National brands in the discount supermarket

Does brand image transfer occur on national brands when they are available in the discount supermarket?

Master Thesis Communication studies

ALDI informeert   ALDI informeert   ALDI informee

A-merk?

A-merk (o.; -en) Afkorting van ~: Aldi-merk. Syn. ~: Hoge kwaliteit, lage prijs. Bet./Oorspr. ~: Aldi koopt zeer scherp en maatschappelijk verantwoord in. Dit in combinatie met één van de meest efficiënte

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Abstract

For a long time, national brands were the only brand type available in the supermarkets. By a growing number of other brand types, national brands should take action to retain their customers. One of these actions could be to enter the discount supermarket. Although potential benefits such as additional sales and retaining customers are obvious, so are potential risks. It remains uninvestigated how consumers would react to such introductions. For example, when being in the surrounding of a discount supermarket, it is possible that the image of national brands becomes damaged or brand equity will be decreased. This process seems to derive in the minds of the consumers from the incongruity of a national brand presented in the context of a discount supermarket. The combination of national brands and a discount supermarket context is seen as incongruent and therefore not 'fit' which enhances the image damaging process.

The aim of this study was to focus on the process of brand image transfer, more specifically whether the image of the discount supermarket is transferred on the image of national brands if a national brand is available in discount supermarkets. Secondly, this study assessed the impact on brand equity – the value of a brand in the marketplace - when available in the discount supermarket context. This was measured on the basis of the brand transfer model of Keller (2003). The discount supermarket context, brand type and product type served as independent variables. As dependent variables the eight brand equity dimensions from the brand transfer model of Keller (2003) were selected.

Data of 433 participants that evaluated manipulated pictures through an online questionnaire is analyzed. There was no significant interaction effect found on brand images between discount supermarket context and brand type. So was no transfer of discount supermarket image on the national brand image took place. Although there were significant main effects found on all independent variables and interaction effects. The results of this study suggest that discount supermarket context can influence brand equity. However, no significant main effect on a dependent variable was found. As expected, a significant main effect on brand type was established, national brands were evaluated higher on every brand equity dimension. Also a significant main effect on product type was established, although emotional products were evaluated higher on the other dimensions, the main effect was established on brand images, brand feelings and brand attitudes for functional products.

On the interaction effect between discount supermarket context and brand type, there was a significant effect found on brand awareness and brand feelings. The expected effect of decreasing was only found on brand awareness, which could be due to brand confusion. On the interaction effect between discount supermarket context and product type, there was a significant effect found on brand attributes and brand feelings. Further research is necessary to confirm the findings in this study. The last interaction effect between brand type and product type was found on six of the seven dimensions (except for brand images). Emotional national brands scored higher than emotional discount brands. Although it was expected that functional discount brands would score higher, functional national brands scored higher. The same explanation as for the differences between emotional and functional products can be given here, maybe there is no such thing as emotional and functional products in the supermarket.

For managers of national brands, it can be concluded that brand equity is influenced by the discount supermarket although it remains unclear for which brand equity dimension. Communication about national brand introduction in the discount supermarket needs to be clear in order to prevent brand confusion among consumers. The lack of knowledge among participants about discount brands and the strength of the manipulations were the research limitations in this study. Future research could focus on stronger manipulations or ensure that participants prior to the study gain more knowledge about the discount brands.

Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction

The first Chapter of this study introduces the research topic. Section 1.1 outlines the problem statement and in Section 1.2, the research topics and the relevance of this study are discussed. Last of all Section 1.3 provides an overview of this study.

1.1 Problem statement

For a long time, manufacturers of national brand had the luxury that they were one of the few brand types available in the full-service supermarket. Nowadays it is possible to distinguish three different types of brand; a national brand has a high quality, an above average reputation and the assurance of a wide availability (Schiffman & Kanuk, 2010). Their reputation is carefully built up through brand marketing strategies (Kapferer, 2012).

A private label brand is less known than a national brand but not necessarily inferior with respect to the quality of a national brand and most of the time 15% cheaper. A discount brand is less known and usually the cheapest option in the supermarket. The strong image of national brands gave consumers' confidence in selecting the right products and manufacturers of national brands the opportunity to sell their products at a high price (Wu, Yeh & Hsiao, 2011).

Due to the increase in other brand types, national brands must come into action to retain their consumers. Especially since these consumers are attracted to the discount supermarket. Discount supermarkets are the fastest growing format in grocery retailing (Planet Retail, 2014). For example, Lidl supermarket accomplished a growth in market share from 7, 5% to 9% without expanding branches. Because the discount supermarket attracts more consumers, national brands also have to compete with discount brands.

An option to retain their current customers and attract more customers would be to innovate and use the discount supermarket as a new distribution center. It could lead to additional sales and more consumers for the discount supermarket (Steenkamp, 2014). A growing number of leading discount supermarkets have moved away from their exclusive focus on their own discount brands and already have started to add a selection of national brands to their assortment (Dendooven, 2005). While potential benefits to manufacturers are obvious, so are potential risks.

This study is set out to address the issues around national brands entering the discount supermarket. Deleersnyder & Koll (2012) found that the manufacturer is able to grow their total performance in excess of the market. The opportunity of growth in the discount supermarket is a comforting thought but here are several reasons why national brand manufacturers should be hesitant about such introductions.

For example, they are unsure about the incremental brand sales generated by the additional channel as opposed to the potential image damage. When being in the surrounding of a discount supermarket, it is possible that the image of national brands becomes damaged or brand equity will be decreased (Burt, 2000).

The process of image damage seems to derive in the minds of the consumers from the incongruity of a national brand presented in the context of a discount supermarket (Ji, 2011). The combination of national brands and a discount supermarket context is seen as incongruent and therefore not 'fit' which enhances the image damaging process.

1.2 Relevance

This study focuses on the process of brand image transfer, more specifically whether the image of the discount supermarket is transferred on the image of national brands if a national brand is available in discount supermarkets.

While previous studies have focused on the image of the discount supermarket that changed when national brands are introduced, it remains unclear how the image of national brands change when they are included in the discount assortment (Pauwels & Srinivasan, 2004). An attempt is made to examine if the expected negative impact on national brands actually takes place when they are introduced in the discount supermarket.

This study is set up to fill the research gap on the consequences of such introductions (Deleersnyder & Koll, 2012). The results will enable managers to determine whether to enter the discount supermarket. Because consumers have more choices than ever before, it is important for managers to differentiate and to gain knowledge about the effects of brand image transfer.

Secondly, this study will assess the impact on brand equity – the value of a brand in the marketplace - when available in the discount supermarket context. Brand equity is divided into eight different brand dimensions; each of these dimensions will be measured in order to investigate brand equity changes. Because changes with respect to the brand image and equity will be measured at multiple brand equity dimensions, the results will provide a comprehensive advice which is relevant for manufactures of national brands.

For manufacturers of national brands, it is useful to know if their product type is appropriate for introducing to the discount supermarket. Since research shows that product types are evaluated differently when presented in the discount supermarket, a distinction will be made between two different product types (Deleersnyder & Koll, 2012).

1.3 Overview

This report is structured as followed: In Chapter 2 a theoretical framework is presented together with the hypotheses that are derived from the literature. In Chapter 3 the research method used to conduct this study is explained, followed by the results and analyses in Chapter 4.

The discussion of this study is presented in Chapter 5. Furthermore managerial implications, limitations, and future research are discussed in this Chapter as well.

Chapter 2: Theoretical framework

This study starts with introducing the discount supermarket context (2.1) and explaining different brand types (2.2). In Section 2.3, the difference between congruent and incongruent conditions is explained. In Section 2.4, the differences in product types are explained. Last of all, eight brand equity dimensions are highlighted (2.5) and the research model is presented (2.6).

2.1 Discount supermarket context

Several factors influence the choice for a supermarket: price, assortment, staff, service and quality of the supermarket, shop convenience and shop atmosphere (Pan & Zinkhan, 2006). It is typically seen as a multidimensional construct, with (perceived) price, quality and variety of the assortment as its most important dimensions (Hildebrandt, 1988).

A distinction can be made between a full-service supermarket and a discount supermarket. The full-service supermarket has an optimal service offering a widespread assortment with national brands and fresh products like meat, bread and fruits. An example of a full-service supermarket is Albert Heijn. Discounters distinguish themselves from full-service supermarkets by their focus on competitive prices, their own private labels and by offering a small number of stocks (Aggarwal, 2003). Discount supermarkets can be divided in two categories: hard and soft discounters.

A typical hard discounter is Aldi, which offers exclusively discount brands and their products are soberly displayed in small stores. A typical soft discounter is Lidl which, besides the discount brands, also offers a limited set of national brands in its assortment (Deleersnyder et al., 2007).

An increasing number of consumers believe that discount brands have the same quality as national brands (Heshof, 2014). In the past, discount brands were evaluated as okay for everyday but not for special occasions or guests. This idea of quality is enhanced by the fact that discount supermarkets like Aldi and Lidl are regularly winning prices with their high quality products and because of that, word of mouth shifts the quality perception of the consumer slowly.

Because the image of national brands ensures that many consumers continue to buy them, it is important that this image will be maintained when introduced in the discount supermarket. If it is true that even loyal national brand consumers begin to see the discount supermarket as their first choice, national brand manufacturers have fewer opportunities to reach consumers (Steenkamp, 2014).

From the national brand manufacturer perspective, a strong argument for entering the discount supermarket is the increasing number of consumers they attract.

From the discount supermarket perspective, introducing national brands can increase the appeal of their store to more profitable buyers, i.e. those consumers that are buying a mix of private label brands and national brands (Corstjens & Lal, 2000). Also, total spend as well as store loyalty is higher among national brand buyers (Ailawadi & Keller, 2004). Although benefits of introducing national brands in the discount supermarket are obvious, the effects on the brand equity of national brands remain uninvestigated.

Full-service and discount supermarkets differ obviously from each other by store image. Store image is defined as the way a store is perceived in the shopper's mind. Where the full-service supermarket is evaluated as expensive and luxurious, the discount supermarket is seen as cheap (Wu et al., 2011). Store image has shown to strongly influence consumer choice of store and spending (Lourenço & Gijsbrechts, 2013).

Because it is possible that the discount supermarket's image negatively affects the image of national brands, national brand manufacturers should be worried about possible damage to brand equity and image of their national brands. To test whether discount supermarket context influences brand equity and brand images in a negative way, the following is hypothesized:

H1: If a brand is presented in a discount supermarket context, the brand equity dimension of this brand is evaluated lower than if the discount supermarket context is absent.

2.2 Brand type

To measure the impact on brand equity, a distinction is made between a national brand and a discount brand. By measuring the differences in brand equity, it will be easier to compare the impact of the discount supermarket context on these brand types. An explanation follows below about how a national brand is distinguished from a discount brand and why it is expected that a national brand has a higher brand equity evaluation then a discount brand.

Depending on which perspective is desired, a brand can have added value to the company or consumer. This added value can be defined as brand equity (Keller, Parameswaran & Jacob, 2011).

Brand equity can be evaluated by comparing premium priced, branded products with the price of unbranded products (Batra & Sinha, 2000). It also imparts competitive advantages to a company; therefore companies are obviously striving to obtain brand equity for their brands. One of the advantages of a high brand equity brand, also known as a strong brand, is that it provides a platform for new products and licensing. Secondly, a strong brand is able to endure crisis situations, reduced corporate support or shifts in consumers' tastes (Farquhar, 1990). This resilience is also capable for some companies to tie has-been brands to their portfolio, adding old brands with high brand awareness can be easier than creating new brands in some product categories (Weinstein, 2012).

Strong brands possess another advantage; providing resistance from competitive attack because a strong name can be a barrier for other companies to enter some markets. This is also called brand dominance (Nam, Ekinci &Whyatt, 2011).

If companies want to build strong brands there are three elements identified as crucial: a positive brand evaluation, an accessible brand attitude and a consistent brand image (Michel & Donthu, 2014). Positive brand evaluations are obtained with high-end quality and result in positive and affective responses they give the user a certain positive feeling.

The last element consists of building a consistent brand image; all marketing activities should be thought of as a contribution to the brand image (Keller, Parameswaran & Jacob, 2011). Consistency in the brands' image is part of the relationship between consumer and a brand, which should be analyzed, nurtured and reinforced to be maintained (Aaker, 2012).

Brand equity seen from a consumer's perspective is an increase of the brand attitude towards a product when using the brand. An attitude is defined as the association between product (e.g., the branded product) and the evaluation of that product stored in the individual memory (Batra, Ahuvia & Bagozzi, 2012). When a brand with high-end quality products has accomplished a positive brand image and attitude, the stage of fortification has arrived.

Fortification is the opportunity for companies to potentially grow in a new category while leveraging the brand to other entities. When a brand wants to extend to new categories, there are several conditions. The consumer must perceive the item from the new category to be consistent with the parent brand, also known as perceptual fit.

Also, the new item must be either comparable or superior to the existing product in the new category and the offered benefits need to be actually desired by consumers. In addition to the stages of growth, national brands also have to deal with external threats. These threats are constantly present and it is expected from national brands to respond to those threats. As is shown in Figure 1, Hoch (1996) has formulated different strategies in reaction to several threats.
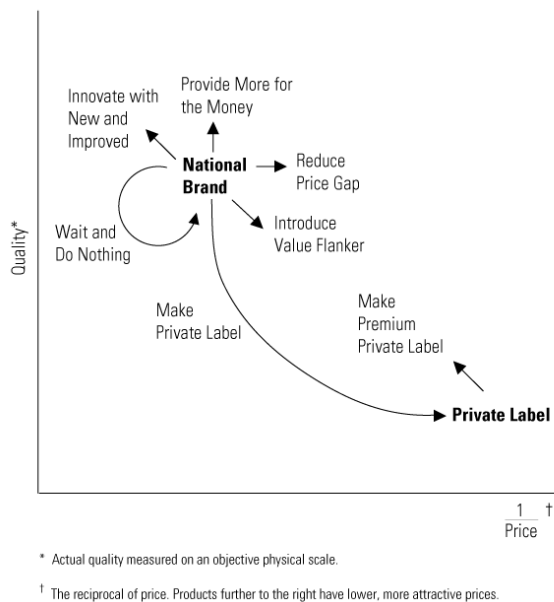
Figure 1: Possible strategies from national brands towards other brand types (Hoch, 1996)

The first strategy would be to wait and do nothing; it could be imprudent for national brands to react quickly and aggressive to recent increases. The second strategy would be to further separate themselves from other brand types (discount and private label brands) this requires innovation and new products. Providing more for the money is the third strategy which is aimed at increasing quality of the national brand products. Reducing the price gap is the fourth strategy which means that national brands lower their prices.

The fifth strategy would be to introduce a value flanker, which means that the national brand moves closer to the private label by introducing a lower-priced and possibly even lower-quality product. The last strategy would be to produce own private label products which could be sold at substantially lower wholesale costs, by reducing materials or quality and marketing costs.

To measure the effects on national brands, this study assumes that there are differences in brand types. To confirm these differences and to test whether these differences are also recognized by consumers, the following is hypothesized:

H2: National brands are evaluated higher on brand equity dimensions than discount brands.

2.3 Congruency

In most marketplaces, marketers nowadays often find themselves forced to link their brands to other entities for example, people, places, things or other brands to improve their brand equity (Keller, 2003). The goal of linking brands to other entities is to transfer positive feelings and attitudes between source and brand (Park, Jun & Shocker, 1996).

It is expected that the combination of national brands available in the discount supermarket will be seen as incongruent and therefore not fit.

The possible brand equity and brand image damage that is central in this study derives from the process of incongruence in the mind of the consumer. Research shows that stimuli that can be easily processed are generally evaluated in positive terms and inspire favorable attitudes (Lee & Labroo, 2004; Reber, Schwarz & Winkielman, 2004).

The basis for these evaluations can be traced to the finding that processing fluency is hedonically marked, the fluency of processing is experienced as positive (Reber et al., 2004). This can be explained by an evolutionary perspective, the positive evaluation is understood as a marker of things in the environment being safe as opposed to unexpected and potential harmful changes.

This effect can be explained in terms of processing fluency, repeated exposures to stimuli can be more easily processed (Van Rompay, Pruyn, & Tieke, 2009). The ease of processing is associated with increased linking (Reber et al., 2004). In other words, combinations high in congruence have the expectation to facilitate impression formation, as opposed to combinations low in congruence, which is why consumers prefer congruent combinations (Hekkert, 2006).

In other words, national brands in the full-service supermarket are seen as a congruent combination, because for example they have an image that closely resembles each other; 'it fits'. But when a national brand is presented in the discount supermarket, inconsistency occurs in the minds of the consumer.

McCracken (1989) emphasizes that it is necessary for brand transfer that consumers see similarities between brands. If these agreements are not recognized by consumers, it will be harder to transform associations from brand to brand. The greater the perceived fit, the more likely brand transfer will take place (Smith, 2004).

Consumers will be likely trying to "correct" the inconsistency by reducing the brand equity of the national brand in their head. Therefore, consistency arises again between brand equity and the discount supermarket. Hence the expectations that brand equity of national brands will decrease when presented in the discount supermarket. Therefore, brand equity dimensions of national brands will be compared in congruent and incongruent conditions to measure if brand (image) transfer takes place and therefore the following is hypothesized:

H3: If national brands are presented in a discount supermarket context, their brand equity dimensions are evaluated lower than if a discount supermarket context is absent.

2.4 Product type

In this study, a distinction is made between emotional and functional products. Functional products are primarily instrumental and their purchase is motivated by needs (Putsis & Dhar, 2001).

Products can be regarded as functional because consumers belief that these products can help them accomplish their goals (Desmet & Renaudin, 1998). Emotional products provide consumers with a positive feeling. They have the ability to add richness and depth to the experience of owning and using that product or brand.

Both emotional and functional products can be high or low in both emotional and functional attributes at the same time. For example, a person evaluating a pair of shoes may care for both emotional and functional features. Previous research has shown that products with an emotional purpose are able to ask for a high price and result in better sales promotions (Dhar & Wertenbroch, 2000).

In addition, emotional products are better able to inspire consumers and to create brand loyalty (Thompson, Rindfleisch & Arsel, 2006). Because of these properties, it is expected that emotional products are evaluated higher on brand equity dimensions than functional products, as expected with hypothesis four. This expectation stems from a certain commitment that consumers show when purchasing emotional products.

Functional products must comply with a target while emotional products are able to contribute to a desired lifestyle or image (Deleersnyder et al., 2007). In other words, consumers are more involved towards emotional products. Because emotional products have an 'added-value' it is expected that the discount supermarket context will influence and decline their brand equity. Functional products are purchased by needs and therefore their brand equity will be less affected by the discount supermarket context as expected with hypothesis five.

Emotional products and national brands share the same characteristics. Therefore, it is expected that emotional national brands will be evaluated higher on brand equity than emotional discount brands as expected with hypothesis six. Because consumers are more focused on usage with functional products it is expected that functional discount brands score higher than functional national brands, because consumers are less focused on type of brand. Therefore the following is hypothesized:

H4: Emotional products are evaluated higher on brand equity dimensions than functional products.

H5: If emotional products are presented in a discount supermarket context their brand equity dimensions are evaluated lower than if the discount supermarket context is absent; if functional products are presented in a discount supermarket context their brand equity dimensions are evaluated equally as if the discount supermarket context is absent.

H6: Emotional national brands are evaluated higher on brand equity dimensions than emotional discount brands; functional discount brands are evaluated higher on brand equity dimensions than functional national brands.

2.5 Brand Equity dimensions

The goal of marketers is to build strong brands with high brand equity and therefore national brand manufactures are investing a lot into creating positive brand experiences through advertising, packaging and quality to establish some sort of relationship with the consumer.

Consumers who are more involved with a brand are more positive towards these brands, they have more positive responses to a product and this can increase the value of brands, which is the basis for brand equity (Walla, Brenner & Koller, 2011).

The source for increasing brand equity is brand knowledge because brand knowledge is able to create different consumer responses and it affects the success of brand building activities. The concept of brand knowledge is related to the cognitive representation of the brand (Peter & Olson, 2001). This cognitive representation is created in the mind of consumers and consists of all descriptive and evaluative brand-related information.

Brand knowledge consists of two important topics: what do consumers know about the brand? And secondly, is their brand knowledge possibly affected by linking the brand to other entities? Linking the brand to another person, place, thing or brand affects brand knowledge in two ways by (1) creating new brand knowledge or (2) affecting existing brand knowledge.

By adding certain wanted associations, brand knowledge can be influenced and changed and as a result it is possible to increase brand equity. In the brand transfer model from Keller (2003) the eight dimensions which together constitute brand equity are shown.

Besides that, these eight dimensions are determinative for brand transfer because they need to be fulfilled in order to have a successful transfer between brand and other entity.

To predict transfer between a brand and the other entity, three factors are important (Keller, 2003). 1. Knowledge of the brand and the entity, what knowledge exists and does it have potential to be transferred. 2. Meaningfulness of the knowledge of the entity; given that the other entity has some potentially relevant knowledge, to what extent might this knowledge be deemed meaningful for a brand? And 3, transferability of this knowledge to the entity, assuming that some potentially meaningful knowledge exists for the other entity and that it could be transferred, to what extent will this knowledge actually become linked to the brand or affect existing knowledge?

To comply with the three factors mentioned important for brand image transfer, the criteria is to select entities with enough common knowledge (Keller, 2003). Therefore, there will be two well-known national brands and a well-known discount supermarket selected.

The second and third factor will be investigated in this study, whether the discount supermarket context is seen as meaningful and able to influence brand equity or transfer brand images. To test if brand transfer is taking place, the eight brand equity dimensions from the model of Keller (2003) are selected to serve as dependent variables.

In the following paragraph the dimensions: brand awareness, brand attributes, brand benefits, brand images, brand thoughts, brand feelings, brand attitudes and brand experiences are explained. Because this study measures on all eight dimensions of the model of Keller (2003), brand (image) transfer is measured more carefully than if only brand images are measured. A short explanation will be given for each brand equity dimension.
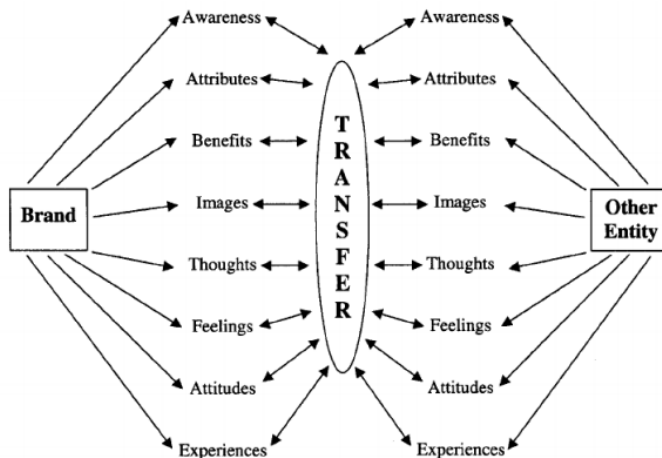

Figure 2: Brand transfer model (Keller, 2003)

2.5.1. Brand Awareness

Brand awareness is related to the strength of the memory of consumers, which is the ability to identify the brand under different conditions (Huan & Sarigollu, 2012). In particular, brand awareness relates to the likelihood that a brand will come to mind and the ease with which it does so (Keller, 2003).

The ability of consumers to recognize a brand when being exposed to it is called brand recognition. It relates to the ability of consumers to confirm prior exposure to the brand when giving a cue.

In other words, brand recognition requires that consumers correctly discriminate the brand as having been seen or heard previously (Keller, 2003).

Brand recall occurs when consumers have the ability to name a certain brand. This refers to the ability of consumers to correctly retrieve a brand in their memory.

There are three ways brand awareness plays a role in the decision making process of consumers. If a consumer is able to recognize a brand in a product category, the brand will be in the considered set for purchase. There are only a few brands that are actually considered by consumers (Nedungadi, 1990).

In addition, consumers tend to purchase with a decision rule to buy most familiar, well-established brands (Allaway, Huddleston, Whipple & Ellinger, 2011). Finally, in low involvement decision settings (for example the supermarket) the extent to which a brand is recognized or recalled can be decisive (Kim, Kim & An, 2003). So it is understandable that manufacturers of national brands are trying to generate maximum brand awareness.

2.5.2. Brand Attributes

Brand attributes are those descriptive features that characterize a product, how the consumer thinks about the product and what is involved with its purchase or consumption.

Brand attributes can be distinguished in product-related attributes and non-product related attributes who are defined as external aspects of the product that relate to its purchase or consumption (Olsen & Mitchell, 2002).

The four main types of non-product related attributes are (1) price information, (2) packaging or product appearance information (3) user imagery (i.e., what types of person uses the product or service), and (4) usage imagery (i.e., where and in what types of situations the product is used) (Keller, 2003).

Consumers often tend to make consumption decisions mostly based on a product's attributes rather than the product itself (Bosworth, Bailey & Curtis, 2013).

For manufactures of national brands, it is interesting to know if the product-related attributes of their branded product is perceived differently in another context.

2.5.3. Brand Benefits

Brand benefits are the personal values consumers attach to a product that is, what consumers think that the product can do for them. Brand benefits can be further distinguished into three categories: functional, experiential and symbolic benefits (Sondoh, Omar, Wahid, Ismail & Harun, 2007).

Functional benefits are the most intrinsic advantages of a product and usually correspond to the product-related attributes. These benefits often are linked to basic motivations and involve a desire for problem removal or avoidance (Rossiter & Percy, 1997).

Experiential benefits relate to what it feels like to use the product and usually correspond to the product related attributes. These benefits satisfy experiential needs such as sensory, pleasure, variety and cognitive stimulation. The last, symbolic benefits are the more extrinsic advantages of product consumption. They usually correspond to non-product related attributes and relate with the underlying needs for social approval or personal expression and outer-directed self-esteem and basically corresponded to non-product related attributes. For manufactures of national brands, it is interesting to know if the mentioned benefit of their branded product is perceived differently in another context.

2.5.4. Brand Images

Images are created within the mind of the consumer, brand knowledge and personal experience together create image (Kohli & Leuthesser, 2001). Brand knowledge is personal and differs for every consumer; everybody has their own experiences with brands.

A company who is able to hold a favorable image by their public, gains a better position in the market, sustainable competitive advantages and increases market share or performance. Additionally, several findings have confirmed that a favorable brand image will lead to brand loyalty, brand equity and purchase behavior (Faircloth, Capella & Alford, 2001).

The brand image contains the perceptions of a brand, reflected by the associations in the memory of the consumer (Keller, 2003). Every new section of information leads to a new node, which will influence the image. Being available in the discount supermarket is a new section of information, which is able to influence image.

2.5.5. Brand Thoughts

Brand thoughts can be described as frequently thinking about and using brands to which a consumer is strongly attached (Whan Park, Macinnes, Priester, Eisingerich & Iacobucci, 2010). A key criterion to measure how much consumers value a brand is how much time they spent using or thinking about a brand. The process of brand-related thoughts becoming a part of a person's memory varies in the perceived fluency with which they were brought to mind.

This component is called brand prominence: 'Prominence reflects the salience of the cognitive and affective bond that connects the brand to the self.' When thoughts about the brand are highly accessible, prominence may exert a disproportional strong influence on decision making and eventually on consumer purchase behavior (Akçura, Gönül & Petrova, 2004).

Some brands do not occupy a salient position in memory despite of frequent usage (Whan Park et al., 2010). Other brands, even when infrequently used, can leave a serious impressive mark on consumers' consciousness and later experiences are added to this impression.

Congruent combinations are processed more easily and therefore can lead to positive thoughts because consumers tend to like consistency. With incongruent thoughts, consumers need more time but it is also able to cause a more deepened elaboration when attitudes are positive (Jagre, Watson & Watson, 2001). For manufacturers of brands, it is important to know how consumers react to their national brands when presented into an incongruent context, as the discount supermarket context.

2.5.6. Brand Feelings

Brand feelings can compromise a connection with a brand also known as a connection or perceptions of closeness to a brand like emotional attachment and feelings or love for a brand (Carroll & Ahuvia, 2006). Emotional aspects are crucial for enhancing a relationship because individuals who have an emotional attachment with a brand, exhibit greater commitment to it (Thomson, 2005). Intense emotions such as love toward a brand are able to endorse a long-term relationship (Carroll & Ahuvia, 2006).

Also, consumers who are more devoted to a brand feel more commonalities and these brands express important aspects of their identity (Fournier, 1998). An assumption in these is that consumers' purchases are partly driven by a desire to construct self-concepts and communicate them through wearing and using branded products (Tuškej, Golob & Podnar, 2013).

At last, congruity is important for enhancing the emotional attachment and feelings towards the brand. When consumers have to make an effort but they fail to place new information, frustration and negative feelings towards the brand will rise (Jagre et al., 2001). Therefore it is interesting to investigate whether the discount supermarket is able to influence the brand feelings of consumers.

2.5.7. Brand Attitudes

Brand attitude is a general positive or negative evaluation of a brand from a consumer (Chang & Chieng, 2006). The suggestion is that brand attitude is formed, depending on the nature of a product to which consumers are exposed.

Prior research on brand attitude has shown that brand attitudes can predict behavior of interest to companies, intention to purchase, purchase behavior and brand choice (Young & Fazio, 2013). But it is only able to predict consumer behavior when consumers have actually used the brand. Attitudes can also be formed by less thoughtful decision making as presumed, for example on simple heuristics and decision rules (Haugtvedt, Petty & Cacioppo, 1991).

Brand attitudes have two dimensions, a functional dimension and a symbolic dimension. The functional dimension is formed by the functional properties of a brand or product. The symbolic dimension is related to non-product attributes and is able to function as a value-expressive way for consumers to express their self-concepts (Young & Fazio, 2013). For national brand manufacturers it is interesting to see if the function of a value-expressive way of products is retained.

2.5.8. Brand Experiences

In contrast to brand attitudes, where consumers form an opinion or attitude about a brand, brand experiences means actually using a brand. Brand experiences are defined as: purchase and consumption behaviors and any other brand-related episodes (Keller, 2003). Identification of the brand with a cause (e.g., world protection of animals) could have multiple effects on brand knowledge.

This could build brand awareness through recall and recognition and increase brand image (e.g., kind and generous) and evoke brand feelings (e.g., proud) and with that establish brand attitudes (e.g., trustworthy) and eventually create experiences with the brand (e.g., a sense of community).

Products take on identities that are associated with their brands. The total experiences of products represent a mental image; a brand impression created through marketing techniques and creates an imprint on the user, which is the brand. Products are the representation of brands and the identity of a business (Smith, 2004). For national brand manufacturers it is important to know if the discount supermarket context is able to influence brand experiences.

2.6 Research model

The impact of discount supermarket context, brand type and product type on eight brand equity dimensions is examined in this study. These brand equity dimensions are all eight selected to act as dependent variables. To summarize, this study addresses these key issues:

(1) Does brand equity of a national brand change when presented in a discount supermarket?
(2) Does transfer of brand images take place from discount supermarket to national brands?

Based on the selected independent and variables that are selected for this study and the dependent variables a research model is developed. This model (Figure 3) displays the main effect of discount supermarket context (H1), brand type (H2) and product type (H4) on brand equity dimensions.

Furthermore, it shows the interaction effects between discount supermarket context and brand type (H3), discount supermarket context and product type (H5) and brand type and product type (H6) on brand equity dimensions.
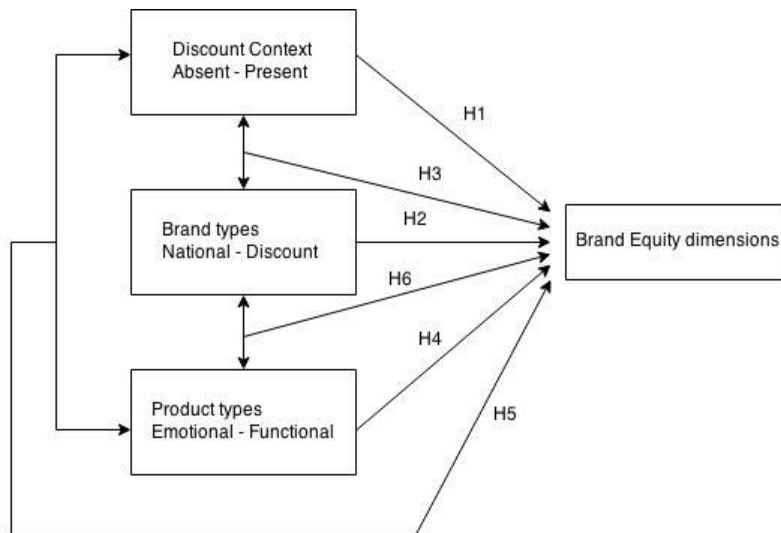
Figure 3: Research model

For a clear overview, the hypotheses tested in this study are summarized as follows:

H1: If a brand is presented in a discount supermarket context, the brand equity dimension of this brand is evaluated lower than if the discount supermarket context is absent.

H2: National brands are evaluated higher on brand equity dimensions than discount brands.

H3: When national brands are presented in the discount supermarket, their brand equity dimensions are evaluated lower than if the discount supermarket is absent.

H4: Emotional products are evaluated higher on brand equity dimensions than functional products.

H5: If emotional products are presented in a discount supermarket context their brand equity dimensions are evaluated lower than if the discount supermarket context is absent; if functional products are presented in a discount supermarket context their brand equity dimensions are evaluated equally as if the discount supermarket context is absent.

H6: Emotional national brands are evaluated higher on brand equity dimensions than emotional discount brands; functional discount brands are evaluated higher on brand equity dimensions than functional national brands.

Chapter 3: Method

In this Chapter the design of the experiment is described in Section 3.1. In Section 3.2 the used stimuli and instruments are explained. The research measures are discussed in Section 3.3 and the characteristics of the participants in this study are highlighted in Section 3.4. Finally the analyze techniques that were used are described in Section 3.5.

3.1 Design

The experiment in this study had a 2x2x2 factorial between subjects design (discount supermarket present – discount supermarket absent, national brand – discount brand, emotional product – functional product). In Table 1 the eight different conditions are displayed.

Table 1: Research conditions

		Discount supermarket context	
		Absent	Present
National brand	Emotional product	1	5
	Functional product	2	6
Discount brand	Emotional product	3	7
	Functional product	4	8

3.2 Stimuli and instruments

Pre-test: Discount supermarket context

A manipulation check was conducted to investigate whether the image of the Aldi supermarket that was used in the experiment to create a discount supermarket environment, was successful in doing so. After general questions about the Aldi discount supermarket, the participants had to evaluate the Aldi discount supermarket based on the brand personality scale from Aaker (1997) with a five-point Likert scale (entirely appropriate – entirely not appropriate). Participants had to indicate over forty two personality traits whether these were appropriate for the Aldi discount supermarket.

Because the five-point Likert scale went from entirely not appropriate to entirely appropriate, dimensions with high scores such as ruggedness and sophistication are assessed by participants as least matching with the brand personality of the Aldi discount supermarket. The dimensions ruggedness and sophistication which contain traits as glamorous ($M=4.34$) and upper-class ($M=4.28$) scored 'low'. In contrary, the dimensions sincerity and competence with traits as hard-working ($M=2.39$) and down-to-earth ($M=2.21$) scored 'high' (because the used scale went from entirely appropriate to entirely not appropriate).

With items as hard-working, down-to-earth and reliable scoring high, conclusion was that participants associated the Aldi discount supermarket with more discount-like traits. Therefore, the Aldi discount supermarket was approved to function as the discount supermarket context in this study.

The Brand Personality Scale from Aaker (1997) can be divided into five dimensions; ruggedness, sophistication, competence, excitement and sincerity, the results are summarized in Figure 4.
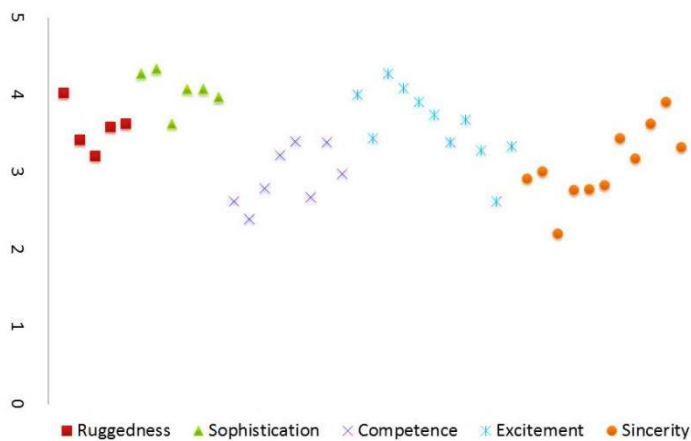
Figure 4: Aldi supermarket on brand personality scale from Aaker (1997)

Pre-test: Brand type & product type

Also a manipulation check was performed for brand type and product type. A selection of four potential emotional products and four potential functional products was made, and for each type of product a national brand and a discount brand was selected.

Based on literature four unbranded emotional products (chips, energy drink, face cream and cola) and four unbranded functional products (toilet paper, dish soap, tooth paste and baking butter) were selected (Desmet & Renaudin, 1998). Participants (*N*=60) were asked to answer questions based on the brand personality scale from Aaker (1997). To provide a faster questionnaire, instead of using the original forty two personality traits, fifteen overarching facets were used.

Participants were asked for every product till what degree they considered it to be an emotional product or a functional product. A five-point Likert scale (1=strongly agree, 5=strongly disagree) was used. Again, because the Likert scale went from strongly agree to strongly disagree, products with high scores are evaluated as least emotional or functional. Chips was seen as mostly an emotional product (*M*=1.92; *SD*=0.84) and toilet paper as mostly a functional product (*M*=1.12; *SD*=0.38). Lays (chips) and Page (toilet paper) were selected as national brands, because these brands represent the majority of products in their category.

Since the Aldi discount supermarket served as discount supermarket context, Pirato (chips) and Solo (toilet paper), the brands that are available in the Aldi, were selected as discount brands. As an example of a used stimulus, an incongruent condition is shown (emotional national brand with discount supermarket context) in Figure 5. Other stimulus materials can be found in Appendix B.

Figure 5: Example of stimulus material: emotional national brand with discount supermarket context

3.3 Measures

The most common way to measure a person's attitude towards an object is through self-reports with a multiple-item questionnaire (Brehm, Kassin & Fein, 2005). In this study the brand equity dimensions were for the most part, measured with existing scales.

The scales that were used are summarized in Table 2. For the dimension brand experiences, an own scale was invented, because no scientific scale was available for measuring this dimension. All scales consisted of 7-point Likert scale items.

Table 1: Overview of brand equity dimensions

Construct	Scale
Brand Awareness	Aaker (1996); Keller (2003)
Brand Attributes	Blattberg & Wisnicwski (1989); Keller (2003)
Brand Benefits	Belén del Rio, Vazquez & Iglesias (2001); Tsai (2005)
Brand Images	Park & Srinivasan (2004)
Brand Thoughts	Brakus, Schmitt & Zarantonello (2009)
Brand Feelings	Sternberg & Griogerenko (1997)
Brand Attitudes	Mitchell (1986)
Brand Experiences	Developed by researcher

The internal consistently of all brand equity dimensions was established (see Table 3). Seven dimensions (except brand feelings and brand thoughts) had a Cronbach's Alpha > .7.

After deleting one of the original items of brand feelings, brand feelings consisted of two items and with the Cronbach's Alpha was .71 and therefore appropriate. The construct brand thoughts was deleted because Cronbach's Alpha (0.40) was too low, even after removing items.

Table 2: Cronbach's Alpha of brand equity dimensions

Construct	Cronbach's Alpha	Items
Brand Awareness	.68	1. I have difficulty in imagining this brand in my mind. (*rescaled) 2. I can recognize this brand among competing brands. 3. This brand is the only brand recalled when I need to make a purchase decision on the product. 4. This brand comes up first in my mind when I need to make a purchase decision on the product.
Brand Attributes	.81	1. This branded product is reasonably priced. 2. This branded product is a good product for its price. 3. This branded product would be economical. 4. This branded product has consistent quality. 5. This branded product is well made. 6. This branded product has good workmanship. 7. This user of this brand possesses the characteristics that I would like to have. 8. It would be nice to be like this person which advertisements show using this brand. 9. The people who purchase this brand are admired or respected by others. 10. People who use this brand portray status and style that I admire. 11. I have a clear image of the specific situation where people are most likely to wear this branded product.
Brand Benefits	.86	1. Brand X performs as it promises. 2. Brand X makes me beautiful. 3. Brand X can be dependable for use. 4. Brand X makes me feel good. 5. Brand X makes me feel delighted. 6. Brand X increases my frequency of use. 7. Brand X gives me pleasure. 8. Usage of brand X prevents me from looking cheap. 9. Brand X enhances the perceptions that I have a desirable lifestyle. 10. Brand X helps me to better fit into my social group.
Brand Images	.86	1. Sincerity (down-to-earth, honest, wholesome, cheerful) 2. Excitement (daring, spirited, imaginative, up-to-date) 3. Competence (reliable, intelligent, successful) 4. Sophistication (upper class, charming) 5. Ruggedness (outdoorsy, tough)
Brand Feelings	.71	1. This brand induces feelings and sentiments. 2. This brand is an emotional brand. 3. I do not have emotions for this brand. (*deleted)
Brand Attitudes	.89	1. Unappealing/appealing 2. Bad/good 3. Unpleasant/pleasant 4. Unfavorable/favorable 5. Unlikable/likable
Brand Experiences	.91	1. Did using the brand match the expectations you had prior to purchasing? 2. How was the experience with the brand?

3.4 Participants

In total 731 Dutch participants filled in an online questionnaire. The recruitment of participants took place in the researcher's own network by sharing a link of the online questionnaire from the survey program Qualitrics via e-mail and social media. The participants were randomly assigned to one of the eight conditions.

After a data check of all participants, 298 unfinished questionnaires were deleted. The amount of participants for each scenario was sufficient. The analyses were based on 433 participants from these participants 232 (53, 6%) were female and 201 (46, 4%) were male. The youngest participant was 16 years old and the oldest 70 years old.

Participants were asked to answer general questions about themselves and their supermarket preference. As is shown in Table 4, the favorite was Albert Heijn (59.8%). The motivation of participants to purchase national brands in the supermarket was: quality, habit, taste and trust. Participants choose discount brands for their price and value for money. Table 5 shows more details about the participants.

After the general questions, participants were instructed to look at a picture and fill in questions about the displayed product of a particular brand with discount supermarket context present or absent.

Table 3: Details participant's supermarket behavior

Variable	Category	Frequencies	Percentages
Favorite supermarkets (three possible answers) (*n*=433)	Albert Heijn	398	91,9%
	Jumbo	295	68,1%
	Lidl	189	43,6%
	Aldi	115	26,6%
	Emté	77	17,8%
	Dirk	45	10,4%
	Plus	43	9,9%
	Coop	35	8,1%
	C1000	26	6%
	Spar	6	1,4%
Most favorite (one possible answer) (*n*=433)	Albert Heijn	259	59,8%
	Jumbo	97	22,4%
	Lidl	36	8,3%
	Emté	16	3,7%
	Plus	9	2,1%
	Dirk	7	1,6%
	Aldi	6	1,4%
	C1000	3	0,7%
	Spar	0	0%

Table 4: Participants' overview

Condition	Participants	Female/Male	Mean age (SD)	Family situation			Education					
				Single person household	More person household, no children	More person household with children	VMBO	HAVO	VWO	MBO	HBO	WO
1 Emotional national brand	52 (12%)	32/20	26.4 (9.3)	30	14	8	0	1	3	4	17	27
2 Functional national brand	50 (11.5%)	24/26	28.4 (10.2)	27	20	3	1	3	2	9	10	25
3 Emotional discount brand	57 (13.2%)	30/27	25.7 (8.2)	40	12	5	1	4	8	1	11	32
4 Functional discount brand	57 (13.2%)	36/21	28.8 (11.3)	39	12	6	2	2	5	2	12	34
Context present												
5 Emotional national brand	49 (13.4%)	22/27	30.2 (12.2)	25	17	7	0	0	4	3	13	19
6 Functional national brand	51 (13.6%)	23/28	27.3 (9.4)	32	14	5	0	2	2	4	8	35
7 Emotional discount brand	58 (11.3%)	31/27	28.2 (10.6)	37	14	7	0	5	2	3	18	30
8 Functional discount brand	59 (11.8%)	34/25	28.9 (12)	28	21	10	0	2	9	6	18	24
Total	433	232/201	28.2	258	124	51	4	19	35	32	117	226

3.5 Analysis

First the effects from a discount supermarket context on brand equity dimensions were investigated (**H1**); this was also the first key issue of this study. After that, this study looked at which type of brand was evaluated higher with respect to the brand equity dimensions (**H2**). To address the second key issue of this study, brand image transfer, the interaction effect was calculated between discount supermarket context and brand type (**H3**).

Subsequently, this study looked at the third independent variable, product type, to investigate whether there was a difference between emotional and functional products on brand equity dimensions (**H4**).

In addition, it was interesting to see if brand equity from emotional or functional products was influenced by a discount supermarket context (**H5**). Finally, this study looked at the possible relationship between brand types and product types and the effects on brand equity dimensions (**H6**).

For further analysis in this study, the statistical software of IBM SPSS statistics 20 was found suitable. First, the main effects of each independent variable were calculated with a multivariate analysis of variance (MANOVA). Subsequently, also the interaction effects between the independent variables were measured with a MANOVA. In this study a reliability confidence level of $\alpha = 0.05$ was used.

Chapter 4: Results

In this Chapter, the results of this study are presented. The effects of discount supermarket context, brand type and product type on brand equity dimensions were analyzed. Because of the fact the internal consistency of brand thoughts (one of the dimensions of brand equity) was too low; this dimension was disregarded in all the analysis.

A multivariate analysis of variance [MANOVA] was used to determine the main and interaction effects of discount supermarket, brand type and product type on the total of the seven brand type dimensions (brand awareness, brand attributes, brand benefits, brand images, brand feelings, brand attitudes, brand experiences). Wilk's Lamda criterion (Q) was used to identify significant effects. The results were as follows:

- Discount supermarket context: $F_{(7,425)}$=2.58, p<.013. (= significant)
- Brand type: $F_{(7,425)}$=73 p<.001. (= significant)
- Product type: $F_{(7,425)}$=7.42, p<.001. (= significant)
- Discount supermarket context x brand type: $F_{(7,423)}$=4.14, p<.001. (= significant)
- Discount supermarket context x product type: $F_{(7,423)}$=2.14, p<.038. (= significant)
- Brand type x product type: $F_{(7,423)}$=7.98, p<.001. (= significant)

The effects of the three independent variables on each of the seven separate dimensions of brand equity are discussed in the next sections.

4.1 Brand Awareness

A. Main effects

No main effect of *discount supermarket context* on brand awareness was found ($F_{(7,425)}$=2.62, p<.106). Also no main effect of *product type* on brand awareness was established ($F_{(7,425)}$=1.44, p<.230). However a main effect of *brand type* on brand awareness was found ($F_{(7,425)}$=238.38, p<.001). The mean score on brand awareness of participants who saw a national brand was significantly higher (*M*=4.38) than the mean score of participants who saw a discount brand (*M*=2.79).

B. Interaction effects

No interaction effect of *discount supermarket context* and *product type* on brand awareness was established ($F_{(7,423)}$=.16, p<.686). However an interaction effect between *discount supermarket context* and *brand type* on brand awareness ($F_{(7,423)}$=7.92, p<.005) was found (Figure 6A). The mean score on brand awareness of participants who saw a national brand in the absence of a discount context was significantly higher (*M*=4.62) than the mean score of participants who saw a national brand in a discount context (*M*=4.14).

Another interaction effect was found between *brand type* and *product type* on brand awareness ($F_{(7,423)}$=10.21, p<.002) (Figure 6B). The means score on brand awareness of participants who saw an emotional national brand was significantly higher (*M*=4.62) than the mean score of participants who saw an emotional discount brand (*M*=2.71). The means score on brand awareness of participants who saw a functional national brand (*M*=4.14) was significantly higher than the score of participants who saw a functional discount brand (*M*= 2.86).

Means and standard deviations of brand awareness for different contexts, brand types and products types are shown in Table 6, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 5: Means and standard deviations of brand equity dimension: brand awareness

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		4.76 (1.03)
		Functional		4.48 (0.98)
	Discount	Emotional		2.69 (0.93)
		Functional		2.80 (1.09)
Present	National	Emotional		4.48 (1.25)
		Functional		3.79 (1.02)
	Discount	Emotional		2.72 (0.99)
		Functional		2.92 (1.08)
			Absent	3.63 (1.38)
			Present	3.43 (0.85)
			National	4.38 (1.13)
			Discount	2.79 (1.02)
			Emotional	3.61 (1.42)
			Functional	3.45 (1.24)

Figure 6: Interaction effects on brand awareness

4.2 Brand Attributes

A. Main effects

No main effect of *discount supermarket context* on brand attributes was found ($F_{(7,425)}=1.75$, p<.187). Also no main effect of *product type* on brand attributes was established ($F_{(7,425)}=1.12$, p<.290). However a main effect of *brand type* on brand attributes was found ($F_{(7,425)}=28.93$, p<.001). The mean score on brand attributes of participants who saw a national brand was significantly higher (*M*=3.98) than the mean score of participants who saw a discount brand (*M*=3.55).
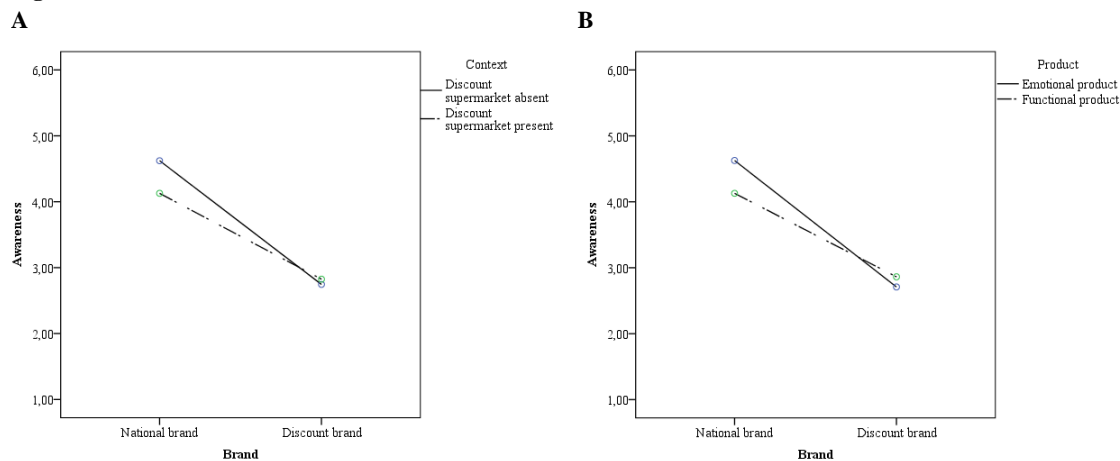
B. Interaction effects

No interaction effect of *discount supermarket context* and *brand type* on brand attributes was established ($F_{(7,423)}=.322$, p<.571). However an interaction effect between *discount supermarket context* and *product type* on brand attributes ($F_{(7,423)}=6.23$, p<.013) was found (Figure 7A).

The mean score on brand attributes of participants who saw a functional product in a discount context was significantly higher (*M*=3.96) than the mean score of participants who saw a functional product in the absence of a discount context (*M*=3.64). The mean score on brand attributes of participants who saw an emotional product in the absence of a discount context was significantly higher (*M*=3.77) than the mean score of participants who saw an emotional product in a discount context (*M*=3.69).

Another interaction effect was found between *brand type* and *product type* on brand attributes ($F_{(7,423)}$=9.57 p<.002) (Figure 7B). The means score on brand attributes of participants who saw an emotional national brand was significantly higher (*M*=4.07) than the mean score of participants who saw an emotional discount brand (*M*=3.39).The means score on brand attributes of participants who saw a functional national brand (*M*=3.89) was significantly higher than the score of participants who saw a functional discount (*M*=3.71).

Means and standard deviations of brand attributes for different contexts, brand types and products types are shown in Table 7, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 6: Means and standard deviations of brand equity dimension: brand attributes

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		4.12 (0.74)
		Functional		3.67 (0.99)
	Discount	Emotional		3.42 (0.82)
		Functional		3.60 (0.84)
Present	National	Emotional		4.02 (0.79)
		Functional		4.11 (0.94)
	Discount	Emotional		3.35 (0.78)
		Functional		3.81 (0.70)
			Absent	3.69 (0.89)
			Present	3.80 (0.85)
			National	3.98 (0.88)
			Discount	3.55 (0.80)
			Emotional	3.71 (0.85)
			Functional	3.79 (0.88)

Figure 7: Interaction effects on brand attributes

A

B
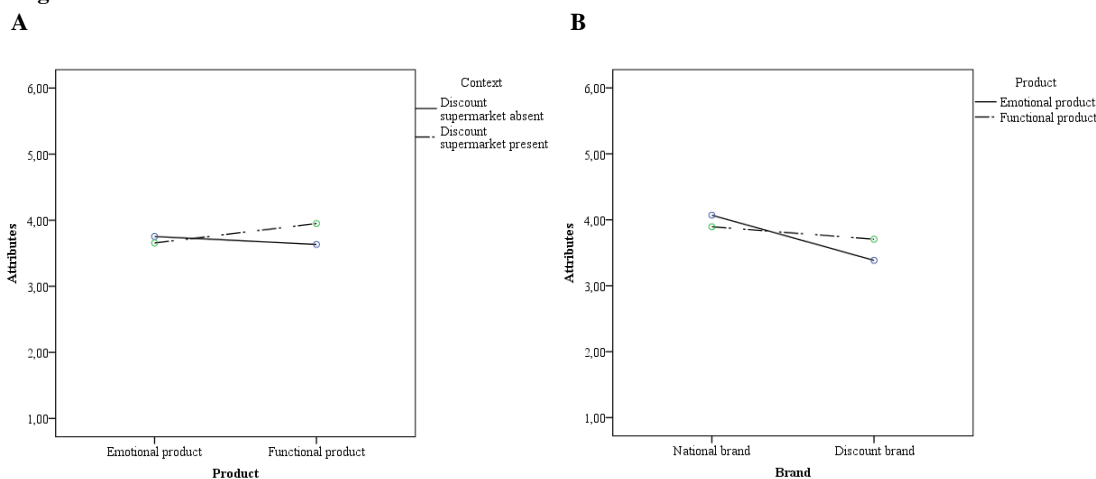
4.3 Brand Benefits

A. Main effects

No main effect of *discount supermarket context* on brand benefits was found ($F_{(7,425)}$=.84, p<.359). Also no main effect of *product type* on brand benefits was established ($F_{(7,425)}$=2.75, p<.098). However a main effect of *brand type* on brand benefits was found ($F_{(7,425)}$=34.05, p<.001). The mean score on brand benefits of participants who saw a national brand was significantly higher (*M*=3.52) than the mean score of participants who saw a discount brand (*M*=2.98).

B. Interaction effects

No interaction effect of *discount supermarket context* and *brand type* on brand benefits was established ($F_{(7,423)}$=.04, p<.849). Also no interaction effect of *discount supermarket context* and *product type* on brand benefits was established ($F_{(7,423)}$=3.80, p<.052).

However an interaction effect between *brand type* and *product type* on brand benefits ($F_{(7,423)}$=4.20, p<.041) was found (Figure 8). The means score on brand benefits of participants who saw an emotional national brand was significantly higher (*M*=3.54) than the mean score of participants who saw an emotional discount brand (*M*=2.81). The mean score on brand benefits of participants who saw a functional national brand (*M*=3.50) was significantly higher than the score of participants who saw a functional discount (*M*=3.15).

Means and standard deviations of brand benefits for different contexts, brand types and products types are shown in Table 8, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 7: Means and standard deviations of brand equity dimension: brand benefits

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		3.65 (0.80)
		Functional		3.31 (1.08)
	Discount	Emotional		2.79 (0.89)
		Functional		3.05 (1.00)
Present	National	Emotional		3.43 (0.91)
		Functional		3.69 (1.04)
	Discount	Emotional		2.83 (0.99)
		Functional		3.24 (0.93)
			Absent	3.19 (0.99)
			Present	3.27 (1.01)
			National	3.52 (0.97)
			Discount	2.98 (0.97)
			Emotional	3.15 (0.97)
			Functional	3.31 (1.03)

Figure 8: Interaction effect on brand benefits

4.4 Brand Images

A. Main effects

No main effect of *discount supermarket context* on brand images was found ($F_{(7,425)}=0.03$, $p<.867$). A main effect of *brand type* on brand images was established ($F_{(7,425)}=116.27$, $p<.001$). The mean score on brand images of participants who saw a national brand was significantly higher ($M=4.24$) than the mean score of participants who saw a discount brand ($M=3.46$).

Also a main effect of *product type* on brand images was found ($F_{(7,425)}=4.87$, $p<.028$). The mean score on brand images of participants who saw a functional product was significantly higher ($M=3.91$) than the mean score of participants who saw an emotional product ($M=3.73$).

B. Interaction effects

No interaction effect of *discount supermarket context* and *brand type* on brand images was established ($F_{(7,423)}=.04$, $p<.847$). And no interaction effect of *discount supermarket context* and *product type* on 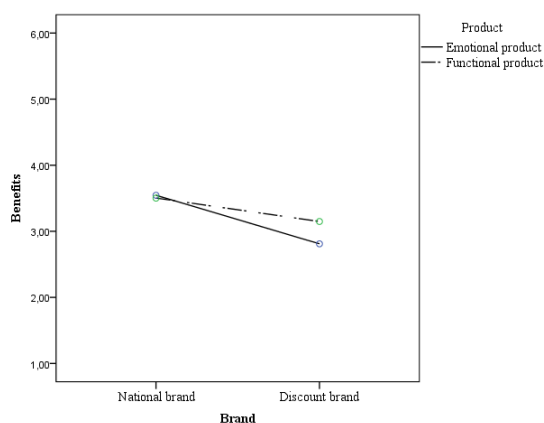brand images was established ($F_{(7,423)}=2.02$, $p<.156$). At last, no interaction effect of *brand type* and *product type* on brand images was established ($F_{(7,423)}=2.30$, $p<.130$).

Means and standard deviations of brand benefits for different contexts, brand types and products types are shown in Table 9, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 8: Means and standard deviations of brand equity dimension: brand images

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		4.29 (0.64)
		Functional		4.21 (0.74)
	Discount	Emotional		3.35 (0.80)
		Functional		3.56 (0.80)
Present	National	Emotional		4.12 (0.83)
		Functional		4.33 (0.58)
	Discount	Emotional		3.28 (0.79)
		Functional		3.64 (0.73)
			Absent	3.83 (0.85)
			Present	3.81 (0.84)
			National	4.24 (0.70)
			Discount	3.46 (0.79)
			Emotional	3.73 (0.89)
			Functional	3.91 (0.79)

4.5 Brand Feelings

A. Main effects

No main effect of *discount supermarket context* on brand feelings was found ($F_{(7,425)}=3.77$, $p<.053$). However a main effect of *brand type* on brand feelings was established ($F_{(7,425)}=34.81$, $p<.001$). The mean score on brand feelings of participants who saw a national brand was significantly higher ($M=3.21$) than the mean score of participants who saw a discount brand ($M=2.52$).

And a main effect of *product type* on brand feelings was found ($F_{(7,425)}=12.28$, $p<.001$). The mean score on brand feelings of participants who saw a functional product was significantly higher ($M=3.05$) than the mean score of participants who saw an emotional product ($M=2.63$).

B. Interaction effects

An interaction effect of *discount supermarket context* and *brand type* on brand feelings was found $(F_{(7,423)}=7.85, p<.005)$ (Figure 9A). The mean score on brand feelings of participants who saw a national brand in a discount context was significantly higher ($M=3.50$) than the mean score of participants who saw a national brand in the absence of a discount context ($M=2.93$).

Another interaction effect of *discount supermarket context* and *product type* on brand feelings was established $(F_{(7,423)}=4.94, p<.027)$ (Figure 9B) The mean score on brand feelings of participants who saw a functional product in a discount context was significantly higher ($M=3.36$) than the mean score of participants who saw a functional product in the absence of a discount context ($M=2.83$). The mean score on brand feelings of participants who saw an emotional product was similar whether in the absence of a discount context ($M=2.66$) or an emotional product in a discount context ($M=2.62$).

At last an interaction effect was found between *brand type* and *product type* on brand feelings $(F_{(7,423)}=17.57, p<.001)$ (Figure 9C). The means score on brand feelings of participants who saw an emotional discount brand ($M=3.67$) was significantly higher than the mean score of participants who saw an emotional national brand ($M=2.75$). The means score on brand feelings of participants was similar whether they saw a functional national ($M=2.54$) or discount brand ($M=2.51$).

Means and standard deviations of brand feelings for different contexts, brand types and products types are shown in Table 10, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 9: Means and standard deviations of brand equity dimension: brand feelings

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		2.68 (1.09)
		Functional		3.17 (1.49)
	Discount	Emotional		2.63 (1.15)
		Functional		2.48 (1.13)
Present	National	Emotional		2.82 (1.07)
		Functional		4.17 (0.96)
	Discount	Emotional		2.44 (1.12)
		Functional		2.54 (1.15)
			Absent	2.73 (1.24)
			Present	2.96 (1.28)
			National	3.21 (1.30)
			Discount	2.52 (1.13)
			Emotional	2.63 (1.11)
			Functional	3.05 (1.37)

Figure 9: Interaction effects on brand feelings

A

B
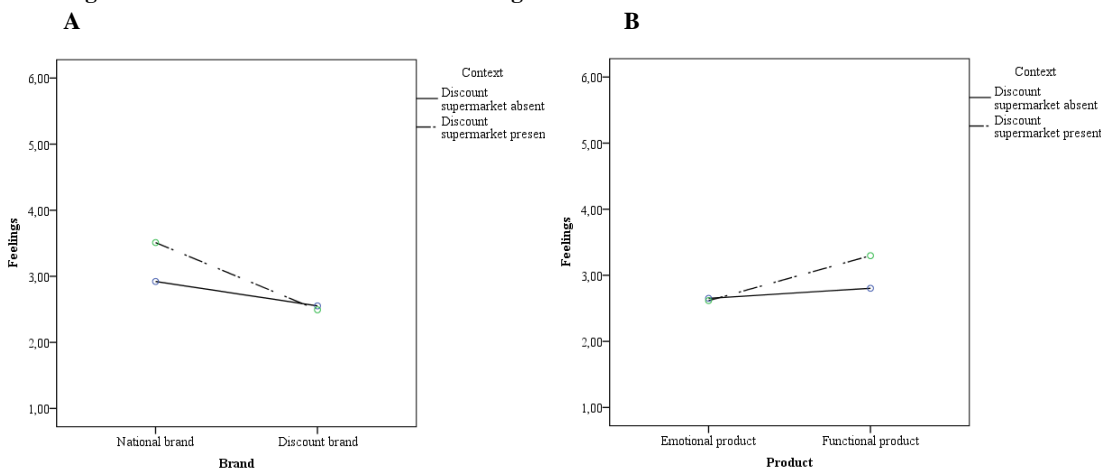
C
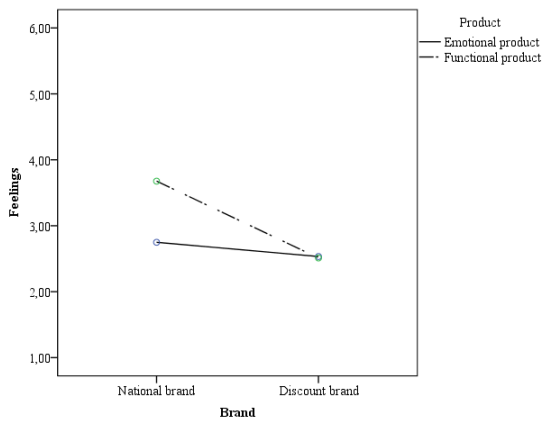
4.6 Brand Attitudes

A. Main effects

No main effect of *discount supermarket context* on brand attitudes was found ($F_{(7,425)}$=.35, p<.556). However a main effect of *brand type* on brand attitudes was found ($F_{(7,425)}$=116.25 p<.001). The mean score on brand attitudes of participants who saw a national brand was significantly higher (M=4.99) than the mean score of participants who saw a discount brand (M=3.91).

Also there was a main effect of *product type* on brand attitudes was established ($F_{(7,425)}$=15.74, p<.001). The mean score on brand attitudes of participants who saw a functional product was significantly higher (M=4.63) than the mean score of participants who saw an emotional product (M=4.19).

B. Interaction effects

No interaction effect of *discount supermarket context* and *brand type* on brand attitudes was established ($F_{(7,423)}$=3.02, p<.083). And no interaction effect of *discount supermarket context* and *product type* on brand attitudes was established ($F_{(7,423)}$=.52, p<.472).

However an interaction effect was found between *brand type* and *product type* on brand attitudes ($F_{(7,423)}$=11.49, p<.001) (Figure 10). The means score on brand attitudes of participants who saw an emotional national brand (M=4.95) was significantly higher than the mean score of participants who saw an emotional discount brand (M=3.53). The mean score on brand attitudes of participants who saw a functional national was significantly higher (M=5.03) than the score of participants who saw a functional discount brand (M=4.28).

Means and standard deviations of brand attitudes for different contexts, brand types and products types are shown in Table 11, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 10: Means and standard deviations of brand equity dimension: brand attitudes

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		5.04 (1.03)
		Functional		5.05 (1.19)
	Discount	Emotional		3.44 (1.17)
		Functional		4.13 (0.78)
Present	National	Emotional		4.85 (0.91)
		Functional		5.02 (0.94)
	Discount	Emotional		3.62 (0.96)
		Functional		4.43 (1.02)
			Absent	4.38 (1.24)
			Present	4.45 (1.10)
			National	4.99 (1.02)
			Discount	3.91 (1.06)
			Emotional	4.19 (1.24)
			Functional	4.63 (1.06)

Figure 10: Interaction effect on brand attitudes

4.7 Brand Experiences

A. Main effects

No main effect of *discount supermarket context* on brand experiences was found ($F_{(7,425)}$=.17, p<.683). Also no main effect of *product type* on brand experiences was established ($F_{(7,425)}$=1.30, p<.254). However a main effect of *brand type* on brand experiences was found ($F_{(7,425)}$=227.72, p<.001). The mean score on brand experiences of participants who saw a national brand was significantly higher (M=5.67) than the mean score of participants who saw a discount brand (M=4.28).
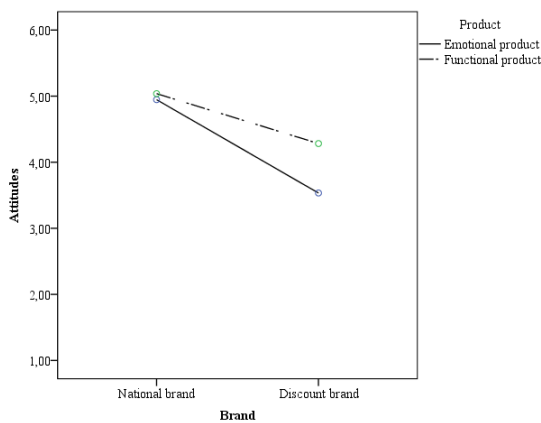
B. Interaction effects

No interaction effect of *discount supermarket context* and *brand type* on brand experiences was established ($F_{(7,423)}$=3.28, p<.071). Also no interaction effect of *discount supermarket context* and *product type* on brand experiences was established ($F_{(7,423)}$=.34, p<.563).

However an interaction effect between *discount supermarket context* and *brand type* on brand experiences ($F_{(7,423)}$=24.02, p<.001) was found (Figure 11). The mean score on brand experiences of participants who saw an emotional national brand was significantly higher (M=5.84) than the mean score of participants who saw an emotional discount brand (M=4.01). The mean score on brand experiences of participants who saw a functional national brand (M=5.51) was significantly higher than the score of participants who saw a functional discount (M=4.55).

Means and standard deviations of brand experiences for different contexts, brand types and products types are shown in Table 12, the used scale is a 7-point Likert scale (1='totally disagree'; 7='totally agree').

Table 11: Means and standard deviations of brand equity dimension: brand experiences

Context	Brand type	Product type	Combined	M (SD)
Absent	National	Emotional		6.03 (0.59)
		Functional		5.42 (1.26)
	Discount	Emotional		3.82 (1.00)
		Functional		4.52 (0.80)
Present	National	Emotional		5.64 (0.98)
		Functional		5.59 (0.91)
	Discount	Emotional		4.19 (0.81)
		Functional		4.58 (0.94)
			Absent	4.91 (1.26)
			Present	4.95 (1.10)
			National	5.67 (0.98)
			Discount	4.28 (0.94)
			Emotional	4.87 (1.27)
			Functional	5.00 (1.09)

Figure 11: Interaction effect on brand experiences
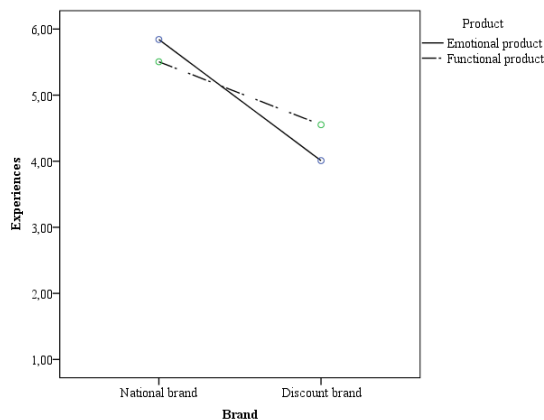
Table 13: Overview of significant results

Brand Equity dimension	Discount supermarket context (H1)	Brand type (H2)	Discount supermarket context x brand type (H3)	Product type (H4)	Discount supermarket context x product type (H5)	Brand type x product type (H6)
Brand awareness	Not significant	Significant	Significant	Not significant	Not significant	Significant
Brand attributes	Not significant	Significant	Not significant	Not significant	Significant	Significant
Brand benefits	Not significant	Significant	Not significant	Not significant	Not significant	Significant
Brand images	Not significant	Significant	Not significant	Significant	Not significant	Not significant
Brand feelings	Not significant	Significant	Significant	Significant	Significant	Significant
Brand attitudes	Not significant	Significant	Not significant	Significant	Not significant	Significant
Brand experiences	Not significant	Significant	Not significant	Not significant	Not significant	Significant

Chapter 5: Discussion

In this Chapter, the main research question "'Does brand image transfer occur on national brands when available in the discount supermarket?'' is answered. In Section 5.1, the results of this study are discussed according to the formulated hypotheses and conclusions are drawn.

In Section 5.2, managerial implications of the study are presented and in Section 5.3, the limitations of this study and recommendations for future research are discussed.

5.1 Conclusions

The study at hand investigated the effects of supermarket context, brand type and product type on brand equity dimensions.

The effect of each variable and the interaction effects between these variables on brand equity dimensions were are analyzed by means of a MANOVA. The six hypotheses are displayed in Figure 13, which will guide the conclusions. Finally, the established key issues that are important for this study will be discussed.
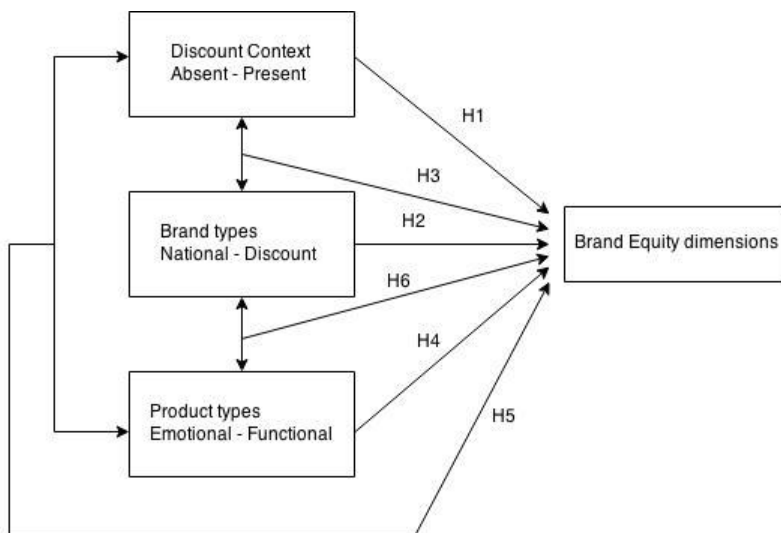
Figure 12: Research model to guide conclusions

H1: If a brand is presented in a discount supermarket context, the brand equity dimension of this brand is evaluated lower than if the discount supermarket context is absent.

Based on literature (Keller, 2003; Wu et al., 2011) it was expected that the brand equity of a brand that is presented in a discount supermarket context is lower than if the discount supermarket context is absent. In this study a main effect between supermarket context and the total combination of the seven dimensions of brand equity was determined.

However a main effect of supermarket context on each of the dimensions individually was not established. H1 is therefore partially supported in the sense that a discount supermarket context has a negative influence on the brand equity as a whole, but not on the separate dimensions of brand equity. Apparently the separate dimensions of brand equity reinforce themselves and a discount supermarket context only has a negative influence on the result of this reinforcement.

H2: National brands are evaluated higher on brand equity dimensions than discount brands.

Based on literature (Keller, Parameswaran & Jacob, 2011) it was expected that national brands are evaluated higher on brand equity dimensions than discount brands. This hypothesis was confirmed in this study, national brands were evaluated higher on all the brand equity dimensions separately and on the combination of the seven brand equity dimensions.

H3: If national brands are presented in a discount supermarket context, their brand equity dimensions are evaluated lower than if a discount supermarket context is absent.

Based on literature (Hekkert, 2006; Smith, 2004; McCracken, 1989) an interaction effect was expected between discount supermarket context and brand type on brand equity. In this study an interaction effect between discount supermarket context and brand type on the total combination of the seven dimensions of brand equity was established.

When looking at the seven brand equity dimensions separately only an interaction effect between supermarket context and brand type was found on the dimensions brand awareness and brand feelings. As expected nationals brands were evaluated lower on the dimension brand awareness in a discount supermarket context than if a discount supermarket context was absent. However national brands were evaluated higher on the dimension brand feeling in a discount supermarket context than if a discount supermarket context was absent. In other words, participants experienced more positive feelings towards a national brand when this brand was presented in a discount supermarket context.

A possible explanation for this phenomena people normally doesn't associate a national brand with a discount supermarket. When such a context is created, their feelings towards this brand could be increased as a result of the fact that such a brand "stands out" in a discount supermarket context (Wu et al., 2011). Perhaps when people see the discount supermarket context they subconsciously compare the national brand with the discount brands that are normally available in a discount supermarket, resulting in a more positive feeling towards the national brand. And when a discount supermarket is absent the national brand is maybe subconsciously compared with other national brands.

It can be concluded that H3 is not confirmed in this study. Only on two dimensions (brand awareness and brand feelings) an interaction effect between discount supermarket context and brand type was established and one interaction effect was directed in the opposite direction as was expected.

H4: Emotional products are evaluated higher on brand equity dimensions than functional products.

Based on literature (Putsis & Dhar, 2001; Walla, Brenner & Koller, 2011; Thompson, Rindfleisch & Arsel, 2006) it was expected that emotional products are evaluated higher on brand equity dimensions that functional products.

An effect was found of product type on brand equity as a whole. However this effect had the opposite direction as was effected, namely functional products were evaluated higher than emotional products on brand equity as a whole. When looking at the brand equity dimensions separately there was a significant effect of product type on brand images, brand feelings and brand attitudes. So H4 is not confirmed in this study.

A partial explanation of these finding could be the possibility that in general little emotions are evoked by supermarket products. So maybe in supermarket products there is no such thing as really functional or really emotional products.

It could be that the emotional product in this study (chips) didn't really generated more emotions than the functional product in this study (toilet paper) and that therefor emotional products weren't evaluated higher on brand equity dimensions (Quester & Lin Lim, 2003; Pham, 1998). However the two products didn't just score equally on brand equity dimensions, but the functional product score higher than the emotional on brand images, brand feelings and brand attitudes. A possible explanation for this effect can't be given at this moment, further research is necessary to either confirm or disconfirm the findings in this study.

H5: If emotional products are presented in a discount supermarket context their brand equity dimensions are evaluated lower than if the discount supermarket context is absent; if functional products are presented in a discount supermarket context their brand equity dimensions are evaluated equally as if the discount supermarket context is absent.

Based on literature (Pan & Zinkhan, 2006; Deleersnyder et al., 2007; Pan & Zinkhan, 2006) it was expected that if emotional products are presented in a discount supermarket context their brand equity dimensions are evaluated lower than if the discount supermarket context is absent; and that if functional products are presented in a discount supermarket context their brand equity dimensions are evaluated equally as if the discount supermarket context is absent.

In this study an interaction effect of product type and discount supermarket context on brand equity as a whole was established. When looking at the brand dimensions individually, an interaction effect was found on the brand equity dimensions brand attributes and brand feelings. Functional products scored higher instead of equal on brand attributes and brand feelings. Emotional products actually scored lower on brand attributes, but equally on brand feelings. So H5 is partially confirmed, namely for two of the seven dimensions. A possible explanation for this effect can't be given at this moment, further research is necessary to either confirm or disconfirm the findings in this study.

H6: Emotional national brands are evaluated higher on brand equity dimensions than emotional discount brands; functional discount brands are evaluated higher on brand equity dimensions than functional national brands.

Based on the theoretical framework it was expected that emotional national brands are evaluated higher on brand equity dimensions than emotional discount brands and functional national brands are evaluated equally on brand equity dimensions as functional discount brands. An interaction effect of product type and brand type on brand equity as a whole was established. When looking at the seven brand equity dimensions an interaction effect was found on brand awareness, brand attributes, brand feelings, brand attitudes and brand experiences.

With each of the seven brand equity dimension, except for brand feelings, the emotional national brands scored higher than emotional discount brands and functional national brands scored higher than functional discount brands. So H6 is partly confirmed, namely for six of the seven brand dimensions. The same explanation as to H4 can be given here. Maybe in supermarket products there is no such thing as really functional or really emotional products. That explains why national brands regardless of product type, score higher. Further explanations for this effect can't be given at this moment, further research is necessary to either confirm or disconfirm the findings in this study.

5.2 Managerial implications

While Deleersnyder and Koll (2012) shed light on the financial and economic consequences of including national brands into a discount assortment, this study focused on the changes in brand equity with national brands. Despite not seeing significant differences on independent variables brand equity with discount supermarket context, there was an overall main effect.

This implies that brand equity as a whole is influenced when national brands are presented in a discount supermarket. For brand managers this is a consideration if their brands are strong enough to handle such changes. In specific, on brand awareness there is an interaction effect shown between supermarket context and brand. The interaction effect could be due to brand confusion, therefore national brand manufactures need to ensure consumers that they are purchasing national brand products; this is possible with communicating in the store or on packaging and labelling.

This study also shows that there is a distinction between functional and emotional products, specifically between emotional products and national brand. It appears that emotional national brands are evaluated with lower brand equity when the discount supermarket context is present. Thus, manufacturers of emotional national brand products should be aware of these possible effects when entering the discount supermarket environment.

5.3 Limitations and future research

Research limitations

Participants may already have had formed strong attitudes towards national brands. Therefore it is difficult to measure to which extent the manipulation in this study had influence.

Otherwise, it is likely that consumers did not have formed strong attitudes towards discount brands and therefore lacked brand knowledge which could have influenced their answers about discount brands (Peter & Olson, 2001).

In addition to that, the impact of the manipulation used in this study is questionable. Participants have only seen a national brand with an Aldi discount supermarket logo; they had little to no information about actually entering the discount supermarket. In this study it is only measured if placing the logo of the Aldi supermarket would affect. It could be that participants have experienced this manipulation as confusing and thereby have not been able to evaluate their changes towards the national brand.

Also the distinction between functional and emotional product types resulted in interesting conclusions but further research is necessary to provide more insights. The results of this study are not generalizable for all emotional and functional products because it was difficult to interpret the results precisely. The results from this study serve as an indication for national brand manufacturers.

Future research

First of all, future research could look at stronger manipulations such as actual announcements of national brand product launches or pictures of shelves of discount supermarkets. Or an option would perhaps be to question participants in an actual discount supermarket environment.

Future research could also focus on the effects of entering the discount supermarket in a longitudinal study that measures brand equity at different points in time. Furthermore, qualitative research on national brands in the discount supermarket could shed more light on relevant aspects of entering the discount supermarket. At last, future research could also find out how communication about entering the discount supermarkets (e.g. via TV-commercials) should happen or is received.

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Appendix A – Questionnaire

Dear participant,

To finish my master Marketing Communication at Twente University, I would like you to participate in an investigation. When filling out the questionnaire, you will see a brand and a product. It is not possible to give a wrong answer, because it's your personal opinion. Your responses will remain anonymous and will not be used for purposes other than this investigation.

Thank you for your participation,

Rozanne Harleman

The first part of this study is about general information and your supermarket experience.

What is your gender?

Man
Woman

What is your age?
Years:

What is your living situation?
Single
Cohabiting without children
Living with children

What is your highest level of education?
Elementary
VMBO
HAVO
VWO
MBO
HBO
WO

What are your three favorite supermarkets for groceries?
Albert Heijn
Jumbo
Plus

Aldi
Lidl
Dirk
Coop
C1000
Spar
EMTÉ

If you had to choose one favorite supermarket, which one would it be?
Albert Heijn
Jumbo
Plus
Aldi
Lidl
Dirk
Coop
C1000
Spar
EMTÉ

What percentage of your grocery budget goes to the following brands?
National brands
Private label brands

If you choose private label brands, why would you choose to do so?
If you choose national brands, why would you choose to do so?

Below is a picture of the Lays brand. The following questions are about.

In the past year (2014), how many times have you bought a product of the Lays brand?

0-5	5-10	10-15	15-20

How was the experience with the brand?

Very bad	Bad	Somewhat bad	Not bad / not good	Somewhat good	Good	Very good

Did using the brand; match the expectations you had prior to purchasing?

Completely disagree	Not agree	Somewhat agree	Not disagree/not agree	Somewhat agree	Agree	Completely agree

The following statements are still going on Lays. Please indicate on the scale to what extent you agree with the statements about the brand; from completely disagree to completely agree.

Completely	Not	Somewhat	Not	Somewhat	Agree	Completely agree

	disagree	agree	agree	disagree/not agree	agree		
I have difficulty in imagining this brand in my mind.							
Brand X makes me feel good.							
I can recognize this brand among competing brands.							
Brand X helps me to better fit into my social group.							
This brand comes up first in my mind when I need to make a purchase decision on the product.							
Usage of brand X prevents me from looking cheap.							
Brand X makes me feel delighted.							
This brand is the only brand recalled when I need to make a purchase decision on the product.							
This branded product has good workmanship.							
Brand X performs as it promises.							
People who use this brand portray status and style that I admire.							
This branded product is a good product for its price.							
This brand does not make me think.							
This branded product has consistent quality.							
The people who purchase this brand are admired or respected by others.							
Brand X increases my frequency of use.							
This branded product is well made.							
I did a lot of thinking when I come across this brand.							
This user of this brand possesses the characteristics that I would like to have.							
Brand X enhances the perceptions that I have a desirable lifestyle.							
I do not have emotions for this brand.							
This branded product is reasonably priced.							

I have a clear image of the specific situation where people are most likely to wear this branded product.							
This brand is an emotional brand.							
This brand induces feelings and sentiments.							
This branded product would be economical.							
Brand X gives me pleasure.							
It would be nice to be like this person which advertisements show using this brand.							
Brand X makes me beautiful.							
Brand X can be dependable for use.							

Below a picture of the same brand and the same product. The following questions are about this brand and product.

The following statements are still about Lays. Please indicate on the scale to what extent you agree with the statements about the brand; from completely agree to completely disagree.

This brand is:

	Completely disagree	Not agree	Somewhat agree	Not disagree/not agree	Somewhat agree	Agree	Completely agree
Down-to-earth							
Honest							
Wholesome							
Cheerful							
Daring							
Spirited							
Imaginative							
Up-to-date							
Reliable							
Intelligent							
Succesful							
Upper class							
Charming							
Outdoorsy							
Tough							

I think Lays is:

Unattractive										Attractive
Bad										Good
Unpleasantly										Pleasant

Unfavorable						
Unkind						

Please indicate on the scale to what extent you agree with the statements about the brand; from completely agree to complet

I would rather buy this brand than other available brands.						
I am willing to advise others to buy this brand.						
In the future, I am willing to buy this brand.						

What do you think this study wanted to find out?

If you want to win the prize, please write your e-mail address:

This was the end of the questionnaire. Thank you very much for your participation.

Appendix B – Stimulus materials

Condition 1: Emotional-national brand

Condition 3: Emotional-discount brand

Condition 2: Functional-national brand

Condition 4: Functional-discount brand

Condition 5: Context: emotional-national brand

Condition 7: Context: emotional-discount brand

Condition 6: Context: functional-national brand

Condition 8: Context: functional-national brand