brand salience, related to awareness of the customers for

the brand in question. Keller (2001) states that in a broad sense the brand awareness would mean customer’s abilities for the brand recognition and recalling. Nevertheless, at the same time the brand awareness would not only be based on pure fact that the customers have previously come across the brand name before and probably have seen it in various circumstances. The most important point here is that the brand awareness also implies directly linking the brand symbol or

name to some of the customer’s associations with it and the linkage in memory with the other products under the same brand should also exist. Keller (2001) also defines the key criteria used for the brand identity. He states that the brand awareness itself may be perceived in terms of two various structures, which are depth and breadth, where the latter refers to purchasing situations when the particular brand comes to mind of the customer and the depth generally means is the brand easily recognizable buy the customers or not, and to which extent.

The model of brand equity introduced by K. Keller (2001) subsequently became one of the most recognizable and widely acknowledged in the field. K. Keller provided an essential conceptual framework in managing and creating the customer-based brand equity, however, some limitations of this model still exist. For instance, there have been no proof for the model effectiveness within the industrial brand area (Kuhn, Alpert, 2004).

A number of various empirical studies have been conducted on the topic of the customer-based brand equity in the recent decades. In the most of the cases the two main models for managing and measuring the CBBE were applied, either presented by Aaker (1991) or Keller (1993, 2001).

One of the scales to measure the customer-based brand equity was developed by Lassar et al. (1995). The measurement scale was based on the four previously conducted studies, after which the original number of measurement indicators (83) was narrowed to only 17. Lassar et al. (1995) used the following variables in the empirical model of the conducted research: social image, attachment, trustworthiness, values and performance. The study combined 17 brands, three of which were TV monitor brands and three of the watches segment. Lassar et al. (1995) concluded that the product's price indicated the equity that was directly associated with the brand.

Yoo and Donthu (2001) have developed a multidimensional consumer-based brand equity scale, which was based upon the previously proposed conceptualization of customer-based brand equity in Aaker's and Keller's models. The authors aimed at developing the customer-based brand equity scale, which could be used in a cross-cultural context. The study was conducted among American, Korean-American and Korean respondents, which were suggested to evaluate the selected brands across several product categories. The reliability and validity of the proposed brand equity scale was proven as a result and the authors have provided both the theoretical and practical implications. Yoo and Donthu (2001) suggested, that brand associations and perceived quality influence brand equity by first affecting the brand loyalty. The aforementioned assumption was based on a witnessed stronger relation between the brand equity and brand loyalty in comparison with the similar relations between brand equity and brand associations and brand equity with perceived quality.

Pappu et al. (2005) aimed to improve the existing measurement scales of customer-based brand equity through empirical research. Moreover, the authors mentioned the limitations of the extant studies on customer-based brand equity measurement, including primary usage of student samples in the previous research. Pappu et al. (2005) have conducted the study through using the sample of real Australian consumers instead of the commonly used student samples. The authors have provided the evidence for the customer-based brand equity model multidimensionality in accordance with the previous research (supporting Keller's and Aaker's conceptualizations). Moreover, the cross-cultural scope of customer-based brand equity research has been widened to Australian consumers, while the already existing studies targeted American respondents. Pappu et al. (2005) have also suggested, that the customer-based brand equity dimensions themselves are multidimensional Regarding the practical implications and limitations of the study, the authors have concluded that the practitioners (such as marketers and branding professionals) tend to take into account and efficiently measure perceived quality, brand associations and brand awareness, but the brand loyalty is often perceived as troublesome to identify and measure. In order to mitigate the newly identified issue, Pappu et al. (2005) have suggested using items (questions), directly related to brand loyalty dimension. Lastly, Pappu et al. (2005) have given the general recommendations for marketing and branding professionals, such as efficient action planning in terms of sales promotions and pricing strategies.

 Another relatively recent empirical study conducted by Tong and Hawley (2009) aimed at defining the applicability of the consumer-based brand equity model in the market for Chinese sport clothing. Within the conducted study the original framework for brand equity from Aaker was used. The conclusions of the study show that brand equity is directly influenced by brand loyalty and brand associations. Nevertheless, the relation between such indicators as perceived quality and brand awareness with brand equity was not identified within the area of the conducted study.

The adoption of Aaker's model for brand equity and it's consequent usage within the research framework for evaluation of the customer-based brand equity for the particular brand (Hero Honda) in India was once again presented by David et al. (2012). The research study concluded the already described the grouping indicators for brand equity – perceived quality, brand loyalty, brand name awareness and brand association. David et al. (2012) concluded that the two most significant assets, directly and positively affecting the customer-based brand equity for the brand in question (Hero Honda) were brand awareness and brand association.

The new paradigm in measuring and forecasting the brand equity within the area of durable product market was proposed by Srinivasan et al. (2005). The results of the conducted research show that among the assets for the brand equity the most influential is brand awareness, affecting and contributing the most to the customer-based brand equity in comparison with the other three components analyzed in the study. Another significant conclusion of the conducted study presented the substantial impact of the brand equity on the particular brand's market share and overall contribution.

The findings of the reported empirical studies (Lassar et al, 1995; Tong and Hawley, 2009; David et al, 2012; Srinivasan et al. 2005) generally suggest that the major components, directly affecting the customer-based brand equity are brand loyalty, brand image and preference for the brand.

Anselmsson et al. (2007) sought to create a framework in order to understand what exactly drives CBBE and price premium for grocery products. They conducted a study combining qualitative and explorative approaches within the field of Swedish retail market. Having performed more than 150 personal interviews with randomly chosen respondents, they managed to get the picture of consumer characteristics of all kinds, combining demographical, geographical, psychological and other differences. As a result of performed interviews, Anselmsson et al. (2007) have concluded that all the consumers (absolutely regardless of the characteristics described above) generally used similar approaches to evaluation of the brand equity in terms of the price premium. Those approaches (brand equity dimensions) mentioned in the study were the four key categories previously presented by Aaker (1991, 1996), namely perceived quality, loyalty, associations and awareness. Anselmsson et al. (2007) also added another dimension in their model for assessing the customer-based brand equity – uniqueness (presented in a figure «A model of brand equity used for understanding the price premium for grocery products» on the next page). Anselmsson et al. (2007) provided the following explanation for the use of the additional component as opposed to the original structure of Aaker’s (1991, 1996) models of brand equity: «It relates to the performance of the other four dimensions relative competing brands and indicates that customer-based brand equity is the result of the fact that customers compare the brand to other brands within the same category. Uniqueness is proposed as a single dimension of brand equity, in contrast to Aaker’s (1996) framework where uniqueness is one of several brand associations. Our results indicate that uniqueness is just as likely to be related to performance on quality aspects as awareness, associations or loyalty. A brand’s degree of uniqueness appears to be the most important dimension in order to achieve price premium – why would customers be willing to pay the highest price (a unique price within the category) for a certain brand if it not is unique in some way?»[[5]](#footnote-5)

*A model of brand equity used for understanding the price premium for grocery products (Anselmsson et al., 2007)[[6]](#footnote-6)*



Anselmsson et al. (2007) pointed out that when they were asking the randomly chosen respondents in the conducted study why they would pay the larger amount for some particular brands (the price premium), the majority of the answers turned out to be not related to the quality of the products. Thus Anselmsson et al. (2007) concluded that brand equity was a more complex and comprehensive alternative to the quality of the product, explaining the various discussions on the topic of competition in related to packaging and visual aspects of the products.

Anselmsson et al. (2007) also have found some limitations in respect of the previous proposed models for the customer-based brand equity. One of the central questions, which Anselmsson et al. (2007) proposed as an implication for further research, was finding out whether the brand equity should be considered as consisting of five defining it components (brand associations, loyalty, perceived quality, awareness and, lastly, uniqueness) or the previously considered four-determinant model.

To conclude, the examined studies suggested that the limitations of both the two main models for assessing the brand equity (Aaker, 1991; Keller, 1993, 2001) exist. The limitations have been identified in some particular cases, therefore justifying the position of some researchers (e.g. Fedwick, 1996), providing arguments in support of ambiguity of the concept, stating that the term brand equity lacks applications and opportunities to measure it in the business setting.

**1.3 Retail brand equity: contemporary understanding**

In the previous part of the paper the existing conceptualization and theoretical discussion regarding brand equity and customer-based equity has been provided. However, the concept of retailer equity is treated as a separate construct as a result of overall increase of importance of retail brands in the recent decades. Retail store has been defined by American Marketing Association as «a place of business (establishment) open to and frequented by the general public, and in which sales are made primarily to ultimate consumers, usually in small quantities, from merchandise inventories stored and displayed on the premises».[[7]](#footnote-7) Retailers have been experiencing the steady growth in the last years, and the apparel industry is long considered to be one of the most active and lucrative. UNIQLO currently holds a position of the 4th largest apparel retailer worldwide and is actively expanding in Russia.

As a consequence of retailers rapidly growing market share worldwide, the concept of retailer brand equity has been generating interest in academic literature. Nevertheless, currently there is still a visible lack of relevant studies aimed at conceptualizing the newly established concept. The common view on retailer equity suggests that it is in many ways similar to the concept of brand equity (Yoo and Donthu, 2001).

One of the earlier attempts to conceptualize the construct of brand equity in retail was taken by Hartman and Spiro (2005), which defined store equity based on the previous customer-based model proposed by Keller as the differential effect of store knowledge on customer response to the marketing of the store. The authors made a linkage between the brand image and store image as one of the components of store knowledge. According to Hartman and Spiro (2005), store knowledge consists of store awareness and store image and both of them are perceived to play a major role in buying behaviour and making a purchase.

Store location and the distance that a potential consumer has to travel to reach the particular retail brand store is defined as one of the factors, influencing store equity by some of the researchers, such as Keller and Ailawadi (2004). Although distance, which is needed to reach the store, is generally not considered to be a separate store equity dimension, the issue of purchasing behaviour and store location has attracted quite a lot attention in the research agenda previously (Donthu and Rust 1989; Bloemer et al., 2002). Moreover, it has been suggested that when it comes to brand image of a retail brand, store associations of consumers play a major role (Burt, 2000; Burt and Sparks, 2002; Fullerton, 2005).

In the last decade some constructs for measuring retailer equity have been developed, including retailer equity indexes (Arnett et al., 2003). The retail equity indexes, based on the previously introduced customer-based brand equity items, derived from measurement scales by Yoo and Donthu (2001), are established by the authors as a tool for benchmarking, evaluation construct for measuring attractiveness on the market and, lastly, as a means of assessing marketing initiatives. Moreover, Arnett et al. (2003) define retail equity as “a set of brand assets and liabilities linked to a store brand (e.g., Wal-Mart), its name and symbol, that add to or subtract from the perceived value of the store brand by its customers (or potential customers)”.[[8]](#footnote-8)

Londono et al. (2016) emphasized the limitations in the extant retail equity literature, related to the current lack of brand-retailer-channel interconnections and the relevant framework for measuring the proposed dimensions. Therefore, the concept of consumer-based brand-retailer-channel equity was introduced. Paralleling the Aaker's brand equity model (1991), the authors proposed the following dimensions in order to measure the established costruct: brand-retailer-channel perceived quality, brand-retailer-channel consumer loyalty, brand-retailer-channel consumer awareness and brand-retailer-channel associations.

Regarding retail brand equity measurement, it has been also previously linked to the service component. Jara and Cliquet (2009) defined retail brand equity as having similar dimensions as a manufacturer brand, but with an additional constructs attached - such as corporate dimension, service component and retailer personality. The study conducted by Jara and Cliquet (2009) aimed to examine how exactly the retail brand value is created and are the main components of retail brand equity constructs. The authors have concluded that retail brand equity is composed of two dimensions - retail brand image and retail brand awareness, whereas the former also consists of five subpoints (price image, store service, personalities of the retailer, brand service and perceived quality). Following the validation of formulated hypotheses, Jara and Cliquet (2009) found out that the two proposed retail brand equity dimensions largely influence performance of retail brand on the market.

It was suggested that retailer equity can be visualized as a multi-dimensional construct, comprised of four dimensions, the nature of which is similar to the Aaker's (1996) brand equity model (Pappu and Quest, 2006). Therefore, the following components were defined: retailer awareness, retailer perceived quality, retailer associations and retailer loyalty.

Takahashi (2014) conducted a study within the area of Japanese retail industry with an emphasis on grocery stores, aiming to examine retail brand equity and the related components and to give managerial recommendations regarding marketing strategy specifically in the aforementioned area (Japanese retail brands). The author has concluded that store image dimension significantly influenced retail brand equity and contributed to store loyalty formation of the customers (Takahashi, 2014). Moreover, it was found that the overall strengthening of the store experience very favourably affected customers' purchasing behaviour, resulting in increased experience value (Takahashi, 2014). Lastly, it was concluded that increase of emotional loyalty of the customers towards the store eventually led to the increased overall number of purchased goods from this store (Takahashi, 2014).

Comprehensive model of retail brand equity has been developed by Gil-Saura et al. (2009). The study aimed to deepen the understanding of retail brand equity construct and to examine the relationships between dimensions of retail brand equity. The importance of conducted research was linked to overall rapid growth of retailers in commercial structure worlwide as well as lack of validated retail brand equity model in the academic literature. The authors have proposed retail brand equity model, which is comprised of the following elements: store image, perceived value, trust, store awareness, store equity, consumer satisfaction and loyalty towards the store (Gil-Saura et al., 2009).

Store image is closely related to the consumers' overall perception of the retailer brand, while the formation of the store image is achieved through consumers impressions. It is generally assumed that the store image is one of the retailer equity dimensions, directly influencing it within the proposed model (Gil-Saura et al., 2009; Hartman and Spiro, 2005). Based on the preceding aforementioned studies, as well as making a parallel to the brand equity models proposed by Aaker (1996) and Keller (1993), retail brand image is hypothesized in this study as one of retail brand equity dimensions, assumed to have a significant positive relationship on retail brand equity.

Perceived value it is measured by the perception of quality, which lies in the mind of the customer or a potential customer. Perceived value or perceived quality are generally considered to be dimensions of brand equity and retail brand equity in most of the extant studies, directly influencing the brand equity (Arnett et al., 2003; Hartman and Spiro, 2005; Yoo and Donthu, 2001). In accordance with the previous research, in this study perceived value of retail brand is introduced as one of the dimensions of retail brand equity and is hypothesized to have an effect on the retail brand equity.

Store awareness has been traditionally linked to the concept of brand awareness, examined previosly in a number of studies (Yoo and Donthu, 2001; Hartman and Spiro, 2005; Gil-Saura et al., 2009). Store awareness is linked to the generall strength of consumer recall and recognition (Gil-Saura, 2009). Brand awareness is crucial, while at the recall level it affects the potential customer’s brand consideration, which then leads to the choice on whether to buy the product or not. In accordance with the extant research, in this study retail brand awareness dimension is hypothesized to affect retail brand equity as one of its dimensions.

*Retail brand equity model (Gil-Saura et al., 2009)*



In accordance with the retail brand equity model developed by Gil-Saura (2009), the consumer satisfaction - loyalty chain is introduced. Within the framework of this research, retail brand loyalty is proposed as the consequence of retail brand equity and not as the retail brand dimension. This view regarding brand loyalty has been present within the extant more recent studies on brand equity (Decarlo et al., 2007; Swoboda et al., 2007). Similarly, overall retail brand equity change (either increase or decrease) is hypothesized to affect the satisfaction - loyalty chain of effects, where the strengthening of retail brand equity leads to increased consumer satisfaction. Equivalently, consumer satisfaction is hypothesized to affect retail brand loyalty.

**2. UNIQLO brand overview**

**2.1 Company background**

UNIQLO is a wholly owned subsidiary of Fast Retailing Co., Ltd., Japanese retail holding company. It was founded in 1949 in Ube, Yamaguchi, Japan and is currently headquartered in Tokyo. Currently UNIQLO holds a firm position of Japan’s biggest clothing company and 4th largest international apparel specialty retailer and also is 3rd company among the largest apparel retailers in terms of market capitalization.[[9]](#footnote-9)

When it comes to market segment, UNIQLO is devoted to lower mass market positioning with a focus on affordable clothes with high quality. UNIQLO is also first company in Japan to establish SPA model, combining all stages of the business - from design to final sale.

The mission and vision of the company are based on striving to provide basic, quality casual clothes at the lowest price on the market. UNIQLO is also devoted to make the clothing suitable for anyone and anywhere and providing cutomers the highest quality service by meeting their demand and exceeding expectations. UNIQLO is focused on providing the best customer service and in-store experience possible by implementing various corporate trainings and strengthening corporate culture.

Fast Retailing Group is well known for incorporating the special corporate philosophy within the organization, named Fast Retailing Way. The overall mission of the organization is to create truly great clothing with new and unique value and to enable people all over the world to experience the joy, happiness and satisfaction from wearing great clothing[[10]](#footnote-10). The main values of Fast Retailing are based upon the following pillars:

- Approaching issues from perspective of company customers;

- Embracing challenges and innovation;

- Respecting and supporting individuals to increase both corporate and personal growth;

- Commit to ethical business standards.[[11]](#footnote-11)

*Worldwide Apparel Specialty Stores: Ranked by Market Capitalization (2015)*

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Nowadays the company has a strong global ambition: to become the world’s largest fashion company by 2020. Fast Retailing Group has set a new target of achieving of ¥5 trillion by 2020 and becoming the largest apparel company in the world on January 1, 2011. The company is devoted to attracting customers by opening stores in prime urban locations and building global personnel framework. UNIQLO is also considering M&As as a platform for future company's development

**2.2 Situational analysis and competitive positioning**

The situation analysis of apparel industry worldwide is largely affected by macroenvironmental factors. Moreover, apparel retailing industry in general has been undergoing various changes in the last decades.

When it comes to political factors, changing environmental regulations as well as tax policy, trade and tariff restrictions play the major role in defining the agenda. As for the existing social factors, shaping the general apparel industry situation is of now, it is mainly characterized by huge differences in apparel spending between the developed nations and developing ones. However, it also should be noted that apparel spending per capita is forecasted to increase in some of the developing regions.

PESTEL: worlwide apparel retailing industry

|  |  |  |  |
| --- | --- | --- | --- |
| ***Political*** | ***Economic*** | ***Social*** | ***Technological*** |
| Changing environmental regulations, political stability, tax policy, trade and tariff restrictions affecting the industry | EU is the largest consumer market for apparel, China is the largest exporterShifting the export of raw materials from China, South Korea and Taiwan to other countriesBangladesh's low labour cost made it attractive for clothing manufacturers | Huge differences in apparel spending between developed and developing countriesForecasted increase of apparel spending per capita  | Developed countries signing outsourcing contracts with countries having underdeveloped production of input materialsChina is established as largest machinery manufacturer in apparel industry, focus on automation technology |

UNIQLO is primarily affected by the general trend of rising labour costs in China. Most of production facilities of UNIQLO are located in China and the company begins to seek options for factory relocations to other emerging Asian economies. UNIQLO views their 70 contract manufacturing companies as business partners. Moreover, UNIQLO also uses a special team of experts (Takumi Team), which offers consistent and positive technical support in the factories. The Takumi Team consists of engineers with over 30 years experience in the Japanese textile industry. Those teams transfer expertise to the factories on overall factory management including spinning, knitting, weaving, dying, sewing, finishing and shipping.

To understand the intensity of existing rivalry in apparel industry for UNIQLO the analysis has been provided. Porter's five forces framework was used in order to examine the current level of rivalry for UNIQLO globally and to identify the major points, which should be taken into consideration regarding UNIQLO's general business strategy and competitive positioning on the worldwide apparel retail arena.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Threat of new entry****Low** | **Buyer power****High** | **Supplier Power****Low** | **Threat of substitution****High** | **Competitive rivalry****High** |
| Big significance of established brand nameRelatively high entry barriersImportance of economy of scale High capital requirements | Existing price sensitivity among the customersConsumers can easily choose among various retailers  | Continuosly refined SPA model, full control from procurement of materials to inventory managementMore than 70 contract manufacturing companies, switching costs are generally low | Competing brands usually offer similar/comparable productsGenerally high availability of substitutes within apparel industryInternet retailing threat | A number of strong brands on a world market (Hennes & Mauritz, Zara, Gap)Fast industry growth and spending on apparel per capita is forecasted to grow |

The level of competition in apparel industry can be described as intensive, with the particular strong brands dominating the low-to-medium apparel niche (H&M, Inditex (Zara), Gap). Several factors play an especially big role in defining the competitive situation for UNIQLO. Firstly, it is a high availability of substitutes. Competitors typically provide similar items at comparable prices and secondly, it is high power of customers. Low brand loyalty in the mass market apparel segment and high price sensitivity defines high level of competition.

On the Russian market UNIQLO is represented with 11 stores in total, while 9 of them are located in Moscow and two have recently opened in Saint Petersburg.[[12]](#footnote-12) The company is currently planning rapid expansion on the Russian market and has long considered Russian apparel market to be attractive.

 The table below represents the comparison between the main competing apparel retail chains, overlooking target audience, primary place of presence, business model and the number of stores presented:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company name | Business model | Number of stores  | Target audience | Mostly presented in |
| H&M | SPA | 2260  | low | Europe |
| Inditex (Zara) | SPA | 1723 | low to medium | Europe |
| Gap | SPA | 1450 | low | the U.S. |
| UNIQLO | SPA | 944 | low | Asia |

Currently UNIQLO as a provider of basic and affordable clothing effectively using the SPA model is one of the main strengths of Fast Retailing Group's performance. Having low-cost G.U. clothing brand across the portfolio opens the opportunities for boosting the revenues. UNIQLO is also recognized for a number of products being outstanding in some particular way. One of the them is HEATTECH – clothing which can generate heat by absorbing body moisture. It has sold over tens of millions of items in various countries.

However, UNIQLO suffers from lack of brand recognition in some areas in comparison to major rivals (such as Old Navy and Gap in the U.S.) and is overly dependant on domestic market revenues.

As of 2016, most of UNIQLO International stores were located in Asia. The performance of Fast Retailing Group in Asia (excluding Japan) has been consistently stable since the very first attempts in entering neighboring markets. The highly successful Seoul, Taipei and Shanghai UNIQLO flagship stores strengthened the brand recognition among regional customers and opened a number of opportunities for further growth.[[13]](#footnote-13) Currently the business strategy of UNIQLO is based on the following perspectives:

- Opportunity to catch the momentum in attracting customers in developing markets

- Already existing brand name awareness in various regions

- G.U. low-cost clothing brand expansion potential

The situational analysis can be summarized in a SWOT matrix. The following framework enables us to identify significant internal and external factors most affecting the company's potentials.

|  |  |
| --- | --- |
| Strengths | Weaknesses |
| Economy of scale and price advantageEffective use of SPA model and high level of control over operationsVariety of hit products, such as HEATTECH | Overdependance on domestic market (Japan) for majority of revenuesStruggling to compete with global rivals, offering similar products at comparable pricesLack of brand name awareness compared with the main rivals |
| Opportunities | **Threats** |
| Expansion of UNIQLO businessM&A possibilities Growth of apparel spending per capita in emerging economiesLow-cost brand opportunities (G.U.) | Rising labour costs in primary supplier factory locationsConsumer demand challengesRising stiff competition from global retailers |

As can be seen from the conducted analysis regarding UNIQLO's overall business strategy and current stance in the worldwide apparel industry, the company is largely affected by changing conditions within the industry. However, the opportunities for further growth exist and are mostly based upon expansion into new markets. UNIQLO perceives the Russian market to be one of the attractive ones, at it is less saturated in mature in comparison with domestic market (no potential revenue growth) and U.S. market (oversaturated, extreme competition).

**3. CBBE model application for strengthening competitive position of UNIQLO on the Russian market: empirical analysis**

The primary goal of this research is to measure and examine the significance of the customer-based retail brand equity dimensions in relation to apparel retail brand UNIQLO on the Russian market and to define how can the customer-based brand equity model be applied in order to strengthen the competitive position of UNIQLO on the Russian market. The aforementioned steps subsequently serve as a basis for recommendations concerning the efficient consumer-based brand building strategy model for the company.

**3.1 Research design**

 Research design is generally defined as a framework for conducting a particular research project (Malhotra, Birks, 2007). Research design is further classified into two approaches, exploratory and conclusive. Exploratory research is primarily used for a situation, when there is little known about the problem area in order to identify and explore new concepts, patterns and subsequently formulate hypotheses for further investigation (Malhotra, Birks, 2007). Therefore, exploratory research is meaningful whenever the research process is flexible and the information is unstructured. On the other hand, conclusive research is used to examine already existing relationships and testing hypotheses, based on the structured and formal information and the data obtained is usually subjected to quantitative analysis (Malhotra, Birks, 2007).

Conclusive research was considered as a general approach for conducting this study in accordance with research questions. The objective of conclusive research is to measure particular phenomena based on the already existing data as opposed to exploratory research design, which is used to get an initial idea of some new phenomena and explore new concepts in the area where there is little background information provided.

Conclusive research design was chosen for several reasons. Firstly, it is the most widely used method for describing the characteristics of relevant groups, such as consumers or market areas, for determining the degree to which marketing variables are associated and for counting the frequency of events in the consumer behaviour (Malhotra, Birks, 2007). The data in this study is analyzed through quantitative method by applying questionnaire survey technique, which is typically adopted in conclusive research design as well.

**3.2 Theoretical model**

The study partly adopted already existing models and scales for consumer-based brand equity measurement. While the conceptualization of customer-based brand equity in this research is based in accordance with the models of Aaker (1991) and Keller (2001), the model is adopted from Gil-Saura et al. (2013) and the metrics (items) are adopted primarily from Gil-Saura et al. (2013), Yoo and Donthu (2001).

The initial retail brand equity model was taken from Gil Saura et al. (2013). The aforementioned study and the related model were found to be the most appropriate for model modification for this research. The study proposed the comprehensive and integrative retail brand equity model, based on the identified dimensions and effects. The model comprised three dimensions, which were assumed to affect customer-based retail brand equity: retail brand image, perceived value of retail brand and retail brand awareness.

Retail brand image. The concept of retail brand image is closely related to the proposed by Aaker (1991) brand associations dimension, which generally means the context of use for particular product. Aaker (1991) states that the two similar products may create an absolutely different effect just because the brand associations for their representative brands significantly vary. This dimension also plays a big part in the process of positioning and differentiation, thus generating the initiative to buy the product for those potential customers who may become emotionally or physically attached to particular products. The strong and stable brand association may become a competitive advantage for the brand because it may serve as a basis for further brand extension.

Perceived value of retail brand. When it comes to the dimension of perceived quality presented by Aaker (1991), it is measured by the perception of quality, which lies in the mind of the customer or a potential customer. Perceived quality is very important, while it basically provides the reason to buy a particular product. Aaker (1991) points out that in order to build a strong brand it is important to sustain at least a minimal perceived quality for low market competitor niche or manage to achieve an above average perceived quality for the others. However, the chosen dimension for customer-based retail brand equity model is “perceived value of retail brand”, which in comparison with the perceived quality comprises not only functional, but also includes related emotional and social aspects, attached to the product. For example, one of the aspects is social value, which is brought to the consumer by the sense of belonging and associating himself with particular group.

Retail brand awareness construct is based on Aaker's (1991) brand awareness dimension. Aaker (1991) states that brand awareness can contribute with a sense of familiarity and commitment. Brand awareness is crucial, while at the recall level it affects the potential customer’s brand consideration, which then leads to the choice on whether to buy the product or not. Brand awareness at the recognition level is important, because the linkage exists between recognizing the brand and perception of reliability and quality.

The chain type «satisfaction-loyalty», comprised of 2 dimensions – retail brand loyalty and customer satisfaction is proposed for the model implementation.

Consumer satisfaction. This concept has been widely recongnized in marketing research, and various definitions currently exist in the academic literature, which in a broad sense can be divided into two approaches: affective and cognitive. While the former (Giese and Cote, 2000; Westbrook and Reilly, 1983) stresses on the emotional aspects of the notion (consumers' feelings and perceptions), the latter (Oliver, 1980) implies cognitive evaluation process. In the proposed theoretical model this dimension belongs to the satisfaction-loyalty chain and refers to consumer satisfaction on a twofold level, taking into account both approaches (cognitive and affective).

Retail brand loyalty. This dimension relies upon the notion of loyal customer base, while loyal customers expect the products of the brand to be of higher quality and also often further advice other potential customers to buy them. Attracting new customers is always much costly than trying to retain already existing ones, so this factor necessarily plays a big role in defining the brand equity. With the stable and loyal customer base the competitor brands also have various difficulties related to communication and attracting those customers to another brand, while the loyal customers are less likely to be interested in any alternatives available in the market. Therefore competitor brands are often discouraged by this factor, while it takes great efforts and resources to attract the already loyal and satisfied customer base of another brand.

The following hypotheses were formulated based on the proposed and modified theoretical model:

H1: Retail brand image has significant positive effect on UNIQLO customer-based brand equity.

H2: Perceived value of retail brand has significant positive effect on UNIQLO customer-based brand equity.

H3: Retail brand awareness has significant positive effect on UNIQLO customer-based brand equity.

H4: Customer-based retail brand equity has significant positive effect on UNIQLO consumer satisfaction.

H5: Consumer satisfaction has significant positive effect on UNIQLO brand loyalty.



*Proposed theoretical model (customer-based retail brand equity model). Modified based on the model presented in Gil-Saura et al., 2013.*

After related literature review and consideration a pool of items capturing the customer based retail brand equity has been created (Yoo; Mittal; Sharma, 2000; Gil-Saura, 2013; Yoo; Donthu; Lee, 2000; Sweeney et al., 2001). Among the items five were chosen to capture retail brand awareness, another five items were designed to measure perceived value of retail brand, five for measuring retail brand image, two for overall customer-based retail brand equity, two for customer satisfaction and finally three for retail brand loyalty. The metrics were further used for questionnaire development, in which the items were umeasured using the Likert scale from 1 (strongly disagree) to 5 (strongly agree).

|  |  |
| --- | --- |
| **1.1 Retail brand awareness block**  | **1.2 Perceived value of retail brand block** |
| I am aware of X.I can recognize X among other competing brands.Some characteristics of X come to my mind quickly. I can quickly recall the symbol or logo of X.I have difficulty in imagining X in my mind.  | The products of brand X have a high quality The products of this brand would be economical.The people I know would like this store.The products of this store offer value for money.I would like buying in this store. |
| **1.3 Retail brand image block** | **1.4 Customer-based retail brand equity** |
| Stores of this brand have an extensive assortment.Stores of this brand can easily be reached.Stores of this brand have a nice atmosphere.This retail brand provides an excellent customer service. This retail brand is popular and many of my friends know about it. | Even if another store has same features as store X, I would like prefer to go to buy in store X. It makes sense to go to store X instead of any other store, even if they are the same. |
| **1.5 Customer satisfaction** | **1.6 Retail brand loyalty** |
| How satisfied are you with this brand's products? | I consider myself a loyal consumer to the store brand X products I will continue buying products of store brand X Consider store X my first choice to buy the product A |

The study adopts quantitative research approach with the on-line questionnaire as a data gathering method. The primary goal for conducting an online consumer questionnaire is to gather information related to customer-based retail brand equity dimensions and effects (retail brand awareness, perceived value of retail brand, retail brand image, overall customer-based retail brand equity, consumer satisfaction and retail brand loyalty) of UNIQLO and to subsequently test the formulated hypotheses. A questionnaire is created in order to gather information regarding consumer's perceptions for variables mentioned above (appendix).

Non-probability sampling is adopted for conducting the research, while one of the significant aspects of using this sampling technique is that it gives flexibility as opposed to probability sampling and it also allowed to obtain a more representative sample.

**3.3 Results of empirical study**

The general part of the questionnaire contained questions regarding respondents' age (younger than 18 years old, 18-25, 26-34, older than 35), gender, apparel buying behaviour (frequency) and preferred clothing style. When it comes to apparel purchasing behaviour, the respondents were given frequency of apparel buying choices (once a month, once per several months, once per 6 months, less often than once per 6 months. The preferred clothing style quesiton included four option choices – casual, formal, street weat and other.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Characteristics | Respondents number | Percentage |
| Age | Younger than 18 | 2 | 1.6 |
| 18-25 | 76 | 61.3 |
| 26-34 | 32 | 25.8 |
| Older than 35 | 14 | 11.3 |
| Gender | Male | 47 | 38 |
| Female | 77 | 62 |
| Apparel buying behaviour (frequency) | Once a month | 12 | 9.7 |
| Once per several months | 52 | 41.9 |
| Once per 6 months | 37 | 29.8 |
| Less often than once per 6 months | 23 | 18.5 |
| Preferred clothing style | Casual | 30 | 24.2 |
| Formal/office wear | 12 | 9.7 |
| Street wear | 48 | 38.7 |
| Other | 34 | 27.4 |

*Sample distribution and demographics characteristics summary*

The data is analyzed with Statistical Package for the Social Sciences (SPSS) using the factor analysis and multiple regression analysis. Factor analysis enables to reduce the number of variables and to identify relationships among the sets of interrelated variables and to present them in a form of a few underlying factors (Malhotra, Birks, 2007). Besides, factor analysis is widely used to determine the brand features, which affect the customer choice, and is compatible with any type of a Likert scale. The reliability and validity of measures are assessed through factor analysis. Multiple regression analysis was further conducted in order to test the formulated hypotheses.

Factor analysis was conducted in order to examine the quality and relevance of the chosen measures. Fifteen items from five theoretical model-based blocks (retail brand image, perceived value of retail brand, retail brand awareness, customer satisfaction and retail brand loyalty) were analyzed. Retail brand awareness block included 2 items (named BA), retail brand image – 4 items (BI), perceived value of retail brand – 4 items (PV), while customer satisfaction contained 2 (CS) and, finally, brand loyalty included 2 items (BL).

Measures of sampling adequacy (Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO) were performed. As a result, KMO test showed significant values for all the presented constructs (retail brand awareness, retail brand image, perceived value of retail brand, customer satisfaction, brand loyalty) with figures ranging from 0.747 (BI) to 0.878 (PV). However, one of the items resulted with a low value (retail brand image block (RI3) – UNIQLO stores atmosphere) 0.417, which is considered unacceptable in accordance with the performed measure of sampling adequacy. Therefore, the item was eliminated and the items were consequently rearranged. Regarding Bartlett's sphericity test, all of the factors presented values of 0.000 (significant), confirming the applicability of data.

In order to check the reliability of constructs Cronbach's Alpha scores were obtained. All of the values presented reliability coefficients of more than 0.70, thus confirming the reliability of factors with the highest coefficient being perceived value of retail brand (PV).

Following the confirmation of the proposed model validity, multiple regression analysis was performed in order to test the proposed hypotheses.

|  |
| --- |
| **Model Summary** |
|  Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | 0.917a | .867 | .865 | .5745866 |
| a. Predictors: (Constant), BA1, BA2, PV1, PV2, PV3, PV4, BI1, BI2, BI3, BI4 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | UnstandardizedCoefficients | StandardizedCoefficients | t | Sig. |
| B | Std. Error | Beta |  |
| (Constant)BAPVBI | -.004.103.094.706 | .018.024.035.032 | .103.094.706 | -2.543.4802.5804.367 | .787.000.018.000 |

Multiple regression analysis was performed with the independent variables being retail brand awareness items (BA1, BA2), perceived value of retail brand (PV1, PV2, PV3, PV4) and retail brand image (BI1, BI2, BI3, BI4). The dependent variable is overall customer-based brand equity.

Given the acquired output, the independent variables coefficient of determination (R Square) is .867, which means a big proportion of variance is explained by the independent variables

Coefficientsa

a. Dependent variable: BE1

As follows from the previously formulated hypotheses, retail brand awareness, perceived value of retail brand and retail brand image assumed to have a significant positive effect on the customer-based retail brand equity. As can be seen from the coefficients table, all the 3 dimensions are significant at p-value <0.05, and thus the three hypotheses regarding the effect of the aforementioned dimensions on customer-based retail equity is supported.

In order to test the last two hypotheses (H4: Customer-based retail brand equity has significant positive effect on UNIQLO consumer satisfaction and H5: Consumer satisfaction has significant positive effect on UNIQLO brand loyalty) simple regression is applied. This analysis method is chosen, because in both cases there is only one dependent variable and one independent variable.

Coefficientsa

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | UnstandardizedCoefficients | StandardizedCoefficients | t | Sig. |
| B | Std. Error | Beta |
| (Constant)CS | 12.633-1.257 | 15.2542.843 | -.051 | .824-.436 | .417.650 |

a. Dependent variable: BL

To conclude, customer-based retail brand equity is found to have a significant positive effect on UNIQLO consumer satisfaction at p-value of 0. However, the 5th hypothesis (H5 Consumer satisfaction has significant positive effect on UNIQLO brand loyalty) is not supported following regression analysis. This can be interpreted as the absence of assumed satisfaction-loyalty chain in case of UNIQLO brand.

**3.4 Discussion**

As follows from the performed analysis, the chosen retail brand equity dimensions (retail brand awareness, retail brand image and perceived value of retail brand) are all significantly positively related to customer-based retail brand equity. This outcome coincides with the previous evidence from academic research (Gil-Saura 2013; Calvo-Porral, Levy Mangin, 2014). Moreover, a positive relationship is found between the overall customer-based brand retail equity and customer satisfaction. However, the hypothesis on significant positive effect of customer satisfaction on brand loyalty is not supported in case of UNIQLO.

Regarding retail brand awareness, the positive relationship was found to exist between the customer-based brand equity of UNIQLO and the aforementioned dimension. Brand awareness has been linked to the customer's ability to recall the brand name and the brand's logo. Two items were retained in brand awareness block and both of them were retained and found to support the hypothesized influence on overall customer-based brand equity. Moreover, one of the items also served as a question-filter, which was created in order to separate the respondents, who already had the initial perception of UNIQLO from those respondents who did not. The large part of respondents could recall the UNIQLO brand, however, have never purchased anything in UNIQLO stores. Moreover, the percentage of respondents who have been making purchases in UNIQLO on the regular basis was small in comparison with other given options (have never heard of the brand, have heard of the brand but have never purchased anything from their stores, make purchases from time to time). In addition, the respondents had higher chance of recalling UNIQLO brand logo the more contact they had with the store. In general, the level of consumer recognition was proved to be high, while most of the respondents had the initial perception of the brand in question and also could recall the brand's logo.

Significant positive relationship between perceived value of the brand dimension and customer-based retail brand equity was found. Perceived value of the brand was traditionally only based on the more functional aspects of the products presented by the brand, including product features, tangible characteristics and quality perception. However, as follows from the previously reviewed theory, currently the notion of perceived value of the brand also includes emotional and social characteristics. In general perceived value is often regarded as one of the core dimensions of customer-based brand equity. The item, suggesting that UNIQLO products are value for money (give good price-quality relation) was strongly supported, which indicates good alignment between current consumer response (positive) and one of the main aspects of UNIQLO's branding strategy. UNIQLO positions itself as an apparel retailer chain, providing high quality, functional and basic casual clothing. Despite having mass-market positioning, UNIQLO strives to maintain high quality of clothes, which are up-to-date, but at the same time not trendy. This idea is further acknowledged within the respondents' base. Moreover, the item measuring the overall functionality and practicality of UNIQLO apparel was acknowledged. This proves that the positioning image of UNIQLO's apparel is well expressed to the consumers, and the consumers are generally aware of the niche taken by the brand. However, the item measuring purchasing intention of the customers (I would like to make a purchase in a UNIQLO store) presented smaller figures, revealing overall lack of expressed interest to buying UNIQLO's products.

Retail brand image dimension was found to have a significant positive effect of customer-based brand retail equity of UNIQLO. Following the conceptualization of brand image given in the theoretical part of the study, brand image is often generally regarded as consumers' perceptions about the brand and their associated imagery and feelings towards it. The item measuring UNIQLO's assortment of products in the eyes of the customers (BI11) got generally neutral marks closer to the mid-range of the scale. This aspect may be explained by the fact that, following the analysis of items from the perceived value of retail brand block, customers hold the strong perception of UNIQLO as the basic and practical clothing apparel store. Accordingly, the imagery of basic and functional clothing typically does not involve the «wide assortment» characteristic. The social impression of the consumers was measured by the item (BI12), which called for choosing an option regarding popularity of UNIQLO among particular respondent's social circle. The item revealed overall modest level of recognition of the brand among respondents' friends and acquantainces. When it comes to the store atmosphere aspect, previously this item resulted with a low value during measure of sampling adequacy test (retail brand image block (RI3) – UNIQLO stores atmosphere), which was considered unacceptable in and therefore it was eliminated. Generally store service is regarded as one of the significant influencing components of brand image dimension and the assumption was proven to be true. Most of the respondents were satisfied with the provided store service.

Significant positive relationship was found between customer-based retail brand equity and customer satisfaction. Therefore, the assumption of customer satisfaction being the consequence of customer-based retail brand equity was confirmed.

Even though customer satisfaction and brand loyalty have been generally linked together, the hypothesis of customer satisfaction having a strong positive influence on retail brand loyalty is not supported in this case. From the analysis provided in the theoretical part of the study, brand loyalty was regarded to as construct which relies upon the notion of loyal customer base, as loyal customers expect the products of the brand to be of higher quality and also often further advice other potential customers to buy them. Additionally, retail brand loyalty can be defined as biased response of the customer towards particular retail brand, when he consistently prefers this brand (brand commitment). Brand loyalty was regarded to as a consequence of customer satisfaction. Hypothesis testing process revealed that the initially formulated hypothesis of customer satisfaction having significant positive influence on retail brand loyalty was not supported for UNIQLO. The absence of strong positive relationship between the aforementioned dimensions shows that even though UNIQLO customers are overall satisfied with the products, they do not develop brand loyalty. Brand loyalty was measured by several items, including purchasing intention (whether the consumer considers to continue buying UNIQLO products) and first choice item (whether the consumer considers UNIQLO to be his or her first choice, when it comes to some particular product).

Given that the initially formulated hypothesis of customer satisfaction having a significant positive influence on retail brand loyalty of UNIQLO is not supported, a couple of points should be considered. First of all, it should be taken into account that UNIQLO can still be regarded as relatively new on the Russian market. The first UNIQLO store in Russia (Moscow) opened in 2010 and as of now 9 stores are presented on the Russian market (Saint Petersburg and Moscow). Particularly in Saint Petersburg the first UNIQLO store opened in 2015, thus it is possible that the customers may have had a chance to visit the store, make a purchase and highly evaluate obtained product and store service, resulting in overall customer satisfaction. However, potentially those customers may not yet have developed strong perception of UNIQLO as the brand of the first choice when it comes to some particular product (as one of the items from retail brand loyalty block suggests) due to limited contact time. Therefore, the upcoming consumer experiences may be developed into brand loyalty.

Moreover, UNIQLO positioning as basic casual wear apparel stores may also influence the relationship between customer satisfaction and retail brand loyalty in this case. Following the data from sample distribution and demographics characteristics, it should be noted that most respondents do not choose the option of casual wear when asked about their preferred clothing style. Instead, street wear was revealed to be the most common option.

Managerial implications are formulated on the basis of the conducted analysis. First of all, the UNIQLO is positioned as an apparel brand, providing affordable and functional casual wear is affected by consumer prejudices and perceptions regarding the products' quality. While the hypothesis of customer-based retail brand equity having a significant positive effect on customer satisfaction is supported, no similar effect was found regarding customer satisfaction and brand loyalty. Even though the consumers are overall satisfied with the brand, this does not lead to the brand loyalty in case of UNIQLO. This may be linked to an existing perception of affordable clothing having lower quality than the brands from different price niches. As follows from the analysis, consumers believe that UNIQLO products are good value for money, but another item measuring the general quality of UNIQLO clothing revealed lower satisfaction of respondents.

Therefore, on the Russian market UNIQLO should stress on having the best quality possible for similar products in their price range. Currently UNIQLO holds the position of 4th largest apparel retailer worldwide, and in the area of their primary activities (Asia), UNIQLO is famous for having unbeatable quality in their price category. But when it comes to the Russian market, the perception of affordability is well communicated to consumers, however, the high quality aspect is not. It is important to create the balance between consumer expectations regarding both the price and the quality. The brand loyalty may be developed through strengthening high quality perception in the eyes of the customers. It may be done mostly through advertising, by emphasizing on the high quality through slogans and other means.

Moreover, the customer service was highly acknowledged among the Russian consumers. UNIQLO traditionally has been placing a big emphasis on the customer service in its stores, and all the employees are trained according to the long established corporate culture. Therefore, this component of UNIQLO overall strategy is working for stronger brand creation and is highly regarded among the Russian customers.

Another implication for customer-based brand equity of UNIQLO is the lack of social aspect efficiency. UNIQLO was found to be not popular among the social circles (acquaitances and friends) of the customers. However, this finding does not correlate with the branding strategy of UNIQLO, which puts the strong emphasis to friends', acquiantances and family recommendations.

In conclusion, the value proposition of UNIQLO, which consists of the same components in all the countries where the company's stores are presented, is not efficiently communicated on the Russian market. While the perceived value of retail brand is found to have a significant positive effect onto customer-based brand equity of UNIQLO, the quality of UNIQLO clothing is not regarded by the Russian customers as high. In order to get rid of the low quality perception in the eyes or the Russian customers, more emphasis should be put on advertising, which should effectively communicate the main idea behind UNIQLO's value proposition – casual wear for affordable price, but with a good quality.

**3.4 Limitations**

When considering the results and proposed implications of this research, it is important to take into account some limitations. In general, in this study limitations can be attributed to the following factors: dimensionality of theoretical model and chosen questionnaire items and sample choice.

Firstly, as it was mentioned in the methodology part, non-probability sampling was used in this study. On the one hand, the choice for non-probability sampling was justified as it was important to obtain greater flexibility in conducting the survey and non-probability methods are considered to be appropriate for specific cases, such as market surveys and case study research (Malhotra, Birks; 2009). Moreover, within the questionnaire structure filter-questions are used in order to divide the respondents, who already has the perception of UNIQLO brand from those respondents who did not. The chosen sampling method is also justified as it correlates with the formulated research questions. However, non-probability sampling is sometimes considered to be inferior to probability sampling.

Another limitation is related to the lack of common view regarding dimensionality of customer-based brand equity. In the proposed theoretical model the following dimensions of retail brand equity were considered: retail brand image, perceived value of retail brand and retail brand awareness. The aforementioned dimensions were hypothesized to affect retail brand equity, while retail brand loyalty was hypothesized to be the consequence of retail brand equity rather than its dimension. However, there is currently lack of consensus regarding the exact dimensionality of retail brand equity and retail brand loyalty was previously considered to be an antecedent of retail brand equity rather than its consequence.

Lastly, in accordance with one of the formulated research questions, the study aimed to provide understanding and conceptualization of customer-based retail brand equity construct. However, the study was not conducted on the basis of several brands and across various product categories, but rather focused on one rapidly expanding on the Russian market apparel brand. This fact contributes to the study limitation, while theoretical implications regarding retail brand equity are formulated on the basis of one particular brand

**3.5 Conclusion**

Brand equity has been regarded as one of the most important concepts in marketing research. The growing significance of brands is directly related to the fact that most of the consumers nowadays gradually become more aware of the products they are purchasing and also have a possibility to compare the prices and share their opinions on them via digital platforms. Ultimately, the company with an established brand image will have a much bigger chance to success. Managing brand equity provides an opportunity to differentiate the company from the competitors and to gain a competitive advantage on the market.

The concept of retailer equity is treated as a separate construct following the general rapidly rising significance of retail brands in the recent years, attracting attention in both the professional and academic literature. Nevertheless, currently there is still a visible lack of relevant studies aimed at conceptualizing the newly established concept. The study was conducted on the basis of one rapidly expanding on the Russian market Japanese apparel chain UNIQLO. The brand choice was justified by the following: even though the company was established in 1949 and currently ranks third in terms of market capitalization among worldwide apparel brands behind INDITEX and Hennes & Mauritz taking first and second positions respectively, it entered the Russian market only in 2010 with opening the first store in Moscow. Therefore, the company entered the Russian market much later than the main competitor chains and the issue of brand recognition within the target customer base has emerged. Measuring the customer-based brand equity allowed to test the formulated hypotheses regarding the assumed relations between the dimensions based on the proposed theoretical model. Moreover, set of recommendations concerning the efficient consumer-based brand building strategy model for the company was provided.

The study aimed to to provide an understanding and conceptualization of customer-based retail brand equity construct and to measure and examine the significance of the customer-based retail brand equity dimensions in relation to apparel retail brand UNIQLO on the Russian market. Regarding the former objective, the analysis of extant academic literature was conducted. Deductive approach was chosen, starting from the defining the more general concepts (brand equity) to understanding the customer-based brand equity and, lastly, providing the contemporary understanding of retail brand equity construct. As for the second objective, the overview of the company was given, including the current competitive positioning and situational analysis of UNIQLO both on the Russian market and worldwide. UNIQLO situational analysis was conducted through several business strategy tools and frameworks, such as SWOT, PESTEL and Porter's Five Forces. The empirical part of the study consisted of outlining the research design, theoretical model and hypotheses formulation, data collection, hypotheses testing and results discussion. Additionally, some managerial implications were proposed as a part of the discussion block.

The results of the study suggest that retail brand equity dimensionality in case of the сompany in question goes in parallel with the previous research. Thus, the chosen retail brand equity dimensions, namely retail brand awareness, retail brand image and perceived value of retail brand are all significantly positively related to customer-based retail brand equity. Additionally, significant positive relationship was found between customer-based retail brand equity and customer satisfaction in case of UNIQLO. When it comes to satisfaction-loyalty chain of effects, however, the hypothesis of customer satisfaction having a strong positive influence on retail brand loyalty was not supported and the related possible interpretations were given based on the company's situational analysis and extant academic literature.

The issue of value proposition communication was identified as a part of conducted analysis. UNIQLO's value proposition for the potential consumers is universal across all the locations where the company's stores are currently presented, however, the consumer perceptions may differ. Regarding the Russian market, while the perceived value of retail brand was found to have a significant positive effect on customer-based retail brand equity of UNIQLO, the quality of UNIQLO clothing is not regarded by the Russian consumers as high. Russian consumers are well aware of the brand's positioning and affordable price niche, however, the high quality aspect of UNIQLO clothing is not recognized. It is important to create the balance between consumer expectations regarding both the price and the quality. The company may consider adjusting its current marketing initiatives, namely advertising should better communicate UNIQLO's devotion to making high quality products. Emphasizing on high quality through slogans and other means would allow the company properly express the value proposition and balance out consumers' perceptions regarding UNIQLO products' affordability and quality. The advertising should effectively communicate the main idea behind UNIQLO's value proposition – casual wear for affordable price, but with a good quality.

While the study was conducted on the basis of one rapidly expanding on the Russian market apparel brand, the future research may consider the bigger sample of retailer brands. Moreover, as currently there is lack of consensus regarding the exact dimensionality of retail brand equity, the future research in this area could potentially include metrics and constructs, which are proposed in the extant academic literature but not included in the theoretical model developed in this study.

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**Appendix 1. Questionnaire**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Thank you for taking part in this survey, aimed at examining customer-based brand equity of UNIQLO. Please answer the questions below. Filling out the form will not take more than 3 minutes of your time.**1. Please select your gender**☐ male ☐ female**2. Please select your age**☐ <18 ☐ 18-25 ☐ 26-34☐ 35+**3. How often do you buy clothes?**☐ Once a month☐ Once per several months☐ Once per 6 months☐ Once per year and less**4. Which clothing style do you prefer?**☐ Casual☐ Formal☐ Street wear☐ Other**5. Are you familiar with UNIQLO brand?**☐ I have never heard about it☐ I have heard about it, but have never used their services☐ Sometimes I buy clothes in this brand’s stores ☐ I regularly buy clothes in this brand’s stores**6. I am aware of how UNIQLO brand logo looks like** (1 -Strongly disagree, 2 - Disagree, 3 - Don’t know, 4 – Agree, 5 – Strongly agree

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**7. UNIQLO products are value for money**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**8. I would like to make a purchase in UNIQLO store**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**9. UNIQLO clothing is practical and functional**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**10. UNIQLO provides good quality clothing**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**11. UNIQLO stores have a wide assortment of products**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**12. UNIQLO is popular within my friends and acquaintances circle**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**13. I like the atmosphere in UNIQLO stores**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**14. I am satisfied with the customer service, provided in UNIQLO**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**15. Even if another brand has the same features as UNIQLO, I would prefer to buy products in UNIQLO**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**16. I am satisfied with UNIQLO products**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**17. I will continue buying clothes in UNIQLO**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

**18. UNIQLO is my first choice when it comes to buying some specific item**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 1 | 2 | 3 | 4 | 5 |

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