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The relationship between brand orientation, customer orientation, competitor orientation and brand distinctiveness in SA retailing

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2015
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The relationship between brand orientation, customer orientation, competitor orientation and brand distinctiveness in SA Retailing

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A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing

Johannesburg, 2015

ABSTRACT

The South Africa Retailing industry is extremely competitive. Whether one looks at food, clothing, motor, or furniture, it is evident based on the distribution capabilities organisations develop i.e. bricks and mortar, and brands retailers keep in order to get ahead with a view to attaining a long term competitive advantage. Retailers need to invest in brands, competitor, and customer intelligence in order to attain and defend a differentiated position. If one takes a closer look at the retail industry, for example furniture retail, the levels of competition within this category have resulted in players aggressively investing in brands that have become household names.

A case in point is JD Group, which has adopted a strategic position that sees it invest in brands like Joshua Doore, Morkels, Bradlows, Price and Pride, Incredible Connection, Hi Fi Corp, and many more. This is all done with the intention of allowing the organisation to sustainably compete in all targeted categories and segments of the market.

Investing in brands invariably means that the organisation has a willingness to invest money in ensuring that the brands they keep are sufficiently distinctive in order to compete without cannibalisation. Investing in brands also means investing time, money and effort to understand the needs of customers, and the actions of competitors.

This study sourced primary quantitative data from employees of the JD Group, using a survey method, with the intention of understanding the relationship between brand orientation, customer orientation, competitor orientation and brand distinctiveness in the South African retailing sector from an employees' perspective.

DECLARATION

I, Siphesihle Zulu, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Management in Strategic Marketing in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other University.

Siphesihle Zulu

Signed at…….

On the……day of…….20……..

ACKNOWLEDGEMENTS

I would like to thank all those who have contributed to the completion of this research report.

To my supervisor Professor Richard Chinomona, thank you for your invaluable advice and intellectual support throughout this testing and fulfilling journey. I would never have made it this far without your guidance.

Thank you to Dr. Rein Coetzee, Renee Griessel, S'khumbuzo Mlangeni, and Ursula Grobler from JD Group for supporting my studies.

Recognition and appreciation is also due to all my friends for assisting in reviewing my work and for offering words of encouragement. I am grateful to my family and my children for their understanding and support.

I am indebted to all the respondents who freely gave their valuable time to share their experiences with me. Their contributions are much appreciated.

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CHAPTER 1. OVERVIEW OF THE STUDY

1.1 Introduction

This chapter will cover the context of the study, the problem statement, the purpose of the study, research objectives and questions, significance and delimitations, definition of terms and assumptions. The research flow and outline of the study will also be covered in the latter part of this chapter.

1.2 Context of the study

Understanding that the South African retailing sector is a highly competitive environment with a plethora of brands intended to allow organisations to claim their share of this lucrative market, it is important that the drivers of brand competitiveness are understood (FNB, 2009; Economic Analysis Unit of SRM, 2012). Furthermore, it is critical to understand the role played by competitors and customers as organisations seek to be different.

With the South African retailing industry having developed over the past decades, economic activity within this industry is rife, and competition intense. With drastic urbanisation, and the decentralisation of shopping centres and malls from inner city (central business districts) to townships and other residential areas, customers are now enjoying better and wider choices (Economic Analysis Unit of SRM, 2012).This has put many retailers under tremendous pressure and has created the necessity for organisations to differentiate themselves from the competition, invest in understanding consumers and competitors better.

Almost all segments of the market are now catered for considering that the variety of store formats has increased, and the geographic distribution and spread of retailers has gone from urban, to peri-urban, and to rural areas (FNB, 2009; Economic Analysis Unit of SRM, 2012; PWC, 2012). Outlets now range from cafés, general dealers, specialty stores, exclusive boutiques, chain stores, department stores, cash

and carry wholesale-retail outlets and the co-operative stores. This intensifies competition even more, and calls for retail players to adopt a strategic orientation that sees them investing in brands and the capability to manage brands. (Economic Analysis Unit of SRM, 2012; Deloitte, 2012; PWC, 2012).

This study proposes that if competitive and successful brands need a clear positioning in the market and a compelling message, then brands in the South African retail sector need to work hard at attaining differentiation in order to be sustainable. Furthermore, for brands to compete alongside other brands, they need to meet the needs of customers, out manoeuvre the competitors in order to be regarded as distinctive or at least be sufficiently differentiated (Aaker D. A., 2004).

This study was conducted in the South African retailing sector which has developed over many decades (FNB, 2009; Economic Analysis Unit of SRM, 2012). The key consideration about this sector is that most organisations compete utilising multiple brands or a house of brands portfolio strategy which allows them to attract different segments or customers of varying sophistication levels (Economic Analysis Unit of SRM, 2012; FNB, 2009). This makes for any extremely competitive market as organisations utilise brands in order to compete in the long-term. These brands represent unique capabilities that organisations invest in for a long-term sustainable future of their businesses

It is for this reason that the dynamic capabilities theory or view was adopted to ground this study. The dynamic capabilities theory is an extension of resource based theory where researchers suggest that for an organisation to survive and be competitive in the long-term; it needs to appropriately adapt, and reshape itself as the environment changes (Cavusgil, Seggie, & Talay, 2007; Teece, Pisano, & Shuen, 1997).

Therefore, this study postulates that companies investing in brands are in fact investing in specific organisational capabilities as brands need to be dynamic and focus on the future. This is in line with researchers' views that companies need to develop new strategies by adapting to customer requirements and competitor actions. (Teece, Pisano, & Shuen, 1997).

In the context of the South African retailing sector, organisations investing in customer and competitor understanding in order to develop long-lasting brand capabilities are seen as brand oriented, as they are building capabilities that will ensure that their businesses achieve sustainable competitiveness through differentiation or distinctiveness. (Teece *et al.*, 1997 ; Borch & Madesen, 2007).

This view is further confirmed by other researchers who propose that organisations have only two key objectives, and these objectives are to achieve solid performance, and to attain a competitive advantage in the market (van Vuuran & Worgotter, 2013).

The view that this study puts forward is that brand oriented organisations want to effect a long-term sustainable and positive change to the market through brands, and such market driving efforts requires organisations to consider, amongst other things, market orientation, technological orientation or entrepreneurial orientation in order to remain competitive (van Vuuran *et al.*, 2013).

Furthermore, brand oriented organisations intend to end up with well positioned brands, and brands that have value (Huang & Tsai, 2013). In an attempt to create value which ensures that brands are in a position to compete, brand-oriented companies also have to ensure that the activities, resources, and competencies of different units work in unison (Urde, 1994). This view by the author implies that if there is no cooperation amongst business units, it would be impossible to achieve successful execution of a brand strategy as an envisaged outcome in an organisation with a brand-oriented mind-set. Creation of brands further implies that these brands not only have to be well differentiated from competitors but also stand out as distinctive. Brands that are successful depend on the creation of high levels of awareness and distinctive brand image (Krishnan, 1996; Keller, 1998).

In markets where, products are similar with nothing really interesting to tell customers, a reasonable objective for any brand would be to achieve differentiation (Aaker, 2004). Even though this study does not necessarily investigate differentiation, it is important to understand the confusing similarities between the two concepts and to note the view by that a reasonable objective of any brand is to achieve differentiation and the author goes on to state that brand differentiators include

distinctiveness, relevance, perceived quality and increase in popularity, & awareness and understanding (Aaker, 2004). Other authors advance a view that differentiation or distinctiveness should not be cosmetic or “meaningless” as it adds no value to real product or brand differentiation (Resnik & Stern, 1997). Therefore, it not just about a different colour or format, it is about being distinctive and standing for something different.

Theory suggests that brands that are less predisposed to substitution are less likely to have direct competition (Romaniuk, Sharp, & Ehrenberg, 2007), which invariably means that those brands are much more distinctive compared to competitors’ brands and appeal to the needs of customers. The statement by the author supports what this study intends to investigate.

This study investigated brand orientation, competitor orientation, and customer orientation as precursors of brand distinctiveness, it is critical that these constructs and their underlying dimensions are understood.

The concept of brand orientation began to surface in the 1990’s with a view to encapsulating how a company needs to organise itself internally in order to ensure that it is in a position to build and sustainably manage strong brands (Gromark & Melin, 2011). This implies that for organisations to have strong and successful brands, they need to arrange themselves such that they are in a position to manage these brands, as brand building is now regarded as a process (Gromark *et al.*, 2011).

Market orientation on the other hand is assumed to be a culture of an organisation that dictates that customer satisfaction should come first (Liu, Luo, & Shi, 2002). As customer demands change over time, organisations need to be a position to respond to the changing tastes and dynamic market place (Jaworski & Kohli, 1993). While its conceptualisation has been rather heavily debated, market orientation is assumed to have the following components; 1) customer focus, 2) competitor focus, and 3) inter-functional coordination. The current study only looks at only two sub dimensions of market orientation, and treats them as independent constructs.

One of the key arguments amongst researchers has to do with which one comes first - market orientation or brand orientation? Wong & Merrilees (2008), suggest that market orientation precedes brand orientation whilst other authors suggest a synergistic relationship between the two concepts (Baumgarth, Merrilees, & Urde, 2013). As a result, for this particular study, brand orientation precedes two sub dimensions of market orientation i.e. competitor orientation and customer orientation.

This study is situated in South African retailing sector. The South African furniture retailing sector has many players that have a presence in the different segments of the market across Living Standards Measure (LSM's). These players include JD Group which has been in the furniture retailing industry for over 30 years – with brands like Russells, Morkels, Price & Pride, Electric Express, Barnetts, Joshua Doore, HiFi Corp, Incredible Connection and more.

JD Group offers a wide range of furniture goods, consumer electronics, appliances and building materials to the value-conscious mass market customers (JD Group, 2014). JD Group as a brand oriented organisation puts money behind brands with a view to gaining market share and attracting customers that are looking for something different from each brand offering (JD Group, 2014). So, JD Group represents an ideal setting to empirically investigate brand orientation, customer orientation, competitor orientation and brand distinctiveness as the company regards all its brands as distinctive, with different competitors and appealing to different customers.

1.3 Problem statement

A significant amount of research work conducted in the recent years focuses on brand orientation and its relationship with leadership and management with a view to guiding organisations on how to organise themselves if they choose to be brand oriented organisations (Baumgarth *et al.,* 2013). Furthermore, researchers have gone on to explore the concept of brand orientation in the public sector and organisations that do not work for profit, public sector, small business and Higher Education (Reijonen, Laukkanen, Komppula, & Tuominen, 2012; Casidy, 2013; Baumgarth et al., 2013).

Acknowledging that retail related studies have been done recently in similar markets like Malaysia (Bridson, Evans, Mavondo, & Minkiewicz, 2013; Fadzline, Nor, & Mohamed, 2014), few have focused on retail particularly in the South African context. The gap in knowledge is on research studies that have investigated brand distinctiveness as an outcome of brand orientation, competitor orientation, customer orientation, hence the justification for this study.

The problem is that if the relationship between brand orientation, customer orientation, competitor orientation and brand distinctiveness is not clearly understood, brand practitioners run the risk of making decisions that are not informed or at least poorly informed. This can be to the detriment of long-term viability of organisations. At worst, investing money in building brands only to have those brands lose relevance by failing to monitor competitor activity and changing customer needs.

It is also important to note that studies concluded that leaders of organisations are an important ingredient in ensuring brand oriented organisations. Therefore, brand orientation as a strategic option is not in the hands of just brand managers or .marketing executives but rather in the hands of CEO's as they provide strategic directions (Urde, Baumgarth, & Merilees, 2011). Therefore, this study will help inform leaders who set the direction or the organisation, through corporate strategy. Considering the financial investment required to pursue brand orientation as a strategy or to invest in brand building, it is important that organisations invest wisely as they seek to differentiate themselves and for the leadership to be aware of what they are getting themselves into if they choose a particular strategic orientation (Parker, 2009).

The intended outcome out of this study is to explore the relationship between brand orientation, competitor orientation, and customer orientation with a view to understanding how the two influence brand distinctiveness. Researchers suggest that not enough work has been done to understand the relationship between these strategic choices (Baumgarth *et al*., 2013).

1.3.1 *Main problem*

The main problem is the limited understanding of the synergistic relationship between brand orientation, competitor orientation, customer orientation and brand distinctiveness by brand and marketing practitioners. This is particularly in the South African retail context. This lack of understanding or limited knowledge is likely to result in poorly informed strategies that can have dire consequences for organisations that invest in brands.

1.3.2 *Sub problem 1*

Does brand orientation, influence competitor orientation, and customer orientation, in South African retailing sector?

1.3.3 *Sub problem 2*

Does competitor orientation and customer orientation influence brand distinctiveness in South African retailing sector?

1.4 Purpose of the study

The purpose of the study is to examine the influence of brand orientation, competitor orientation, customer orientation, and brand distinctiveness in South African retailing sector.

1.5 Research objectives

This study has theoretical and empirical objectives that it seeks to address, and they are outlined below. The theoretical objectives will be addressed through a comprehensive review of literature whilst the empirical objectives will be addressed by a research investigation.

1.5.1 *Theoretical objectives*

- To review literature on brand orientation
- To review literature on customer orientation
- To review literature on competitor orientation
- To review literature on brand distinctiveness

1.5.2 *Empirical objectives*

- To investigate the influence of brand orientation on customer orientation
- To investigate the influence of brand orientation on competitor orientation
- To investigate the influence of customer orientation on brand distinctiveness
- To investigate the influence of competitor orientation on brand distinctiveness

1.6 Research questions

- To what extent does brand orientation influence customer orientation?
- To what extent does brand orientation influence competitor orientation?
- To what extent does customer orientation influence brand distinctiveness?
- To what extent does competitor orientation influence brand distinctiveness?

1.7 Significance of the study

One of the strategies that companies employ in order to aggressively grow market share, drive penetration or dominate certain segments is by developing and investing in multiple-brand strategies, and this results in organisations spending a lot of money in order to ensure that such brands are clearly differentiated (Parker, 2009). This view is further confirmed by other research work that suggests that brand building is expensive and executives must ensure that brand clarity is achieved in order for brands to perform or at the very least, achieve brand leadership (Aaker, 2004).

Investing in brands is a strategic option (Ahmed & Iqbal, 2013; Urde, Baumgarth, & Merilees, 2011).

Brand orientation is one of the strategies that an organisation can employ to build brand differentiation in order to achieve a competitive advantage (Baumgarth *et al.*, 2013; Urde, 1994; Evans, Bridson, & Rentschler, 2012). For purposes of this study, it must be reiterated that competitor orientation and customer orientation were treated as independent constructs and not as sub-dimensions of market orientation.

According to Baumgarth *et al*. (2013) ensuring that a brand remains a priority in an organisation ensures that such a brand is highly regarded by customers as it meets their demands, takes into account the actions of competing organisations, also helps align the organisations' internal processes to support brand building.

Taking into consideration what has been stated above, it is therefore important to understand if choosing brand orientation as a strategic option does indeed offer competitive advantages which are, amongst other things, brand distinctiveness.

According to Klopper & North, (2011) a relevant example in the retail sector in South Africa is where consumers who are loyal to the brands within the JD Group are not aware that such brands belong to one brand oriented organisation. This study will be useful in assessing if such brands are sufficiently distinctive in order to achieve the branding strategy objectives of the JD Group as this organisation has opted for brand orientation as a strategic option.

This study intends to positively contribute to the scholarship of brand orientation and brand distinctiveness in South Africa as an emerging market. It also aims to provide a scholarly view on the relationships between the three constructs, and how they relate to brand distinctiveness.

Findings from this paper will add value to the field of marketing in South Africa by helping companies and marketing executives understand the possible consequences of their strategic choices. Furthermore, the study will help close a gap in literature as researchers suggest that more research should be conducted with a view to better understand the relationship between brand orientation and brand authenticity given the assumption that authentic brands come from organisations with high levels of brand orientation (Baumgarth et al., 2013).

Lastly, the study will shed light to brand distinctiveness as an alternative perspective to perceived brand differentiation, as brand distinctiveness draws marketers focus back the more traditional aspects of branding practice whilst brand distinctiveness is about brand perceptions in consumers' minds (Wong *et al.*, 2008; Romaniuk *et al.*, 2007; Urde *et al.*, 2011)

1.8 Delimitations of the study

The aim of this study is not examine whether distinctive brands in a brand-orientated organisation perform better or result in superior company performance, but more to examine whether brand distinctiveness can be achieved as a result of brand orientation.

The aim of this study is not to examine the relationship between brand orientation and market orientation. It merely looks at two dimensions of market orientation that might be pertinent to delivering a brand strategy successfully.

This study focuses on the employees of an organisation with a view to assessing their perceptions regarding the levels of distinctiveness in the brands that they manage or work for.

By no means does this study attempt to understand which of the highly debated constructs i.e. brand orientation and market orientation is more important than the other or which one comes first.

1.9 Definition of terms

1.9.1 *Brand orientation*

"Brand orientation is when an organisation chooses brand management as a strategic and comprehensive activity of the entire organisation and views themselves as a brand or brands" (Aaker, 2000a). Therefore, this definition can be assumed to mean that the organisation arranges itself around brand management and chooses to practice it as a discipline. (Gromark & Melin, 2011).

1.9.2 *Customer orientation*

“A **customer orientation** holds that the main task of the organization is to determine the perceptions, needs, and wants of target markets and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable offerings” (Kotler, 1987), and this will be adopted as a working definition for this study.

1.9.3 *Competitor orientation*

“Customer orientation and competitor orientation are each defined symmetrically to market orientation, incorporating the components of generation and dissemination of intelligence and action” (Sorensen, 2008).

1.9.4 *Brand distinctiveness*

“Brand distinctiveness refers specifically to the brand and includes aesthetic cues such as shape, location, display promotions, colour, store atmospherics which entail the five senses: sight, sound, scent, touch, and taste and can include, for example, employee appearance” (Gaillard, Romanuik, & Sharp, 2005). It therefore means that brand distinctiveness captures all that is likely to help a customer remember, recall or recommend a brand.

1.10 Assumptions

There are various assumptions that are important in establishing a baseline for this study, and they are as follows;

- The findings can be generalised in another category or sector in South Africa.
- The respondents in the study will understand the strategic orientation of their current organisation.
- The respondents will not be biased in their responses considering that they will be answering question about brands and businesses that they manage or work for.

1.11 The research flow of the study

The process followed when the study was conducted is diagrammatically presented below. Figure 1.1 below outlines the flow. The process and procedures followed have ensured that the study is credible and sound.

Figure 1.1: Research flow



1.12 Outline of the study

What is addressed in this section is an outline of the study conducted.

Chapter 1: Overview of the study

This chapter covered the overview of the entire study which included the introduction, problem statement, the purpose of the study, research objectives and research questions, contribution and justification of the study, the research flow of the study as well as the outline of the study.

Chapter 2: Literature review

This chapter covers the review of literature on South Africa retail sector and a focus on JD Group, literature on brand orientation, competitor orientation, customer orientation, and brand distinctiveness, and finally hypotheses development.

Chapter 3: Research methodology and design

This chapter deals with the research methodology, and design used to address the objectives as outlined in chapter 1. It also covered data collection, validity and reliability of the research.

Chapter 4: Presentation of the results

In this chapter the results of the study are presented. The five (5) key sections are; descriptive statistics, scale item results, reliability and validity assessment results, CFA results, and Path Modelling results

Chapter 5: Discussion of the results

Chapter five focuses on the results discussion in relation to the research model, marketing practice.

Chapter 6: Conclusions and recommendation

Chapter six puts forward recommendations to the academia and marketing practitioners.

1.13 Summary

This chapter clearly outlined the context in which the study was conducted, and the objectives that the study was intending to address. Based on the significance of the study as explained, it can be expected that this study will contribute to the scholarship of brand orientation, customer and competitor orientation and brand distinctiveness in the South African retailing sector.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

This section consists of a review of the trends in the retailing sector, a discussion of the theoretical framework, and an investigation that seeks to understand the relationship between brand orientation, competitor orientation, customer orientation and brand distinctiveness.

2.2 Trends in the South African retailing sector

2.2.1 *Major retailers*

The retail competitive landscape is similar to other retail environments globally particularly in emerging market economies. The key player in the industry are Edcon Pty (Ltd), Pick n Pay Holdings Ltd, Shoprite Holdings Ltd, Spar Group Ltd, Woolworths Holdings Ltd and Massmart Holdings Ltd and JD Group in the furniture, appliances and electronics categories (FNB, 2009; JD Group, 2014; Economic Analysis Unit of SRM, 2012)

Based on industry reports, South Africa's top five retailers were ranked in the global top 250 retailers (Deloitte, 2012). The report further states that Shoprite was ranked 92nd in the retail sales rank, Massmart (126th), Pick n Pay ranked (133rd), Spar (179th) and Woolworths (222nd) (Deloitte, 2012).

The JD Group is one of the key players in furniture, electronics and appliances, DIY, motor vehicle sales and leasing, and also credit granting and micro insurance. It is part of Steinhoff Group which is ranked number seven (7) in the top eight (8) Africa Middle East Retailers (Deloitte, 2012)

2.2.2 *Furniture retail*

The JD Group's noteworthy market share of the South African furniture market positions it one of the biggest furniture retailers in the country (JD Group, 2014). The Group has 1 034 stores, trading under different yet well-known brands that have been in the market for over 30 years. The Group has a strong presence in the rural areas (JD Group, 2014). The JD Group aims for superior customer experience through providing good service, keeping the right range and superior store layout in order to meet customer expectations (JD Group, 2014).

2.2.3 *Electronics and appliances*

The JD Group also runs 36 HiFi Corp and 71 Incredible Connection stores, and each brand has its own identity and is positioned distinctively. (JD Group, 2014). Incredible Connection is positioned as a leader in specialist technology products with the widest range of quality products and brands (JD Group, 2014). This brand has a strong service orientation and focuses on customer education with a view to delivering superior service and meeting customer's needs (JD Group, 2014).

The Hi-Fi Corp brand targets the entry level customer or the mass-market as the aspirational brand of choice for home appliances, entertainment and technology products (JD Group, 2014). What allows this business to compete successfully is its strong focus on out-performing its competitors through offering persuasive best value deals to customers (JD Group, 2014).

2.2.4 *Consumer finance*

The retail businesses sell goods for cash or on credit. The credit transactions are funded by the financial services business which grants credit to the customers to fund the purchase (JD Group, 2014). This unit is also branded as JD Financial Services. The Group also has an insurance company that offers life and short term products to customers. This business is branded JDG Insurance.

2.2.5 *Automotive*

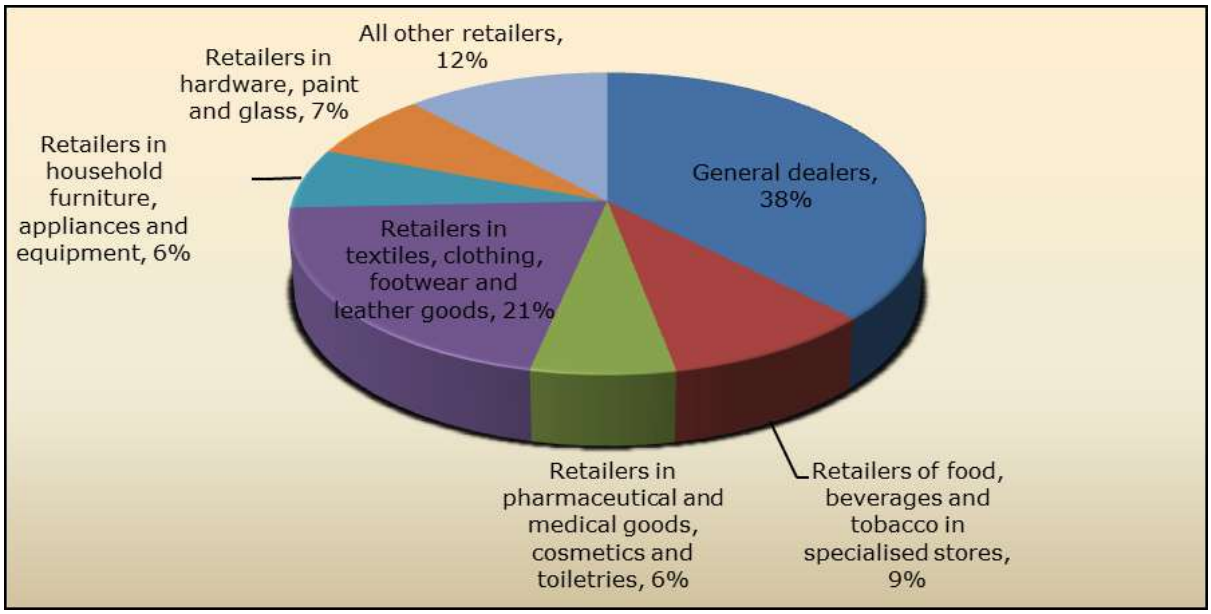
Unitrans Automotive is also a company within the JD Group that targets customers across all levels of sophistication. It has 84 dealerships and 34 car rental outlets located throughout Southern Africa (JD Group, 2014). This business has significant market share in South Africa. It sells a number of global motor vehicle brands in the mass-market (JD Group, 2014).

Considering all of the above, it is quite clear that the JD Group strategic orientation is investing in brands and operating in different categories and segments using a multiplicity of brands. Therefore, the findings of this study will certainly help inform the Group's strategic decisions and strategy formulation from the inside-out.

2.2.6 *Retail trends/sales*

Stats SA conducts surveys that are intended to inform the GDP estimates and the breakdown thereof (FNB, 2009; Economic Analysis Unit of SRM, 2012). The data is made available on a monthly basis by Stats SA. Figure 2.1 below depicts the composition of the retail sector in South Africa.

Figure 2.1: Composition of the retail trade sales, SA, 2011



Source: (FNB, 2009; Economic Analysis Unit of SRM, 2012)

As highlighted in Figure 2.1 above, the South African retailing industry has seven (7) key sectors. The sector in which this study is situated i.e. furniture, appliance and equipment contributes 7% to the retailing industry (FNB, 2009; Economic Analysis Unit of SRM, 2012)

2.2.7 *Retail industry analysis*

The retail industry analysis table below is intended to provide a view of the economic structure of the economy by outlining economic contributions by sector.

Table 2.1: Sectorial contribution

Sectoral Contribution	**2009**	**2010**	**2011**
Agriculture, forestry & fishing	2.6%	2.5%	2.6%
Mining & quarrying	5.9%	6.0%	6.0%
Primary Sector	**8.5%**	**8.6%**	**8.6%**
Manufacturing	16.8%	17.2%	16.9%
Electricity, gas & water construction	3.6%	3.5%	3.4%
Secondary Sector	**22.4%**	**22.8%**	**22.4%**
Wholesale & retail trade	13.6%	13.7%	13.8%
Transport & communication	10.3%	10.2%	10.3%
Finance & business services	23.7%	23.5%	23.6%
Community, social & personal services	21.5%	21.3%	21.3%
Tertiary Sector	**69.1%**	**68.7%**	**69.0%**

Table 2.1 above displays the sectorial contributions in the country's economy from 2009 to 2011. The table shows that the tertiary sector is a significant contributor to the economy with an average contribution of 69% between the years 2009 and 2011 (FNB, 2009; Economic Analysis Unit of SRM, 2012).

Of interest to this study is the wholesale & retail trade sub-sector which contributes approximately 13.7% to the economy. The retail industry falls within this sub-sector (FNB, 2009; Economic Analysis Unit of SRM, 2012).

2.2.8 *Factors influencing the growth of the retail industry*

The primary retail growth drivers in South Africa are the increase in the number of consumers with disposable income to spend on retail goods and services, as a result of the improvements in global economic conditions and local macroeconomic factors (FNB, 2009; Economic Analysis Unit of SRM, 2012)

Other factors resulting in retail growth can be linked to rapid urbanisation, high density residential growth, and retail migrating to residential areas (Economic Analysis Unit of SRM, 2012).The demand for retail is accelerated by, amongst other things, growth of the population and the quality of retail space, the increasing household income, and changes in household expenditure patterns (Economic Analysis Unit of SRM, 2012)

South African retail trends and industry analysis suggest that this sector is growing rapidly which means that more competitors are entering (including global players) the market, and customer choice is broadening (FNB, 2009; Economic Analysis Unit of SRM, 2012). For brand oriented organisations, it is therefore critical that they invest in understanding customers and competitor in order to ensure they are sufficiently differentiated in order to be sustainable in the long-term.

2.3 Theoretical grounding/framework

2.3.1 *Dynamic capabilities theory*

This study is anchored on the dynamic capabilities view or theory which is derived from or is a subset of resource based theory (Teece & Pisano, 1994) (Eisenhardt & Martin, 2000). This theory assumes as a basis for discussion that strategic management is when an organisation is concerned about how it can achieve, and sustain long-term competitive advantage in a market which it serves or seeks to serve (Teece *et al.*, 1997; Eisenhardt & Martin, 2000).

This research comfortably fits into the dynamic capabilities view as explained by researchers because it is the view of the researcher that the concern of organisations that own and invest in brands is to grow and extend over an extended period of time their ability to compete. This rings even true in a brand world where competition is based on innovation, price, product performance, better shareholder returns and creative destruction of existing competencies (Teece *et al.,* 1997; Danneels, 2000).

Researchers have over the decades identified many sources of competitive advantage and these include; the requirement for an organisation to develop a solid defensive position in the market, the control of information or the ability to strategic invest in capabilities that render the competition non-competitive and gaining efficiencies that are difficult to copy by building enduring advantages (Teece *at al.,* 1997). As proposed by other authors, a business needs to be defined by what it is capable of doing in order to survive in the long-term by putting forward a more long lasting basis for its strategy than telling the market which set of needs it seeks to satisfy (Grant, 2001; van Vuuran & Worgotter, 2013).

Just like questions are answered on why we need brands or a portfolio of brands to sustainably compete, researchers need to answer the following questions, what opportunities exist in order to save on the resources employed?, what are the imminent possibilities for employing assets more intensely and profitably? (Grant, 2001).

As this study regards building brands or investing in brands as an intention to build long-term sustainable defences, the researcher views it to be aligned to the dynamic capabilities theory, and resource-based theory.

2.4 Background literature discussion

2.4.1 *Brand orientation*

The concept of brand orientation is fairly recent and more research is encouraged with view to improving its understanding as this concept has been regarded as elusive in nature (Gromark *et al.*, 2011). Other authors suggest that when brands are seen as an important canvass or a basis for formulating a company strategy, that is the beginning of brand orientation (Urde, 1994).

Many definitions have been offered over the years by different scholars with a view to capturing or synthesising the concept of brand orientation. Other authors go on to mention that organisations that have adopted brand orientation as a strategy manage brands as strategic resources with a view to improving their competitiveness in the market (Wong & Merrilees, 2008; Huang & Tsai, 2013).

This view further supports the intended outcome of this study as competitive organisations would have in their portfolio clearly differentiated brands with distinctive images or clear identities in order to attain long-term competitive advantage (Aaker, 2004).

Table 2.2 below captures the different definitions of brand orientation as proposed my many researchers over the years.

Table 2.2: Definitions of brand orientation

AUTHOR	DEFINITION
Urde (1999)	An approach in which the processes of an organisation revolve around the creation, development and protection of brand identity in an on-going interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands.

Hankinson (2001)	The extent to which an organisation regards itself as brands and an indication of how much or little the organisation accepts the theory and practice of branding.
Bridson and Evans (2004)	The degree to which the organisation values brands and its practices are oriented towards building brand capabilities.
Baumgarth (2009)	The organisational wide process of generating and sustaining a shared sense of brand meaning that provides superior value to stakeholders and superior performance to the organisation.
Baumgarth (2009)	A specific type of marketing orientation, which is distinguished by the high relevance according to branding by top management. It also implies a strongly systematic approach to brand management characterised by an offer that is relatively constant, consistent and relevant to the buyer and clearly differentiated from the competition.

For purposes of this study the definition by (Baumgarth, 2009) is adopted as a working definition as it clearly addresses the differentiation issue that this study seeks to address.

2.4.2 *Drivers of brand orientation*

The three drivers of brand orientation are decreasing product divergence, increasing media costs, and the integration of markets, and such trends are seen by brand oriented organisations as either working for or against the organisation (Urde, 1994; Bridson *et al.,* 2013). Therefore, if an organisation faces decreasing product divergence, the opportunity for success lies in differentiation (Urde, 1994). Furthermore, if the trend across industry is that of organisations aggressively investing if advertising and shouting louder, the opportunity for success lies in the positioning of brands for long-term competiveness (Urde, 1994; Wong & Merrilees, 2008).

With brands starting to operate across multiple markets, it is important for an organisation to consider a review in their strategy as their brands will be marginalised or customers choosing the alternative (Urde, 1994).

2.4.3 *Key dimensions of brand orientation*

Gromark and Melin (2011) have identified the following as the key dimensions of brand orientation;

- Protection and policies
- Strategy, identity and positioning
- Organisation and implementation
- Goals and follow up

The dimensions identified assume that brand orientation is exemplified in the whole company and represent an operational and strategic foundation of managing brands (Gromark & Melin, 2011).

2.4.4 *Barriers of brand orientation*

Authors have identified lack of buy from the leadership, and poor financial support and commitment to fund key strategic brand projects, a myopic focus on just selling and meeting sales targets as the barriers of brand orientation (Evans, Bridson, & Rentschler, 2012). Therefore, organisations that adopt this strategic orientation need to make available the necessary resources in order to see this strategy through.

In conclusion, it is necessary that organisations utilise brands as competing tools as trends suggest poor differentiation in products, growth in advertising and territorial expansion (Urde, 1994; Gupta, Czinkota, & Melewar, 2013).

2.5 Market orientation

In earlier research work, researchers suggest that market orientation is probably synonymous with “information”, where they see it as representing three specific sets of activities which include the generation of market intelligence, the dissemination or movement of information within an organisation and the readiness or ability of an organisation to utilise the intelligence gathered (Harris, 1996; Kohli & Jaworski, 1990; Jaworski & Kohli, 1993; Sorensen, 2008). The authors further suggest that for an organisation to adopt and engender market orientation, it requires the buy in of top managers, a certain level of risk taking or risk appetite by the leadership of an organisation, reward or incentive systems and empowered staff who are in a position to take decisions (Kohli *et al.*, 1990; Jaworski *et al.*, 1993; Harris, 1996; Hakinson, 2012).

A market oriented organisation is concerned about finding sustainable value for its present and future customers, and this is achieved through a clear understanding of the competitor landscape, customer bases, and the organisation’s ability to deliver (Narver & Slater, 1990; Sorensen, 2008). Market oriented organisation consider themselves as focussing on interacting with the environment and not being inwardly focussed (Scott, 1992; Kohli *et al.*, 1990).

In terms of the key dimensions, authors take a view that market orientation combines an understanding of customers, competitors and the internal capabilities of an organisation (Sorensen, 2008; Mukerjee, 2013).

2.5.1 *Customer orientation*

Customer orientation has received a lot of attention from scholars and this has resulted in lots of investigations and literature with numerous contributions from researchers seeking to clarify this evolving concept (Lengler & Marques, 2013).Customer orientation requires that the full value chain of the customer is clearly understood and value is created through changing products or launching new products, increasing benefits or reducing costs in relation to the benefits (Narver *et al.*, 1990; Mukerjee, 2013).

Other scholars suggest that in order to create value for the customers, an organisation needs to understand the customer's political and economic circumstances (Lafferty & Hult, 2001). This means that a value proposition put forward by a brand needs to take all the customer's circumstances into account so that it meets the customers' value expectation (Sorensen, 2008). Therefore, it is not only about being better or more differentiated than the competition; it is about providing the right solution. Hence the suggestion by researchers that customer orientation is about being aware of the needs of the customers and developing solutions in order to meet them as well as reducing the customers' risks and sacrifices (Narver *et al.*, 1990; Day, 1998; Mukerjee, 2013).

So, as the author puts it, organisations need to be concerned about the current needs and wants of customers, and about their perceptual needs now and in the future (Narver *et al.*, 1990). This therefore suggests that a customer-oriented organisation has to create on-going communication channels with its current and future customers and develop a customer-focused business culture and environment (Hartline, Maxham, & McKee, 2000).

As the author rightly puts it, an organisation must figure out now what the customer wants now, and dream now what the customer dreams in future (Narver *et al.*, 1990; Mukerjee, 2013). This is in agreement with (Sorensen, 2008) assertion that the underlying objective of customer orientation is to arm executives with intelligence about the customer and this information can be drawn from surveys, complaints, compliments, databases, and even walk in clients with a view to informing future actions (Sorensen, 2008). It is really about preoccupation with trends and not just current reality.

So brand oriented or market oriented organisations need to invest in understanding their customers by being developing mechanisms that allow for a seamless between departments (Urde, 1999; Hartline *et al.*, 2000). As described by (Sorensen, 2008) customer orientation is about the ability of the organisation to generate intelligence, disseminate intelligence, and action.

2.5.2 *Intelligence generation*

The collection of information and insights about customers has traditionally been the responsibility of the marketing team (Sorensen, 2008). This was probably the right thing to do when the collection of such intelligence was for the sole purpose of understanding the behaviour and expectations of target buyers (Narver *et al.*, 1990). In market- oriented organisation, intelligence generation needs to a duty of all functions in the organisation (Sorensen, 2008).

Organisations need to put in place systems and processes in order to facilitate information gathering, particularly in departments that have some interactions with customers (Sorensen, 2008). The key take out about customer intelligence generation is that information or insights need to be gathered from employees and customers directly in order to ensure that it is wide-ranging (Sorensen, 2008).

2.5.3 *Intelligence dissemination*

Whilst it can be expected that most organisations have a lot of information, insights and intelligence that can help impact the organisation's future, it should be noted that such intelligence is of no use and does not improve the organisation's abilities and strategies if it is not disseminated (Sorensen, 2008).

Some of the issues that get in the way of information dissemination include but are not limited to; not knowing what is important and if it is important, it needs to be reported; and employees might regard the critical information that they hold as insignificant and not report it (Sorensen, 2008). It is therefore crucial that executives and the leadership in general build a "culture" of sharing information and communicating, also incentivising employees for sharing information that makes a difference (Sorensen, 2008).

2.5.4 *Action*

Collection and dissemination of information is only of value to the organisation if managers and executives take the appropriate action to address issues matters raised by the customers, and consequently create value for the customers (Sorensen, 2008). This is further confirmed by other researchers that action should be intended to elicit a positive response from the customer (Kohli *et al.*, 1990).

2.5.5 *Strategy without intelligence*

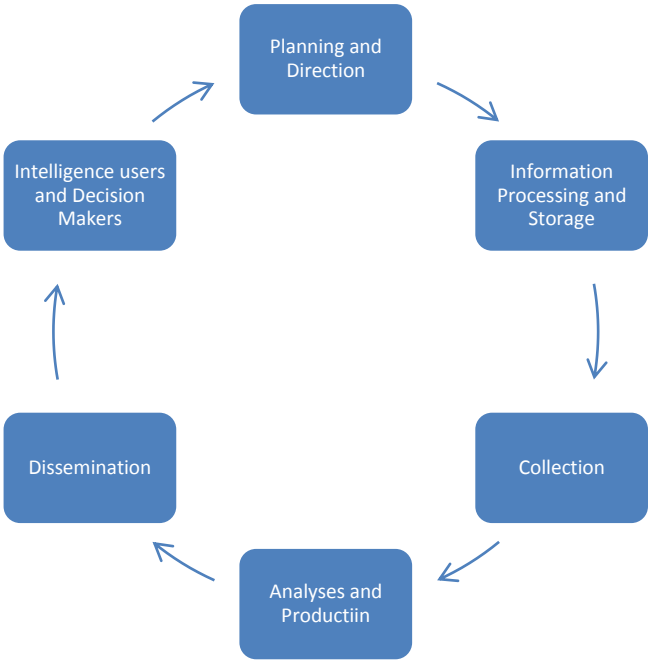
As customers' preferences change, the organisation runs the risk of customers adopting imitations and the brand losing market share (Naylor, 2002). Executives who run organisations without intelligence run the risk of making conclusions that cost a lot of money or at worst collapsing organisations (Naylor, 2002).

2.6 Competitor orientation

Researchers suggest that the concept of intelligence has a long and rich history that goes back over 2,000 years and has been seen as valuable in informing organisations and leadership with a view to improving the organisation's competitiveness and informing the strategic planning processes (Dishman & Calof, 2008). Organisations that are market oriented understand what they stand to lose from all fronts – meaningless and meaningful competitors. Authors suggest that a competitor oriented organisation will have market analysis as one of its key disciplines (Noble, Sinha, & Kumar, 2002).

This view is further supported by an assertion by another researcher when he suggests that competitor orientation as a capability of market oriented organisation is market sensing or understanding what is happening around an organisation (Day, 1998). Literature also submits that the purpose of competitor orientation is to provide intelligence about the competitor landscape to executives in order to guide their strategic decisions (Sorensen, 2008). Below is a traditional intelligence gathering cycle (Herring, 1999),

Table 2.3: Traditional intelligence gathering cycle



Source: Herring (1999

Furthermore, the organisation's ability to gather and properly distribute intelligence about competitors or competitors' actions speaks to the level of that organisation's competitor orientation (Kumar, Subramanian, & Yauger, 1998). As indicated in the previous section, similar to customer orientation, competitor orientation is the organisation's ability to generate intelligence, distribute throughout the organisation and take action on it (Sorensen, 2008).

The difference is that when talking competitor orientation the information gathered or collected is about competitors. Competitors are organisations that offer similar products and services that are close substitutes which means that both organisations serve similar customers (Porter, 1980; Sorensen, 2008). This was also confirmed by (Narver *et al.*, 1990) when they described it as the organisation's appreciation of long-term and short-term capabilies, and strategies of known and potential rivals in the market. From the statement above, one can deduce that executives in organisations need to widen their competitive set and include other categories and industries.

2.6.1 *Intelligence generation*

Organisations that are competitor oriented need to ensure that they monitor the activity of the competitors in order to be able to respond to their changes in strategy or tactics (Subramanian & Gopalakrishna, 2001). So, it is vital for an organisation to do understand the opportunities and prepare their retaliation tactics or programmes (Sorensen, 2008). The exercise of generating intelligence can be in the form of mystery shopping, attending supplier exhibitions, or buying competitor products with a view to informing R& D planning (Sorensen, 2008).

2.6.2 *Intelligence dissemination*

Similar to intelligence dissemination, for customer orientation organisations need to put in place structures and systems that allow them to filter information throughout the organisation (Sorensen, 2008).

2.6.3 *Action*

Once organisations have collected and distributed information about the actions and non-actions of competitors, it is vital that their response is timely. Depending on the areas of competitiveness, the response can be in the form of price reduction, innovation, new communication campaign or new distribution.

2.6.4 *How competitor intelligence informs strategy formulation*

Researchers have identified numerous benefits that ensue from organisations investing time and effort in intelligence generation with a view to informing strategy and answering strategy-relevant question. The five (5) key strategy inputs as proposed by authors (Fahey, 2007) are; market place opportunities, competitor threats, competitive risks, key vulnerabilities, and core assumptions.

Therefore, the benefits of gathering intelligence are clear, and are certainly likely to assist organisations.

2.7 Inter-functional coordination

This represents the undivided effort of an organisation to deliver value. A company must be in a position to ask any individual or function to integrate effectively and utilise all its resources to demonstrate if not create value (Narver *et al.*, 1990). This implies that organisations need to arrange themselves in a matrix format around the customer. This dimension is addressed for completeness and will not form an integral part of this study.

In conclusion, the reason why this study focuses on customer orientation and competitor orientation as dimensions of market orientation is because this study argues that brand-oriented organisations that seek to be competitive in the long-term need to consider their customers and competitors in order to build long lasting and distinctive brands.

2.8 Brand distinctiveness

Competitive strategy has generally been seen as how an organisation gears itself to compete in a market or segment (Homburg, Krohmer, & Workman, 2004). For purposes of this study brand distinctiveness is viewed as a competitive strategy where an organisation ensures that it brands are sufficiently distinct with a view to allowing them to competitive and deliver long-term sustainable results.

With the above statement in mind, the study further assumes that organisations that focus on brand differentiation as a competitive strategy should be viewed as having adopted brand orientation as their strategic orientation. This position is confirmed by (Urde, 1994) where he asserts that “by using brands as a starting point in the formulation of company strategy, an important precondition for a new direction – brand orientation – is created”. The author further states that well-known brands have the ability to increase the organisations ability to compete as well as generate their growth and profitability (Urde, 1994).

One can therefore deduce that for a brand to be well-known it needs to be known for something in the minds of customers and even competitors or as authors suggest, brands need to achieve clarity, differentiation and distinctiveness and also build equity (Aaker, 2004).

Most marketers spend money and time on their brands with the objective of creating distinctive brands, and distinctive communication with the desire of breaking the communication clutter, and getting their products and brands noticed (Gaillard, Romanuik, & Sharp, 2005). Beyond just breaking through the clutter, and selling differentiated products, brands need to form long-term relationships with customers (Aaker, 2003) and this can probably be achieved if the sends a clear and memorable message to customers and potential customers. This is confirmed other authors who posit that distinctiveness is brand differentiation in consumers' minds (Wong & Merrilees, 2008).

Distinctiveness is critical for the future of any brand; this is even truer of mature established brands where even if they are relevant and held in high regard, they fade away if they are no longer differentiated (Aaker, 2003).

This advocates that brand oriented organisation need to work tirelessly to understand customers and competitors in order to remain relevant. It is also important to note that differentiated or distinctive brands are in position relay clearer messages about the quality of the product or brand and also influence the customer's choice particularly when facing intense competition (Aaker, 2003).

This study does not look at brand distinctiveness as an outcome of advertising or point of sale presence, but looks at it in its totality. Even though there isn't one agreed definition of brand distinctiveness, a common thread that authors seem to share is that it is about reminders or cues in consumers' minds that prompt recognition and brand stand out (Olson, 2004). This means that distinctiveness is the sum-total of all the cues in minds of consumers that aid recall. As other authors put it, "it is a combination of measures that indicate uniqueness and superiority (Wong, 2008).

In order for brands to attain brand distinctiveness, it is critical that a clear vision, positioning and direction of the brand is established in order to ensure that the brand is in a position meet its strategic, and economic growth objectives in the long run (Davis, 2002). When organisations are able to position a brand or a portfolio of brands in a way that makes consumers want them and see them as beyond just differentiated, it is then that brand distinctiveness is achieved (Wong, 2008).

Romanniuk *et al*. (2007) see brand differentiation as the unique attributes of a brand that makes other products imperfect options. These brand attributes make customers feel more secure using the product and have a reason to be loyal to the brand. According to this definition customers are not in a position to compare as offers have a clear and perceivable difference. Brands that are clearly differentiated are less vulnerable to changes in price levels and are less likely to lose market share (Romanniuk *et al*., 2007).

Recent research work tables an interesting argument where it suggests that brand differentiation is probably "of no meaning" to the customer or consumer as its sole purpose is to limit confusion and increase brand recognition (Romaniuk *et al.,* 2007). This view represents a big departure from differentiation as a concept as it was anchored on a USP that has meaning to the customer (Reeves, 1961). The work stated above provides a good baseline for a clearer understanding of brand distinctiveness.

2.8.1 *Benefits of brand distinctiveness*

The following have been identified as some of the benefits of having distinctive brands or products;

- Allows brands to lead or succeed (Schruntek, 1999)
- Leads to better brand recognition (Olson, 2004)
- Helps build brand equity (Warlop, Ratneshwar, & van Osselaer, 2005; Krishnan, 1996)
- Helps consumers remember the details about a brand (Gaillard *et al.,* 2005)

Aaker (2003) proposes that a differentiated or in this case a distinctive brand benefits the organisation by adding credibility to the claims that a product or brand make in the market, allows the brand to command a premium price in the market, makes it easy for the brand to communicate with its current and potential customers, and provides an organisation a sustained competitive advantage in the market.

So based on the above, one can assert that brand distinctiveness is not just about differentiation but more about being noticeably different and mastering the art of being unique (Wong, 2008). Researchers offer an array of brand differentiators which include distinctiveness, relevance, perceived quality and increase in popularity, & awareness and understanding (Aaker, 2004).

The author further states that an organisation's failure to maintain differentiation in a highly competitive market will result in all brands starting to look the same (Aaker, 2004), and this will certainly work against the objectives of brand orientated organization which is to attain a competitive advantage (Urde, 1999). Differentiated brands are perceived by customers or consumers as distinct which implies that such brands have a stand out factor which separates them from competitors (Aaker, 2004). Recent studies have concluded that the foundation of brand success is brand differentiation (Wong, 2008).

A branding strategy agency Six Degrees (2008.) suggests that differentiating a brand in a commoditized market can be achieved in the following ways;

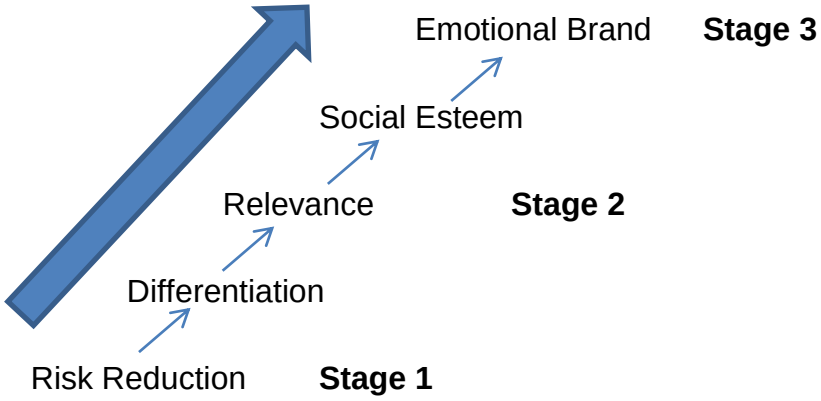
- Leveraging the brand
- Service innovation
- Product design
- Package design

So, in light of market orientation and its dimensions, it is essential that companies that are brand orientated spend time to understand what competitors are doing and what customers are looking for in order to attain differentiation in the market or as this study postulates, end up with distinctive brands.

Therefore, understanding that market orientation has customer orientation and competitor orientation as dimensions, it is key that organization are forever preoccupied with understanding customer needs, wants and desires in order to remain relevant and achieve the desired brand stand-out factor. If a brand is sufficiently differentiated, it can be concluded that such a brand delivers the necessary results in term of performance as brand performance is also awareness, reputation and loyalty (Wong *et al.*, 2008). Failure to do this will result in brands losing salience and being viewed as commodities (McQuiston, 2004).

2.8.2 *Building a brand in consumers' minds*

Organisations that want to be seen as distinctive in the market need invest in brand management need to ensure that their brands are differentiated and they find a place in consumers' minds (Rosenbaum-Elliot, Percy, & Pervan, 2007). The diagram below maps out an adapted process brands go through as executives attempt to build brands in consumer's minds.



Source: (Rosenbaum-Elliot, Percy, & Pervan, 2007)

The key take out from the diagram above is that as brands move through the different stages the consumers' levels of trust improve, and the risk in choosing a brand is moderated by the consumers' perceptions of quality and brand awareness (Rosenbaum-Elliot, Percy, & Pervan, 2007).

In South African retailing sector where competition is primarily through attaining an emotional brand (Rosenbaum-Elliot *et al., 2007)* seems even more critical.

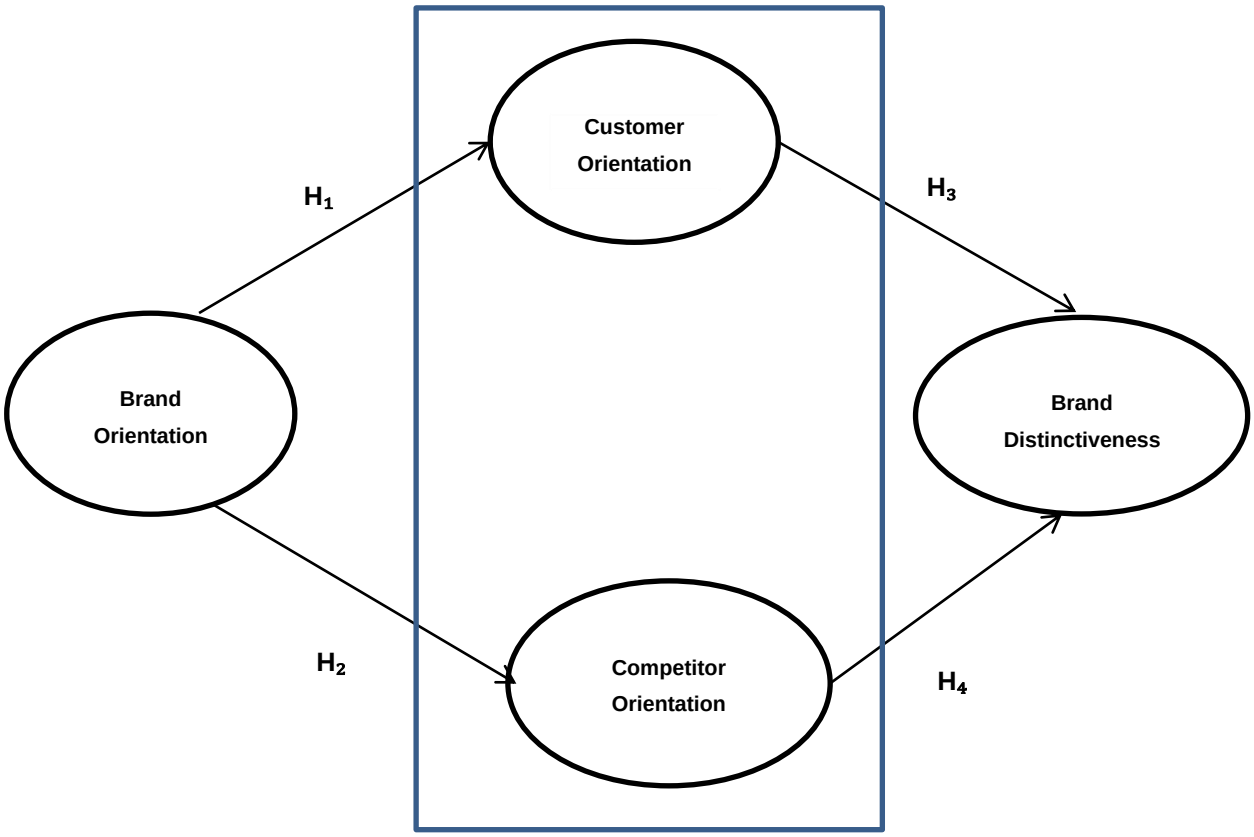
2.9 Conceptual/Research model and hypothesis statement

The research model conceptualized in this study is shown in figure 2.1 below. This model is derived from the concepts discussed earlier. In this conceptualized research model, customer orientation and competitor orientation mediate the relationship between brand orientation and brand distinctiveness.

Furthermore, brand orientation is predictor variable and brand distinctiveness the outcome. It is important to note that the key relationship is between the predictor and the outcome. A recent study hypothesized that brand orientation is a positive determinant of brand distinctiveness and this relationship was supported and regarded as significant (Wong *et al.*, 2008).

The model has been formulated in order to explain the relationship between the four constructs in the South African retailing sector. Four hypotheses are examined with regard to the research model.

Figure 2.2: A conceptual model



2.9.1 *Brand orientation, customer orientation, and competitor orientation*

If brand orientation is regarded as a mentality of executives and management that ensures that brands competing in different segments or a brand competing across segments will be central and considered in strategy formulation (Wong *et al.*, 2008), it can be expected that the strategy formulation process will require that the strategists to consider the strategies and tactics of competitors, and the expectations of customers. This confirms the importance of the relationship between brand orientation, customer orientation and competitor orientation.

The relationship between brand orientation and customer orientation is tabled by other authors where they put forward an argument that development of the brand is achieved by the organization when there is ongoing interaction with consumers (Huang *et al.*, 2013). Another researcher states that brand orientation changes organizational values into brand values and customer values (Urde *et al.*, 2011). If

brand orientation is an organisational strategy that companies can use to build brand identity and brand equity with target customers (Urde, 1999), then, the linkage is confirmed.

Lastly, the strategy formulation process requires a full understanding of other players in the market, be in a position to identify the competitor's strengths and weaknesses (Fahey, 2007; Czepiel & Kerin, 2012). Other literature sates that if one organises one's organisation as a brand, it is vital to have a clear understanding of competitors and customers (Cavusgil *et al.,* 2007; Czepiel & Kerin, 2012).This therefore endorses the relationship and linkage be tween brand orientation and competitor orientation.

Based on the literature above and empirical evidence investigated, the following hypotheses are proposed;

H1: There is a positive relationship between brand orientation and customer orientation

H2: There is a positive relationship between brand orientation and competitor orientation

2.9.2 *Customer orientation, competitor orientation, and brand distinctiveness*

Distinctive brands are clear, relevant, have better recognition (Olson, 2004; Gaillard *et al.*, 2005) and are differentiated (Aaker, 2004). Organisations that seek to have differentiated or distinctive brands in the markets in which they operate cannot adequately meet the needs of their current and potential customers without having a full appreciation of the customers' needs, desires, and circumstances (Lafferty & Hult, 2001) hence the importance of the relationship between customer orientation and brand distinctiveness

The importance of this relationship has been validated by work done by other researchers where they posit that differentiated brands needs to have meaningful relationships with their customers (Aaker D. , 2003; Narver & Slater, 1990; Wong & Merrilees, 2008; Lafferty & Hult, 2001).

If customer and competitor orientation are about the collection, dissemination of information, and using that information to inform strategies and tactics (Sorensen, 2008) of executive which could be about outperforming the competition or doing better as a brand, then, the relationship between competitor orientation, customer orientation and brand distinctiveness is thereby validated as important. A researcher posits that brand or customer oriented organisations have stronger brands in the market in which they operate compared to organizations that are not market or brand oriented (Ahmad & Iqbal, 2013). Therefore, customer and competitor orientation have a positive effect on brand performance.

H3: There is a positive relationship between customer orientation and brand distinctiveness

H4 ⇒ there is a positive relationship between competitor orientation and brand distinctiveness

2.10 Summary of literature review

The key findings of the literature review clearly suggest that there is a well-researched relationship between brand orientation and market orientation and as such should be adequately leveraged in order to ensure success. In the context of South African retail more can be done in order to ensure a deeper understanding of what such strategic choices mean as more and more organisations spend money with a view to developing and growing brands.

It is therefore important for organisations to internalise brand orientation as a strategic intent, bring to view the moderators and understand brand distinctiveness in its totality. In line with the dynamic capability view, if you organise your company as a brand, it is paramount to understand competitors and customers, and be open to market forces (Cavusgil *et al*, 2007). It remains important for brand oriented organisations to focus on differentiation as it represents the ultimate outcome (Aaker, 2004).

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Introduction

This chapter will first explain the research philosophy, research methodology, and sample design used to address the aims of this paper. It will be followed by a data collection discussion and lastly, the researcher will judge the validity and reliability of the study.

The research design is outlined and the steps and actions taken to ensure good validity and reliability are also explained. In addition, the procedures used to collect, capture and process the data as well as the techniques implemented to analyse the data are discussed in this chapter.

3.2 Research paradigm/philosophy

Researchers are often asked to justify the selection of the design chosen, and this is generally informed by the research philosophy (Crotty, 1998). According to authors, a research paradigm refers established views, assumptions, beliefs, values and approaches within which research studies are conducted suggests that the beliefs of researchers shape the views and beliefs (Cresswell 2009a)

There are three different research frameworks that researchers can choose from when conducting a study and they are; qualitative design, quantitative design, and mixed methods (Bryman, 2012; Cresswell, 2009a; Bryman, 2004). The main differences that have been identified between quantitative and qualitative design are that quantitative design applies measurement whilst qualitative design cannot quantify the outcomes of the study (Bryman, 2012; Cresswell, 2009a; Bryman, 2004).

The table below outlines the fundamental differences between the two approaches and the applicable philosophies;

	Quantitative	Qualitative
The orientation of the study to the role of theory in relation to research	Deductive; testing of theory	Inductive; generation of theory
Epistemological orientation	Positivism	Interpretivism
Ontological orientation	Objectivism	Constructionism

Source: (Bryman A. , Social Research Methods, 2012)

This study took the quantitative form as it needed to empirically test the relationship between the variables or constructs under scrutiny.

3.2.1 *Post-positivism*

Post-positivists share a belief that the nature of reality is independent of human thoughts and can be understood effectively through objective analysis of research objects (Wayhuni, 2012). The post-positivism paradigm undertakes that knowledge is generated rationally based on a methodical and unbiased scientific survey (Creswell, 2009a).

The primary objective of the post-positivism paradigm is to create unbiased knowledge through the use of a reliable research processes that increase the accuracy, validity, reliability and generalisability of the outcome (Schulze & Kamper, 2014).

3.3 Research design

The rationale in picking a quantitative method was to be able to enhance the accuracy of results through detailed statistical analysis. Moreover, the impartiality and consistency that is necessary to address the objectives of the study are catered for within the procedure. This method has an added advantage of minimizing the element of subjectivity in research.

Qualitative and quantitative research design provides many ways in which researchers use to collect information. Researchers may use structured interviews, in-depth interviews, and content analysis as well (De Vaus, 2002). As this is a quantitative study, it adopted a survey approach utilising a questionnaire for data collection.

Quantitative design was chosen because it allows for an objective examination and testing of objective theories by numerically examining relationships between variables (Cresswell, 2009a; Bryman, 2004; Bryman, 2012).

Considering that it is to simplify, adjust and extend what is meant by the thoughts regarding the phenomena being investigated, a quantitative approach becomes useful in that it utilises measurement procedures that incorporate concrete specifications of the particular phenomenon of interest (Westerman, 2014). It is an approach that uses organized procedures and techniques to collect data or information and does so under controlled conditions together with highlighting objectivity through statistical analysis (Polit & Hungler, 1995).

This research approach has been chosen because it is an objective, strict, methodical procedure in which numerical data are used to assess a phenomenon and to produce findings (Carr, 1994). It explains tests and studies the relationships (Burns & Grove, 1987) as well as “tests theory deductively from existing knowledge, through developing hypothesized relationships and proposed outcomes for study” (Cormack, 1991).

The usefulness of a quantitative research lies in its ability to determine how the strength of reciprocal causal relationships alters over time (Yoshikawa, Weiser, Kalil, & Way, 2008). A quantitative approach seeks to eliminate irrelevant factors within the internal make-up of the study and data that comes out can also be checked using a consistent testing method (Duffy, 1985).

In this study the variables whose relationship was tested are brand orientation, competitor orientation, customer orientation, and brand distinctiveness.

The variables were measured and analysed using statistical tools as suggested by researchers. (Cresswell, 2009a; Bryman, 2012; Bryman, 2004). It is also appropriate for this study to apply a deductive approach with a quantitative method as it will allow for the outcomes to be generalizable.

Research methods are what researchers propose to utilize for sampling design, questionnaire design and data collection (Cresswell, 2009a).

3.4 Sampling design

3.4.1 *Target population*

The target population refers to the entire group under study (Burns & Bush, 2002). When deciding on the target population, a researcher needs to clearly put forward the characteristics of the population that relate to the study. The targeted population that this study focused on was employees of JDG Group. This targeted population was appropriate for this research because the employees of JDG Group reflected to a large degree all LMS's, it was also the expectation of the researcher that the employees reflect the typical customer who has interacted with the brand or have been the subjected or have a good understanding of the organization's branding strategy. As defined by researchers, a population needed to represent a universe of units used to select a sample (Bryman, 2012; Bryman, 2004; Cresswell, 2009a).

Understanding that brand orientation represents an organizations strategic intent or orientation, and as is also a concept that is viewed by researchers from the inside-out, it was vital that the participants in the study are selected from general employees. To confirm this assertion, researchers argue that brand orientation sees brand as an organization's strategic resources used to compete out in the market (Urde, 1999).

3.4.2 *Sampling frame*

A sample frame is defined as "a selection of subjects from an overall population group that has been clearly defined" (Santy & Kneale, 1998). It refers to the researched setting (Pedhazur & Schmelkin, 1991) and the respondents used in a study (Yang, Wang, & Su, 2006). JD Group employs approximately 30 000 employees nationwide.

The sampling frame was generated from a list of all permanent employees on the JD Group payroll and this list was sourced from the Human Resources Department. A sampling frame is the sum total of units that will be used to drawin the population from which the sample will be drawn (Bryman, 2012; Bryman, 2004; Cresswell, 2009a).The employees chosen were part of service departments based at the Johannesburg Head Office that support the JD Group operations.

3.4.3 *Sample size*

The sample size refers to the number units drawn from the sample frame that will be utilised for the research. According to Singh (1986), an appropriate sample must have representativeness and adequacy. When attempting to draw a sample, it is important to attain a good balance between cost and adequacy of the sample (Yang, Wang, & Su, 2006). According to (Randall & Gibson, 1990) the adequacy of the sample size is determined by certain aspects of the study such as the manner in which respondents are selected, the constructs under study, the background and objectives of the research as well as the intended processes of data analysis.

The sample size impacts the accuracy of approximation (Pedhazur *et al.*, 1991), however a large sample size can help reduce sampling errors and also improve generalizability of research findings (Yang *et al.*, 2006).

Determining the sample size is known to be an important part of any empirical research. (Morrison, 1993) puts forward an argument that the quality of a study is determined by not only the suitability of the methodology and instrumentation but also by the appropriateness of the sampling approach that has been adopted.

The number of respondents to be sampled was 400. The size was chosen due to its sufficiency to run on the AMOS software. In order to ensure that all employees had an equal opportunity of the questionnaires were randomly distributed.

Table 3.1: Profile of respondents

Description of respondent type	Number to be sampled
• Employees of JD Group in Gauteng • Have been with the Group for longer than a year • Have knowledge of the different retail brands in the Group	400

3.4.4 *Sampling method*

According to (Santy *et al.*, 1998) the purpose of any sampling method is to extract a sample from the population in order to generalize the results back to the sample frame.

In probability sampling, the rules of selection guide the researcher so that they are in a position to relate findings to the entire population from which the sample was pulled (Tansey, 2007; Cohen, Manion, & Morrison, 2007).

This is indeed the direction or choice made by the researcher in this study in order to relate back to the population. Non-probability sampling on the other hand involves researchers eliciting samples from a large population devoid of requesting random selection (Tansey, 2007). The unique nature of non-probability sampling is that the biases and views of the researcher affect the selection of the sample (Henry, 1990).

Literature that has been reviewed identifies seven types of non-probability sampling techniques i.e. convenience sampling, quota sampling, purposive sampling, dimensional sampling, snowball sampling, volunteer sampling and theoretical sampling (Tansey, 2007). On the other hand, probability sampling has been comprises six types i.e. simple random sampling, systematic sampling, stratified sampling, cluster sampling, stage sampling and multiphase sampling (Tansey, 2007) The sampling methods as mentioned above are described by (Cohen, Manion, & Morrison, 2007) as follows;

- Simple random sampling, which lists all members of the population and subjects are selected from that list in a random manner;
- Systematic sampling, which involves selecting members from a population in a systematic rather than a random manner;
- Stratified sampling, in which random selection is leveraged with the intended manipulation of the population list in order to ensure that certain groups of subjects are not kept out of the sample through chance;
- Cluster sampling, often employed in small-scale research, involves restricting the parameters of the broader population very sharply;
- Stage sampling, which is a supplement of cluster sampling, involves selecting the sample in stages, in other words obtaining samples from samples; and
- Multi-phase sampling, which pulls samples that are to be changed over at different phases of the research.

This study opted for cluster sampling which allowed the researcher to choose JD Group departments that provided support to brands and not necessarily working for those brands. This ensured that the views of the respondents were not biased or influence by their proximity to the brands.

3.5 Questionnaire design

As suggested by researchers (Faragasanu & Kumar, 2002) that the theoretical constructs that are tested are the major determinants of the choice of collection and measurement methodology.

Considering what this study sought to investigate, it proved useful to adopt a self-administered questionnaire as a data collection tool. A questionnaire is defined as a document containing questions and other forms of items that are put together with the intention of obtaining information applicable to the study for further analysis by the researcher (Babbie, 1990).It is popular because it offers certain advantages like self-administration, practicality, the ability to collect large amount information, and many mores (Bryman, 2012; Bryman, 2004; Popper, 2004).

The self-administered questionnaire does however come with disadvantages like respondents misinterpreting the question, the researcher unable to probe or response rates being low (Bryman, 2012; Bryman, 2004). The issue of poor response rates was not experienced in this study considering that 400 questionnaires were sent out, and 259 (64.7%) were returned of which 12 (3%) had errors and therefore not admissible. Only 247 as stated in previous sections could be utilised for analysis purposes.

As suggested by researchers, the strength of the study is influenced by the measurement items that are employed (Faragasanu, 2002). Other authors identify reliability, validity and responsiveness as key (Scholtes, Terwee, & Poolman, 2011). The questionnaire had five sections; section A, B, C, D and E. Section A required the respondents to fill in their background information. Sections B, C, D and E had questions that were intended to measure brand orientation, competitor orientation, customer orientation, and brand distinctiveness.

The questionnaire had five to eight measurement items per construct. The scale and the measurement items are adapted from the following researchers who have conducted a similar study on brand orientation, market orientation, and brand distinctiveness (Huang *et al.*, 2013; Wong *et al*., 2008; Ahmad *et al.,* 2013).

A seven-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree was utilised in measuring all these items.

Measurement items

Brand Orientation	
BO1	Brand is important for the company's mission
BO2	Brand is important for the company's strategic development
BO3	Our company's objective is to create competitive advantage through brands
BO4	I have knowledge of the company's positioning and value and apply the knowledge to my work
BO5	I am aware that the brand differentiates our company from our competitors
BO6	Our company combines various communication channels
BO7	Our company conveys information of company brand positioning and value to customers
BO8	Our company establishes added value for the brand

Customer Orientation	
CSO1	Our company encourages customer comments and complaints because they help us do a better job
CSO2	After-sales service is an important part of the business strategy in our company

CSO3	Our company has a strong commitment to its customers
CSO4	Our company is always looking at ways to create customer value in our products
CSO5	Our company measures customer satisfaction on a regular basis

Competitor Orientation	
CMO1	Our company regularly monitors our competitors' marketing efforts
CMO2	Our company frequently collects marketing information on our competitors to help direct our marketing plans
CMO3	Sales people in our company are instructed to monitor and report on competitor activity
CMO4	Our company responds rapidly to competitors' actions
COM5	Top managers in our company often discuss competitors' actions

Brand Distinctiveness	
BD1	Our company has a different approach or position in the market compared with our competitors
BD2	Our company's overall marketing strategy is very distinctive
BD3	Our company knows its main strengths and that really helps us compete in the market
BD4	Our products/services are differentiated from those of the competitors
BD5	As a company we know where we are heading in the future and how to market the business to get there

3.6 Data collection technique

When conducting a study, it is vital to obtain truthful and reliable information about the phenomena being studied. It is important that all data collection methods, from the simplest to the most complex be taken care of with diligence and respect. Questions, observation sessions and other activities must be designed meticulously to ensure that the data to be collected is significant (Lethbridge, Sim, & Singer, 2005).

According to (Lethbridge *et al.*, 2005) the choice of the data collection technique should be informed by the research objectives or questions. It is said that three issues should be well thought-out when selecting a technique i.e. the degree of access to data collection available to the researcher, quantity of data required and the type of research question (Lethbridge *et al.*, 2005). The choice of method must be carefully thought out as it will influence the answers that are to be acquired (Tourangeau & Smith, 1996). There are different types of data collection techniques which are outlined below applicable to both qualitative and quantitative research:

- Focus group, which is where groups of people, involving a moderator sit in a room to discuss an issue the researcher wants to understand (Lethbridge *et al.,* 2005). In a focus group, participants interrelate with each other rather than with the interviewer such that the opinions of the participants can become known instead of allowing the researcher's agenda to dominate (Cohen, Manion, & Morrison, 2007). Such interaction is said to elicit significant data and outcomes (Cohen *et al.*, 2007).

- Observation, which is the method of collecting data through direct contact with an entity, which is normally another human being (Potter, 1996). The researcher is said to monitor the behaviour and to record the properties of the object or person (Potter, 1996)

- Interviews, which are said to “produce first-person accounts of the experience” (Polkinghorne, 2005). The rationale of an interview is to obtain a complete and detailed report directly from an informant of the experience under study (Polkinghorne, 2005).

- A questionnaire, which is an instrument for gathering surveyed information. It gathers, structured, often numerical data that can be managed without the presence of a researcher and is typically relatively simple to analyse (Bryman, 2004). When administering a questionnaire, it is important to be mindful of how questions are worded, how the questionnaire is designed, and the order in which the questions are asked as this is likely to affect validity and reliability of the results (Lethbridge *et al.*, 2005).

Each data collection technique has an advantage and a disadvantage. Examples are provided in Table 5.2 below.

Table 3.2: Data collection techniques: advantages and disadvantages

Technique	Advantage	Disadvantage
Focus groups	Quick data generation at low cost; data generation and examination from varying subgroups of a population.	Can become too unfocused; Thoughts and feelings may not be expressed truthfully by participants.
Observation	Identifies conduct otherwise overlooked; Yields authentic data through direct cognition.	Loss of perspective by the researcher may result due to too much involvement; limitation of data due to predefined categories in order to understand the environment under study.

Interviews	Facilitates the use of multi-sensory channels; may identify relationships and variables when applied as an explanatory apparatus.	Time and cost inefficient; forces researchers to be too reliant on respondents' self-report of their behaviour or attitude which may deter the generation of meaningful data as a result of incoherent representation by the respondents.
Questionnaires	Can be administered quickly and without difficulty; facilitates the simple acquisition of data in remote locations.	May have vague and poorly worded questions which may be problematic; return rates can be low, thus having negative effects on the representativeness of the sample.

Source: Cohen et al. (2007); Lethbridge et al. (2005).

3.6.1 *Justification for using a survey questionnaire*

For purposes of this study, the survey method of data collection was adopted and a self-administered questionnaire was designed and taken to the field. The method was selected as a result of its advantages. According to (Cohen *et al.*, 2007) there are two types of self-administered questionnaire: those that are completed in the company of the researcher and those that are attended to when the researcher is not present. In this study, the latter approach was adopted. Assistants were employed for the task of collecting data. While the questionnaires were completed without the presence of the researcher, assistants were given proper training and instruction prior to collecting the data.

Questionnaires were distributed to the organization with the assistance of departmental heads and managers. Respondents were given about a week to return all completed questionnaires.

It should also be noted that, potential respondents were met and given an opportunity to ask questions prior to the start of the data collection process. These communication sessions were facilitated by the Departmental Heads and General Manager.

The reason for these sessions was to ensure that the respondents are briefed about the intended outcomes of the study and to arrange where the document would be dropped off once completed. Considering that this was a self-administered questionnaire, it was important that respondents were not confused about what to do with the completed document.

3.7 Data analysis approach

This section clearly explains the process that was followed to analyse the data after it was collected.The data analyses procedure was a step by step process and was conducted as explained in the section below.

1.1.1 *Structural equation modeling (SEM)*

Structural equation modelling (SEM) was employed in the current study for the purpose of analysing data. Structural equation modelling has become an admired statistical technique to test theory in several fields of knowledge (Hair, Anderson, Tatham, & Black, 1998); (Schumacker & Lomax, 2004).

According to Qureshi *et al.* (2014) SEM is described as a multivariate, statistical technique generally used for studying relationships between latent variables or constructs and observed variables that constitute a model and this further confirmed by numerous other researchers including (Grace, 2006) where she suggests that it is a statistical method with which a researcher can create theoretical concepts and validate proposed causal relationships through two or more structural equations. It is also seen as being similar to regression analysis but more accepted and frequently

used because it assesses the casual relationships among constructs while concurrently accounting for measurement error.

SEM's ability to deal with numerous modelling difficulties, the endogeneity among constructs and composite underlying data structures found in various phenomena can be assumed to be the main reason for its popularity (Washington, Karlaftis, & Mannering, 2003).

SEM is primarily a framework that helps the researchers solve the systems of linear equations and includes statistical procedures such as regression, factor analysis and path analysis (Beran & Violato, 2010) structural equation modelling is carried out in a two-staged approach: the first phase is conducted to evaluate the satisfactoriness of the measurement model. In this stage, both construct reliability and item reliability are examined (Nusair & Hua, 2010).

Once the reliability of the scale has been ensured, the construct validity using convergent validity and discriminant validity is tested prior to measurement model assessment and finalisation. In the second stage involves the examination of the structural model.

The general model fit in both measurement and structural model is examined using goodness-of-fit indices including CFI, NFI, TLI, RFI, IFI and RMSEA (Hair, Anderson, Tatham, & Black, 1998); (Schumacker *et al.,* 2004).The first stage includes a procedure known as Confirmatory Factor Analysis (CFA) while the second stage is known to include multiple regression and path analysis (Chen, Zhang, Liu, & Mo, 2011).The function of CFA is to evaluate how well the latent variables are measured by the observed variables (Chen *et al.*, 2011) while that of path analysis is to investigate causal relationships among unobserved variables (Nusair *et al.*, 2010).

Researchers have put forward many advantages of SEM and they are listed below;

- SEM has the ability to 'tackle' research questions related to intricate causal relationships between unobserved variables (Nusair *et al.*, 2010) with empirical data.

- SEM can extend explanatory power and statistical efficiency for model examination with one complete model (Hair, *et al.*, 1998)

- It can include latent constructs in the analysis while accounting for measurement errors in the estimation process (Hair, *et al.*, 1998)

- SEM provides support for examining and validating hypotheses of causal relationships due not only to its ability to model measurement error, but also to its ability to do away with bias and distortion (Pugesek & Tomer, 1995).

The justification for CFA is that it allows the researcher to generate a Composite Reliability value and standardised regression weights which can be used to assess convergent validity (Nusair *et al., 2010*). For both CFA and path modelling, SEM provides a model fit which evaluates whether the data collected fit the conceptual model. SEM also provides P-values used for assessing the significance of the hypothesised relationships (Schumacker *et al.,* 2004). Lastly, path modelling allows the research to generate path coefficients that are used to denote the strength of the relationship between variables in the conceptual model (Schumacker *et al.,* 2004).

3.7.1 *Data coding using excel spreadsheet*

Firstly, the collected data was coded in Excel spreadsheet before analysis. Data is said to mean a collection of information (McLeod, 2001). It denotes ‘pieces’ of information that are a direct reflection of the phenomenon understudy, autonomous from those who gathered it (Polkinghorne, 2005).

Coding entails allocating a number to each answer of a survey question (Cohen *et al.*, 2007). It is a process which was undertaken in the current study for the purpose of condensing data into a comprehensible format (Lethbridge *et al.,* 2005). Hereafter, the coded data was subjected to a quantitative assessment (Lethbridge *et al.,* 2005)

3.7.2 *Descriptive analysis using Statistical Package for the Social Sciences (SPSS)*

To understanding aspects of each variable, descriptive statistics analysis was utilized. This procedure was undertaken with the use of software known as SPSS.

SPSS is a ‘wrap up’ of programs for manipulating, examining and displaying data (Landau & Everitt, 2004).

The program performs a broad variety of both univariate and multivariate procedures (Landau *et al.*, 2004). An advantage for the study in utilizing the program was that it allowed for the score and assessment of the data in a very swift manner, and in several different ways. As soon the descriptive statistics of data were generated, the next procedure involved assessing the reliability and validity of the measurement scales.

3.8 Reliability and validity tests of measurement scales using SPSS

According to Wilkens (2010), reliability and validity have to do with understanding the logic and accuracy of the measurement scales. Reliability requires better comparable experiments, while validity asks the question if the experiment is tailored to appropriately answer the questions being asked; i.e. if the experiment is valid in logical terms (Wilkens, 2010).According to (Hair *et al.*, 1998) reliability is measured at two levels: item reliability and construct reliability. Item reliability conveys ‘‘the amount of variance in an item due to underlying construct rather than to error and can be obtained by squaring the factor loadings’’ (Chau, 1997). Construct reliability relates to the extent to which a measurement scale reflects an underlying factor (Nusair *et al.*, 2010).

The current study examined construct reliability in particular through conducting a Cronbach alpha test. Cronbach alpha is conceived to be an SPSS tool for assessing the reliability of an observed instrument intended to measure a particular construct (Bryman *et al.*, 2003).

A general rule to increasing reliability when it is not satisfactory is to eliminate one item or more from the scale (Bryman *et al.,* 2003). Having made certain that the observed instrument meets the needed level of reliability, the next step was to assess the measurement scale’s validity. Validity refers to the degree to which a set of measurement items truly reflects the concept of interest (Hair *et al.*, 1998). There are

various types of validity (Nusair *et al.,* 2010) however the current study placed the focus on convergent and discriminant validity.

Convergent validity was examined by observing the inter-correlation between measurement items and the particular research construct. Discriminant validity was examined by observing the correlation matrix as well as the Average Variance Extracted (AVE) and shared variance which were identified in the next phase. Additionally, item reliability was also assessed in the next phase through running factor analysis and examining item loadings.

3.8.1 *Confirmatory Factor Analysis (CFA)*

In CFA, the researcher specifies a particular number of constructs which are correlated and observed variables measuring each construct (Schumacker *et al.*, 2004).

Accordingly in the data analysis conducted in the current study, model specification was carried out as the first procedure in CFA. This procedure entailed identifying the set of relationships intended to be tested and determined how to specify constructs within the model (Nusair & Hua, 2010). Having specified the model, the next step was model modification (Chen, Zhang, Liu, & Mo, 2011). This implies that if the variance-covariance matrix approximated by the model did not sufficiently replicate the sample variance-covariance matrix, the model would have to have been improved and re-examined on the condition that the model is made to be identifiable (Nusair & Hua, 2010).

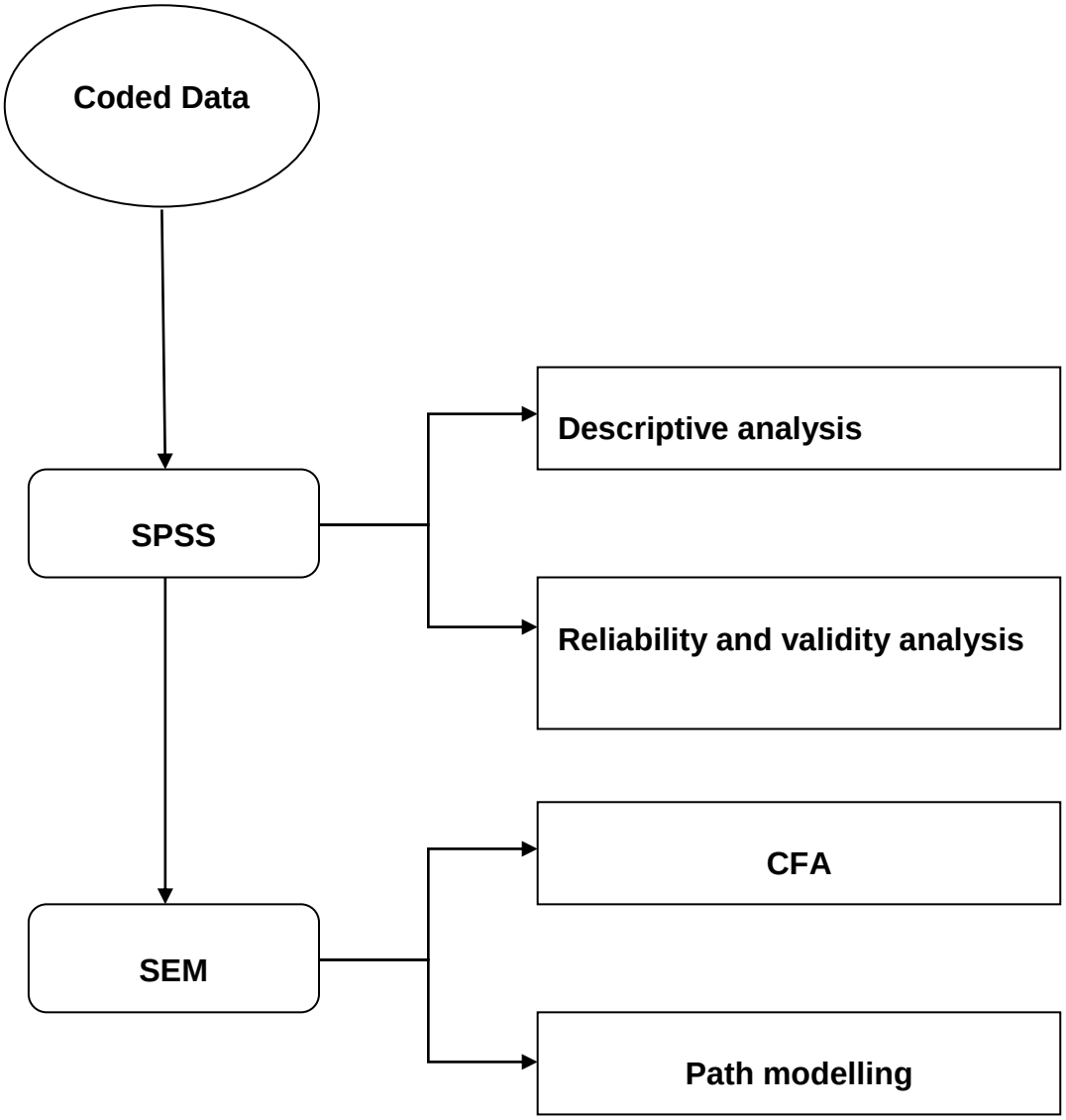
From here forth, the model fit will be evaluated. The purpose of this procedure was to assess the degree to which the proposed theoretical model was validated by the sampled data (Nusair & Hua, 2010). Model fit was evaluated by examining the model fit indicators such as Chi-square/degrees of freedom (Chen & Lin, 2010) and Goodness of Fit Index (GFI), Augmented Goodness of Fit Index (AGFI), Normed Fit Index (NFI), Incremental Fit Index (IFI), Tucker-Lewis Index (TLI), Composite Fit Index (CFI) and the Random Measure of Standard Error Approximation (RMSEA) as recommended by (Bone, Sharma, & Shimp[, 1989).

3.8.2 *Path modelling*

The next phase of data analysis through the use of SEM involved path analysis (Beran & Violato, 2010). Path modelling highlights the relationship between variables and theoretical constructs (Roche, Duffield, & White, 2011). It also tests and validates the structural paths of the conceptualized research model (Anderson & Gerbing, 1988).

The study's structural model was evaluated by examining the p-values as well as standardized regression coefficients (Matzler & Renzl, 2006). In conducting path modelling, a particular responsibility is to explain standardized regression coefficients as well as predictive ability (Wu, 2010). Figure 3.1 below is a pictorial representation of the overall data analysis approach.

Table 3.3: Data Analysis



Source: Own Source

3.9 Demographic profile of respondents

The expected or planned demographic profile of respondents had fair mixture of race, age, and gender due to the make-up of employees of the JD Group.

3.10 Limitations of the study

The use of respondents from JD Group may have resulted in bias as all respondents might be engaged have been employees of the Group and as a result provided responses that they think are the right thing to say.

Another limitation associated with this research is that it has a low external validity due to the use of a sample from one organisation and as a result the findings may not be generalised. It is therefore recommended that a further study research be conducted.

3.11 Summary

In this chapter the research paradigm and research design were outlined followed by the demographic profile of the targeted respondents, the research instrument, and data analysis. In the latter part of chapter, the limitations of the study were put forward.

CHAPTER 4. DATA ANALYSIS AND PRESENTATION OF RESULTS

4.1 Introduction

The primary purpose of this chapter is to table the empirical results of the research conducted and concluded. What this study seeks to understand and contribute to both business and academia was supported by empirical evidence utilising SPSS 22 and AMOS 22. It is important to validate and confirm the empirical outcomes of the study's hypothesis in order to meet the objectives as outlined in chapter 1.

The chapter is structured with four main headings. Firstly, Descriptive statistics are presented. This involves a description of the sampled population with corresponding statistics and accompanying tables. Thereafter, reliability and validity assessment, CFA results are tabled followed by path modelling results.

4.2 Descriptive statistics

The primary purpose of descriptive statistics is to offer abridged characteristic information about the sample and form the basis of quantitative data analysis (Burns & Bush, 2006). When the researcher commences drawing inferences from the information analysed, the descriptive statistics reduce the risk of basing all decisions on probability indicator (Kumar, 2005), and also help the researcher understand emerging characteristics of the sample (Mukher & Albon, 2010).

Researchers have also identified another role played by descriptive statistics which (Krommenhoek & Galpin, 2013) suggest that they are intended to confirm the normality of the data collected and analysed. Understanding that this study seeks to make comparisons, it is important that the unique features of the sample are clearly tabled in order to make meaning of the patterns discovered (Santy & Kneale, 1998).

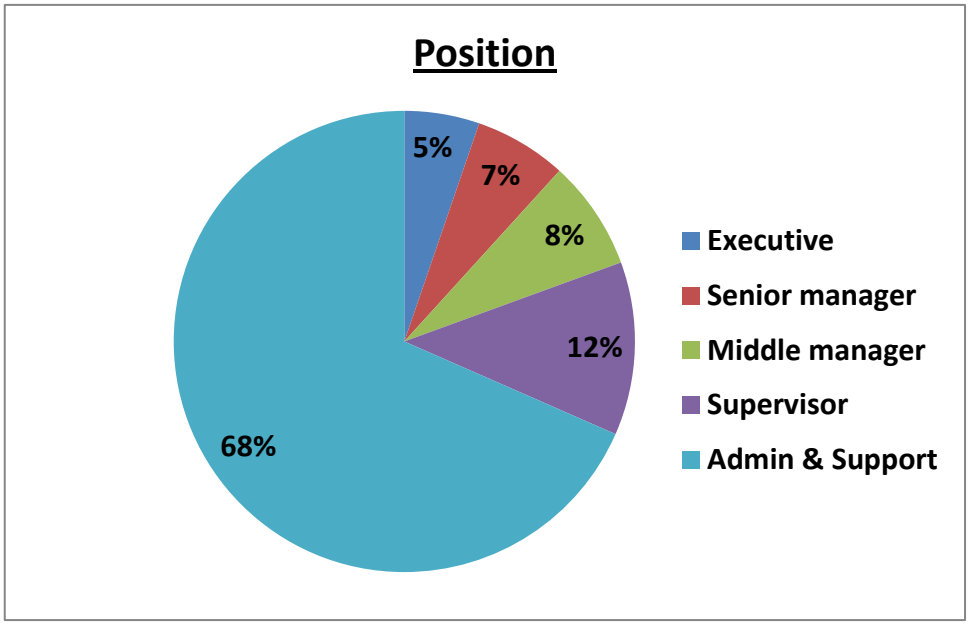
4.2.1 *Respondent profile*

The statistics below were run on SPSS in order to establish the respondent profile and to do comparisons on the respondents. The research is based on 247 respondents, and the detail outlined below;

Characteristics		Frequency	Percentage %	Cumulative %
Gender	Male	71	28.7	28.7
	Female	176	71.3	100.0
	Total	**247**	**100.0**	
Race	African	165	66.8	66.8
	White	39	15.8	82.6
	Asian	14	5.7	88.3
	Coloured	28	11.3	99.6
	Other	1	.4	100.0
	Total	**247**	**100.0**	
Age (in years)	18-24	26	10.5	10.5
	25-34	153	61.9	72.5
	35-39	13	5.3	77.7
	40-44	21	8.5	86.2
	45-49	13	5.3	91.5
	above 49	21	8.5	100.0
	Total	**247**	**100.0**	
Experience (in years)	less than 1	15	6.1	6.1
	1-4	109	44.1	50.2
	5-8	71	28.7	78.9
	9-12	12	4.9	83.8
	13 and above	40	16.2	100.0
	Total	**247**	**100.0**	

Characteristics		Frequency	Percentage %	Cumulative %
Position	Executive	13	5.3	5.3
	Senior manager	16	6.5	11.7
	Middle manager	19	7.7	19.4
	Supervisor	30	12.1	31.6
	Admin & Support	169	68.4	100.0
	Total	**247**	**100.0**	
Department	Finance	71	28.7	28.7
	Human Resources	8	3.2	32.0
	Marketing	3	1.2	33.2
	IT	1	.4	33.6
	Customer value management	53	21.5	55.1
	Call centre operations	63	25.5	80.6
	Other	48	19.4	100.0
	Total	**247**	**100.0**	

Figure 4.1: Respondents' positions



Respondents ranged from age 18 to above 46, and 68% of them were from administrative and support positions in the work place, as shown in the respondent profile above. Executives and senior manager cumulatively accounted for only 11.7% (rounded up to 12%) of the respondents, as depicted in the figure above.

Figure 4.2: Respondents department

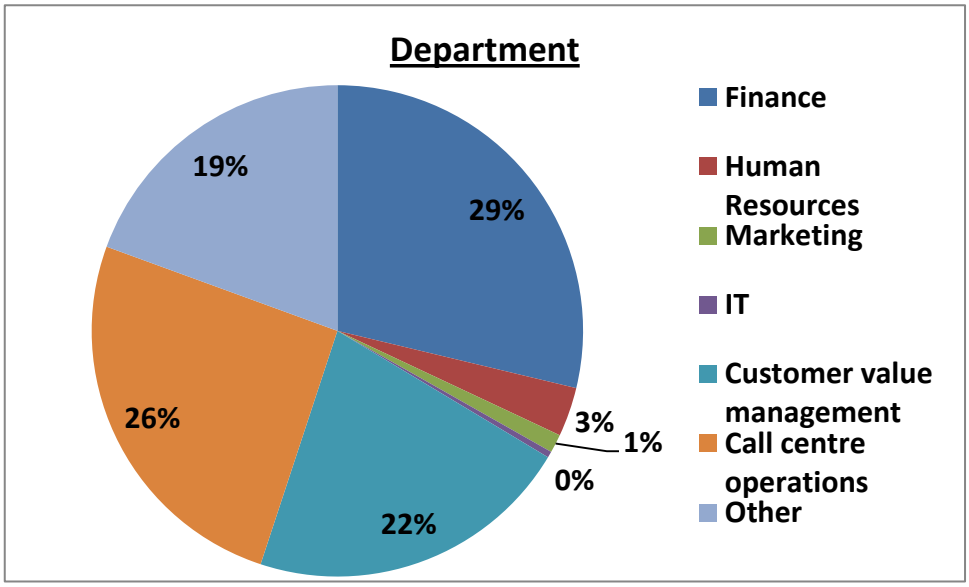


Figure 4.2 above shows that responses to the survey were mostly contributed by employees from the finance, call centre operations, customer value management and

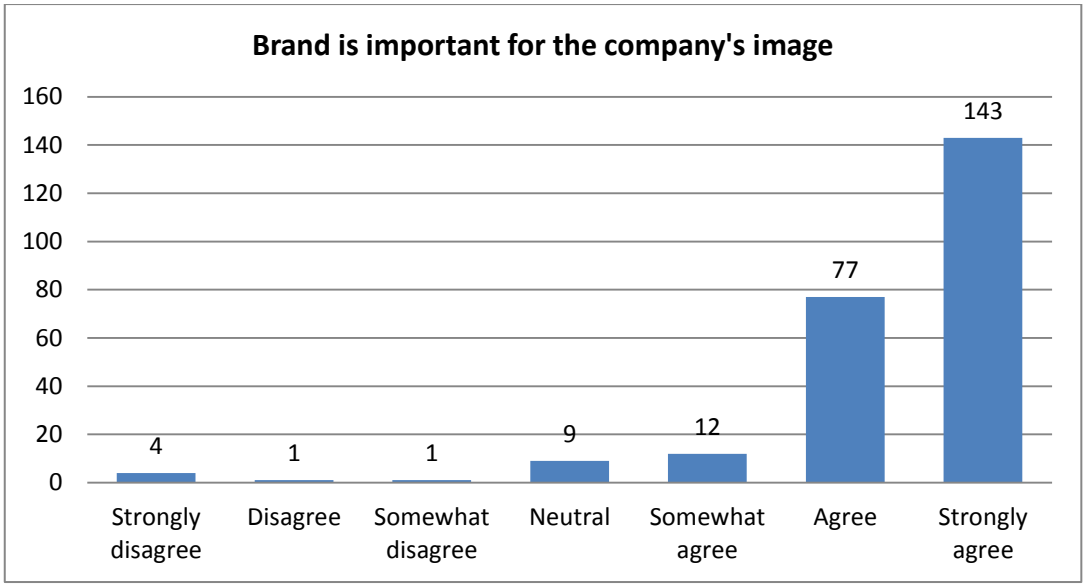
various “other” departments. Findings in the current research will therefore be influenced by perspectives from these departments. Departments of marketing, IT and human resources composed 4% of the responses.

4.2.2 *Summary of scale item results*

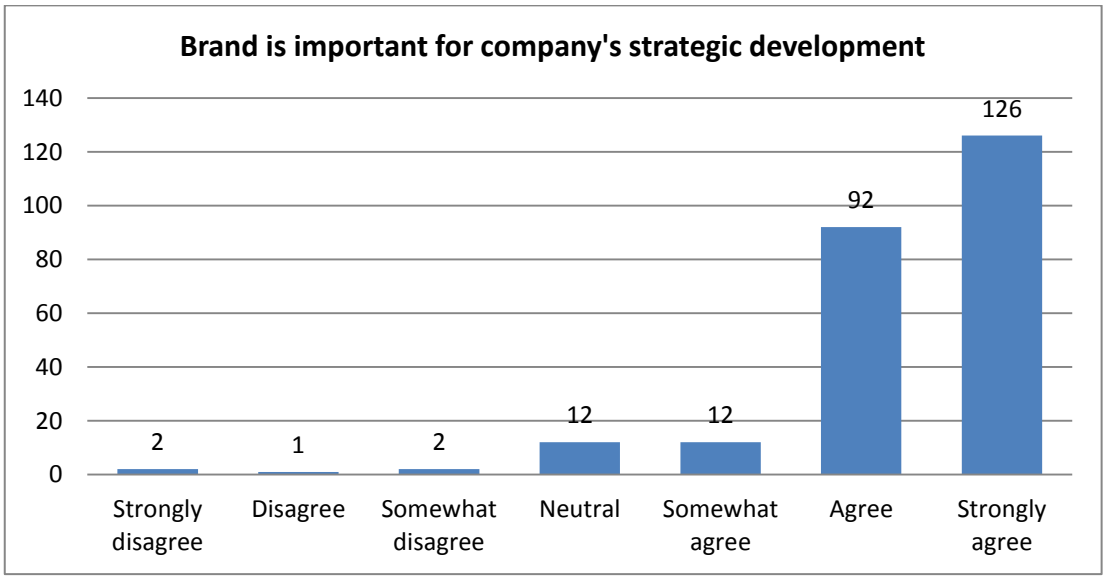
Figure 4.3: Summary of scale item results

Items		Strongly disagree		Disagree		Somewhat disagree		Neutral		Somewhat agree		Agree		Strongly agree		Total
		Feq.	%	Feq	%	Feq.	%	Feq.	%	Feq.	%	Feq.	%	Feq.	%	Feq.
Brand orientation	**BO1**	4	1.6%	1	0.4%	1	0.4%	9	3.6%	12	4.9%	77	31.2%	143	57.9%	247
	BO2	2	0.8%	1	0.4%	2	0.8%	12	4.9%	12	4.9%	92	37.2%	126	51.0%	247
	BO3	4	1.6%	1	0.4%	5	2.0%	20	8.1%	25	10.1%	96	38.9%	96	38.9%	247
	BO4	5	2.0%	2	0.8%	6	2.4%	25	10.1%	29	11.7%	104	42.1%	76	30.8%	247
	BO5	3	1.2%	2	0.8%	4	1.6%	21	8.5%	16	6.5%	95	38.5%	106	42.9%	247
	BO6	7	2.8%	6	2.4%	6	2.4%	26	10.5%	40	16.2%	101	40.9%	61	24.7%	247
	BO7	6	2.4%	6	2.4%	6	2.4%	37	15.0%	42	17.0%	93	37.7%	57	23.1%	247
	BO8	4	1.6%	4	1.6%	6	2.4%	43	17.4%	37	15.0%	98	39.7%	55	22.3%	247
Customer orientation	**CSO1**	9	3.6%	8	3.2%	13	5.3%	25	10.1%	40	16.2%	94	38.1%	58	23.5%	247
	CSO2	6	2.4%	7	2.8%	11	4.5%	24	9.7%	33	13.4%	80	32.4%	86	34.8%	247
	CSO3	8	3.2%	6	2.4%	14	5.7%	28	11.3%	45	18.2%	83	33.6%	63	25.5%	247
	CSO4	8	3.2%	4	1.6%	9	3.6%	29	11.7%	44	17.8%	83	33.6%	70	28.3%	247
	CSO5	10	4.0%	10	4.0%	15	6.1%	44	17.8%	42	17.0%	76	30.8%	50	20.2%	247
Competitor orientation	**CMO1**	4	1.6%	8	3.2%	6	2.4%	71	28.7%	34	13.8%	82	33.2%	42	17.0%	247
	CMO2	4	1.6%	6	2.4%	11	4.5%	76	30.8%	51	20.6%	70	28.3%	29	11.7%	247
	CMO3	6	2.4%	13	5.3%	10	4.0%	92	37.2%	46	18.6%	55	22.3%	25	10.1%	247
	CMO4	5	2.0%	14	5.7%	9	3.6%	81	32.8%	40	16.2%	69	27.9%	29	11.7%	247
	CMO5	20	8.1%	15	6.1%	16	6.5%	71	28.7%	39	15.8%	55	22.3%	31	12.6%	247
Brand distinctiveness	**BD1**	7	2.8%	13	5.3%	14	5.7%	52	21.1%	40	16.2%	77	31.2%	44	17.8%	247
	BD2	5	2.0%	10	4.0%	14	5.7%	68	27.5%	47	19.0%	67	27.1%	36	14.6%	247
	BD3	6	2.4%	4	1.6%	17	6.9%	58	23.5%	36	14.6%	85	34.4%	41	16.6%	247
	BD4	8	3.2%	13	5.3%	13	5.3%	52	21.1%	48	19.4%	77	31.2%	36	14.6%	247
	BD5	14	5.7%	13	5.3%	13	5.3%	47	19.0%	44	17.8%	66	26.7%	50	20.2%	247

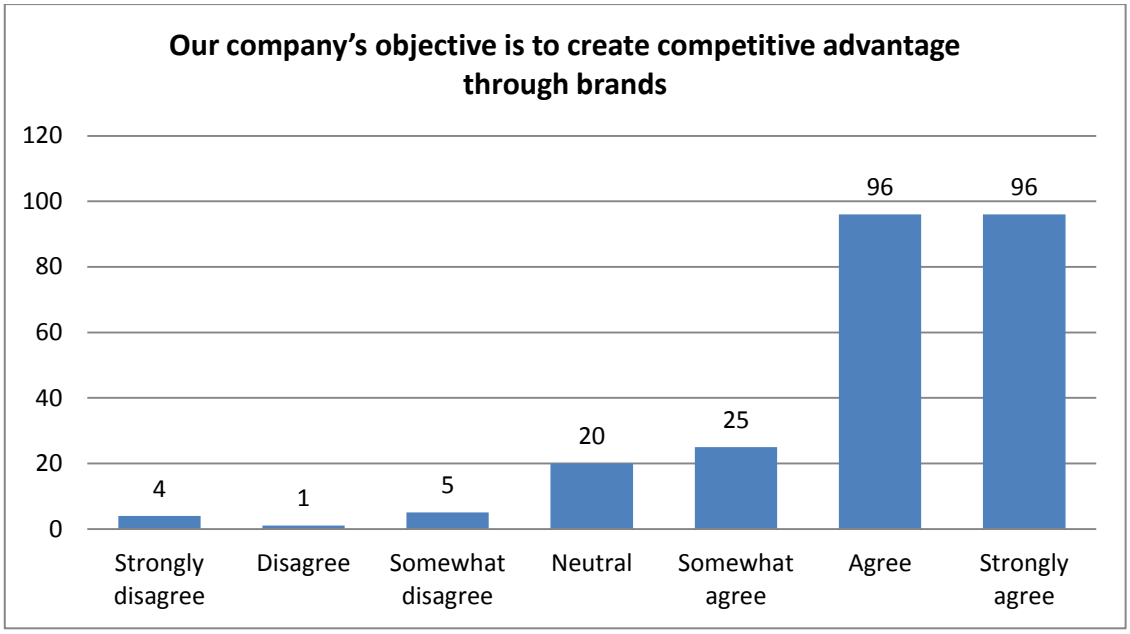
The detail to the table above is addressed in detail that follows below with some measurement items examined closely.



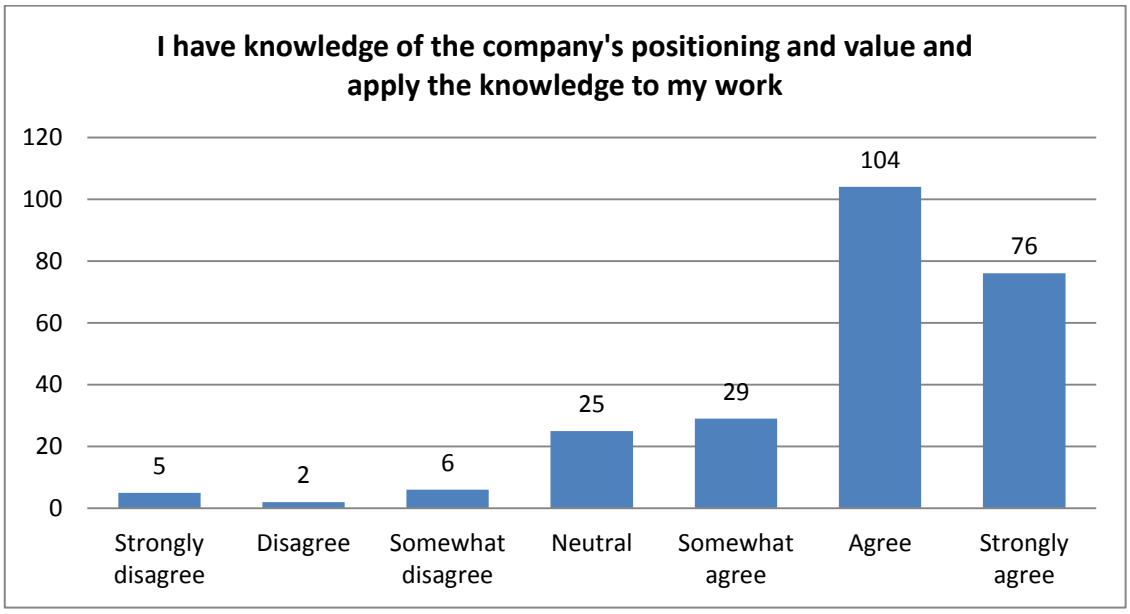
143 respondents which is an equivalent of 57,9% strongly agree that brand is important for the company's image which confirms that respondents understand the importance of investing in brands in the South African retailing category.



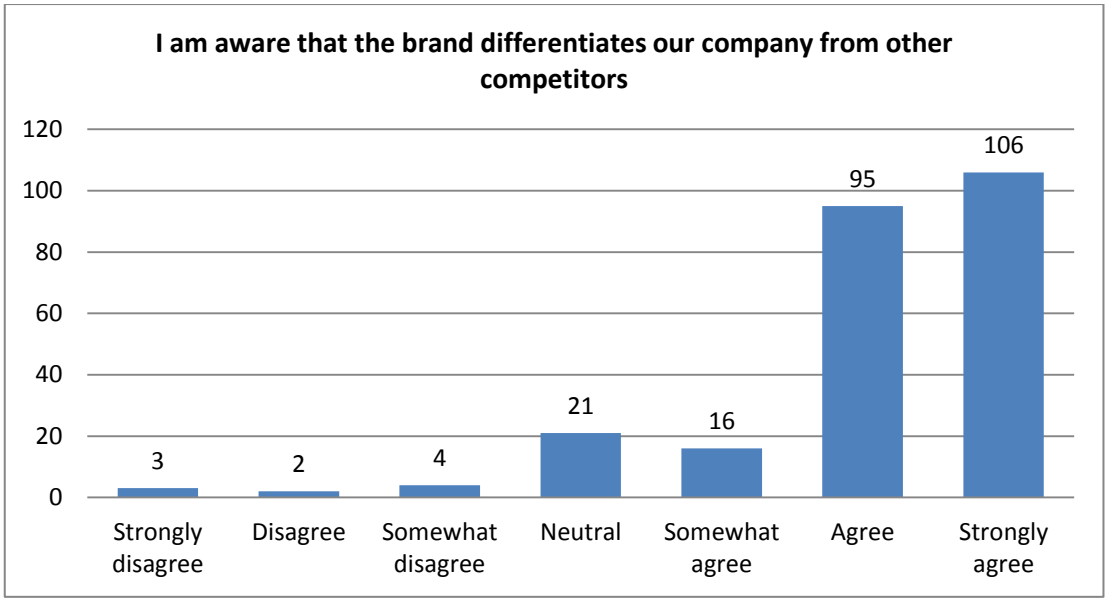
51% of the respondents strongly agree that brand is important for the company's strategic development. This is confirmation that staff considers the brand as an integral part of strategic planning.



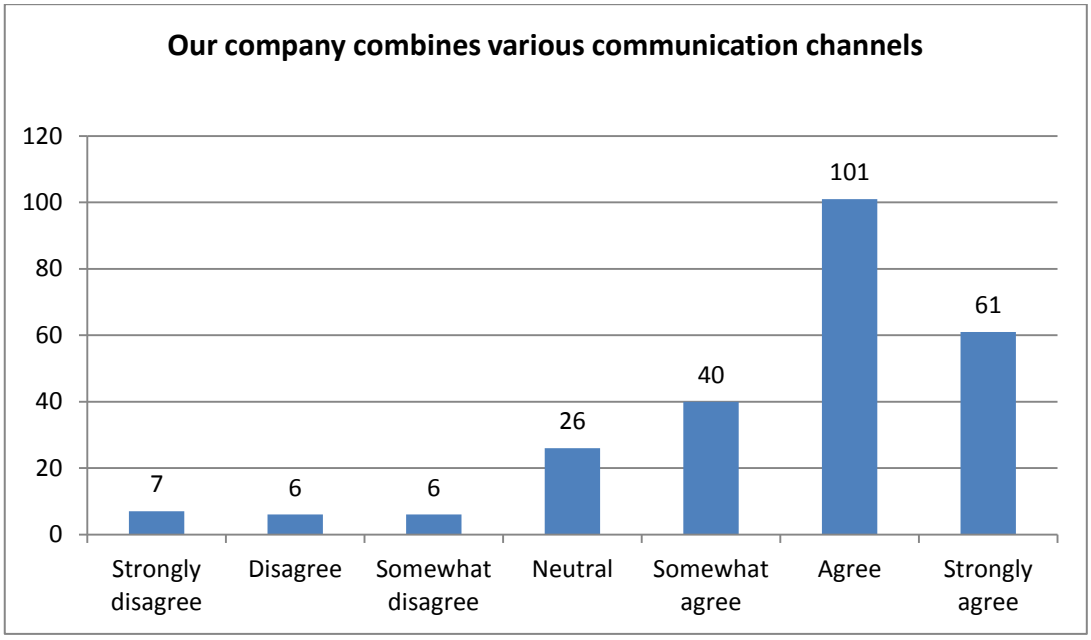
77,7% of the responses were equally split between agree and strongly agree that the company's objective is to create competitive advantage through brands. This further endorses that brand orientation has been adopted as a company's strategic orientation and the company is actively investing in brands in order to compete.



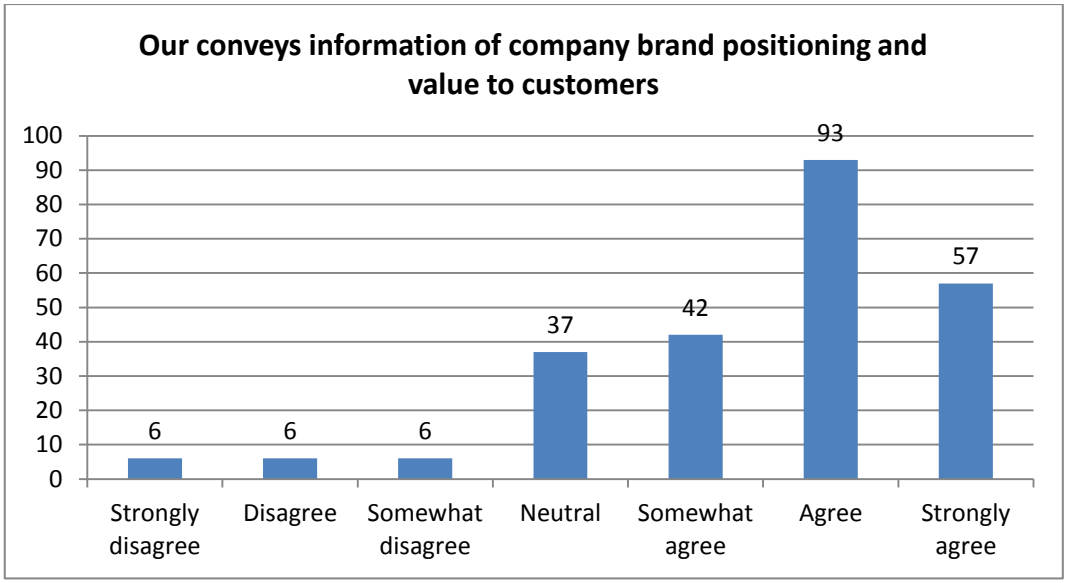
42% of the respondents stated that they have knowledge of the company's positioning and value. This means that the organisation actively educates employees or exposes them to how brands are positioned.



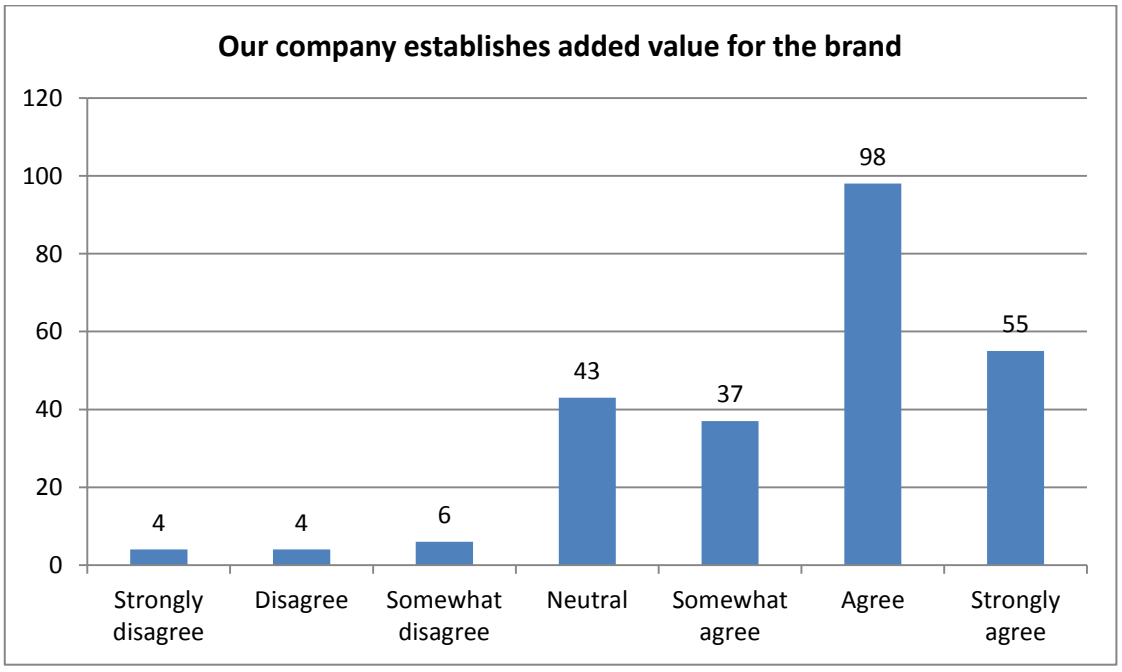
81.4% of the respondents agree or strongly agree that the brand is the key differentiator from other competitors.



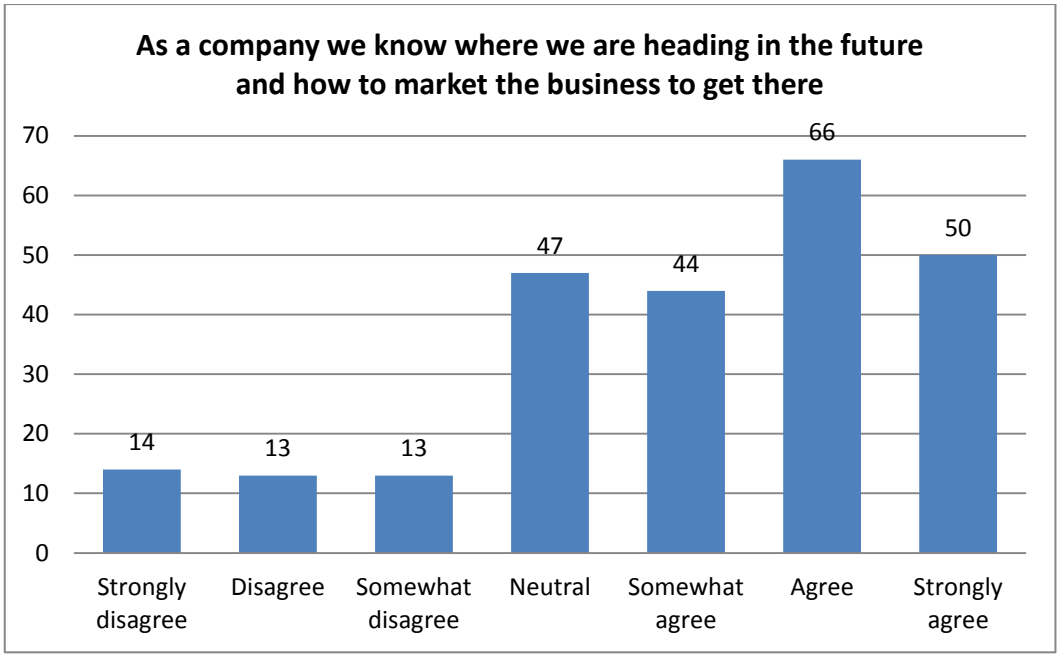
The distribution of responses is much wider from somewhat agree to disagree which might be an indicator the communication channels that the company uses are unclear or not actively communicated.



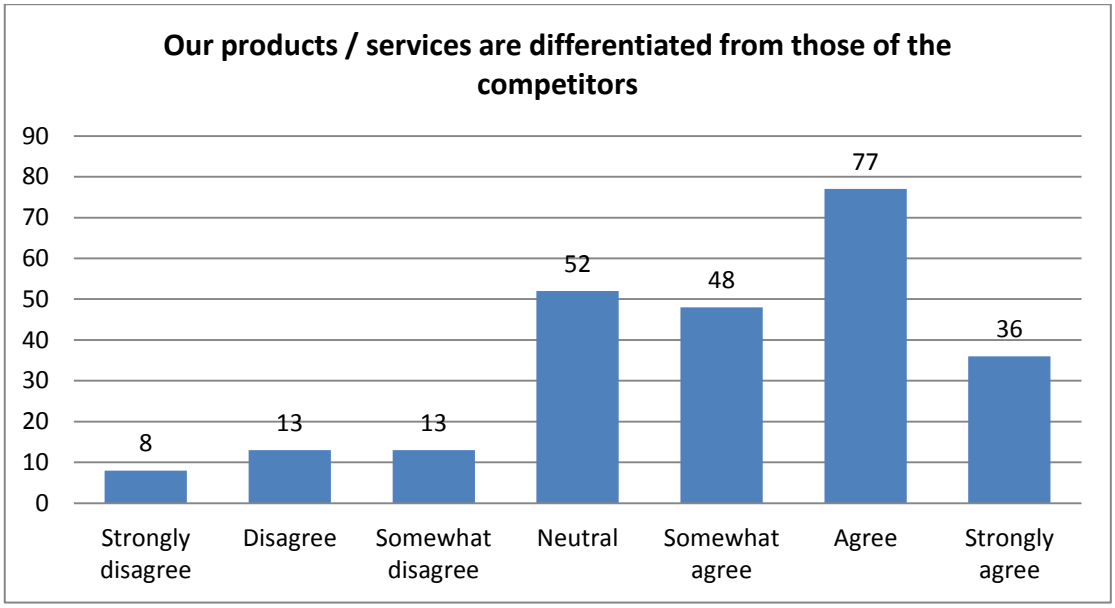
The respondents' views vary widely with regards to whether the customer conveys information of the company brand positioning and value to customers with only 23% of the respondents agreeing strongly.



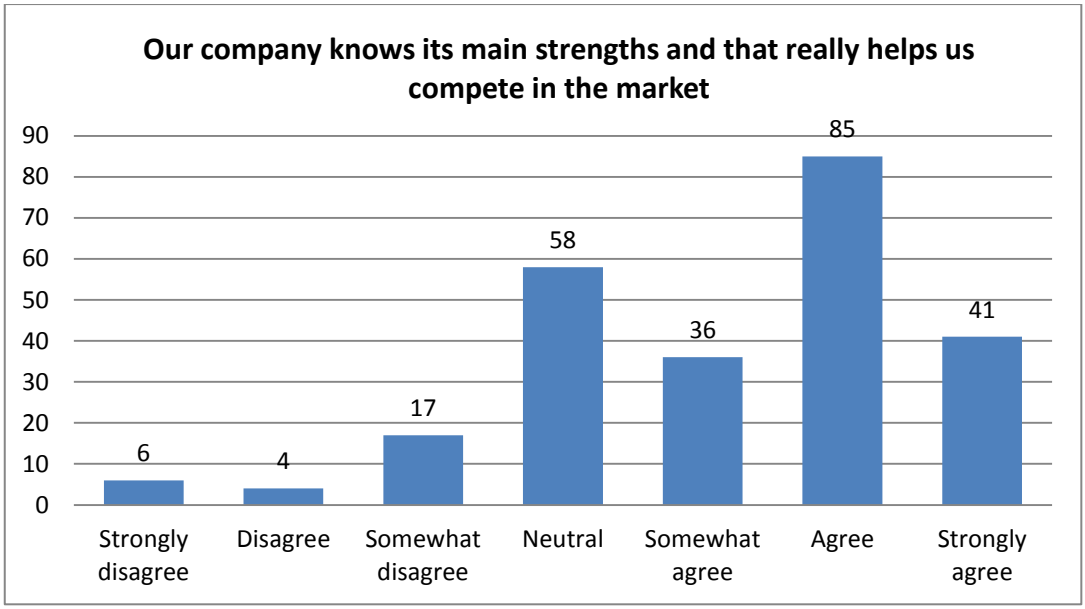
61.9% of the respondents agree/strongly agree that the company establishes added value for the brand.



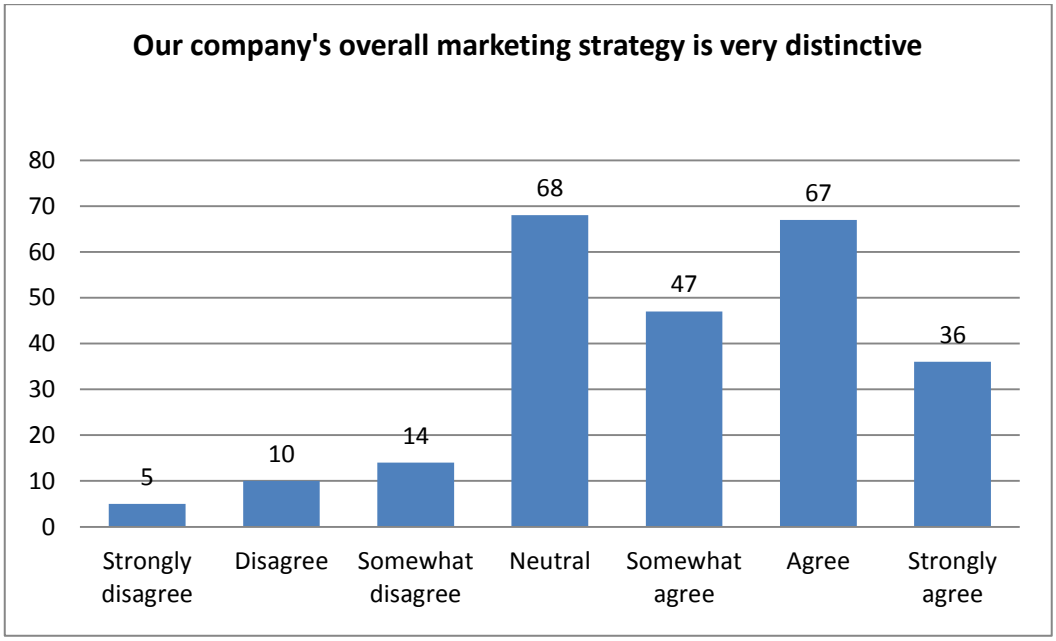
There no strong view on whether the organisation is heading in the right direction with only 46,9% of respondents agreeing or agreeing strongly with this statement.



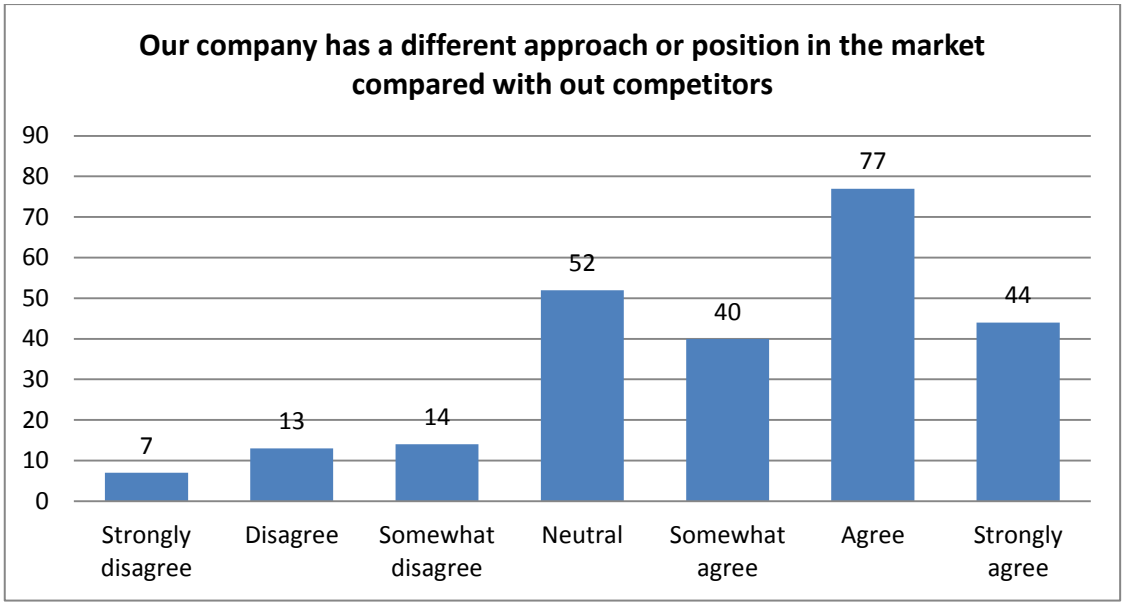
65,2% of the respondents agree that the products offered by the organisation are differentiated from competitors.



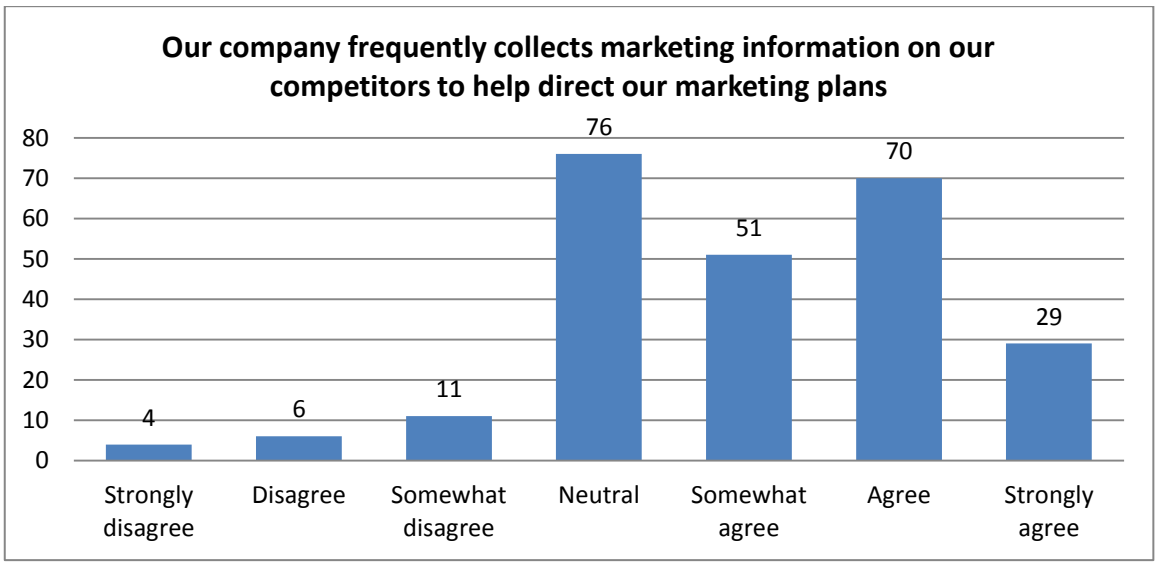
65,6% of the respondents are confident that the organisation knows its strengths and weakness and this awareness allows the organisation to compete.



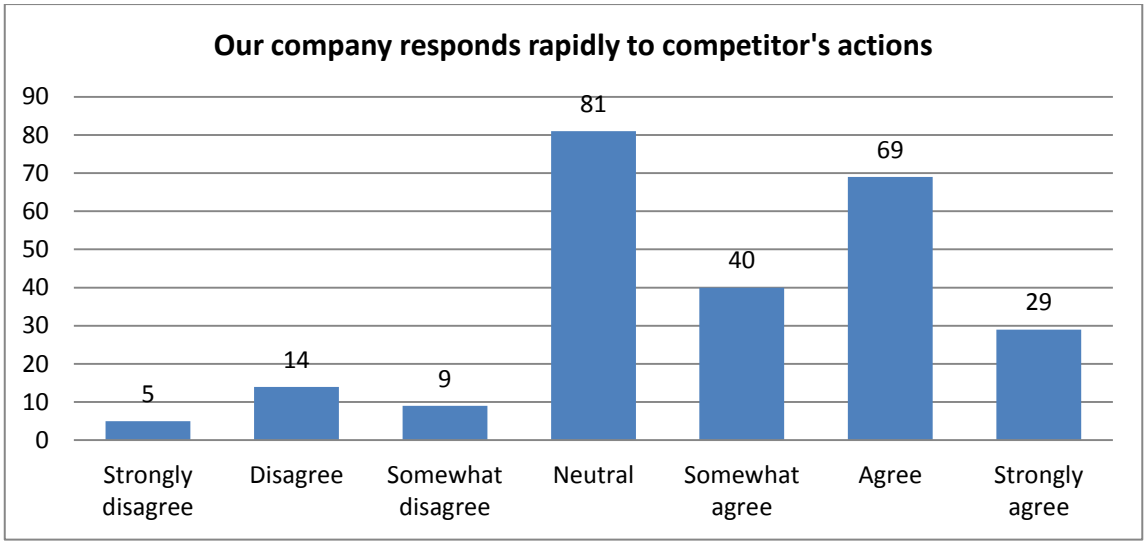
61% of the respondents agree that the strategy employed by the organisation is distinctive.



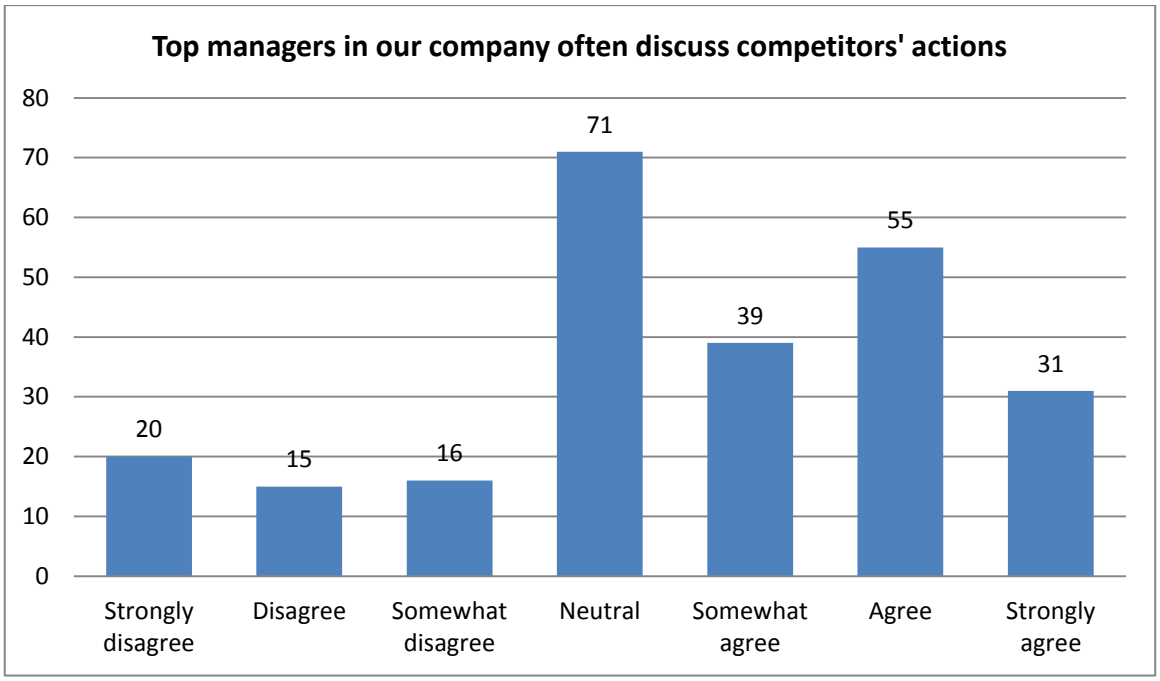
Most of the respondents (65,2%) agree that the organisation takes a different approach or position in the market compared with competitors.



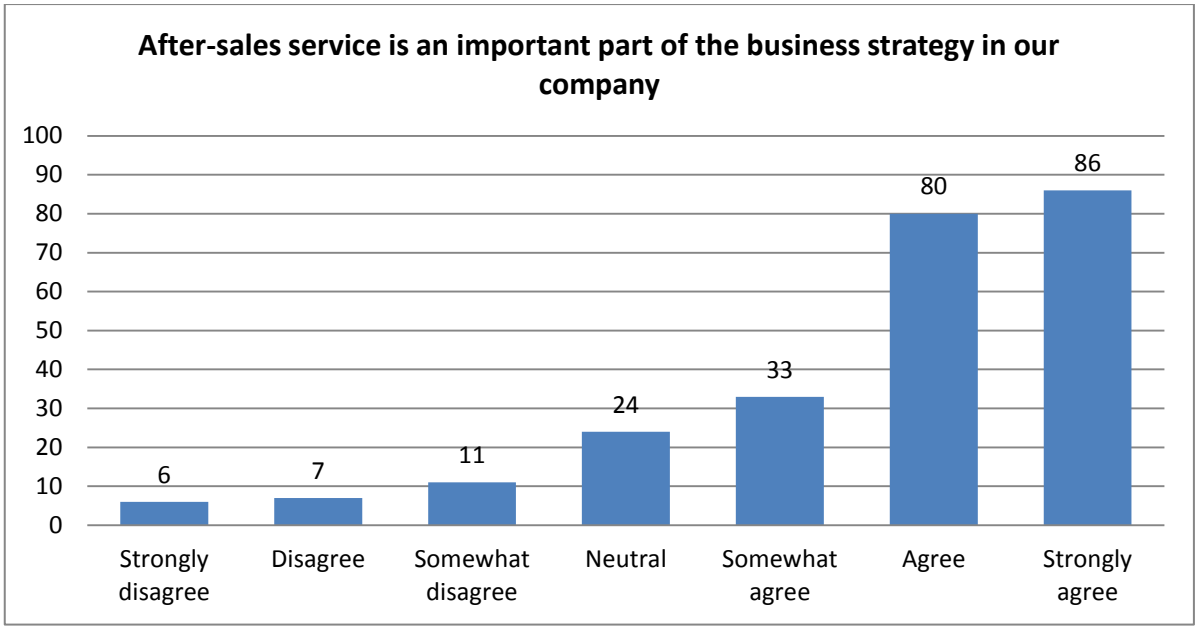
31% of the respondents are neutral to the question of whether the company collects data on competitors on an on-going basis.



32.8% of respondents are neutral whether the organisation responds quickly to competitor actions.



A relatively high percentage (28.3%) of respondents are neutral regarding top management engaging staff or each other on competitor actions, and the number of respondents who agree or strongly agree is also low.



Respondents who agree or strongly agree are 67,2% suggesting that the company the company does not only focus on just sales but has an interest in the ultimate customer experience post the sale or transaction.

4.3 Reliability and validity assessment

The table below presents the results elicited following reliability and validity assessments. These results are discussed hereafter.

Research constructs		Mean	Std. Deviation	Item-Total Correlation	Cronbach Alpha	CR	AVE	Item loadings
Brand orientation	BO3	5.95	1.23	0.69	0.86	0.86	0.51	0.63
	BO4	5.79	1.28	0.62				0.65
	BO5	6.04	1.21	0.63				0.58
	BO6	5.58	1.40	0.59				0.69
	BO7	5.48	1.38	0.65				0.81
	BO8	5.50	1.31	0.69				0.87
Customer orientation	CSO1	5.41	1.53	0.71	0.91	0.80	0.80	0.75
	CSO2	5.63	1.52	0.73				0.76
	CSO3	5.41	1.51	0.82				0.88
	CSO4	5.53	1.45	0.83				0.87
	CSO5	5.13	1.59	0.78				0.85
Competitor orientation	CMO1	5.17	1.39	0.72	0.90	0.90	0.64	0.76
	CMO2	4.96	1.33	0.80				0.81
	CMO3	4.70	1.41	0.78				0.84
	CMO4	4.84	1.45	0.77				0.86
	CMO5	4.55	1.71	0.68				0.74
Brand distinction	BD1	5.07	1.55	0.78	0.91	0.92	0.70	0.85
	BD2	4.98	1.43	0.85				0.88
	BD3	5.16	1.42	0.80				0.83
	BD4	4.99	1.53	0.76				0.79
	BD5	4.98	1.70	0.74				0.83

4.4 Measurement instrument assessment

4.4.1 *Reliability of measurement Instruments*

a. Cronbach's alpha test

It is accepted that a high Cronbach's coefficient alpha signifies reliability of a measurement scale. Generally, a Chrobach's Alpha value that meets or exceeds 0.7 is regarded as adequate. As Cronbach Alpha values exhibited in the table above range from 0.86-0.91, this therefore confirms the reliability of the measures used in the current study.

b. Composite Reliability (CR)

In order to assess internal reliability, a CR test had to be conducted. The following formula should be applied when examining Composite Reliability:

$CR\eta=(\Sigma\lambda yi)2/[(\Sigma\lambda yi)2+(\Sigma\varepsilon i)]$

Composite Reliability = (square of the summation of the factor loadings)/{(square of the summation of the factor loadings)+(summation of error variances)}

The formula was applied when assessing the CR of each of the study's research constructs. A composite reliability index that exceeds 0.6 is an indication of internal consistency. It is apparent in the Table above that the CR results which pertain to the research constructs respectively (BO:0.86, CSO:0.80, CMO:0.90, BD:0.92) are exceeding the accepted threshold that is 0.6. This therefore validates the existence of internal reliability for each of the research constructs.

4.4.2 *Validity of measurement instruments*

Validity test was undertaken in which convergent validity was examined. It is discussed below.

a. Convergent validity

Convergent validity is examined by evaluating item correlation estimates in the item-total index as well as the factor loadings. Item correlation estimates were assessed against the cut-off point that is 0.3. As the results exhibited in the above Table that range from 0.59-0.85 on the whole are exceeding the cut-off point, this means that measurement instruments are converging well on the construct they intended to measure.

To further substantiate, factor loadings were observed. In literature, a strong loading of the instrument on the construct i.e. >0.5, is an indication of convergent validity. As the results presented in the above table range from 0.58-0.88 on the whole, this means that instruments are loading well on their respective constructs. This therefore confirms the presence of convergent validity.

b. Discriminant validity

i. Inter-Construct Correlation Matrix

	BO	CSO	CMO	BD
BO	1			
CSO	.633**	1		
CMO	.536**	.677**	1	
BD	.545**	.748**	.702**	1

Researchers suggest that correlation refers to the strength of a relationship between two variables (Bagozzi & R.P. Yi, 2012). When a correlation is high or very strong between two or more variables, it invariably means a strong relationship whilst a low correlation means a weak relationship (Bagozzi & R.P. Yi, 2012).

Researchers have proven that when a relationship is measured numerically one derives a correlation coefficient that quantifies the direction and the strength of the relationship between variables (Grace, 2006; Bagozzi & R.P. Yi, 2012). This coefficient ranges between -1 and +1. It is also important to note that a -1 coefficient represents a perfect negative relationship whilst +1` represents a perfect positive relationship at all (Grace, 2006). The inter construct correlation coefficients for this study were all below 1which confirms the existence of discriminant validity.

ii. Average Variance Extracted (AVE)

“The average variance extracted estimate reflects the overall amount of variance in the indicators accounted for by the latent construct”. (Lei & Wu, 2007)

The formula below was applied when examining Average Variance Extracted.

$V\eta=\Sigma\lambda yi2/(\Sigma\lambda yi2+\Sigma\varepsilon i)$

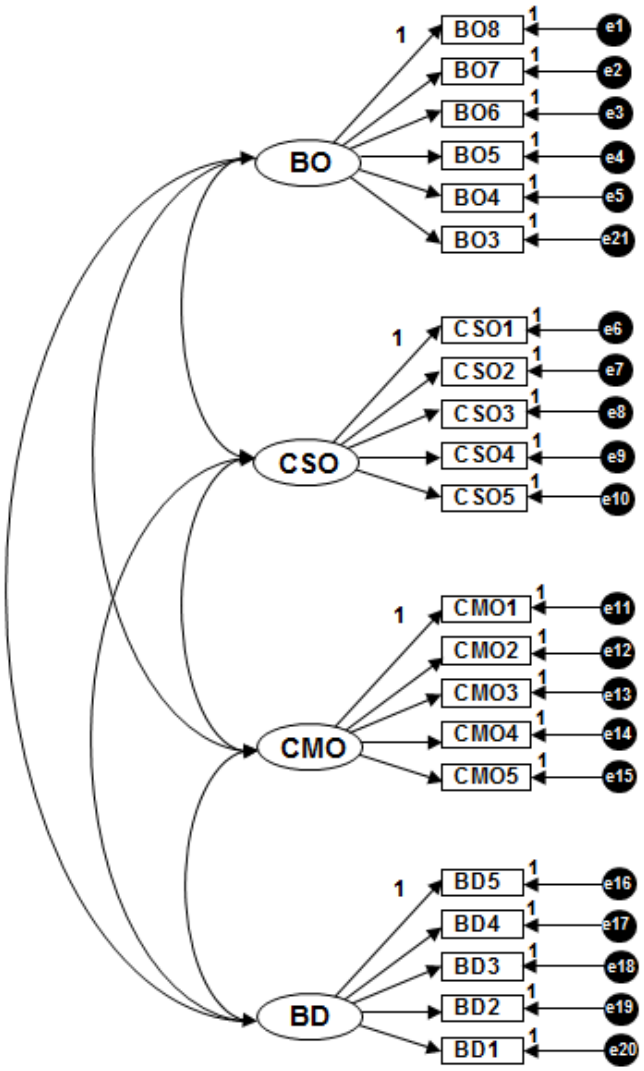
AVE = summation of the squared of factor loadings/{(summation of the squared of factor loadings)+(summation of error variances)}

The formula was applied when assessing the AVE of each of the study's research constructs. It is said that a variance extracted estimate that is greater than 0.5 indicates that a latent variable is represented well by its instrument. Therefore judging from the results exhibited in the above table which range from 0.51-0.80, it can be concluded that latent constructs are represented well by their measurement instruments.

4.5 Confirmatory Factor Analysis (CFA): Model and model fit assessment

4.5.1 *CFA model*

The figure below is a diagrammatic representation of the CFA model. Latent variables are signified by the circular or oval shape while observed variables are represented by the rectangular shapes. Adjacent to the observed variables are measurement errors which are represented by circular shapes as well. The bidirectional arrows connote the relationship between latent variables.



4.5.2 *Model fit assessment*

Model fit assessment is conducted for the purpose of determining how well the model is represented by the sampled data. Model Fit indices are observed for this assessment. The Table below indicates the results pertaining to the assessment. They are discussed hereafter.

c. Model fit results (CFA)

Model Fit criteria	Chi-square (χ^2/DF)	NFI	RFI	TLI	IFI	CFI	RMSEA
Indicator value	2.272	0.900	0.900	0.928	0.940	0.939	0.071

d. Chi-square (χ^2 /DF)

Literature asserts that a chi-square value that is below 3 is an indication of acceptable model fit. Given that the study's chi-square value (2.272) exhibited above is below the recommended threshold 3, this means that there is acceptable fit.

e. Normed Fit Index (NFI)

A NFI value that is above 0.9 is considered to be an indication of acceptable fit. The table above indicates a Normed Fit index value (0.900) that is below the recommended threshold, 0.9. This therefore implies that there is no acceptable fit.

f. Relative Fit Index (RFI)

Literature also asserts that a RFI value that exceeds 0.9 is an indication of acceptable fit. Given that the study's RFI value is 0.900, this denotes that there is no acceptable fit.

g. Tucker-Lewis Index (TLI)

A Tucker-Lewis Index value that meets or exceeds 0.9 signifies acceptable fit. The study's TLI value that is 0.928 conveys that there is acceptable model fit.

h. Incremental Fit Index (IFI)

It is conceived that a IFI value that meets or exceeds 0.9 signifies acceptable fit. As the study's IFI value (0.940) exceeds the recommended threshold 0.9, this implies that there is acceptable fit.

i. Comparative Fit Index (CFI)

A value that meets or exceeds 0.9 with regard to CFI is an indication that there is good fit. Given that the study's CFI value is 0.939, this means that there is good fit.

j. Root Mean Square Error of Approximation (RMSEA)

Literature also asserts that a RMSEA value that falls below 0.05-0.08 is an indication of good model fit. The study's RMSEA value (0.71) appears to be falling below 0.08. This result therefore confirms that there is acceptable fit.

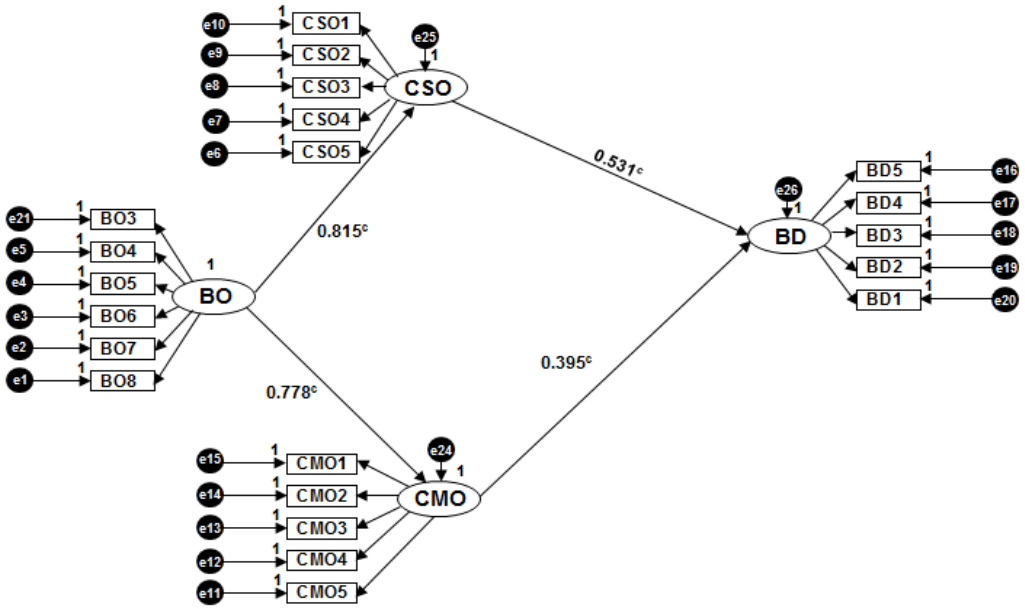
Though two model fit indices exhibit values that disconfirm acceptable fit, the model fit results overall indicate that there is a general fitting of the model by the data.

k. Factor loadings

The table above exhibits the study's factor loadings. Factor loadings are examined in order to determine if measurement items are loading well on their respective variables. Since the results exhibited above convey no item that falls below 0.5, this means that all measurement items are loading well on their respective variables and that they are measuring at least 50% of their respective variables.

4.6 Path modelling

Below is a figure depicting the structural model. Much like the CFA model, the circle or oval shapes represent the latent variables while measurement items are represented by rectangles. Adjacent to measurement items in circular shapes are measurement errors and the unidirectional arrows between latent variables are used to convey the causal relations.



4.6.1 *Model fit assessment*

Model Fit indices were examined when evaluating the model fit in this regard as well. Below is a table that indicates results pertaining to the assessment. They are discussed hereafter.

Model Fit criteria	**Chi-square (χ^2/DF)**	**NFI**	**RFI**	**TLI**	**IFI**	**CFI**	**RMSEA**
Indicator value	2.052	0.911	0.894	0.943	0.952	0.952	0.065

The thresholds expressed in CFA which pertain to respective Model Fit indices apply here as well. The above table indicates that the study's chi-square (2.052) is meeting the threshold of <3, thus confirming that there is acceptable fit. With regards to NFI, TLI, IFI and CFI, results were 0.911, 0.943, 0.952 and 0.952 respectively.

These results confirm that there is good fit as all indices are meeting the recommended threshold which is ≥0.9. RFI (0.894) however disconfirmed acceptable fit while RMSEA (0.065) on the other hand validates that there is good fit as it meets the recommended threshold which is <0.08.

4.7 Hypothesis testing results (Path modelling)

The study's hypotheses were tested in order to evaluate these relationships between latent variables. Below is a table indicating results elicited following the hypotheses test. They are discussed here after.

4.7.1 *Results pertaining to brand orientation and competitor orientation*

Proposed hypothesis relationship	Hypothesis	Path Coefficients	P value	Rejected/Supported
BO → CMO	H1	0.778[C]	***	Supported and significant

The coefficient of H1 was 0.778[C] and this suggests a strong relationship between BO and CMO. The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant.

4.7.2 *Results pertaining to brand orientation and customer orientation*

Proposed hypothesis relationship	Hypothesis	Path Coefficients	P value	Rejected/Supported
BO → CSO	H2	0.815[C]	***	Supported and significant

The coefficient of H2 was 0.815[C], and this suggests a strong relationship between BO and CSO. The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant.

4.7.3 *Results pertaining to competitor orientation and brand distinctiveness*

Proposed hypothesis relationship	Hypothesis	Path Coefficients	P value	Rejected/Supported
CMO → BD	H3	0.395[C]	***	Supported and significant

The coefficient of H3 was 0.395[C] and this suggests a strong relationship between CMO and BD. The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant.

4.7.4 *Results pertaining to customer orientation and brand distinctiveness*

Proposed hypothesis relationship	Hypothesis	Path Coefficients	P value	Rejected/Supported
CSO → BD	H4	0.531^{C}	***	Supported and significant

The coefficient of H4 was 0.531^{C}, and this suggests a strong relationship between BO and CMO (much stronger than H3). The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant.

4.8 Summary of the results

Generally, these results convey that BO and CSO have the strongest influence on BD. Also, together with BO, CMO has a strong influence on BD than does CMO alone. BO and CSO appear to have the strongest relationship while CMO and BD have the weakest relationship.

What also became quite clear is that customer orientation is a far more effective mediator which means that brand oriented organisations need to invest more effort and resources in understanding their customers' needs, wants and desires in order to ensure that their brands are both differentiated and distinctive. This insight is critical bearing in mind the competitive nature of the South African retailing environment which has a multiplicity of brands competing in diverse segments of the market.

CHAPTER 5. : DISCUSSION OF THE RESULTS

5.1 Introduction

The primary purpose of this chapter is to put forward a discussion of the empirical results of the research conducted as presented in the previous chapter. As indicated, the analysis was done using SPSS 22 and AMOS 22.

The chapter has three main heading i.e. respondent demographic profile discussion, results discussion per hypothesis, and conclusion.

5.2 Demographic profile of respondents

Characteristics		Frequency	Percent %	Cumulative %
Gender	Male	71	28.7	28.7
	Female	176	71.3	100.0
	Total	**247**	**100.0**	
Race	African	165	66.8	66.8
	White	39	15.8	82.6
	Asian	14	5.7	88.3
	Coloured	28	11.3	99.6
	Other	1	.4	100.0
	Total	**247**	**100.0**	
Age (in years)	18-24	26	10.5	10.5
	25-34	153	61.9	72.5
	35-39	13	5.3	77.7
	40-44	21	8.5	86.2
	45-49	13	5.3	91.5
	above 49	21	8.5	100.0
	Total	**247**	**100.0**	

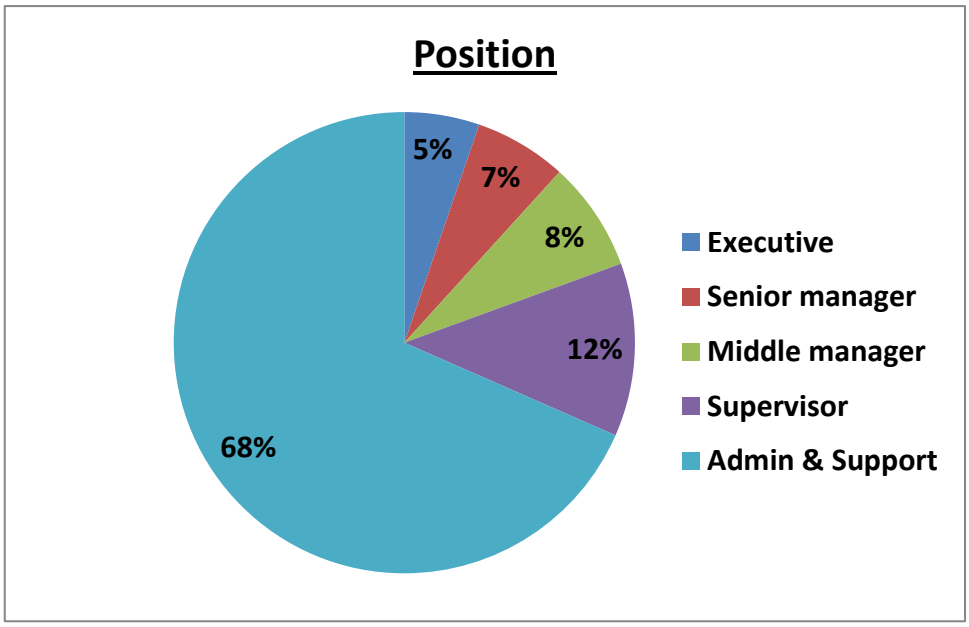
Experience (in years)	less than 1	15	6.1	6.1
	1-4	109	44.1	50.2
	5-8	71	28.7	78.9
	9-12	12	4.9	83.8
	13 and above	40	16.2	100.0
	Total	**247**	**100.0**	
Position	Executive	13	5.3	5.3
	Senior manager	16	6.5	11.7
	Middle manager	19	7.7	19.4
	Supervisor	30	12.1	31.6
	Admin & Support	169	68.4	100.0
	Total	**247**	**100.0**	
Department	Finance	71	28.7	28.7
	Human Resources	8	3.2	32.0
	Marketing	3	1.2	33.2
	IT	1	.4	33.6
	Customer value management	53	21.5	55.1
	Call centre operations	63	25.5	80.6
	Other	48	19.4	100.0
	Total	**247**	**100.0**	

Respondents ranged from age 18 to above 46, and 68% of them were from administrative and support positions in the work place, as shown in the respondent profile above. Executives and senior manager cumulatively accounted for only 11.7% of the respondents, as depicted in the table above.

The administrative functions within JD Group employ primarily young females under the age of 30.The reason for the age range is as a result of the support function and administrative functions employing young adults in a call centre environments. The race profile mirrors the South African demographics and is probably of no significance.

Based on the demographics above, 50.2% have four (4) years and less in the organisation which is an indicator of the environments staff turnover rate. Therefore, the results of this research will therefore demonstrate the impact of brand orientation from the perspectives of support staff rather than the decision makers in the companies.

Figure 5.1: Respondents' positions



Respondents range from age 18 to above 46, and 68% and most of them were from administrative and support positions in the work place, as shown in the respondent profile above. Executives and senior managers cumulatively accounted for only 11.7% (rounded up to 12%) of the respondents, as depicted in the figure above. The results of this research will therefore demonstrate the impact of brand orientation from the perspectives of support staff rather than the decision makers in the companies.

Figure 5.2: Respondents' department

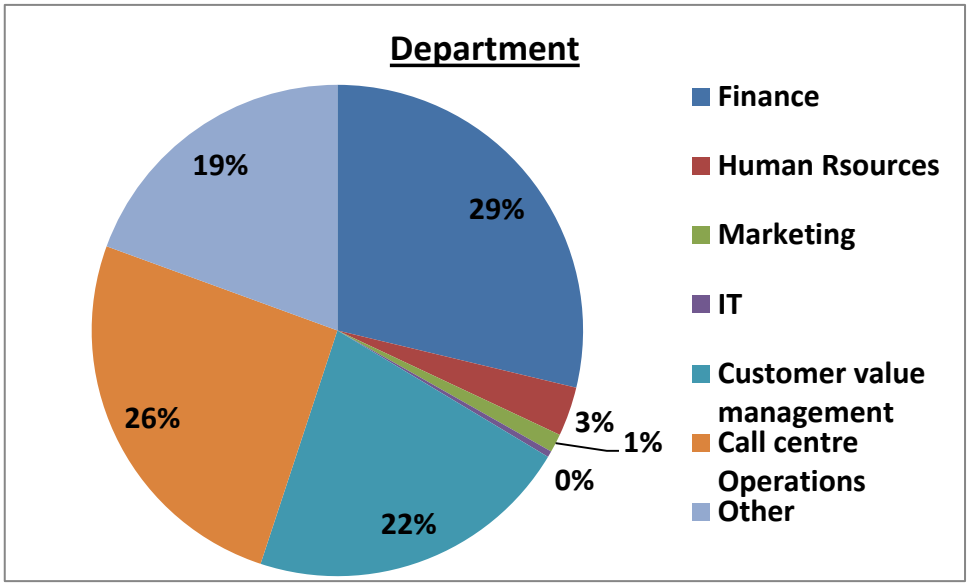


Figure 4.2 above shows that responses to the survey were mostly contributed by employees from the finance, call centre operations, customer value management and various "other" departments. Findings in the current research will therefore be influenced by perspectives from these departments. Departments of marketing, IT and human resources composed 4% of the responses which renders the findings not significant in this study. However, the responses from these departments should not disregarded as the departments are small in their very nature.

5.3 Hypothesis 1 discussion

The study proposed that there is a positive relationship between brand orientation and competitor orientation. Based on the results of this study, it has been confirmed that this relationship exists and is significant. The coefficient of H1 was 0.778, and this suggests a strong relationship between BO and CMO. The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant. The arguments as put forward under hypothesis development hold true.

5.4 Hypothesis 2 discussion

The study proposed that there is a positive relationship between brand orientation and competitor orientation. Based on the results of this study, it has been confirmed that this relationship exists and is significant. The coefficient of H2 was 0.815, and this suggests a strong relationship between BO and CSO. The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant. The arguments as put forward under hypothesis development hold true.

5.5 Hypothesis 3 discussion

The study proposed that there is a positive relationship between customer orientation and brand distinctiveness. Based on the results of this study, it has been confirmed that this relationship does exists and is significant. The coefficient of H4 was 0.531, and this suggests a strong relationship between BO and CMO (much stronger than H3). The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant. The arguments as put forward under hypothesis development hold true.

5.6 Hypothesis 4 discussion

The study proposed that there is a positive relationship between competitor orientation and brand distinctiveness. Based on the results of this study, it has been confirmed that this relationship does exist and is significant. The coefficient of H3 was 0.395, and this suggests a strong relationship between CMO and BD. The P value indicates a 0,01 level of confidence which therefore means that the hypothesis is supported and significant. The arguments as put forward under hypothesis development hold true.

5.7 Conclusion

This chapter presented a discussion of the results, the demographic profile of respondents, and a discussion on each hypothesis. It should be noted that the hypotheses put forward were proven correct at supported at 0.01 level of significance.

CHAPTER 6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

The purpose of this chapter is to draw some conclusions from the logic/results presented in chapter 5. The outcomes and recommendations of the study are presented and discussed once again. It is important to note the implications of the findings. Once the implications are presented, conclusions and recommendations will be made bearing in mind the limitations specific to this study.

As initially indicated, the study sought to understand the relationship between brand orientation and brand distinctiveness as mediated by customer and competitor orientation. Having confirmed that there is a strong relationship between the constructs, it should be noted that the relationship between brand orientation and brand distinctiveness is better mediated by customer orientation.

6.2 Conclusions of the study

The outcome of the study was in line with the hypothesis put forward. The study has proven that there is positive relationship between brand orientation and customer orientation, brand orientation and competitor orientation and brand distinctiveness.

Proposed hypothesis relationship	**Hypothesis**	**Path Coefficients**	**P value**	**Rejected/ Supported**
BO → CMO	H1	0.778[c]	***	Supported and significant
BO → CSO	H2	0.815 [c]	***	Supported and significant
CMO → BD	H3	0.395 [c]	***	Supported and significant
CSO → BD	H4	0.531 [c]	***	Supported and significant

c***= 0,01 level of significance b**= 0,5 level of significance a*= 0.1 level of significance

Individual coefficients of H1, H2, H3 and H4 were 0.778, 0.815, 0.395 and 0.531 respectively. Generally, these results convey that BO and CSO have the strongest influence on BD. Also, together with BO, CMO has a strong influence on BD than does CMO alone. BO and CSO appear to have the strongest relationship while CMO and BD have the weakest relationship. The results further indicate that all hypothesized relationships are positive and strong as well as significant at 99%. They are therefore validated as hypothesized.

6.3 Implications of the study

This study has generated a few key implications that need to be taken into consideration by both marketing practitioners and academics.

6.3.1 *Managerial implications*

On the side of the practitioners, the importance of the relationship between brand orientation and brand distinctiveness in the South African retailing sector has been highlighted. It should also be noted that for brand distinctiveness to be achieved or sustained, brand oriented organisations need to focus on understanding the customers' needs and circumstances, and also develop meaningful relationships with customers.

It is clear that practitioners will benefit from the implications of this study, and invest in areas like customer data management, customer research, and creating a culture of open communication between the brand and the business. This study will help inform strategy formulation as well.

6.3.2 *Academic implications*

The study has proven some key relationships between brand orientation, customer orientation, competitor orientation, and brand distinctiveness, and an even more significant relationship between brand orientation, customer orientation and brand distinctiveness. This study will make a contribution to the scholarship of brand in South Africa and greater Southern Africa as it clearly puts forward an argument that customer orientation is a stronger mediator between brand orientation and brand distinctiveness.

6.4 Recommendations

Based on the conclusions above, it is recommended that for a brand oriented organisation to have strong and distinctive brands in a highly competitive market place, it will require a stronger focus on understanding its customers and their needs. Furthermore, when executives engage in strategy formulation they need to be informed by strong customer insights gleaned from market research in order to ensure that value propositions meet or exceed customer expectations. This study does not suggest that competitor intelligence is not important. Contrary, it is the view of the researcher that both the competitor and customer intelligence are important when formulating long-term strategic plans for brands or businesses.

6.5 Suggestions for further research

Considering that this study investigated the views and perceptions of employees rather than customers or consumers, it would be useful to conduct the same study from the customers' perspective. Furthermore, it would be the benefit of academia if this study was conducted in another industry e.g. motor, food etc. It is also the view of the researcher that focussing on divisions that are close to the brand "cold face", the outcomes of the study would have been slightly different. Therefore, this is an area for future studies.

It is also noted that this study was conducted in Gauteng (one of nine South African provinces.) It would be valuable if future studies were conducted nationally or even in the greater Southern Africa region. Lastly, the demographic profile of respondents and their tenure might have influenced the outcome of the study.

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APPENDIX 1



Questionnaire

Thank you for paying attention to this academic questionnaire. The purpose of the study is to examine brand orientation, customer orientation, and competitor orientation and how they influence brand distinctiveness.

I am therefore, requesting your assistance to complete the questionnaire below. The research is purely for academic purposes and the information obtained will be kept confidential. It will take you approximately 5 minutes to complete the whole questionnaire.

Student: Sihle Zulu

Supervisor: Prof. Richard Chinomona

SECTION A

GENERAL INFORMATION

The section is asking your background information. Please indicate your answer by ticking (✓) on the appropriate box.

A1 Please indicate your gender

Male	1
Female	2
Other	3

A2 Please indicate your ethnic group

African	1
White	2
Asian	3
Coloured	4
Other	5

A3 Please indicate your age group

18 – 24 years old	1
25 - 34 years old	2
35 - 39 years old	3
40 – 44 years old	4

45 – 49 years old	5
Above 49 years old	6

A4 Please indicate your employment term

Less than 1 year	1
1 to 4 years	2
5 to 8 years	3
9 to12 years	4
13 years and above	5

A5 Please indicate your position

Executive	1
Senior Management	2
Middle Management	3
Supervisor	4
Admin & Support	5

A6 Please indicate your department

Finance	1
Human Resources	2
Marketing	3
IT	4
Customer Value Management	5
Business Intelligence	6
Call Centre Operations	7
Other	8

SECTION B

Brand Orientation

Below are statements about brand orientation. You can indicate the extent to which you agree or disagree with the statement by ticking the corresponding number in the 7 point scale below:

1= Strongly Disagree **2=** Disagree **3=** Somewhat Disagree **4=** Neutral **5=** Somewhat Agree **6=** Agree **7=** Strongly Disagree

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

Please tick only one number for each statement

BO1	Brand is important for the company's mission	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BO2	Brand is important for the company's strategic development	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BO3	Our company's objective is to create competitive advantage through brands	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BO4	I have knowledge of the company's positioning and value and apply the knowledge to my work	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BO5	I am aware that the brand differentiates our company from our competitors	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BO6	Our company combines various communication channels	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BO7	Our company conveys information of company brand positioning and value	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree

	to customers									
BO8	Our company establishes added value for the brand	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree

SECTION C

Customer Orientation

Below are statements about customer orientation. You can indicate the extent to which you agree or disagree with the statement by ticking the corresponding number in the 7 point scale below:

1= Strongly Disagree **2=** Disagree **3=** Somewhat Disagree **4=** Neutral **5=** Somewhat Agree **6=** Agree **7=** Strongly Disagree

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

Please tick only one number for each statement

CSO1	Our company encourages customer comments and complaints because they help us do a better job	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
CSO2	After-sales service is an important part of the business strategy in our company	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree

CSO3	Our company has a strong commitment to its customers	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
CSO4	Our company is always looking at ways to create customer value in our products	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
CSO5	Our company measures customer satisfaction on a regular basis	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree

SECTION D

Competitor Orientation

Below are statements about competitor orientation. You can indicate the extent to which you agree or disagree with the statement by ticking the corresponding number in the 7 point scale below:

1= Strongly Disagree **2=** Disagree **3=** Somewhat Disagree **4=** Neutral **5=** Somewhat Agree **6=** Agree **7=** Strongly Disagree

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

Please tick only one number for each statement.

CMO1	Our company regularly monitors our competitors' marketing efforts	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
CMO2	Our company frequently collects marketing information on our competitors to help direct our marketing plans	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
CMO3	Sales people in our company are instructed to monitor and report on competitor activity	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
CMO4	Our company responds rapidly to competitors' actions	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
COM5	Top managers in our company often discuss competitors' actions	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree

SECTION E

Brand Distinctiveness

Below are statements about brand distinctiveness. You can indicate the extent to which you agree or disagree with the statement by ticking the corresponding number in the 7 point scale below:

1= Strongly Disagree **2=** Disagree **3=** Somewhat Disagree **4=** Neutral **5=** Somewhat Agree **6=** Agree **7=** Strongly Disagree

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree

Please tick only one number for each statement

BD1	Our company has a different approach or position in the market compared with our competitors	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BD2	Our company's overall marketing strategy is very distinctive	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BD3	Our company knows its main strengths and that really helps us compete in the market	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BD4	Our products/services are differentiated from those of the competitors	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree
BD5	As a company we know where we are heading in the future and how to market the business to get there	Strongly Disagree	1	2	3	4	5	6	7	Strongly Agree

THE END