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# Investigating how customer insights inform strategy leading to brand differentiation in the retail sector

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**Abstract**

To compete in business today, organisations need to have a point of difference. To sustain this point of difference they require an understanding of, and focus on, their unique brand story. Furthermore, it is important that organisations develop new and innovative products and services that reflect this unique brand. In this context, the term 'brand' is defined as everything an organisation 'says and does' in the three stages of the purchasing cycle: pre-purchasing, purchasing, and post purchasing. Brand consistency and focus keeps customers engaged; this engagement, in turn, leads to customer loyalty and increased sales. Central to understanding customers is data capture from both traditional channels (survey data) and contemporary channels (social media data). However, without a focused effort to filter and leverage this data to create exceptional brand experiences for customers, its sheer volume can be overwhelming.

The aim of this study is to explore the link between brand differentiation, customer insights, and strategy development to deliver a unique customer experience across every brand touch point. The customer experience is made tangible by the strategic design of the brand's expression and customer touch points such as the brand website, retail environment, and customer service; however, the way organisations align these touch points is crucial to their success. This study explores how brand expression, through its customer touch points, is driven by customer insights.

The focal context of this study is the Australian retail sector, as this particular sector has been directly affected by the influx of global brands into the local marketplace. These global brands have long since launched on-line retail stores; more recently, however, they have also entered the Australian marketplace with the establishment of bricks-and-mortar, physical stores. The study examines a range of Australian retail organisations to understand how these organisations operate in this difficult and competitive environment, and how they might differentiate their brands from their national (Australian) and international competitors.

Using qualitative research for both primary and secondary data capture, the study involves retail store site visits, desktop research, and the thematic analysis of in-depth interviews with five executives from the participating retail organisations. The specific scope of the study involves a range of organisations from ASX-listed public companies to small independent retailers, operating within the context of various retail categories such as apparel, accessories, lifestyle, and pharmaceuticals.

The study found that while the size, structure, and revenue of each of the participating retail organisation varied, there were three key themes that were common to all: that speed to market is critical; that the currency of customer intelligence is imperative; and that brand with purpose and focus leads to differentiation. The combination of increased sales from online stores and

the establishment of physical stores by global brands is the most significant finding of this research. The research also established that the need to retain and engage customers to achieve a constant flow of customer traffic and sales, has led to shorter product development and logistics cycles to ensure new products arrive in store in a reduced timeframe.

This study also presents key insights into the Australian retail sector. These insights include: the significant impact that social media has had on the Australian retail sector; the retail organisations' understanding of the importance of consistent brand offerings; the need to apply consistent branding across every facet of the customer's journey and contact with the organisation; and the part customer insights play in the development of new products and services.

A significant practical outcome of the research is the development of the *Brand Differentiated Model,* a tool to assist organisations to focus on developing their brand from the 'inside out', on an articulated brand platform of brand vision, mission, values, personality, and tone. This brand platform influences and guides decision making across all key customer touch points. The circular form of the model reflects the need for constant review and adjustment as customer insights, new technology, and changing global retail trends affect the products and services offered. Meanwhile, and most importantly, the central core of the model—the 'brand DNA'—remains unchanged.

The Brand Differentiated Model has the potential to build a stronger relationship between strategy and brand, a relationship that could help Australian retailers withstand future disruptions by facilitating the delivery of a differentiated brand. Finally, the model is not only a significant contribution to brand knowledge; it is also potentially transferable to other Australian industry sectors.

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## Statement of Original Authorship

The work contained in this thesis has not been previously submitted to meet requirements for an aware at this or any other higher education institution. To the best of my knowledge and believed, the thesis contains no material previously published or written by another person except where due reference is made.

QUT Verified Signature

Signature: Christine Jane Moody.

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## Acknowledgments

# Chapter 1: Introduction

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## 1.1 Introduction

Successful organisations do not differentiate their products and services simply by price, quality, or technology; increasingly, they are seeking new ways to create sustainable business strategies (Katter, 1996; Lane, Strohhecker, & Größler, 2012; Strohhecker & Größler, 2012). One key success factor in a differentiated strategy to achieve high-growth for the organisation and its stakeholders is a differentiated brand (Osler, 2007; Chareonsuk & Chansa-nagavej, 2008; Tynan, McKechnie, & Chhuon, 2010). This research explores and increases our understanding of the role of customer insights in informing the creation of a differentiated strategy which, in turn, is reflected in a differentiated brand.

Central to this study (and further explored in the Literature Review in Chapter 2) is the understanding that the term 'brand' has evolved from the simple visual concept of a 'logo' or 'symbol', to the contemporary concept of standing "for everything an organisation 'says and does'" (Olins, 2008, p. 30). It follows then that brand is now central to business strategy (Aaker, 1991; Farelly & Beverland, 2008; Olins, 2008; Porter, 1996). In this research, the retail sector is used as the example to investigate this relationship between brand and business in contemporary brands at all customer touch points during the purchasing process (Dunn & Davis, 2003; Ene & Ozkaya, 2014).

## 1.2 Background

Currently, many Australian organisations tend to focus on the business 'essentials' such as structure, processes, and protocols, and neglect the importance of their brand and image (AON, 2013; Timmerman & Shields, 2014). However, contemporary organisations operate in a complex, competitive, 'multichannel' environment—one that is both 'on-line' (on website and social media platforms) and 'off-line' (bricks-and-mortar, physical spaces). Therefore, there is a greater need to invest resources in the creation of differentiated brands and customer loyalty to enable the organisation to stand out from the competition (Rios & Riquelme, 2010).

Knowing what is important to customers, what they value, and how to gain their loyalty, is the challenge for all organisations. While the need for a robust business model cannot be ignored, brand differentiation connects strategic plans, and makes the business strategy visible to the customers via the customer 'touch points' (Dunn & Davis, 2003; Ene & Ozkaya, 2014; Olins, 2008;

Timmerman & Shields, 2014). There are many opportunities for customers to 'touch' and 'experience' the brand; every one of these touch points makes the brand strategy tangible, and allows the organisation an opportunity to align the brand strategy with the customer's perception of the brand (Ahrendts, 2013). For the purpose of this research, the 'customer' refers to the external customer who purchases products on-line from websites and social media platforms, or off-line from bricks-and-mortar, physical spaces (Interbrand, 1998, p.31).

Integrating an organisation's strategy, brand, and customer touch points into the business model increases the chance of profitability which, in turn, aids the organisation's growth and sustainability (Crematory, Riley, & Harris, 1998; Wang & Lo, 2003; Zaichkowsky, 2010; Zomerdijk & Voss, 2010). Understanding the customer, and then designing a consistent brand experience between strategy and customer touch points, is considered an imperative in achieving business success; it affects the financial performance of the organisation, including its profitability and shareholder value (Lo, 2012; Young & Ramasamy, 2008). The outcome of a unique brand experience is customer loyalty to the organisation and the organisation's brand. Nowadays, customer loyalty via brand delivery is regarded as a key to commercial success (Mehrabi, et al., 2014). In short, in this context, the 'brand expression/experience and customer touch points' refer to everything the customer comes into contact with during the purchasing cycle.
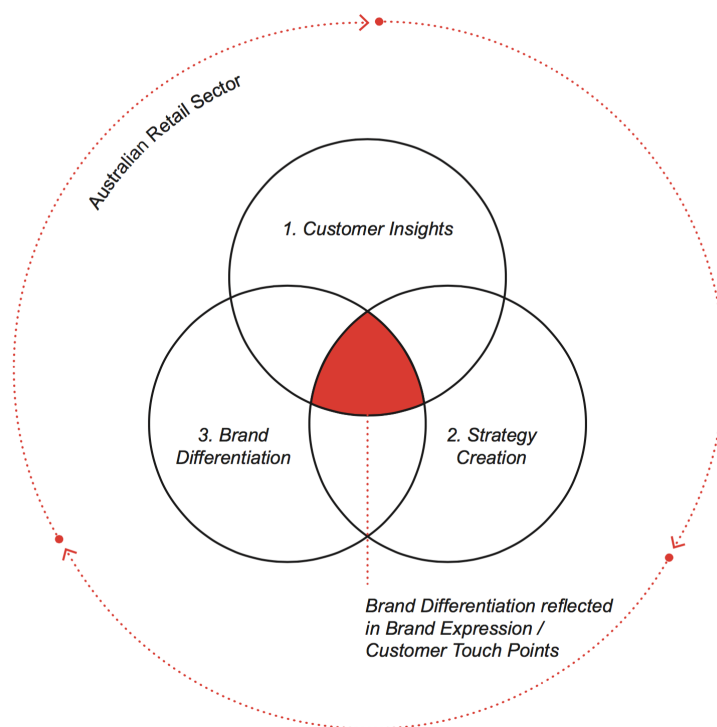


Figure 1.1: Research Foci.

This research aims to assist in understanding how organisations leverage customer insights and customer research to help with strategy creation which, in turn, creates brand differentiation. It encompasses a review of the literature on each of these three elements—customer insights, strategy creation, and brand differentiation (see Figure 1.1)—all of which reside within the context of brand design research. This literature review identifies a gap in the knowledge at the convergence of these three areas—brand expression and customer touch points, as depicted in the red section of Figure 1.1—and highlights the need to further develop knowledge of these two areas. Thus, the focus of the research is the three elements—customer insights, strategy creation, and brand differentiation—and their intersection.

This study's investigation uses the retail sector as its focus. The research of brand in the retail sector is of importance both to retail organisations and to the design discipline itself. First, research findings can inform the creation of sustainable business strategies for retail organisations, and foster the realisation that brand adds value. This latter realisation, in turn, will create the opportunity for designers to become part of organisational leadership teams to assist in developing new brand design approaches and their enabling organisational structures.

## 1.3 Context

The retail sector was selected as the focus of this research for three reasons. Firstly, retail is of significant importance to Australia's economy in terms of employment and the size of the businesses within the sector. For example, the Australian Bureau of Statistics (2015) cites industry turnover in excess of $24 million (as at November 2014). It is also Australia's second largest contributor to employment and only marginally behind manufacturing in this respect. Secondly, retail's diverse categories—for example, food, household, clothing, accessories, and pharmaceuticals—allow for the study of a variety of categories within the sector. To understand retail's contribution to the Australian economy, the peak retail industry body—Australian Retailers Association (n.d.) which indicates the sector contributes $265 billion to the economy and over 1.2 million jobs which makes it one of the largest employer sectors in Australia.

Thirdly, as competition from local and global brands increases, Australian retail brands realise that they cannot remain static, that they need to remain competitive, and that "the ability to innovate, drive improved processes, and to connect with the consumer will be critical in order to remain competitive" (*Inside Retail*, 2015, p. 2).

This study explores literature from a range of fields that encompass the three areas of customer insights, brand differentiation, and strategy creation. Although there is existing research in these

three areas, this research focuses on the convergence of the three areas in the retail sector.

A qualitative research approach is used to understand the convergence of the three areas, and the research project consists of six stages and their outcomes, as illustrated in Figure 1.2.

**Stage 1: Literature Review**
> Defining brand and its role in the contemporary retail environment
> Aligning an organisation with the brand strategy for cohesive and differentiated retail offering
> Creating the brand experience through customer engagement via key touch points.

**Stage 2: Research Design**
> Finalise questions and prompts
> Question test with executives
> Screening potential organisations.

**Stage 3: Data Collection**
> Primary: Semi-structured interviews with prompts
> Secondary (pre-interview): Collection of 'artifacts' representing brand expression / customer touch points.

**Stage 4: Analysis of Data**
> Coding system
> Review for patterns and trends
> Analysis.

**Stage 5: Results / Interpretation**
> Interpretation
> Results
> Discussion of findings.

**Stage 6: Discussion / Findings**
> Discussion of research
> Conclusion and summary
> Opportunities for future research.

Figure 1.2: Research Stages.


## 1.4 Research Problem

The problem this research addresses is the lack of knowledge in the area of the overlap of the three areas of customer insights, strategy creation, and brand differentiation, as illustrated in Figure 1.1. Thus, this study focuses on understanding how Australian retail organisations create a consistent brand experience across customer touch points using strategy creation, customer insights, and brand differentiation. This brand experience has implications for all areas of business, including the on-line and off-line experience. Understanding the brand experience begins with collecting customer insights to understand trends and what customers want to buy; knowing when

to change products and services to reflect new trends; and ensuring this information influences strategy to, in turn, influence brand differentiation in the marketplace.

Another problem this research addresses is the lack of knowledge of the impact of brand on both the strategy and the execution of the touch points, to create differentiated brand experience. The need for this knowledge has arisen as business 'products' are no longer simply manufactured items; rather, they include the entire 'brand experience', with services positioned at the centre of the offering. Thus, the research problem can be summarised in the research question: "How do customer insights inform strategy and drive an organisation's differentiation through brand?" Importantly, the aim is to gain an understanding of how this strategy is communicated and embedded across the organisation—from executives to retail sales staff.

### 1.5 Research Aim and Objectives

The aim of this research is to provide new knowledge of the concept of 'brand', and how it contributes to the long-term success of an organisation. It will achieve this through developing an understanding of the overlay of customer insights and strategy creation in the execution of the brand experience through brand expression and customer touch points. The purpose is to explore how organisations develop strategies; how they communicate their brand differentiators to all stakeholders (staff and shareholders); the value (if any) that brand adds to an organisation's growth; and, finally, what part brand plays (if any) in the ongoing success of the organisation. This exploration will be overlaid with customer insights and how these are integrated into, and inform both the strategy and the brand.

More specifically, the two objectives of the research are:

1) *To understand the brand platform in a range of retail organisations and how it relates to their customer touch points*
2) *To investigate how brand expression and customer touch points are designed from the overlapping interdependency of customer insights, strategy creation, and brand differentiation.*

The outcome of the research advances the knowledge of brand's strategic role and its significant contribution to the bottom line of a range of Australian retail brands across a number of retail categories; for example, food, household goods, clothing, accessories, and pharmaceuticals. Although retail is not the only Australian sector facing increasing competition from global brands, this sector is a key indicator of the health of Australia's economy (Lim, et al., 2011). This sector has been particularly affected and disrupted by a range of new technologies, the rapid pace of innovation, and the influx of global brands.

The research discusses and outlines how different retail organisations approach their customers to gain their insights, and then use these insights to execute their brand experience and thus create a differentiated brand. The specific knowledge contribution of the study is the identification and articulation of the link between customer insights and a brand's touch points to create a differentiated brand, and a sustainable retail organisation.

## 1.6 Significance and Scope

Australian retail organisations were chosen as the focus of this study because of the increased competition they face, and because they operate in complex and multi-channel platforms with difficult trade conditions. Their increased competitors include recently arrived successful global US- and UK-based retail chains such as Williams-Sonoma, Abercrombie & Fitch, Zahra, H&M, and TopShop. Others, such as UK's Marks & Spencer and Ashley Furniture (Fielding, 2012; *Inside Retail*, 2015), are also exploring opportunities here.

Another significant example of the competition is Sephora, which opened its first stand-alone store in Australia in December 2014. It is one of the world's largest beauty retail organisations and, with annual sales of $4.4 billion, is one of LVMH luxury goods group's fastest growing brands:

> Sephora's entry into Australia threatens to break the stranglehold that Myer and David Jones have on the premium cosmetics and fragrance market, estimated to be worth more than $1.8 billion a year…Outside of Jo Horgan's Mecca [cosmetics], there's nothing like this in Australia. In their mind, it's the first real threat to department stores in this country in 50 years. (*Australian Financial Review*, 2014, p. 1)

With 37 of the world's top 250 retail organisations now operating in Australia, globalisation of the Australian retail market is expected to continue, driven particularly by the US-based brands (Inside Retail, 2015).

Using qualitative research—including both primary data collection (interviews) and secondary data collection (review of websites and physical stores)—the research documents the brand strategies and implementation methods of a range of organisations in the Australian retail sector. The central question at stake is: What do retail organisations need to do to address the fact that retail stores need to offer a differentiated brand experience to ensure sustained growth (Fielding, 2012)? In response to this question, the research encapsulates how retail organisations deliver a sustained, consistent, and differentiated brand experience across all customer touch points. It also discusses how customer insights inform the organisation's strategy that is reflected in the touch points.

The starting point for, and framework of this thesis is Interbrand's Impact Model (1998, p. 61). The model places brand development in a context, and shows the relationship between strategy

and brand execution. The findings from the desktop research and interviews overlay this model to demonstrate the changes that new media, such as Facebook, has had on both retail organisations and the way customers purchase. Investigating how retail organisations gather and use these insights to create tangible 'touch points' and differentiated brand experiences is part of this study.

## 1.7 Research Question

The research problem can be translated into the following research question, which leads the research investigation:

> *How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?*

This main research question is examined in the following four sub-questions that drive this study of retail organisations:

> *1) How do organisations identify and extract insights from customers?*
>
> *2) How do they capture and interpret these insights?*
>
> *3) In what way do these organisations apply these insights?*
>
> *4) How do these customer insights make a difference to the organisation?*

## 1.8 Thesis Structure

This thesis is divided into six chapters. The literature review is presented in Chapter 2; it addresses the foci of this research—customer insights, strategy creation and brand differentiation—and discusses relevant knowledge and authorities for each of these themes. It also outlines and summarises the key findings of the existing literature that addresses brand and its definition and importance; the link between business and brand strategy; and customer engagement and touch points. Chapter 3 outlines the research design, including its methodology, the sources of both the primary and secondary data, and the analysis of the data and theme identification. Chapter 4 then outlines the findings and results from the primary and secondary data, and Chapter 5 discusses the research results under three main themes and subthemes. Finally, in Chapter 6, conclusions from the research, its contribution to the field, and future research opportunities are discussed.

The research findings have several implications. They will assist both organisations and brand consultants to gain a greater understanding of the relationships among customer insights, strategy creation, brand differentiation and brand expression, and customer touch points. The evidence

provided will inform organisations and designers beyond the retail sector.

Chapter 2 now reviews the literature related to the three research areas of customer insights, strategy creation, and brand differentiation.

# Chapter 2: Literature Review

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## 2.1 Introduction

This chapter reviews the literature relating to the three key research areas—brand, strategy, and customers—and to the research context, the Australian Retail Sector. The key research areas include the specific research foci: brand differentiation, strategy creation, and customer insights. These foci are represented in the theoretical framework for the research, as earlier illustrated in Figure 1.1. The convergence of the three foci— as represented by the red area in Figure 1.1— is reflected in brand expression and customer touch points.
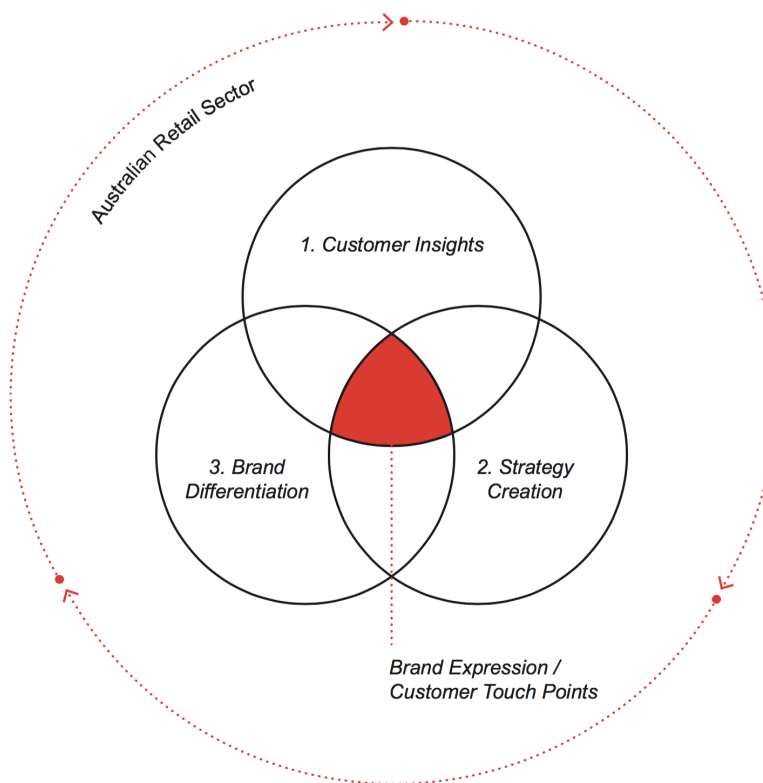


*Figure 2.1: Research Foci for Literature Review.*

## 2.2 Australian Retail Sector

As briefly discussed in the previous chapter, the retail sector was selected for the focus of this research because of the size of the sector and its importance to the Australian economy. The peak retail industry body—the Australian Retail Association (n.d.) states that, "it represents Australia's $265 billion retail sector and that over 1.2 million people are employed in the retail sector making it one of the largest employer sectors in Australia". To demonstrate its size and impact on Australia's economy, the Australian Bureau of Statistics (2013, p. 3) reports that, at the end of

June 2013, there were 1 271 957 persons working in the industry; $40.4 billion in wages and salaries were paid during 2012-13; retail businesses generated $380.1 billion in total income; and Industry Value Add (IVA) by retail businesses was $69.7 billion, which represented seven percent of Australian industry value add. As at July 2014, the Bureau reported an industry turnover in excess of $23 million. According to the Bureau (2014), retail turnover is currently growing at a slow rate of 0.4 per cent; nevertheless, this represents an increase in monthly turnover from $21 million in October 2012 to almost $24 million in October 2014, as seen in Figure 2.2.

The retail industry's contribution to Australia's total employment compared to other industry sectors can be seen in Figure 2.2. It is Australia's second largest contributor to employment, and is only marginally behind manufacturing (Lim, et al., 2011).
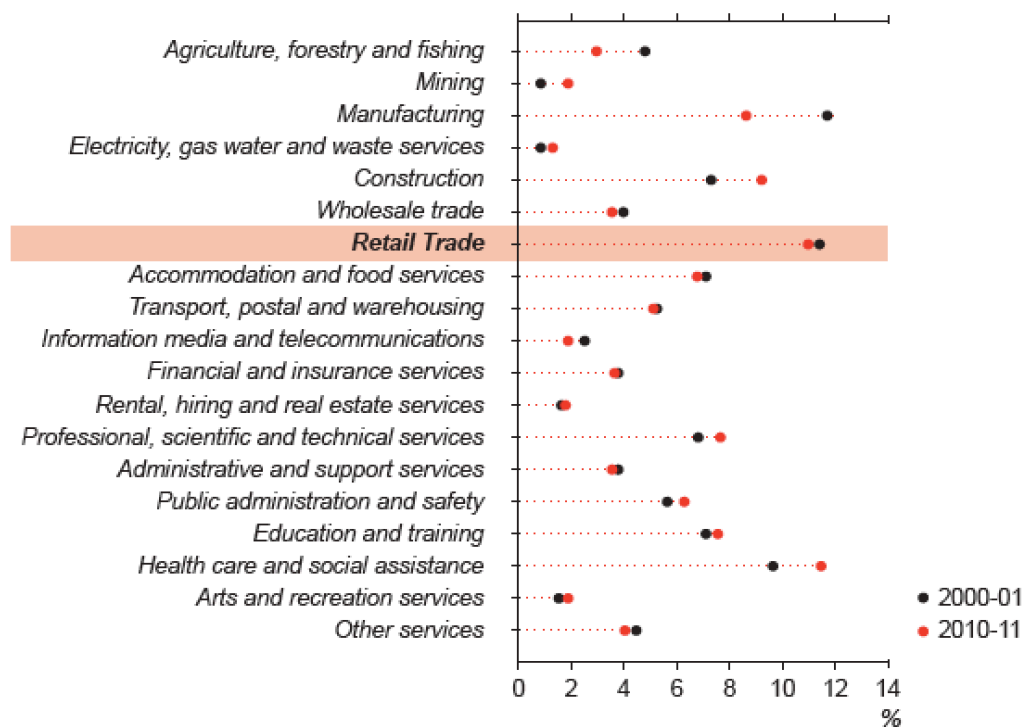


*Figure 2.2: The Retail Sector's Contribution to Total Australian Employment (Australian Bureau of Statistics, Year Book Australia, 2012, p. 2).*

The aim of the research is to gain a deeper understanding of how successful Australian retail organisations create brand differentiation through differentiated brand experience, and how customer insights are part of this process. It will give retail organisations an insight into what Australian retail organisations are doing to enable them to compete against global brands. Competition is only going to increase, and Australian retail brands have a great opportunity and "the ability to innovate, drive improved processes, and to connect with the consumer will be critical in order to remain competitive" (*Inside Retail*, 2015, p. 2).

The retail sector faces another tough year of trading as the economy continues to suffer from the strains of the recession and global downturns. Consumer shopping style is changing from extravagance to austerity, as 16-24 year olds suffer economic woes and the 65+s grow in number and work longer (Verdict Research, 2012). Due to the growth in e-commerce, retail organisations must invest to create a brand that will travel globally as well as locally (Verdict Research, 2012). While global downturn has contributed to a range of issues, the growth of on-line store sales has meant upheavals in the retail landscape that are revolutionary in scope, and unprecedented in nature (Codrescu, Frambach, Singh, Rangaswamy, & Bridges, 2011).

Today, most retail organisations have morphed into multi-channel firms, where the same customer visits the retailer via different channels for different purchases (for example, obtains information on-line, makes purchases off-line, and contracts customer support via telephone). Therefore, retail organisations need to continue to develop new ways of interacting with customers and channelling partners through mass customisation technologies to instantly provide them with 'made to order' products (for example, the 'Build-a-Bear' concept). Other retail organisations are effectively using technology to streamline the supply chain—for example, Zara's fast fashion (Codrescu, Frambach, Singh, Rangaswamy, & Bridges, 2011). Most retail organisations have also expanded their focus from selling products (Schulman, Coughlan & Savaskan, 2011) to engaging and empowering customers, with the ultimate goal of creating a rewarding customer experience (Grewal, Levy & Kumar, 2009; and Verhoef, Lemon, Parasuraman, Roggeveen, Tsiros, & Schlesinger, 2009).

Contemporary retail organisations also need to change the traditional retail business model. For example, the traditional 'bricks-and-mortar' retail model is changing to a 'showroom' type model where customers go to a showroom to view the products they will buy on-line (Bloomberg, 2012). As well as embracing on-line shopping, it is imperative for retail organisations to recognise the importance of social networking strategies; gathering customer reactions on social networking sites needs to be institutionalised and integrated more systematically into merchandising decisions (Edosomwan, Prakasan, Kouame, Watson, & Seymour, 2011).

The aim of this study is to understand which Australian retail organisations are currently addressing the global brand challenge, and how they are using their differentiated brand to compete. A potential opportunity exists for Australian retailers to use their unique and differentiated brand offering to attract a global customer base. With an increase in the spending of the Asian middle classes, and their rapidly growing domestic retail market, the export market is increasing. As the US and UK trends demonstrate, global competition is also increasing and it is only a matter of time before Chinese retail organisations enter the Australian marketplace (*Inside Retail*, 2015). A broader knowledge of the Australian retail sector will facilitate a greater understanding of how to compete by harnessing customer insights, and using them to inform strategies that deliver consistent and differentiated brand experiences.

## 2.3 Brand Differentiation

Of paramount Importance is the concept of 'Brand'. This term is often narrowly defined and misinterpreted as simply a 'logo', rather than an expression of an all-of-organisation approach. The review of the literature in the area of brand importance in the retail sector can be categorised into three key areas that impact upon market success. They are: a broader definition of brand; a cohesive and differentiated retail offering; and a customer-centric approach that seeks customer insights and customer engagement; these, in turn, lead to brand differentiation, brand loyalty, and long-term profit and sustainability (Aaker, 1996; Chareonsuk & Chansa-nagavej, 2008; Clatworthy, 2012, Dunn & Davis, 2003; Lafley & Charan 2008; Logman, 2007; Nassbaum, 2005; Pine & Gilmore, 1998; Prahalad & Ramaswamy, 2004).

There is no commonly accepted or single definition of brand in the literature, with the key literature revealing a wide range of definitions that vary in their emphasis and scope. While all definitions agree that brands possess both tangible and intangible qualities, there is still great confusion as to what brand is, what to expect from it, and how to make it more profitable (Blumenthal, 2004).

Brand is a manifestation of the outcome of its business strategy, and this strategy must be clearly articulated before developing both the tangible and intangible aspects of the brand (Borghini et al., 2009). The tangible qualities of a brand are its 'touch points'—or its communications, such as website and brochures. Its intangible qualities, on the other hand, are face-to-face experiences, such as the in-store experience of being served by a courteous assistant. According to a number of authors (Chareonsuk & Chansa-nagavej, 2008; Beverland, 2005; Lane et al., 2012; Olins, 2008), both tangible and intangible aspects of a business must align to deliver a cohesive brand and achieve market success.

Traditional marketing and communications position brand as the 'logo' or 'symbol' that appears on an organisation's business card or letterhead. Aaker's (1991) description of brand focuses on the name, symbol, and design that are created to communicate the values a particular brand offers its customers. Meanwhile, Raggio and Leone (2007) define a brand as "a promise of benefits to customer or consumer". Brand is also defined as a mental picture or image in the customer's mind that is associated with the market offering (Berry, 2000). Others discuss brand as being 'central to strategy' (Farelly & Beverland, 2008; Schultz & Kitchen, 2004), and the central organising principle of the organisation (Aaker, 1991). Interbrand (1998, p. 1), describes brand as "the heart of business", with the belief that brand puts a name, face, and personality to a business, product, or service. Furthermore, a number of contemporary brand theories extend 'brand' to be everything an organisation says and does (Berry, 2000).

Olins (2008, p. 28) best describes the fundamental idea behind a brand as "the sum of all experiences", and continues to explain the concept of brand as "everything the organisation does,

everything it owns, and everything it produces it should project a clear idea of what it is and what its aims are". It is this definition of brand that is chosen for use in this study. If, according to Olins (2008, p. 28), brand means "everything the organisation does…", this also changes the meaning of what companies create in terms of 'value', and implies a shift from 'tangible' to 'intangible' offerings (Chareonsuk & Chansa-nagavej, 2008; Tynan et al., 2010). Businesses are now moving to add 'intangible' aspects, such as experiences, to their traditional tangible aspects, such as products. Some authors believe that companies have moved from the industrial age (tangible products), to the information and knowledge age (intangible products and services), and now, finally, to the 'Experience Age' (Nassbaum, 2005; Pine & Gilmore, 1999)

For these reasons, brands are becoming more important and gaining the attention of corporate leaders. At executive level, there has been a recent increase in interest in what brand is, and in how it can differentiate an organisation. This is due to the fact that organisations are wanting to build strong relationships with their customers by being perceived as authentic and trusted, and brand provides an organisation with a "clear sense of itself" (Eggers, O'Dwyer, Kraus, Vallaster, & Gueldenberg, 2013, p. 340).This attention recognizes the brand's economic importance to an organisation's value (Fischer, Völckner, & Sattler, 2010). References to 'brand' are appearing in organisational communications; in business commentary; and in academic research, debate and discourse. Furthermore, acceptance and discussion of the concept is not only confined to the field of marketing, but also features in general business and management studies (Balmer, 2010).

Brands cannot be separated from the organisation; indeed, the tangible manifestation of the corporations is its brand (Olins, 2008). Brands are also increasing in value. Some authors argue that strong brands are among the most valuable intangible assets of any organisation (Keller, 2000; Keller & Lehmann, 2003; Martens & Gronholdt, 2010). On average, the value of brands accounts for more than 50 percent of the market value of an organisation, and this is likely to increase as companies move to the business of creating strong brands in order to deliver brand equity and increase shareholder value (Hop, Hog, & Sattler, 2003; Martens & Gronholdt, 2010). Thus, brands are at the heart of a marketing and business strategy (Doyle, 2003, p. 165), and building brand equity is considered to be one of the key drivers of an organisation's business (Prasad & Dev, 2000).

Creating brand differentiation through designing the customer experience is viewed as the philosophy of branding when it is associated with relevance (Kimpakorn & Tocquer, 2010). Brand differentiation is a critical factor in building a competitive advantage both in consumer goods and service industries (Kimpakorn & Tocquer, 2010). Brand differentiation is defined in this study as the degree to which the brand is perceive as different from its competitors in the customer's mind (Berry, 2000; Lovelock, Wirt, & Ken, 2002; Ries & Trout, 2001). This differentiation can be used for competitive advantage and the creation of customer experience by the alignment of the customer touch points (Kimpakan & Tocquer, 2010).

Retail today has a greater reliance on its service aspect to achieve a better return on sales and improve their value (Fang, Palmatier, & Steenkamp, 2008). Because service is less visible and more labor-dependent, it presents a strategic opportunity for, and is a sustainable source of competitive advantage (Heskitt, Jones, Loveman, Sasser, & Schlesinger, 1994). It is difficult for the competition to imitate excellent customer service, and this can thus create brand differentiation (Wenerfelt, 1984). Using retail as an example, store atmosphere and the quality of the service experience provided have also been recognised as a key strategic 'competitive weapon' (Kimpakorn & Tocquer, 2010), and a key to growth and innovation (Logman, 2007). Indeed, long-term brand success relies on paying attention to the customer experience: "If brand exists in the mind of the customer then the customer has the power" (Ind, 2003, p. 394).

### 2.3.1 The role of brand

Corporate brand has entered the management lexicon because, "it is recognised to have special strategic significance" (Balmer, 2010, p. 180). Strategy, in a business context, is a key source of competitive and sustainable advantage (Eggers, et al., 2013). This advantage is the product of: finding a unique competitive position for the organisation; undertaking activities tailored to strategy; making clear trade-offs and choices vis-à-vis competitors; ensuring fit across activities; ensuring that sustainability is the product of the activity system, not its individual parts; and of operation effectiveness being a given (Porter, 1996). An organisation's strategy is an essential part of a clear framework that guides its future direction and decision making. It requires constant discipline, clear communications, and strong leadership to guide and direct the organisation and to make strategic choices (Porter, 1996). Lafley and Charan (2008) state that strategic clarity helps to focus the entire organisation.

Today's contemporary brand strategists believe that brand strategy should also include interaction with key customers and suppliers, as the deep insights of these groups ensure that organisations maintain a competitive advantage by identifying future trends and understanding changes in the marketplace (Aaker, 1991; Brown, 2009; Lafley & Martin, 2013; Olins, 2008; Nussbaum, 2005; Pine & Gilmore, 1998).

In the context of this research, strategy is 'what the organisation does differently' in the context of their articulated vision and guiding principles. Strategy specifies how the firm aims to differentiate from, or compete with its rivals to achieve competitive advantage (Magretta, 2002). In similar vein, Porter (1996) says strategy is focused on the firm's unique position in the marketplace. Finally, Hambrick and Fredrickson (2005, p. 49) define strategy as "a central, integrated, externally orientated concept of how the business will achieve its objectives".

### 2.3.2 The importance of brand

Brands are becoming mainstream topics of discussion. In the last quarter of the 20th century, there was a dramatic shift in the understanding of the creation of shareholder value (Balmer, 2010; Kerin

& Sethuraman, 1998; Madden, Fehle, & Fournier, 2006; Petersen, McAlister, Rubinstein, Winer, & Kumar, 2009). Until then, for most of the century, tangible assets had been regarded as the main source of business value (Petersen et al., 2009). However, brand now plays a role in the new understanding of shareholder value. According to Balmer (2010, p. 180), "Brand is also taking on ever-increasing importance in business owing to the ability to create corporate and shareholder value". Brand strength is often compared to brand equity; this, according to Aaker (1996, p. 8), "consists of brand name awareness, brand loyalty, perceived quality and brand associations".

Brand makes the strategy of an organisation visible to the customers and the stakeholders of the organisation (McCullagh, 2010; Olins, 2008), and this helps to create a sustainable competitive advantage (Berger, 2009; Chan Kim, & Mauborgne, 2004; Foote, Eisenstat, & Fredberg, 2011; Glaser, 2008; Neumeier, 2009). This competitive advantage has become more important as markets have become highly competitive and turbulent (Gebauer, Gustafsson, & Witell, 2011) in a competitive global marketplace spawned by on-line product and service offerings (Katter, 1996; Lane et al., 2012; Porter 1996; Strohhecker & Größler, 2012).

As retail organisations operate in a competitive and high-cost environment, finding a unique differentiator is especially important in countries such as Australia that are physically remote and, therefore, cannot compete on price alone (Australian Marketing Institute, & Deloitte, 2013). In the production of goods and services in Australia, cost structure does not allow for low cost production. Thus, business needs to grow by attracting new customers and retaining existing customers. To this end, the need for brand differentiation—not price, quality, or technology alone—is critical to achieving a sustainable competitive advantage. When Angela Ahrendts became CEO of Burberry in 2006, she said: "Burberry needed to be more than a beloved old British company. It had to develop into a great global luxury brand while competing against much larger rivals" (Ahrendts, 2013, p. 40). Ahrendts also notes the powerful brand differentiation of organisations such as Apple and Starbucks (2013, p. 40):

> From Apple to Starbucks, I love the consistency—knowing that anywhere in the world you can depend on having the same experience in the store or being served a latte with the same taste and in the same cup. That's great branding.

Whether it is a luxury goods retailer or a smaller chain of convenience stores, every organisation needs to understand how to develop a differentiated brand. Burnett and Hutton (2007, p. 344) explain why: "We believe that brands are still vital, but they win competitive battles not because they deliver distinctive benefits, excellent service, or innovative technologies. Rather, they succeed because they forge a deep connection with the individual." The main driver of this change of direction is that contemporary brands now provide 'intangible' services as well as 'tangible' products (Kaplan & Norton, 2004).

The intangible aspect of retail—the retail experience, where organisations design customer experiences in their online and physical stores—is discussed in detail in Chapter 3. Meanwhile,

an example of the intangible aspect of a brand is the greeting that the customer is given on entering the store, or the ease with which they can use the brand's website. This brand experience manifests in customer touch points, and is an emerging area of competitive advantage because the touch points can be created and designed around the unique brand (Johnston & Kong, 2011; Pine & Gilmore, 1998; Prahalad & Ramaswamy, 2004). According to Interbrand (1998, p. 61):

> Brand experience is the means by which a brand is created in the mind of the stakeholder. Some experiences are controlled, such as retail environments, advertising, products/services, websites, and so on. Some are uncontrolled, like journalistic comment and word of mouth. Strong brands arise from consistent customer interactions that combine to form a clear, differentiated, holistic experience.

According to Ponsonby-McCabe and Boyle (2006), the building of a strong brand can be disrupted by different views of brand value held by brand managers and customers. Although the legal ownership of a brand resides with an organisation, the emotional ownership of brands is owned by customers, employees, and other stakeholder groups (Balmer, 2010). Brands are no longer controlled exclusively by the brand managers, as brand now permeates every aspect of the organisation and every person within the organisation, and is co-created through ongoing interactions with their customers (Pitt, Watson, Berthon, Wynne, & Zinkhan, 2006), who will infer different and personal meanings for the same brands (Berthon, Ewing, & Napoli, 2008). Olins (2008, p. 10) argues that "brand is everything an organisation 'says and does'".

Furthermore, due to the rise in the use of social media platforms—for example, Facebook, Twitter, YouTube, and Instagram—customers now have channels to communicate how they feel and what they say about brands (Edosomwan et al., 2011). According to Coleman (2013, p. 60): "Social media tools such as Twitter, Facebook, YouTube, and Instagram empower individuals to share their voice in a media-centric model…" This access to these various platforms means that the customer can voice their opinions without the filter of the organisation. As the messages are not controlled, however, they can endow an organisation's brand with meanings that the organisation might not desire (Edosomwan et al., 2011).

On the other hand, social media also gives organisations an opportunity to develop a much deeper understanding of how customers assemble brands as a means of expressing their lifestyles. This understanding, in turn, can enable organisations to create a point of difference and a clear set of values (Edosomwan et al., 2011; Fournier, 1998). Brands are often conceived as having two clear sets of values—functional and emotional. These value systems can communicated through the customer experience (de Chernatony & Cottam, 2008), where the brand is 'brought to life'. As brands affect both repurchase and renewal decisions and build trust (Roberts & Merilee's, 2007), they are also used to create brand loyalty and, therefore, to increase sales.

Burnett and Hutton (2007, p. 344) believe that "brands are still vital, but they win competitive battles not because they deliver distinctive benefits, excellent service, or innovative technologies.

Rather, they succeed because they forge a deep connection with the individual". In essence, they compete for individual share; however, the strategic focus should be on what the brand stands for, not on how the brand performs.

Leveraging 'brand loyalty' can yield significant marketing advantages, including reduced marketing costs, greater trade leverage, resistance among loyal consumers to competitors' propositions, and higher profits (Rajagopal, 2008). Brand loyalty can also be achieved by leveraging brands to link customers to the organisation by building a strong relationship with them through service brands. Managing brands is about differentiating the goods and services the brands represent (Munoz & Kumar, 2004), and ensuring that brands are developed in the context of both the business environment and the brand strategies.

This section addressed literature on brand and brand design, and brand's evolution from a 'logo' to include "everything the organisation does…" (Olins, 2008, p. 28). It has discussed how this change has occurred as business has moved from a focus on product brands to corporate brands; from an emphasis on tangible services only to an emphasis on intangible services also; and from the 'off-line' world (bricks-and-mortar stores) alone, to a combination of the 'off-line' and 'on-line' world (web and social media) of commerce.

## 2.4 Strategy Creation

This section concentrates on strategy creation, and continues the discussion on brand differentiation and how this relates to brand offerings. The idea of a brand conferring differentiation from the competition is widely espoused but, according to Caperer (2004), brands can no longer expect to achieve distinctiveness; instead, they need to be strategically managed like virtual companies to allow for the creation of meaning.

The strategic 'positioning' of the brand is central to the brand platform. According to Interbrand (1998, p. 17), "The brand platform outlines the goal of an organisation, product, service, and brand. The brand platform comprises: brand vision; brand mission; brand values; brand personality; and brand tone of voice". This platform is crucial to strategy creation as it sets the foundation for the brand expression and customer touch points, and aligns the direction of the organisation. Timmerman and Shields (2014, p. 37) call this the 'Brand Promise' and state that, "To deliver on its brand promise, the first thing an organisation must do is align all that contribute to an exceptional and differentiated customer experience: customer knowledge, strategy, process design, human capital, measurement, and leadership".

### 2.4.1 Brand strategy for competitive advantage

Finding a unique position for an organisation's brand in the marketplace allows for competitive advantage and sustainable growth and, therefore, sustainable financial returns (Aaker, 1996;

Bedizen, Bukasa, & Barrett, 2004; Campbell & Keller, 2003; Hsieh, 2004; Tong & Hawley, 2009). The rise of discussion of brands in business is due to the recognition of the role that brand plays in business growth, and runs parallel to the increased ability to measure brand return on investment (Chavan, 2009; Lafley & Charan, 2008; Lafley & Martin, 2013; Timmerman & Shields, 2014).

Organisational and executive attention to brand has increased steadily and significantly since the publication of Aaker's (1991) seminal work on the power of brands. Kaplan and Norton's (1992) 'The Balanced Scorecard' (see Figure 2.3) also gained the attention of executives because it helped them to visualise the all-of-organisation link between financial considerations; customers; internal business processes; and innovation and learning. As Cavan (2009, p. 394) explains: "The concept of the balanced scorecard enables organisations to achieve an integrated and aligned balanced focus between these four perspectives, which collectively underpin the achievement of the organisation's vision." Other authors also comment on the balanced scorecard, and believe that it helps communicate and align the organisation around the business strategy (Crosby & Lund, 2008).

Other models that include measures for the return on investment have been developed from the original 'Balanced Scorecard' (Kaplan & Norton, 1992, p. 72). For example, the 'Brand Scorecard' (Chareonsuk & Chuvej Chansa-ngavej, 2008, p. 816), as illustrated in Figure 2.4, is used to measure brands' return on investment (Alloza, 2008; Bedford, Brown, Malmi, & Sivabalan, 2008; Kim & Hatcher, 2009; Munoz & Kumar, 2004; Petersen et al., 2009). The 'Brand Energy' model goes one step further in connecting all business activities, and is another tool for a holistic review of the business (Hutton, 2005).
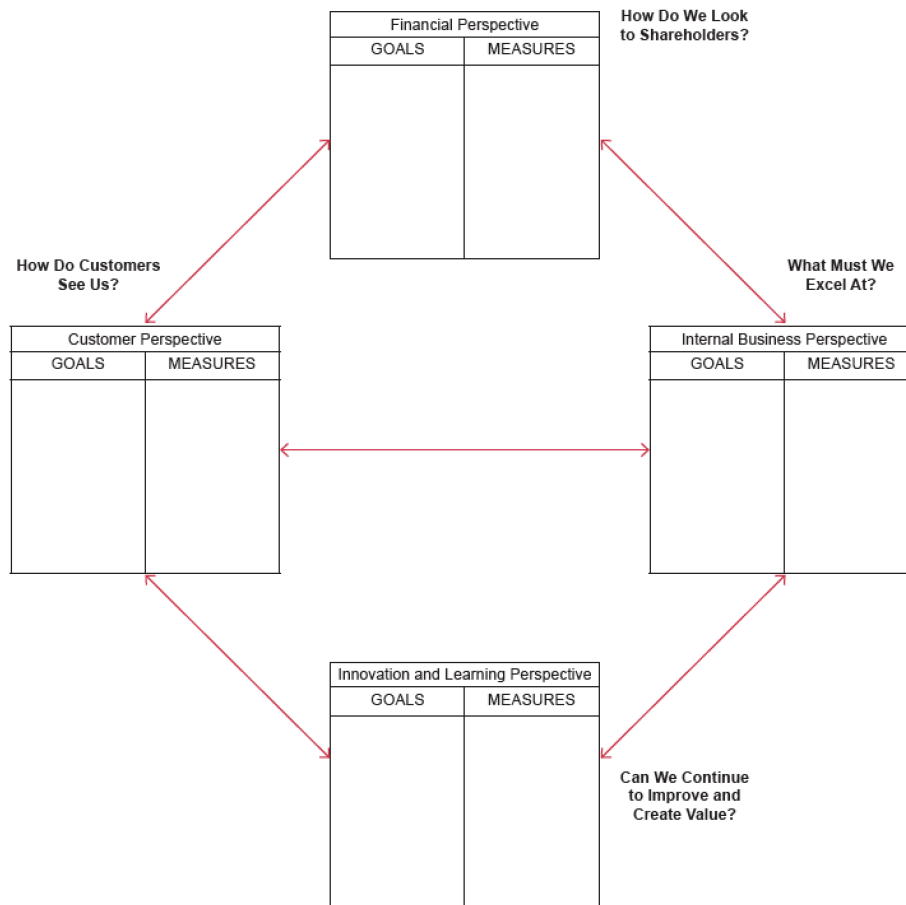
*Figure 2.3: The Balanced Scorecard links Performance Measures (Kaplan & Norton, 1992, p. 72).*

Since Aaker's articles (1991) on the power of brands and the documented link between differentiated brands, the bottom line, and an organisation's sustainability, there is a greater amount of interest in brands. Aaker and Jacobson's (1994) research shows that brand buildings did pay off where it really counted—for the shareholder (Pettis, 1995). Other analyses report a link between branding and a firm's financial performance (Madden et al., 2006), and all support the linkage between a firm's brand-building activities and its financial performance. In their research, Chareonsuk and Chansa-nagavej (2008) show the relationship between vision and strategy, and the importance of the link between brand—"How should we appear to our customers?"—and other key drivers (as seen in Figure 2.4).

*Figure 2.4: Branded Scorecard (Chareonsuk & Chuvej Chansa-ngavej, 2008, p. 816) heavily informed by 'The Balanced Scorecard (Kaplan & Norton, 1992).*

Selecting the right success measures is key, as both the tangible and intangible aspects of the brand are difficult to measure (Timmerman & Shields, 2014). Even though many organisations recognise that brand is an important aspect of marketing activity, marketing executives are still challenged to substantiate the value of branding in clear financial terms (Doyle, 2000; Lehmann, 2004). As Knowles (2003) notes, shareholder value and return on investment (ROI) is crucial to a sustainable business.

The need for success measures is reinforced by the rigor around, and further development of metrics, such as the brand scorecard which views performance through the customer-focused 'brand lens' (Rajagopal, 2008). As customers have become central to brands, consumer knowledge is really at the heart of brand equity (Keller & Lehmann, 2009): it is the getting closer to the customer and the understanding of their needs and wants that drives everything an organisation does. Developing brand metrics also helps in monitoring and evaluating the brand and an organisation's various touch points (Logman, 2007).

Figure 2.5 outlines brand management models. These models have a holistic approach to the organisation, and show four perspectives, including the customer perspective.
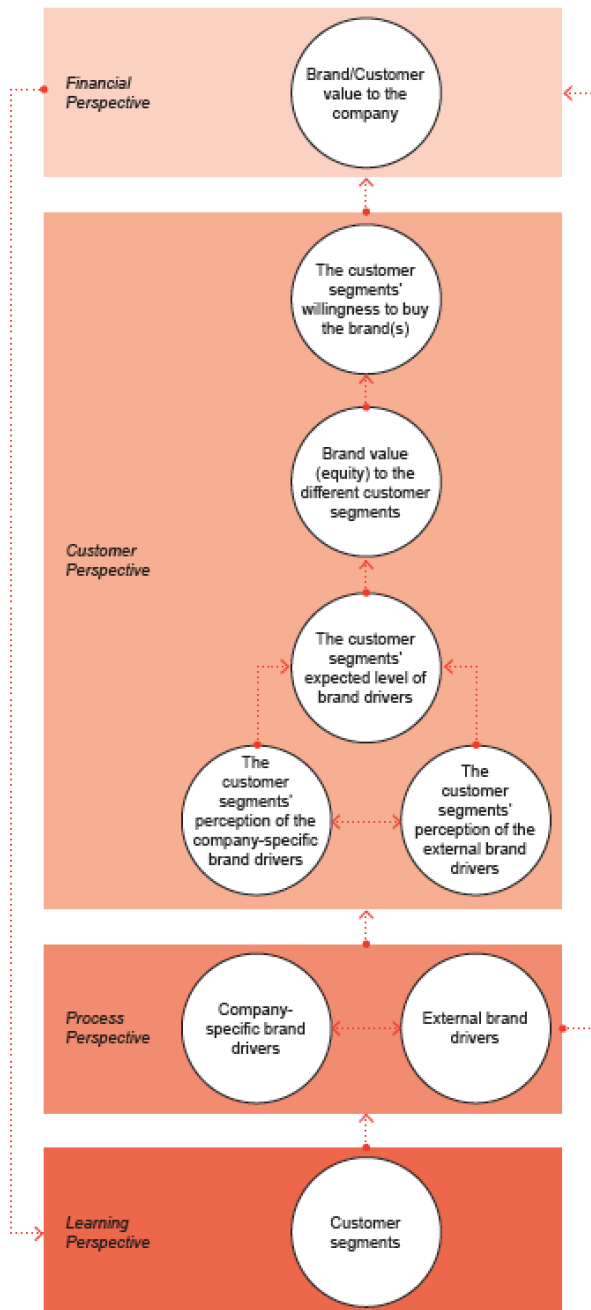
*Figure 2.5: Brand Management 'Logman' Model (Logman, 2004, p. 98).*

A clearly articulated model, such as Interbrand's 'Impact Model' (1998, p. 61), shows business strategy and brand strategy in one integrated diagram, and outlines links between strategies by organising the framework around four key categories: 'who'; 'what'; why'; and 'how'. Nevertheless, we are still challenged to substantiate the value of branding in clear financial terms (Doyle, 2000; Lehmann, 2004) because of the lack of financial accountability (Madden et al., 2006). This need for accountability is aligned with the change of brand 'management' within an organisation from the marketing department to an all-of-organisation responsibility. Ownership of brand within an organisation, and therefore its importance, has also been shifted to external

providers such as advertising agencies, branding consultancies, and management firms, because brands are now seen as business assets that are too valuable to be managed by the organisations themselves (Blumenthal, 2004).

While there are many other frameworks linking brand to business processes and operations (Ashberg & Uggla, 2009; Mueller & Lambkin, 2009), Interbrand's (1998, p. 61) 'Impact Model' (see Figure 2.6) incorporates the holistic approach to brands and gives contemporary retail organisations food for thought. The model links strategy with brand creation and brand implementation. It also answers the 'who, what, why, and how' questions, and quantifies the return on investment for the brand component. The systematic design of each touch point and the entire customer journey is key to the brand experience, and is able to 'pull' customers into the purchasing phase (Johnston & Kong, 2011). The brand aligns business functions around creating exceptional (that is, differentiated and relevant) branded experience across the entire landscape of customer touch points to drive higher levels of brand attraction and loyalty. In effect, while the brand scorecard integrates performance, brand, and customer experience management (Crosby, et al., 2008), the 'Impact Model' (Interbrand, 1998, p. 61) creates and extends the approach to a brand's context within the strategy. (The model is further explained in Chapter 4 [Findings] and Chapter 5 [Discussion].)
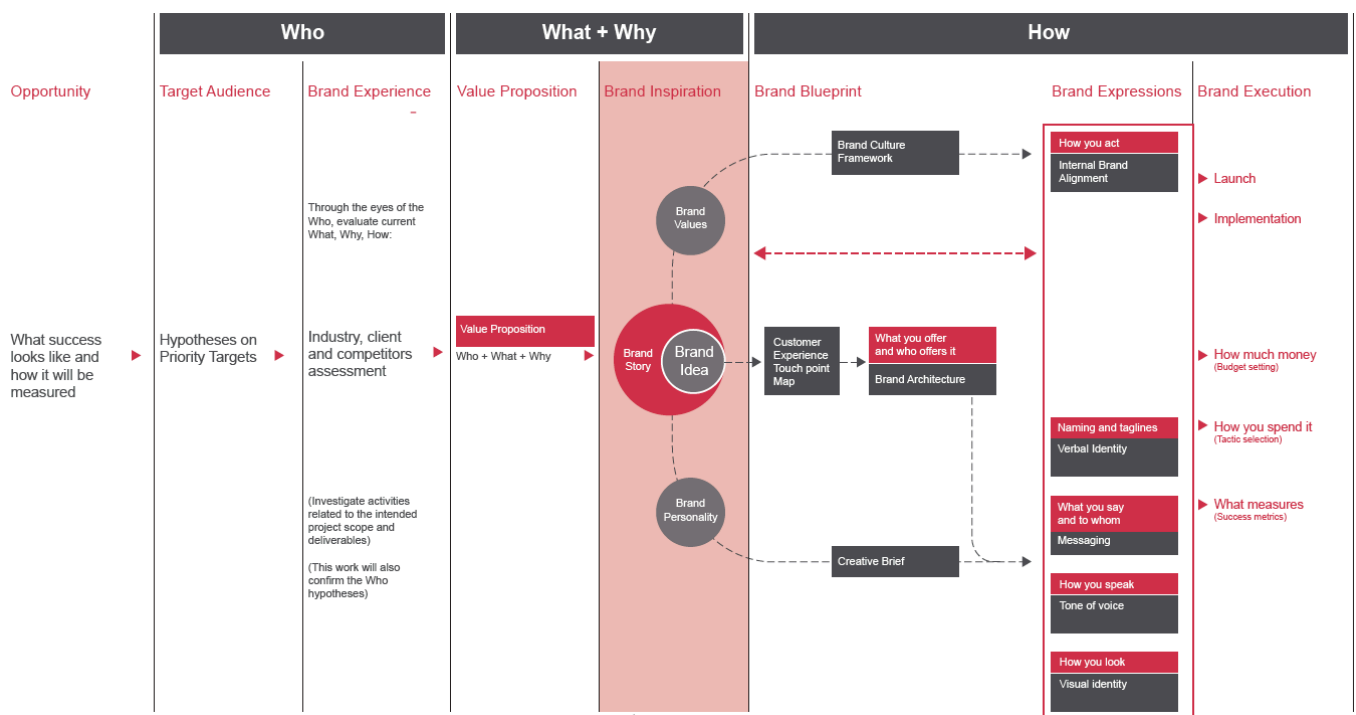


*Figure 2.6: Brand Development Framework 'Impact Model' (Interbrand, 1998, p. 61).*

## 2.5 Customer Insights

The literature focuses on the tangible aspect of brand—the brand experience—which manifests in customer touch points as the area of customer experience. As an emerging area of competitive

advantage, the brand experience is now clearly documented (Johnston & Kong, 2011; Pine & Gilmore, 1998; and Prahalad & Ramaswamy, 2004). According to Interbrand (1998, p. 61):

> Brand experience is the means by which a brand is created in the mind of the stakeholder. Some experiences are controlled, such as retail environments, advertising, products/services, websites, and so on. Some are uncontrolled, like journalistic comment and word of mouth. Strong brands arise from consistent customer interactions that combine to form a clear, differentiated, holistic experience.

Creating consistency among all brand elements is critical because, according to Eggers et al., (2013, p. 341), "this will create trust and loyalty amongst the respective stakeholder group". Although this link between brand and experience has been shown to be important, there is a strong need to focus on the ways in which the link can be forged, as there is currently very little practical guidance in how to design brand so that it aligns with customer experiences (Clatworthy, 2012). To achieve alignment between brand strategy and the final customer experience, the leadership team needs to channel and transform brand strategy into a service solution that consistently delivers brand-relevant experiences to customers (Lafley & Charan, 2008).

This transition from strategy to service solution is described in design as a semantic transformation (Karjalainen, 2004), a transformation in which a project brief is transformed into a 'tangible' concept, such that it can be experienced and evaluated (Clatworthy, 2012). Now that the customer experience is increasingly seen as a core part of business success, companies cannot risk the dangers of unaligned or inconsistent products and services (Clatworthy, 2012; Johnston & Kong, 2011). These authors believe that the link between customer experience, the brands, and the design process is missing. Clatworthy (2012, p. 111) explains, with respect to tools, methods, and process, that "the link between brand and experience needs to be clearly articulated and incorporated into the design process".

This section addressed literature on business and brand strategy and how brand positioning allows organisations to find a differentiated position in the marketplace which, in turn,  leads to a competitive advantage, sustainable growth, and finally, sustainable financial returns. Available metrics provide organisations with an increased ability to measure brand return on investment. Increased interest from the corporate sector aligns with the development of these models, and with the link between the brands and the bottom line on the organisation's growth and sustainability. As the importance of a differentiated and measureable brand has become more important, and has made its way to boardroom agendas, the financial accountability that this entails has increased. Understanding the customer and creating a customer experience at every touch point, has become an important development in creating a unique brand experience.

The following section (2.5.2) explicitly links customers with the tangibility of the brand via the customer touch points (such as the organisation website, the retail environment, and

products/services). Firstly, it outlines the metrics of monitoring customer trends and explains how customer insights can lead to the creation of unique and differentiation 'brand' experiences in both the on-line and off-line retail environment. Secondly, the importance of brand differentiation

through brand expression and the strategic design of customer touch points are discussed. Figure 2.7 illustrates this discussion.

### 2.5.2 Brand relationship with customer insights and customer touch points

Customer touch points include websites, advertising, collateral, logo, sales promotions, point-of-purchase displays, interaction with salesperson, publicity, direct marketing campaigns, billboards, and retail location (Dunn & Davis, 2003; Gloppen, 2009). The 'Brand Touch Point Wheel' (Dunn & Davis, 2003), as illustrated in Figure 2.7, summarises each touch point within the three stages of the purchasing experience—pre-purchase, purchase, and post-purchase. It considers every stage of the experience as equally important. The consistency in brand application through every touch point is important (Salter, 2011), and every touch point is important to the customer's experience of the brand. The brand experience is everything that the customer experiences: from the feel of the product, to how they are greeted on arrival at a physical store, to ease of purchase at the on-line store. In retail terms, customer touch points include both the on-line and in-store environment, the products for sale, the wrapping paper and carry bag, the lighting and ambience of the store, and the background music (Johnston & Kong, 2011; Clatworthy, 2012).
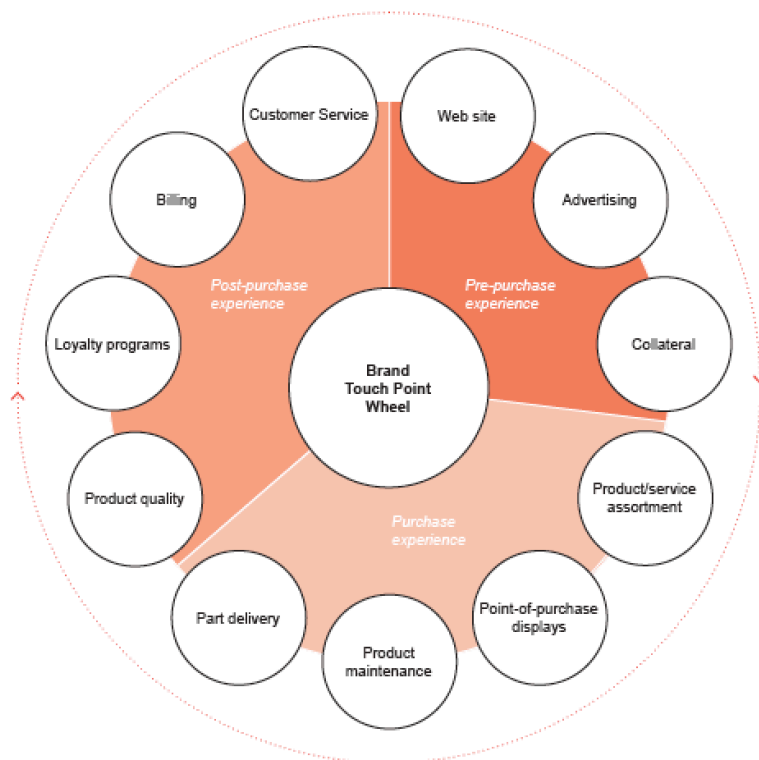


*Figure 2.7: Brand Touch Point Wheel (Dunn & Davis, 2003, p. 36).*

According to Macarena, Kesavan, & Bernacchi (2006, p. 397), "The current trend in marketing is to create engaging and lasting experiences for the customers". In the past, retail organisations sold products and services; now, they sell 'brands' through products and services. It is through these brand extensions and complimentary services that retail have moved to a new era where those that succeed offer entertainment, ideas, emotions, unique experiences, and surprises, and try to differentiate their brands through experiences rather than specific product attributes (Doyle, Moore, Doherty, & Hamilton, 2008; Hollenbeck, Peters, & Sinkhan, 2008; Ilonen, Wren, Gabrielsson, & Salimäki, 2011).

Retail environments—the physical, bricks-and-mortar retail spaces—are an important part of the brand experience delivery to the customer. For Ponsonby-McCabe and Boyle (2006), brand environments or "brandscapes"—such as flagship stores, themed retail outlets, and virtual brand spaces—can reinforce the link between the brand's symbolic meanings and the consumption of the brand experience. This brand experience is expected to improve the consumers' perception of the brand, and increase their loyalty and commitment to it (Ilonen et al., 2011). Flagship stores are often used to make the brand visible and more dynamic (Floor, 2006, p. 56): "In addition to the usual brand identity building elements of name, symbol, packaging and advertising, retail organisations can also draw from the elements that have been identified in the studies of store image" (Davies & Ward, 2005, p. 505). These elements in a retail context are the customer touch points, such as the merchandise (assortment, quality, brand mix and price); the store (locations, environment, atmosphere and name/fascia); the service (personnel levels and quality); and, finally, the promotion (advertising/public relations, and in-store).

It is via all these touch points that the resulting impressions of the brand are formed. Therefore, these touch points need to be managed in order to order to create a consistent touch point chain (Davis & Longoria, 2003; Elliot & Percy, 2007; Hogan, Almquist, & Glynn, 2005) that creates an experience that not only delights the customer, but also represents the brand values in a tangible form.

### 2.5.3 Customer insights for brand differentiation

Retail involves both products and services. Services are intangible, and the inseparability of production and consumption requires a different approach in order to build a powerful service brand (Kimpakorn & Tocquer, 2010). The rationale for branding goods and services is similar: the focus is on building and leveraging the brand equity in order to build a strong relationship between the brand and its customers (Kimpakorn & Tocquer, 2010). However, branding for services is different from branding for consumer goods. This is mainly because, in high contact services such as retail, hotel, and airlines, the service delivery occurs during multiple interactions between customer and staff, or through self-service technologies (Bitner & Hubbert, 1994). It is during these 'touch points' that customers experience the brand (Kimpakorn & Tocquer, 2010).

The customer experience during these touch points thus becomes an important tool in shaping opinions and determining future associations between a customer and the brand (Bitner & Hubbert, 1994; Berry, 2000). Thus, a service encounter is a distinct opportunity for brand differentiation, and can be especially leveraged in the retail environment.

Designing the brand experience from the customer's perspective and putting user needs and wants in the centre of strategy ensures that, regardless of disruptions in the local or global business environment in which the organisation operates, the organisation can plan for the future by being close to the customers and understanding what they need by building strong relationships with them (Einwiller & Will, 2002; Esslinger, 2009; Lafley & Charan, 2008; Lojacono & Zaccai, 2004; Martin, 2009; Roberts & Alpert, 2010; Roslender & Hart, 2010; Tudor, 2011). According to many authors, close customer relationships and customer observation is what great companies do (Brown, 2009; Collins, 2001; Dunne & Martin, 2006; Esslinger, 2009; Kelly, 2005; Lafley & Charan, 2008; Lawson, 2006; McCullagh, 2010; Martin, 2009; Nussbaum, 2005; Reingold, 2005).

Developing customer-centric products and services, therefore, is no longer an option but an imperative for every organisation, as brands are the connection between strategy and customers to ensure an organisation's growth on ongoing sustainability (Wang & Lo, 2003; Zaichkowsky, 2010; Zomerdijk & Voss, 2010). Designing the brand from the customer's perspective is how organisations create brand differentiation that leads to new and exciting innovative products and services that connect with the customers and lead to financial sustainability. In this regard, Abhrendts (2013, p. 42) cites the Burberry example: "Today it's taken for granted inside the company that the trench coat must remain our most exciting, most iconic product. It guides all our decisions. Our sales associates understand it. This product is who we are."

The means by which customer insights are obtained and used in the creation of new products and services is expanding. Sawhney and Khosla (2014, p. 126), state that:

> In today's organisations, innovators are in demand everywhere—from the factory floor to the salesroom, the IT help desk to the HR department, the employee cafeteria to the C-suite. Innovation is not a Department; it's a mindset that should permeate your entire enterprise. And what fuels insight—an imaginative understanding of an internal or external opportunity that can be tapped to improve efficiency, generate revenue, or boost engagement.

While traditional tools for collecting customer insights—such as surveys, interviews, and 'shop-along' (Belk, 2013)—are important, social media (such as Facebook, YouTube, and Twitter) are being used to communicate and converse with customers (Edosomwan et al., 2011). According to Nations (2015), social media is hard to define and is a two-way street that provides the ability to communicate; this ability is helpful for gaining and analysing customer responses, or for testing new products. To demonstrate the importance of these media, Facebook has become the top social network across Asia (Edosomwan et al., 2011).

This section addressed the development of brand metrics to monitor the key touch points including

advertising, price, packaging, logo, sales promotions, internet sites, point-of-purchase displays, interaction with salesperson, publicity, direct marketing campaigns, billboards, and retail location. Each of these is an important touch points and is a key part of the brand experience for both current and potential customers. Identifying all touch points and creating a unique customer experience is an important tool because it shapes how the brand is perceived and allows the expression of the brand's tangibility.

## 2.6 Summary and Implications

While the literature explores brand strategy and the importance of brand, the gap between strategy and execution of the brand strategy remains. Once the strategy has been created, at the 'moment of truth'—where the customer comes into contact with the brand (touch points)—there is the opportunity to either enhance or destroy the brand promise.

The research questions thus emerge:

- *How do the leading retail organisations ensure that the brand is consistent across the organisation?*
- *How do they make 'brand' understood across every level of the organisation?*

As retail organisations now operate in both on-line and in-store retail environments, every customer touch point needs to work harder than ever to deliver the seamless delivery of a consistent brand. Retail stores will need to excite and engage customers in an effort to increase their customer understanding, as they represent the only face-to-face, one-on-one opportunity for customer interaction. Furthermore, these interactions will increasingly take place in retail spaces that are more showroom-style, where customers can 'experience' the brand's products and 'touch and feel' before ordering or buying on-line. How will retail brands ensure that all touch points are constantly monitored and managed, to create experiences that customers find new and exciting?

The specific gap identified in the literature review is addressed in the main research question:

*How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?*
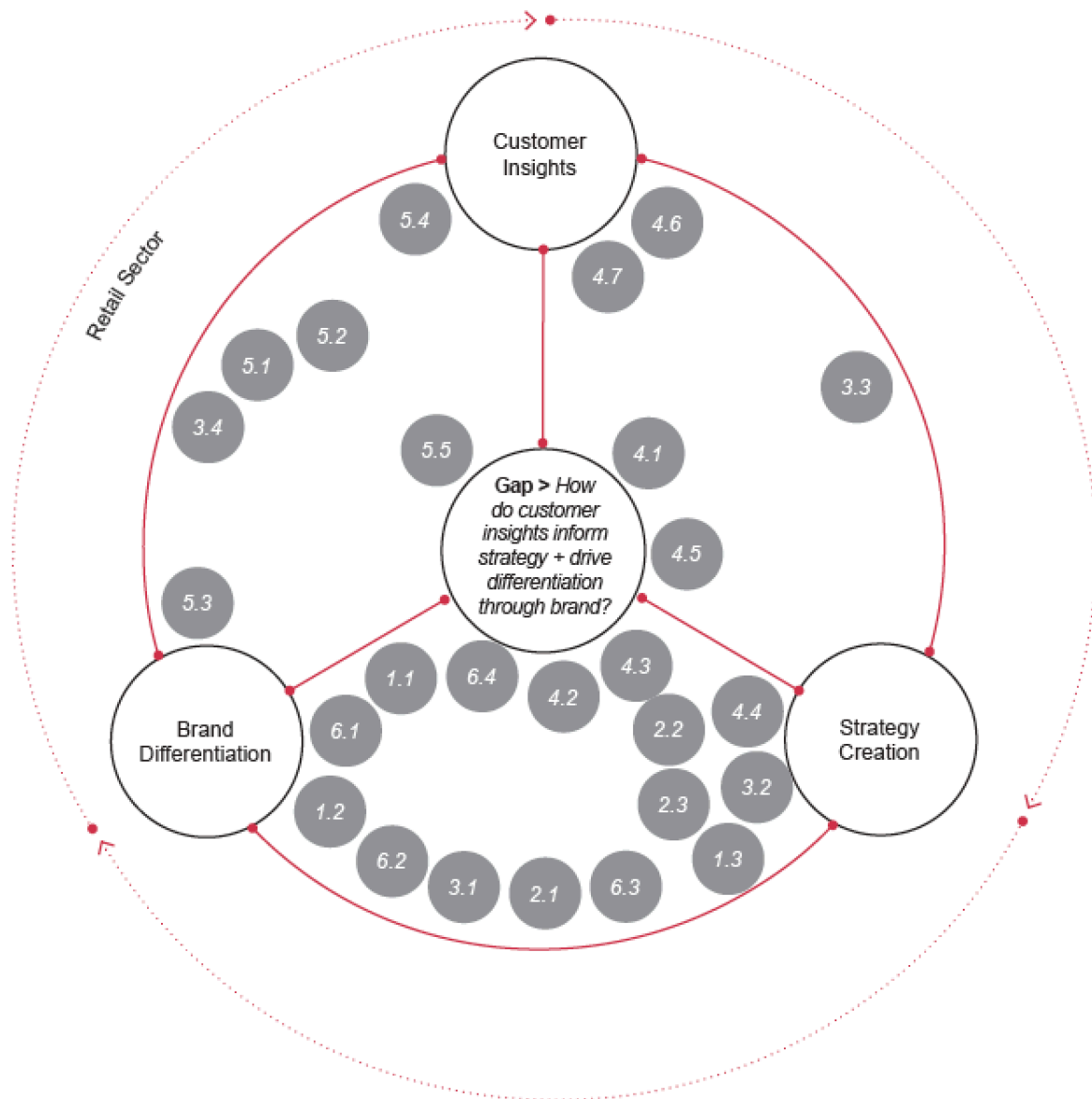
*Figure 2.8: Literature Gap Schematic (adapted from Wrigley, 2011, p. 78).*

The relationship between brand, strategy, and customers is illustrated in Figure 2.8, and is later presented in Table 2.1. The codes in the grey circles are the identified themes, and their positioning illustrates their relationship to the three areas. The literature summary includes the work of the key authors who explore the themes, their definitions, and features. Principally, this research framework is drawn from Borghini et al. (2009) with respect to research strategy; and Castleberry (2001), Ryan and Bernard (2003), Qu and Duma (2011) with respect to qualitative methodologies. It also draws on the work of Diamond et al. (2009); Grewal et al., (2009); Petermans, Janssens, & Van Cleempoel (2013); Aaker (1991); and Clatworthy (2012).

### 2.6.1 Identification of knowledge gap

Figure 2.8 illustrates how the knowledge relating to this topic is categorised into the themes of strategy, customers, and brand. A gap exists where all three overlap to inform the brand expression and the customer touch points, as illustrated in Figure 2.1. While the current literature includes important discussions on the connection between brand differentiation and an organisation's growth, a gap is evident in the strategy/customers/brand overlap and, therefore, requires further research.

### *2.6.2 Research question*

These gaps suggest the research questions. The research design and subsequent results aim to assist with understanding the link that differentiated brand strategy has to profitable businesses. The research problem can be translated into the following research question, which leads the research investigation:

> *How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?*

This main research question is examined in the following four sub-questions that drive this study of retail organisations:

1) *How do organisations identify and extract insights from customers?*

2) *How do they capture and interpret these insights?*

3) *In what ways do these organisations apply these insights?*

4) *How does knowledge of these customer insights make a difference to the organisation?*

The next chapter outlines the research design, including its methodology, the sources of both the primary and secondary data, and the analysis of the data, including the identification of themes.

# Chapter 3: Research Design

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## 3.1 Introduction

This chapter introduces a qualitative research approach that includes both primary and secondary data. It outlines and describes the design methodology adopted by this research to achieve its aims and objectives, as stated in Chapter 1: To explore and increase our understanding of the role of customer insights in informing strategy, and the way this, in turn, influences brand differentiation. The chapter also discusses the methodology used in the study and the stages by which the methodology was implemented; outlines the research design; and provides details of the study's selected participants. In addition, it outlines the procedure used, the timeline for each stage of the study, and a discussion of the data analysis. Finally, the chapter details the ethical considerations of the research, and its potential problems and limitations.

Figure 3.1 provides an overview of the context of the research methodology: the identification of the convergence of customer insights, strategy creation, and brand differentiation to understand how this is reflected in brand expression and customer touch points. The research captures both primary and secondary data, as shown in Figure 3.2.
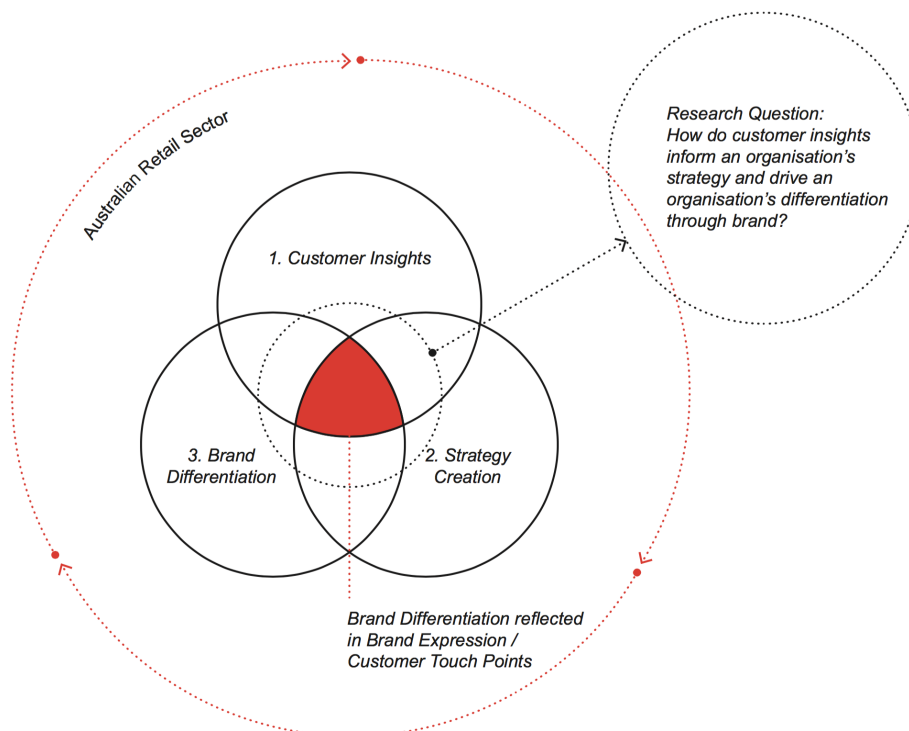


*Figure 3.1: Overview of Research Foci for Research Design.*

### 3.2 Research Objectives

To achieve the overall research aim—of understanding and exploring the overlap of strategy, brand and customers, and how this overlap relates to the brand expression and design of customer touch points—the following specific research objectives are proposed:

- *To understand the link between customer insights and an organisation's strategy*

- *To explore how brand is used to express this strategy across all customer touch points*

- *To identify the understanding of 'brand 'in the retail context, and the importance of competitor analysis*

- *To understand the link between the strategy and brand expression to deliver a differentiated customer experience*

- *To understand how brand is interpreted and consistently implemented across the organisation and key customer touch points*

- *To determine whether brand interpretation and its consistent implementation is important for an organisation's sustainability and growth.*

These research objectives are linked to the research interview questions, as shown in the summary in Table 3.1.

| RQ1: Organisation Background | Can you tell me a little about your organisation and the business it is engaged in? Has the nature of this business changed over time? In what ways? Were there some drivers for change? |
|---|---|
| Literature Review Topics<br><br>1. Brand differentiation | Themes/Definitions<br><br>Brand definition as part of strategic framework |
| 2. Brand in organisation context | Creates point of difference; competitive strategy; and sustainable competitive advantage |
| **Research Objectives** | To understand link between customer insights and organisation's strategy |
| RQ2: Customers | Who are your key Customers? Has this customer profile changed over time? |
| RQ3: Strategy | How would you describe your organisation's strategy? |
| **Research Objectives** | How is brand used to express this strategy across all customer touch points? |
| Literature Review Topics<br><br>3. Brand importance | Themes/Definitions<br><br>Co-creation through ongoing interactions with customers; functional and emotional values |

| | |
|---|---|
| 4. Brand metrics | Link between brand and shareholder value; customer loyalty = profits; forward thinking metrics: Customer Lifetime Value (CLV) and 'Impact Model' |
| 5. Brand expression | Brand experience through customer touch points; design of brand to fit with customer experiences; creating brand-relevant customer experiences; creating engaging and lasting experiences for customers = growth in profits (how?) |
| **Research Questions RQ4: Competitors** | **In your industry, who are your Competitors? How would you describe these firms? What does your firm do differently from them?** |
| **RQ5: Brand** | **What does the notion of 'brand' mean to your organisation?** |
| **Research Objectives** | To understand brand in the retail context and the importance of competitor analysis |
| | To understand ways to link organisation strategy to brand expression for a differentiated offering that resonates with customers (as measured through sales/ growth and customer loyalty) |
| | To understand how all levels of the organisation refer to 'brand', and how this is interpreted across the organisation (from board to shop floor; and on-line to bricks-and-mortar stores) |
| Literature Review Topics 6. Brand-led organisation differentiation | Themes/Definitions Designing brand from customer's perspective; being close to customers; brands as connection between strategy and customers = ongoing sustainability; brand differentiation = competitive advantage |
| **Research Question RQ6: Future Performance** | **In what ways do you see your organisation performing well in the future? What changes need to occur for that picture of the future to be realised?** |
| **Research Objectives** | To understand why this is important for an organisation's sustainability and growth |

*Table 3.1: Summary of Relationship between Literature Review, Research Questions, and Research Objectives.*

### 3.3 Qualitative Research Methodology

The research was designed to identify how customer insights inform strategy for brand differentiation, and how this strategy is translated and implemented across the organisation, including the retail store level. Multiple authors (Ryan & Bernard, 2003; Vlachos et al., 2010; Petermans et al., 2013; Zeithaml, Bolton, Deighton, Keiningham, Katherin, Lemon, & Petersen, 2006; Yin, 2009) cite a qualitative methodology as being appropriate to deliver such outcomes.

There are several reasons for this. Qualitative methods allow participants to provide the elaboration and detail required (Goldman, 1962). They also allow for probing questions that dig deeper into issues and responses where necessary, to fully understand and explore the

brand strategy and execution. On the downside, however, these methods take an in-depth look at a limited number of research encounters, as opposed to encounters with a large population; therefore, it is more difficult to make generalisations without high uncertainty (Polit & Beck, 2010).

## 3.4 Data Collection

As outlined in the research stages in Chapter 1, the objectives of this research required a qualitative methodology that allowed for the collection of data from both primary and secondary sources (as illustrated in Figure 3.2). Firstly, secondary data were collected from desktop research and from site visits to retail stores. This data informed the primary data collection from semi-structured, face-to-face interviews with research participants.
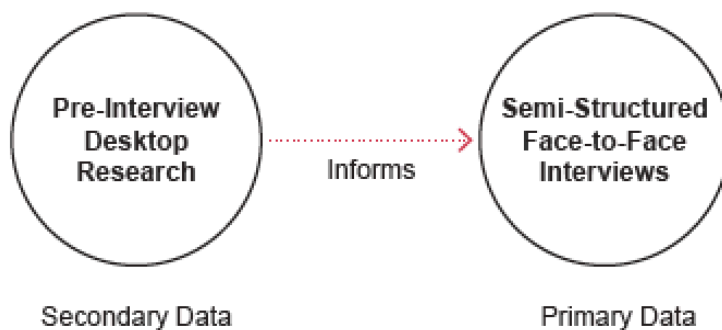


*Figure 3.2: Methods of Data Collection.*

### *3.4.1 Secondary data: pre-interview desktop research and site visits to retail stores*

A significant component of the research methodology was the collection of the secondary data. This occurred prior to the collection of the primary data, as it provided a prior understanding of the organisation from a corporate structure and brand perspective, and provided greater depth of knowledge of the participants' retail organisations (Castleberry, 2001; Marshall & Crossman, 2011). The collection of the secondary data involved pre-interview desktop research and reviews of the online and offline customer touch points of the participants' organisations, such as their online website and off-line physical stores.

More specifically, this secondary data collection stage included a systematic review of the organisation's publicly available materials, including its website; marketing materials; social media sites; and annual reports. It also included a review of their retail environment, including their on-line stores, physical stores, associated products, and point-of-sale experiences. For example, photographs were taken during site inspections of bricks-and-mortar stores, and screen shots of digital online brochures were collected and documented. However, to ensure confidentiality, the photographs and any other identification are not included in this document. Rather, the photographs were included in a separate document provided for each organisation. (Appendix D provides an example of the tool used to collect this data.)

| Retail Organisation | | | |
|---|---|---|---|
| **Organisation Code Name** | | Interview date/time/location | |
| Retail Category | Organisation Structure/ Hierarchy | Brand Architecture | Brand Platform |
| Apparel/Sporting Goods/Fashion/Baking | Public/Private Sector Directors: Turnover: $M Stores: | Corporate/Endorsed Brand: | Mission: Values: |
| General Observations and Comments Brand identities (logos, colors, fonts, photographic style, products, quality) Aimed: Separate websites | Pre-purchase Experience Website: Advertising: Collateral: Photography: | Purchase Experience Stores: Product/Services: POS Displays: Product Performance: Parts Delivery: | Post-purchase Decision Customer Service: Billing: Loyalty Programs: Product Quality: |

Table 3.2: Secondary Data—Desktop Research Data Capture Template.

The touch point reviews were documented using the template outlined in Table 3.2, and were divided into the purchasing cycle categories, as illustrated in the Brand Touch Point Wheel (Dunn & Davis, 2003, p. 3), and illustrated earlier in Figure 2.7. These reviews include photographs of each and every customer touch point, including a store's precinct, the store windows, its product range, its website, and brand identities (see Appendices C and D). Other publicly accessible documents—either physical, printed copies or online digital copies—were also reviewed, including participants' catalogues, annual reports, brochures, and other key marketing materials. The site visits to the participants' retail stores were restricted to observations only, as customer interviews were beyond the scope of this research. Other background information, such as the size of the organisation, and any recent changes to its strategic direction, was also collected and recorded on the pre-interview collection sheet. This process was conducted for all participating organisations. (An example of the secondary data is provided in Appendix D.)

### 3.4.2 Primary data: semi-structured interviews

After completing the secondary data collection, the primary interview data was drawn from face-to face interviews. According to Rowley (2012, p. 261), interviews are employed as a research tool when "the researcher is interested in collecting 'facts', or gaining insights into or understanding of opinions, attitudes, experiences, processes, behaviours, or predictions". While it would have been quicker to use questionnaires and surveys, "interviews might not

only be preferable to questionnaires because they provide more details and insights, but also because the key informants are unlikely to take time to fill in questionnaires" (Rowley, 2012, p. 262). Furthermore, interviews are used extensively in retail research (Vlachos, Theotokis, Pramatari, & Vrechopoulos, 2010; Petermans et al., 2013) because they yield a greater depth of customer insight by building on the insights already gained from the secondary data.

Specifically, qualitative semi-structured, face-to-face interviews were conducted with a representative of retail organisations to determine how they might:

- Capture customer insights
- Analyse these insights  and link them to the organisation's strategy
- Use an organisation's strategy to create a differentiated brand
- Express a differentiated brand through all customer touch points
- Site visits to bricks-and-mortar, physical stores to observe touch points in the retail environment.

The aim was to understand and document the process that enabled these successful retail organisations to differentiate themselves from their competitors, and to then interpret their differentiated brand across the organisation. The investigation began by identifying the brand strategy and internal communication tools and processes, and then examining how these are manifested in external communications (focusing on 'customer touch points').

 An initial pilot interview was conducted with an executive whose organisation was not involved in the research project. This sample interview was to check the flow of the conversation and timing of the questions to ensure the 60-minute timeslot allowance could be achieved. This test interview allowed time for reflection and critical review of the audio and interviewing technique prior to the interview of the multi-national companies.

The research participants agreed to the interviews via email and, prior to the interview, signed the consent form (as provided in Appendix I). Also prior to commencing the interview, they were informed of the details of the consent given and were reminded of the confidentiality of the interview and that they and the retail organisations they represented, would remain anonymous. While this was important to all participants and their organisations, it was particularly important for the publicly-listed organisations because of the corporate governance under which they operate. The interviewee reviewed the paperwork with the participant, showing the coding, and confirming that their name and their organisation's name did not appear on any documents.

All interviews were conducted in the participants' offices in the first half of 2014. The case study protocols included the protocol questions, and data 'table shells' (Miles and Huberman, 1994). These data tables featured the data to be collected, helped to identify the data sought, ensured that parallel information was collected from different sites/sources, and indicated what was to be

done with the information collected (Yin, 2009). The interviews ranged in length from 45 minutes to 60 minutes per participant and included open-ended questions about brand strategy, implementation, and execution. This type of interview structure allows for probing questions if more insights are needed from the respondents. Interviews were digitially recorded (audio only) with the participants' consent, and were transcribed, typed, and edited for accuracy and clarity within 24 hours (An example of the interview transcripts is provided in Appendix F).

Responses were analysed using a thematic approach, identifying categories, themes, and patterns. The data also included observations of body language and photos of observations on the 'shop floor' in the retail environment.

### 3.5 Participants

The participants were selected from a variety of retail categories. The selection process included identification of retail categories as characterised by the IBISWorld industry (2014) report of 'Store-Based Retailing in Australia', and the Australian Bureau of Statistics (2014) retail industry reports. Key retail organisations in each retail category—including food, household, clothing, accessories, and pharmaceutical—were selected and included in the potential participants list (as outlined in Appendix B). Early in the research project, finalists and winners of the Australian Retail Awards or well-known Australian brands were initially considered and approached. The main criteria for the selection of organisations were:

> • All had to be operating in one of the key retail categories, such as food, household, clothing, accessory, or pharmaceutical retailing

> • As a group, they had to represent different business models, such as corporate, franchise, public sector (ASX-Listed), private sector, and owner operated

> • All had to be involved in both on-line and off-line retailing

> • All had to be headquartered in Australia.

The general selection criterion was to gain as much diversity in the size, the structure, and the product offering of organisations within the Australian retail sector. Thus, the five organisations that agreed to the interview were varied in their product offering and their size; this provided an insight into a range of business models, products, and services. They also varied in their number of brands, ranging from those with one corporate brand name to those with multiple brands. The size of the organisations the participants represented also varied greatly, from those with one stand-alone store to those with many stores across Australia. They also ranged from privately-owned organisations to ASX publicly-listed companies. Thus, the structure of the participants' organisations varied from a very simple flat hierarchy with manager and staff,

to a more complex (ASX-listed) hierarchy consisting of a Board, a Chief Executive Officer (CEO), and an executive team.

Twenty-two potential participants from the selected organisations were approached—eight from Queensland, 10 from New South Wales, and four from Victoria—and were sent the project information via mail. Of these 22 potential participants, five declined within a week, and the remaining 17 were then sent a follow-up email. Of these 17, 10 responded with a "no", and five agreed to be interviewed. These five participants (see Appendix C) were sent the participant information pack, including a statement of consent (see Appendix H). (Table 3.2 presents the range of participants and the retail organisations they represent.)

The final five participants represented food, clothing, accessories, and pharmaceutical retail organisations. They included executives (CEO to Senior Executives) or business owners, all of whom are responsible for the creation of their brand strategy. Only one representative from each organisation was interviewed. While the number of participants was lower than anticipated, the seniority of the participant, the quality of the interviews and the information gathered during each session, was of a high quality.

## 3.6 Procedure and Timeline

The duration and timing of each of the data collection methods are outlined in Table 3.3, which illustrates when and how each method was utilised during the data collection phase. At the end of November 2013, and in early 2014, the 22 retail organisations were approached. The interview and transcription process was commenced at the beginning of 2014 (with the pilot interview) and completed at the end of 2014.

| Timeline | Key Objectives | Methods | Data Sources |
|---|---|---|---|
| **January 2013** | To understand brand—brand platform, mission, values, and positioning | Secondary Research: Desktop Review | General review of public communication documents including—but not limited to— journal/newspaper articles, catalogues, brochures and websites |
| January 2013 to mid- 2014 | To understand the brand experience at store level and how the on-line store translates to the physical store | Secondary Research: Bricks-and-Mortar, Physical Store Visits; and Online Stores | Site visit and review of stores—design of exterior/shop front, window display, product display, store ambience and staff behaviour |

| Early- to mid-2014 | To gain an in-depth understanding of the organisation through a representative of the organisation's leadership team | Primary Research: Face-to-face, semi-structured interviews using a framework of seven key questions and several sub-questions to help probe and gain the trust of participants; audio-recorded and transcribed for thematic analysis | Five key executives–from CEO to Executive Marketing level in Australian retail companies |
|---|---|---|---|

*Table 3.3: Timeline: Key Objectives, Methods, and Participants.*

## 3.7 Analysis

Thematic analysis is the foundational qualitative method used in this study. A thematic content analysis allows the researcher to identify, analyse, and report patterns or themes within a data set. As the most common method of analysing data, it involves the use of coding to deconstruct the transcripts (Pope, Sideband and Mays, 2000; and Yin, 2009). Transcripts were reviewed and analysed using an inductive approach. As explained by Bernard, Gill, Stewart, Treasure and Chadwick (2008), an inductive approach is the most effective approach in studies where analysis involves little or no predetermined theory or structure.

In summary, the thematic content analysis involved the following steps:

1) Familiarisation with the data (The researcher was immersed in the data through personal transcription of interviews and repeated reading)
2) Initial highlighting and note-taking of relevant information from respondents (Initial codes were generated by inspecting the data to identify recurrent topics or relationships, and marking passages with themes for theme-building)
3) Classification of pieces of data into different themes (Themes were grouped, and direct quotes from the interviews were highlighted)
4) Refinement of coding (Irrelevant or outlying responses were removed, and categories were combined or deleted if duplicated)
5) Identification of common elements between codes and grouping them into themes (This is the final stage of the thematic analysis).

## 3.8 Coding Scheme

The coding scheme used in this research is outlined in Table 3.4. The process is also demonstrated in Appendix H, where thematic analysis has been used to determine re-occurring themes in the data. The themes were grouped, and direct quotes from the transcripts were collected in the table to support the themes found.

| Theme / Code | Sub-Themes | Definition | Examples (Quotes from Transcripts) |
|---|---|---|---|
| **Theme 1: Speed to Market Crucial** | Changed product offerings since founded Developed broader range and/or acquired additional companies/brands Well-known for one iconic product Vertical organisation—Design, manufacture, and Retail + control it brings + speed to market International Inspiration applied to local market Market- and customer-driven changes over time | Brand has developed and changed since established, the need for constant change—broader product range or innovative new products—within the brand DNA is crucial which is core to differentiation | *We are a company that was founded in 1938 We are 76 years old this year, we celebrated our 75th anniversary last year Company was originally started by importing Japanese kimono silk into Australia using kimono silk but also other things, but using the kimono silk to cover other things like powder puffs and compacts and small women's accessories* |
| **Theme 2: Currency of Customer Intelligence Imperative** | Know their customers intimately Use 'traditional' consumer research + data collection by external firms—surveys, focus groups, in-store customer observations and conversations + new media internally—on-line sales, social media for new product development Overlay research with industry trends both locally and internationally | Collect data to understand customer to create engaging experiences—via traditional and digital/on-line insights with overlay of industry and lifestyle trends both local and global | *There is obviously information and data about our customers we collect through the on-line business. So that is one way and we have developed a very, very large database of customers over the years. But we also do consumer research and as part of that research we find out more about our customers so we do surveys with them both on-line and focus groups and those type of things* |
| **Theme 3: Brand with Purpose and Focus leads to Differentiation** | Inspiration is sourced by site visits and other research of larger international brands—not necessarily in same category but adjacent brands or specialist brands Focus on strategic objectives | Continual process of review and tweaking—depends on how the organisation is performing Regular review of strategy using framework of longer term plans | *One of the things we working towards is taking a single view of our customer and being able to understand at everywhere that they interact with our brand whether that be in store, on line, through mobile, social media, you know, everywhere they might engage with the brand and make comments, or make purchases or whatever, trying to understand all of that and looking at that customer as a single view, that is something that we are working on The advantage of knowing those things is really being able to you know, to provide them with things that are more appropriate to their lifestyle or to their needs, or their wants* |

*Table 3.4: Coding Scheme.*

This method is most appropriate because of the various and different responses received during the in-depth interviews, as it was perceived to be difficult to quantify and compare the different participant responses because of the variations in corporate structure, staff numbers, store locations, and size of organisations.  Open coding was used to identify themes, and these themes were grouped with each research question. Each group was labelled and described forming links and relationships between the themes, as outlined in Appendix H. The themes identified during this process were used to generate findings and recommendations in regards to the research problem and research question.

## 3.9 Ethics and Limitations

Ethical consideration needed to be given for the data collection methods used in this research. Because these methods included face-to-face interviews, a low risk human ethics application was submitted to Queensland University of Technology (QUT). This was acknowledged through the use of a participant consent form, and appropriate paperwork submitted to, and approved by QUT's Research Ethics Committee (see Appendix I).

All interviews were conducted under the Queensland University of Technology's Code of Conduct for research. The principles behind the code state that research should be undertaken in an ethical environment and that the ethical conduct of research projects and teaching activities be of the highest standards (Queensland University of Technology, 2012).

## 3.10 Summary

This chapter highlighted the research method used to examine the retail sector —qualitative research, using both primary and secondary data capture. It described the research objectives, the data collection methods, and the participants. Finally, it outlined the research procedure and timeline, and the process involved in the analysis of the data.

# Chapter 4: Findings

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## 4.1 Introduction

This chapter presents the data collected from the two formal modes of data collection, including the primary research—five in-depth, semi-structured, face-to-face interviews; and the secondary research—desktop/pre-interview review, and pre-interview site visits to bricks-and-mortar, physical retail stores. The design and methodology was documented in detail in the previous chapter. The findings can be viewed as responses to the research question; that is:

> *How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?*

The aim was to identify how the participant organisations identify and capture insights from customers. Once this information was captured, the objective was to then determine the ways in which the insights are applied to their strategy and brand expression. The underlying question is: How does this information make a difference to the organisation? The results are broken down into three main themes and, and then, into key sub-themes, as given in Figure 4.1.
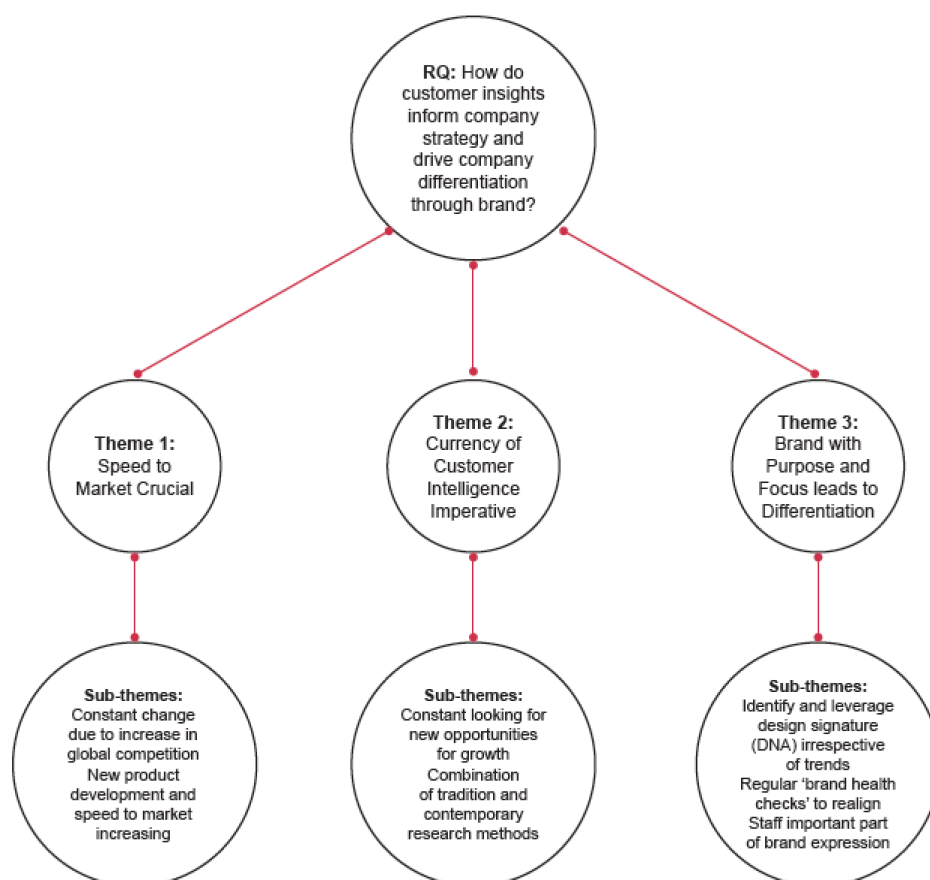


*Figure 4.1: The Three Main Themes and Key Sub-Themes from Data Collection.*

The three main themes are :

1) *Speed to market, crucial*

2) *Currency of customer intelligence, imperative*

3) *Brand with purpose and focus leads to differentiation.*

Direct quotes from participants collected during the semi-structured interviews are used to illustrate these three key themes and their sub-themes. The direct quotes are referenced to contextualise the statements.

## 4.2 Findings from Secondary Data

Qualitative Desktop/Pre-Interview Research included:

- Systematic review of publicly available materials, including the organisation's website, marketing materials, and annual reports

- Review of the retail environment, including the organisation's on-line stores, physical stores, and the associated products and point-of-sale experience.

### *4.2.1 Systematic review of publicly-available materials*

Prior to reviewing the touch points of each participating organisation, key secondary data on each organisation was collected. This data included information such as the industry sector of the organisation, the year it was established, the number of stores it operates, its brand names, its structure, and the number of employees. The summary of the data is presented in Table 4.1.

| Organisation | AccessoriesCo | BakerCo | FashionCo | LifestyleCo | Pharmacy |
|---|---|---|---|---|---|
| Industry Sector | Women and Men's Fashion: Apparel/bags/shoes/accessories | Food/Bakery | Women's Fashion Apparel | Leisure | Pharmacy, Health, Beauty, Vitamins, Weight Loss, Skincare, Health Programs, Baby & Child |
| Year Established | 1938 | 2000 | 1996 | 1972 | 1959 |
| Store Number and Locations | 57 stores: Australia, New Zealand, Singapore, Malaysia, China & the Middle East | One store: Fortitude Valley (+wholesale cafes in Brisbane) | Two stores: Brisbane City, Fortitude Valley Brisbane (also stocked David Jones) | 600+ stores: Australia/New Zealand/China | 176 stores: throughout Australia |
| Brand Names | <Names Withheld>+ 3 <Names Withheld> (Global brands under licence—<Names Withheld> | <Names Withheld> | FashionCo + <Names Withheld> | Multiple brands / brand names acquired via start ups and acquisitions | Pharmacy brands + PharmCo brand + <Names Withheld> |
| Organisation Structure | Public Sector ASX-Listed Board and Non-Executive Directors Revenue: $125M | Private Company Directors Revenue: Not Disclosed | Private Company Directors Revenue: Not Disclosed | ASX-Listed Public Company Board and Non-Executive Directors Revenue: $2.126M | Unlisted Public Company ASX-Listed Board and Non-Executive Directors Revenue: $55M |

| Number of Employees | 1000+ | 23: 3 full time 20 part time | 30: 6 full time and 24 part time | 12 000+ | 165 Franchises 4000+ 120 Management (HQ/Admin) |
|---|---|---|---|---|---|

*Table 4.1: Summary of Participants' Organisations.*

Comparisons can be made across this table; for example, the largest organisation has in excess of 12 000 employees, while the smallest has 23 mostly part-time employees. The industry sector is also recorded to demonstrate the variety of industry sectors represented. Other differences are the length of time the organisations have been operating; for example, the oldest was established in 1938, while one was established in 2000. Other details included are the number of stores operated by each organisation (from one store to 600+); their brand names (from one brand to multiple brands); and, finally, the organisational structure (ranging from privately-owned, one-director organisations to large, publicly-listed organisations).

### 4.2.2 Site inspection of on-line and physical retail stores

Before and after the interviews, a customer touch point review was conducted on each organisation (see Appendix D). The key categories for this review are based on the Touch Point Wheel (Dunn & Davis, 2003, p. 3). The data varies greatly, with the large retail organisations having not only larger retail stores, but also a greater range of products. With the exception of FashionCo that did not present a consistent look beyond the brand identity, brand expression was mostly consistent, no matter the size of the stores. One of the large retail organisations, PharmCo, has inconsistencies across stores, materials, and signage, and this is reflected in its vast range of products, and the fact that each store has a different owner/s (in a Franchise model). This data provided the background information for the interviews that were designed to understand the retail experience as it relates to the three stages of purchasing: Pre-purchasing; purchasing; and post-purchasing. Table 4.2 provides the summary of these findings.

| Organisation | AccessoriesCo | BakerCo | FashionCo | LifestyleCo | PharmCo |
|---|---|---|---|---|---|
| Brand Expression General Observations | Three brands—Corporate and Licenced brands<br><br>Brand identities (logos, colours, fonts, photographic style, products, quality)<br><br>Aimed at aspirational groups | One brand with many product brands <Names Withheld><br><br>One brand identity (logos, colours, fonts, photographic style, products, quality) | One brand<br><br>One brand identity (logos, colours, fonts, photographic style, products, quality)<br><br>Aimed at older, corporate women | Group/corporate brand<br><br>Multi-brands<br><br>Multi-brands, therefore, multi-brand identities (logos, colours, fonts, photographic style, products, quality) | Group/corporate brand<br><br>Multi-brands, therefore, multi-brand identities (logos, colours, fonts, photographic style, products, quality)<br><br>Aimed at different target groups (i.e., aged care, baby care) |
| **Touch Point** | **Pre-Purchase Experience** | | | | |
| Website | Each brand has distinct identity and branding | Website combines online store with products and product information (particularly emphasizing Brisbane hand-made on site from scratch) | Website combines online store with products and product information inc how garments are made (particularly emphasizing Brisbane designed and manufactured) | Each brand has distinct identity and branding<br><br>Separate websites, materials etc for each brand<br><br>Different store locations (suburbs) and store layouts for each brand | Website look and feel with variety of brands featured |
| Advertising | Each brand has unique advertising look and feel | Online advertising only | Online advertising only | Each brand has unique advertising look and feel | Inconsistent campaign branding featuring products |

| Touch Point | Pre-Purchase Experience (Continued) | | | | |
|---|---|---|---|---|---|
| **Organisation** | **AccessoriesCo** | **BakerCo** | **FashionCo** | **LifestyleCo** | **PharmCo** |
| Collateral | Brochures and other materials have unique brand identity (i.e., in photography, products, people featured) | Business cards and printable pdf menu online | Big event is Mercedes Fashion Week and is part of other brands (Brisbane Arcade Retail organisations) | Brochures et al. have unique brand identity (i.e., in photography, products, people featured) | Brochures and catalogues with product suppliers providing photography of mixed quality<br><br>Very ad hoc and inconsistent fonts, colours, language, imagery |
| **Touch Point** | **Purchase Experience** | | | | |
| Product/ Service Assortment | Range of clothing, bags, shoes specific to brand (i.e., features Australian icons in backgrounds of photos) | Smaller destination stores—not shopping centres | Personalised in-store service with display; try on, and browse in-store | Range of specialist products (i.e., LifestyleCo products grouped according to use) | Pharmacy, Health, Beauty and specialty-related services such as weight loss products and advice |
| Point-of-purchase displays | High-end boutique experience<br>Shop fit-out features parquetry floor, brass logos in granite entry plate<br>Customised display cabinets Crafted joinery Large photos of models dressed head to toe in product | Customed designed and built joinery<br>Country feel with sophisticated urban edge Product are 'hero' and displayed with prominence<br>Each cake is baked in branded cake liners and boxes | The clothes are the hero, minimal fit out with FashionCo logo in the counter top | 'Real life' displays ie, tents set up as if they were at campsite inc all accessories | Different store locations (suburbs) and store layouts for each but linked with consistent POS, store fit outs Very white and bright with products being the heroes |

| Touch Point | Purchase Experience (Continued) | | | | |
| --- | --- | --- | --- | --- | --- |
| **Organisation** | **AccessoriesCo** | **BakerCo** | **FashionCo** | **LifestyleCo** | **PharmCo** |
| Product Maintenance | Well-maintained store environment, including the display of merchandise | Cabinets of products and store maintained to highest degree, with continual replenishing of products and cleaning by staff | A mix of racks and counter displays, not coordinated or themed | Well-maintained point-of-sale and in-store displays, with staff moving around stores helping customers and ensuring products well-displayed | Utiiltarian, clinical, clean |
| Part Delivery | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| **Touch Point** | **Post-Purchase Experience** | | | | |
| Customer Service | Contact details/ feedback easy via phone, email, Facebook | Contact details / feedback easy via phone, email, Facebook | Contact details/feedback easy via phone, email, Contact details / feedback easy via phone, email, Facebook | Contact details/feedback easy via phone, email, Contact details / feedback easy via phone, email, Facebook | Contact details/feedback easy via phone, email, Contact details / feedback easy via phone, email, Facebook |
| Billing | At point of sale, either in-store or on-line | At point of sale, either in-store or on-line | At point of sale, either in-store or on-line | At point of sale, either In-store or on-line | At point of sale, either in-store or on-line |
| Loyalty Programs | Online and in-store loyalty programs | Coffee only loyalty program—buy 6 get one free | No loyalty programs | Each brand has own program which extends beyond discounts (i.e., members-only workshops/events) | Rewards program with in excess of 550 000 members |

| Touch Point | Post-Purchase Experience (Continued) | | | | |
|---|---|---|---|---|---|
| **Organisation** | **AccessoriesCo** | **BakerCo** | **FashionCo** | **LifestyleCo** | **PharmCo** |
| Product Quality | High-end, mid-level, luxury product (one tier lower than Louis Vuitton, Gucci) | Handmade from scratch using finest local and international ingredients (i.e., Valrhona chocolate) | Customer Service: Contact details/feedback easy via phone, email, Facebook<br><br>Billing: In-store or online<br><br>Loyalty Programs:<br><br>Product Quality: Handmade locally; beautiful finish; minimum runs | Varies from high-end LifestyleCo Brand A to low-end LifestyleCo Brand B | Varies from high- cost brand names (i.e., Johnson & Johns), to generic PharmCo house brands |

*Table 4.2: Summary of Retail Organisation Participants.*

## 4.3 Findings from Primary Data

Qualitative, semi-structured, face-to-face interviews were conducted with a representative of the participating retail organisations, and site visits were made to bricks-and-mortar, physical stores and online stores, to observe touch points in the retail environment. Both these sources of primary data were used to:

- Determine ways that organisations capture customer insights

- Analyse and link customer insights with an organisation's strategy

- Determine how an organisation's strategy can be used to create a differentiated brand

- Determine how a differentiated brand can be expressed through all customer touch points.

Thematic analysis of the data revealed three main themes: 1) *speed to market is crucial*; 2) *the currency of customer intelligence is imperative*; and 3) *brand with purpose and focus leads to differentiation*. These themes and their sub-themes are discussed below.

**4.4 Theme 1: Speed to market is crucial**

Findings reflect that retail organisations are constantly adapting and reviewing strategies, products, and services because they are operating in a challenging retail environment that is constantly changing, and in a business environment that is now global. Competition from global brands coming to Australia—both in on-line and bricks-and-mortar store formats—has increased pressure on Australian brand profits. Because customers want to see new products, lead times from product development to store shelf is shorter, and turnaround faster, as outlined previously in Figure 4.1. Thus, the first theme identified through the thematic analysis is that *Speed to market is crucial* in this demanding and dynamic environment.

Theme 1 has two identified key sub-themes:

- *Constant change due to an increase in global competition* (1.1) and

- *New product development and increased speed to market* (1.2).

**4.4.1 Sub-theme (1.1): Constant change due to an increase in global competition**

Organisations now compete for customers at local, national, and international levels (and both off-line and on-line). As a result of the increasing competition from international brands, Australian retail—like all business—is in a process of on-going review and change, including changes to its business models and distribution and communication channels.

***Ongoing process of review***

There is a constant review of current systems and international trends to deliver cost savings, to streamline products and services, and to bring products to market faster. All participants saw the review of plans and strategy as an ongoing and continual process to drive customers on-line or in-store. AccessoriesCo outlines their approach:

> *For us it starts with the consumer proposition, and we underpin that with merchandise plans, private label plans, and marketing plans, with this process taking 18 months.* (AccessoriesCo)

Data are being used to understand the customer, to help in decision making, and to test new products, as two participants explain:

> *We monitor once a year and we do a quantitative test with consumers and how we sit relative to our competitors using external consultants and point of sale data.* (PharmCo)

> *This year it was incredible seeing the amount of change that we have seen in strategy based on customer data and understanding and knowledge, it has dramatically changed the way we do business in the future. And it is a mixture of known transactional data and*

> *it is also behavioural data we are seeing on websites, emails, loyalty club data etc. It is all feeding in to helping us make decisions.* (LifestyleCo)

Importantly, change is not implemented for change's sake; rather, it is the result of constant monitoring across a range of review process benchmarks:

> *If it is performing well, and not much change in the general market, we may not do a review.* (PharmCo)

> *There are scorecards of how a store is going vs the Group, on their margins, on their amount of training the staff have done, the number of private label products they have sold, there is all this data that is constantly benchmarking.* (PharmCo)

> *We look at our business plans annually but we look at the strategy bi-annually so we look at strategy part way through the year and then update our rolling five-year plan. This is presented to the Board in May of every year after starting the process in February.* (AccessoriesCo)

Clearly, all organisations realised that change is an ongoing reality, and needs to be informed by an on-going process of review.

### Creating new business models and approaches

Other fundamental changes in business structure have also been necessary. One such strategic change has been for organisations to purchase additional companies and their brands, or to licence other brand names to further broaden their product range.

One participant organisation, LifestyleCo, started by selling a few products from a garage, moved to a retail store selling multiple brands, and then to multiple-brand big-box stores with products that belong to the lifestyle category. The organisation purchased small brands within a category and used the stores to learn about the new category before expanding into large big-box-style stores. The acquisitions and expansion into different brands was not motivated by the product type. Rather, all brands acquired shared the common thread of responding to the change in the way that consumers now spend their leisure time:

> *So in reality we look at many businesses but we look for companies that fall into the 'passion' category.* (LifestyleCo)

Others have evolved or changed their business models for efficiency, expanded into different areas, or introduced quality control measures such as vertical integration to control their design, production, logistics, and distribution. Other participants note some specific changes:

> *We have changed to a vertical integrated brand, so we do everything with our brand from the design sketch through to finished product in store.* (AccessoriesCo)

*We have changed a lot—we started with six flavours and now we are approaching 25 flavours and we now have large cakes and corporate orders. And we have developed systems and processes as we have grown.* (BakerCo)

New category extensions were a good fit for the existing core brand, as demonstrated by this statement by the AccessoriesCo participant:

*The category extension was a natural one in terms of completing a wardrobe, but it is also about lifestyle and the overall presentation of the brand.*

Any move into new products and services or new categories is strategically driven and planned, as the AccessoriesCo and PharmCo participants indicated:

*So it was about consolidating the market in the leisure area—what you spent your leisure time on the weekend on; and we introduced a full range of leather goods through the 70s and 80s and today we are one of Australia's leading luxury accessories brands with a full range of products across handbags, wallets, accessories but we've also recently introduced things like shoes, and apparel, and jewellery to the range.* (AccessoriesCo)

*There have been a lot of changes, not in the nature of the business but the mix of services and products we offer has changed…it has changed from simple business x-owned retail model to franchise business model in 1994. We are now a franchisor to retail owners.* (PharmCo)

***Employing various channels to market***

Perhaps the greatest change in retail business as the result of increasing competition from international brands is the proliferation of on-line stores. These are now a significant (and growing) part of a multichannel strategy, with bricks-and-mortar and on-line stores presenting a seamless retail presence. Each organisation is constantly looking at new opportunities for growth and access to 'real time' and 'real customers' via social media platforms such as Facebook, Twitter, and YouTube.

As the result of new media, client tastes and product ranges change in the face of both local and international influences and competition. As AccessoriesCo observed:

*…everybody has the ability to shop any brand from anywhere around the world.* (AccessoriesCo)

*There are quite a few other brands that sit in our space that have come into the market recently, and what that does obviously, is it gives consumers projects who didn't have the choice before to have the choice.* (AccessoriesCo)

### 4.4.2 Sub-theme (1.2): New product development and speed-to-market increased

This sub-theme represents the retail response to the competition discussed above. As a result of this increasing global competition, retail businesses are constantly seeking new ways to engage with customers by offering a new range of products and services and increasing their speed to market.

#### New range of products and services

Organisations are in the process of constant exploration of potential new product development scaled to the local market. The cycle length of this continual process of review and adjustment depends on how the organisation is performing, and when customer intelligence is collected. While on-line presence is increasing—that is, a presence on social media and websites in different languages—so too is the off-line presence. Bricks-and-mortar stores are being opened and new store concepts are being tested at these new store locations. The knowledge from the new stores is fed back into the existing stores to be incorporated in any future renovations and updates.

Data from various sources are being collected and analysed to understand the customer's buying patterns, and new products are introduced to enable the companies to design more engaging experiences. The data collected are from traditional methods such as surveys and questionnaires, and also from digital technology platforms such as Facebook, where organisations can test new products and measure the uptake of certain offers.

Such innovations are not simply about increasing the on-line presence, but also about streamlining and identifying cost savings, and bringing products more quickly to market—particularly products that are on trend and that customers want to buy:

> …*the design team are constantly in touch with what is happening in terms of trends and following trends with the industry both here but also internationally; and from insights to product, typically will be an eight month process—from post-season analysis though to design brief to sampling to in-store*; and *it is really a case of having a goal of 25% of new products going through.* (AccessoriesCo)

One participant interviewed is the CEO of a 76-year-old organisation that had completely changed its product offering over the previous five years. This organisation increased their product range from accessories—handbags, wallets, and jewellery—to include men's products, women's shoes and clothing, as well as limited-edition, limited-time accessories. Another participant organisation had also changed in the previous 12 months, with diversification of products offered and newly established businesses.

Further comments indicating significant changes are documented:

> *…for us it was more about creating a lifestyle brand and giving our customers the opportunity to have full wardrobe from us and from our brand and our brand style…* (AccessoriesCo)

> *The company was originally started by importing Japanese kimono silk into Australia* and now has *A full range of projects across handbags, wallets, accessories and we have recently introduced things like shoes, and apparel and jewellery to the range.* (AccessoriesCo)

When asked why they were introducing these new categories, the response from AccessoriesCo was: "I think every brand is looking at innovating and evolving and developing and giving customers what they think their customers want from them". At the same time, AccessoriesCo is increasing its sales channels and speed to market; it notes, for example, how a category extension was determined both by the product line and the market:

> *The category extension was a natural one in terms of completing a wardrobe, but it is also about lifestyle and the overall presentation of the brand.* (AccessoriesCo)

### Increasing speed to market

Because of a rise in client expectations and the need to maintain their interest, product to market timeframes have been shortened and/or local manufacturing is being utilised. Sales channels have also been re-engineered to bring products to market faster and to keep customers engaged, but also to ensure that current systems are streamlined to achieve cost savings.

The participant from AccessoriesCo explains this swift product-to-market cycle:
> *I think every brand is looking at innovating and evolving and developing, and giving customers what they think their customers want from them*; and *I can come up with the concept one week, we can sample it, produce it, and manufacture it and in two weeks it can be in store;* and *…a design team they are in constantly touch with what is happening in terms of trends and followings trends within the industry both here but also internationally, and staying very in touch with that, so they get inspiration from lots of different areas.*

The risk in the speed to market is smaller runs, and small trials to test concept prior to roll out, as indicated by the PharmCo participant*:*

> *We try and minimise the risk of failure of anything through trials. We usually look for category trial for say three months something like that. Trial results are important, business*

> *cases are important;* and *we get a lot of requests 'when are you going to do this, when are you going to do that?'*

The speed with which customers expect to order products and have them delivered has created an even greater need for faster product development cycle and constant innovation to ensure the customer remains engaged:

> *A lot of our customers are walking into our stores once every week or once every couple of weeks or so and so it is important that we've got new things for them to see every time they come into the store.* (AccessoriesCo)

> *It is a brand driven on fresh product ideas coming through the business and working with business partners who are innovative as well. Because you do not want to standstill.* (LifestyleCo)

To enable products to be brought to market faster, the companies have had to incorporate, align and adjust to new systems, processes, and logistics:

> *In the past we might have had a spring range which we would put in the beginning of the season—in late July or early August and we would sell that through the mid-season sale which might be October, and then clear that and go onto the summer range. Now what we are trying to do is to bring in at least two collections within each of the two periods i.e., Spring is now Spring 1 and Spring 2 so these live in store for four weeks rather than eight weeks or a whole season. So we don't buy as much depth in those ranges because they are only going to live in store for four weeks so it limits the exposure if things aren't working.* (AccessoriesCo)

These changes also affect all aspects of the business product design and store design cycles; and this, in turn, means constant change for both in-store and on-line customers.

## 4.5 Theme 2: Currency of customer intelligence imperative

The research findings identify that retail organisations need to constantly monitor their customers, rather than simply once a year during their strategic plan review. Customer insights are being collected through traditional channels such as surveys and interviews; through sales data collected at point of sale and through loyalty programs; and, increasingly, through social media, including Facebook. Social media allows both for conversations with customers, and market research through product feedback and product ideas.

Thus, the second theme identified is that *Currency of customer intelligence is imperative,* as previously illustrated in Figure 4.1.

Two key sub-themes of this second theme have been identified:

1) *Constant search for new opportunities for growth (2.1)*

2) *Combination of traditional and contemporary research methods (2.2).*

### 4.5.1 Sub-theme (2.1): Constant search for new opportunities for growth

The constant search for new opportunities for growth involves the on-going review of current systems and international trends in an effort to streamline operations, to find cost savings and to bring products to market faster. We have already discussed the need to operationalise this review in the changing retail environment by

- *Constantly adapting to attract and retain customers* by developing new products and services, and offering a broader range and/or categories of products; bringing products to market faster and more frequently; acquiring additional companies/brands; aligning off-line stores with on-line stores; and changing business models.

Underlying these approaches, however, is the need to

- Constantly collect customer intelligence to better understand customer insights, and latent needs and wants, and to tweak strategy accordingly to translate this intelligence into opportunities for business growth

#### Understanding the customer

Findings from customer research are used to create new products and services, to engage with customers, and to develop a point of difference in the target marketplace.

> *10 years ago was Roy Morgan and information plus on top of that we would do our own research vs. now we take this on board but we have pure data we have collected about our own customers.* (LifestyleCo)

All participants understand the importance of knowing who their customers are, and of using various tools to develop this understanding:

> *Yes we absolutely know our customer… our core customer is a professional working woman with a family and juggling those two things.* (AccessoriesCo)

Understanding the customer allows a business to create a target customer persona that can be used for communication purposes and as a filter for new products. Customer profiling identifies changing client tastes and lifestyle (while realising that the latter is no longer determined by traditional demographics), and this information is used to create new products and services to develop a point of difference:

> *I know exactly what my market is. I know what they look like and know what they think.*

*Of course they are a reflection of me because over a 25-year period, there's that mentor/ leader you know which is coming in there. So people like what I wear and so this is what I like to portray as, you know, a woman in the environment. So they sort of like what I wear and they go to places I go. So you know every designer designs for themselves what they want to wear and that's not any different.* (FashionCo)

*Changed a bit in the last 12 months. Used to be very much 18 to 45 with a spike in the middle. Now younger group starting with 13s and I think "omg" that might be a bad thing. But then I think no, hang on, no then this is the kids that say to "Mum Mum I want BrandX for my birthday". We chat a lot to my customers.* (BakerCo)

*We monitor once a year we do a quantitative test with consumers and how we sit relative to our competitors. And there are a number of dimensions they look at, whether it is value orientated or health orientated… each brand has its own customer…* (PharmCo)

### 4.5.2 Sub-theme (2.2): Combination of traditional and contemporary research methods

To gather customer intelligence, some businesses employ a multifaceted process that utilises a combination of traditional and digital/on-line research data, and overlays this with data related to both local and international industry and lifestyle trends. 'Traditional' consumer research methods include data collection by external firms, surveys, focus groups, in-store customer observations and conversations, while new research opportunities are provided by new media platforms such as websites, Facebook, Twitter, Instagram and Pinterest. As illustrated above, the results are used to filter new product details, to inform communication with the target customer, and to provide them with more engaging experiences.

#### Traditional research methods

One participant commented that the more-established retail organisations have extensive databases of customer information that they combine with traditional consumer research to help them understand their customers and the products they are purchasing:

*So it's very much about getting as much information as you can from external environments but also then feeding that into the DNA of the brand and coming out with products and styling of products that is appropriate and right for our brand and our customers but is also on trend.* (AccessoriesCo)

*We do a number of things, obviously we have an extensive database of customers, we build up a database of customers we collect information and we ask our customers to engage and join our database in-store. We also have a very well developed on-line store. But we also do consumer research and as part of that research we found out more about the customers so we do surveys with them both on-line and in focus groups and those types of things.* (AccessoriesCo)

Other organisations use category analysis, combined with customer research analysis:

> *It's more about looking at categories and category performance, promotional performance and quantitative analysis of customers and the attributes in the brand they like versus other competitors.* (LifestyleCo)

> *We analyse a lot of category performance and there is quite a bit of consumer research done as well and also both qualitative and quantitative research so that has evolved and we tested it and it appealed to customers and appealed to franchisees so we proceeded. (PharmCo)*

Trialling new products and services in-store is another mechanism for proof of concept and testing, while point of sale is another important place to collect customer data. This process can be as simple as having a face-to-face conversation with the customer when they are purchasing products in-store, or capturing and analysing social media commentary at point of sale online. PharmCo and BakerCo note their use of such mechanisms:

> *We trial as much as we can that way we minimise the risk of failure of anything through the trials. We usually look at a category trial for say three months. The trial results are important and so are the business cases.* (PharmCo)

> *We chat a lot to our customers as well as review comments on social media—Facebook etc.—as well as customer requests. We sometimes use Facebook for polls to see what the most popular flavour is i.e., a choice of two seasonal flavours and then if it is popular we introduce it as a permanent flavour.* (BakerCo)

As well as social media, AccessoriesCo still uses intelligence gained from traditional international business trips to inform new product design and development. This is important to this organisation as it has global competitors (Smaller local organisations, such as BakerCo, have local customers only). Such trips inspire and provide new insights and trends. AccessoriesCo comments:

> *Every year this is a design inspiration trip and depends really on what we are trying to do and where we are with the season. It is really important for creativity and inspiration and coming up with different ideas. But again that is all just part of the 'external' stuff but then still needs to be filtered in to what the brand is and how does that make the brand products.* (AccessoriesCo)

### New media research approaches

Traditional forms of research are slowly being overtaken by new media approaches. The Internet is now an established source of consumer information, as LifestyleCo notes:

*The way customers interact with businesses has changed dramatically and every business needs to go back and reflect what is happening with the consumer. The consumer is being empowered i.e., where do I go and look for a holiday? The Internet now; I don't go to the Sunday papers anymore. Path to purchase has changed dramatically.* (LifestyleCo)

However, social media is also becoming an important source of customer business information. In turn, access to social media commentary is also becoming an important source of customer insight data. It allows for trend identification, which provides a much broader customer knowledge base. Thus, social media is becoming an important tool for customer data collection across a range of organisations.

Facebook, for example, is also a helpful tool for market testing of new products. Several participants testify to this:

*The availability of information about companies, about brand, and about trends is much, much broader now than it ever was in the past, with social media for example.* (LifestyleCo)

*There is no one rule and it actually comes from a series of things i.e., it might be a customer's requested something or customers seeing a new product development somewhere else that hasn't quite made it to market and wanting to know where to get it.* (LifestyleCo)

*We look at comments on Facebook and we chat a lot to my customers and encourage staff to talk to customers and they ask us for certain things.* (BakerCo)

However, while all participants are inspired by international trends, they are careful to use such information in the context of their own brand, as AccessoriesCo and LifestyleCo both note:

*The availability of information about companies, about brand, and about trends is much, much broader now than it ever was in the past, with social media for example, in particular, and so we are very in touch with those sorts of things, but I also think it is important to recognise that we have a design signature for our brand and we have a point of difference and a design style, that we have built up over the years—part of our heritage—that is intrinsically (organisation name), in terms of its style and it is very important to always continue to stick to that irrespective to what is happening regarding trends.*
(AccessoriesCo)

*We have competition but we have to focus on our strategic objectives with new and exciting products and making sure our customers are our first thought. If you are looking after our customers, the rest will look after itself.* (LifestyleCo)

***Customer data analysis to inform brand strategy***

Merely collecting the data is not enough. Analysis of the data gathered by the organisations varies according to the type of data collected, and organisations face the on-going challenge of appropriately interpreting, translating, and using the data. As participants commented:

*Some of it is being passed out to external companies as there are such large chunks of data and information and some is done through internal reporting and we are upgrading our internal capabilities every year to enable us to do this. It is a mixture of quantitative and qualitative research using an agreed set of questions that we go through to try and understand what the customer thinks of us. So right down to the advertising creative, value segments, competitor analysis, types of marketing initiatives, and all the loyalty clubs, and how they felt last time they shopped with us. And we make sure we include people who shop with us and people who don't shop with us.* (LifestyleCo)

*There are a lot of challenges around getting more customer insights because you have a desire and will to know more about your customers, but actually even if you do know more about them you sometimes cannot necessarily do anything with that information about that, so it is about having the systems and the infrastructure to be able to use that information. The advantage of knowing those things is really being able to provide customer with things that are more appropriate for their lifestyle or their needs, or their wants.* (AccessoriesCo)

LifestyleCo corroborates the importance of customer data:

> *This year it was incredible seeing the amount of changes that we have seen in the strategy based on customer data and understanding and knowledge, it has dramatically changed the way we do business in the future. And it is a mix of transactional data and behavioural data we are seeing on websites, emails, club data and it's feeding in to help us make better decisions.* (LifestyleCo)

Most importantly, as will be further discussed below, it is necessary to use all data/information in a manner that not only responds to competitors, but also delivers a consistent brand voice across all communication channels. An understanding of customers' needs and wants helps to achieve this consistent 'voice'.

## 4.6 Theme 3: Brand with purpose and focus leads to differentiation

Findings indicate that an understanding of the brand's DNA enables the organisation to have a unique brand story—a point of view and narrative that is different from the competition's point of view and narrative—that enables a whole-of-organisation core focus and purpose. Thus, the

third theme is identified as *Brand with purpose and focus leads to differentiation*. Three sub-themes were identified within this third theme, as previously outlined in Figure 4.1.

These are:

1) *Identification and leverage of brand's design signature (Brand DNA) irrespective of trends (3.1)*

2) *Regular 'brand health checks' to re-align (3.2)*

3) *Staff are an important part of brand expression (3.3).*

### 4.6.1 Sub-theme (3.1): Identification and leverage of brand's design signature (Brand DNA) irrespective of trends

Brand DNA (as coined by the AccessoriesCo participant) is part of a brand's heritage that is built up over years, and is the point of difference that is core to what an organisation does. An organisation, therefore, must recognise and be faithful to this brand DNA, and use it to identify and leverage the brand's unique design signature irrespective of trend.

> *To me brand is everything it is not just that sign up behind me…it's everything…it is the cupcakes, it's the staff…"* (BakerCo)

This awareness was evident in all the represented organisations. All the participants interviewed were familiar with the history of their organisation and how this was part of their brand platform. This brand platform, in turn, helps focus the organisation on its strategic objectives. Not only does it filter and recognise the agreed design signature, irrespective of trends, it also helps to communicate the brand's point of difference.

The development of a brand platform has enabled organisations to focus and deliver products that align with the brand. Two organisations have done this by visualising the personas of their customers, and ensuring these personas are represented in photographs throughout the retail environment and in administration/headquarters. AccessoriesCo and LifestyleCo both illustrate this approach:

> *One of the things we are working towards is taking a single view of our customer and being able to understand that everywhere that they interact with our brand whether that be in store, on line, through mobile, social media, you know, everywhere they might engage with the brand and make comments, or make purchases or whatever, trying to understand all of that and looking at that customer as a single view, that is something that we are working on.* (AccessoriesCo)

> *…the design team have our ideal woman in pictorial format plastered around the design studio and there are pictures of her and pictures of what she does, what she wears,*

*and what car she drives, what food she eats, and what restaurant goes to. The design team is always thinking about that woman and have that women in mind and coming up with new ideas and filtering that through saying, "Would this woman use that?" or "Does this fit her lifestyle?" This is how we do it.* (AccessoriesCo)

*…we got to use data to understand our customers better and provide more relevant offers to the customer and engaging experiences…we knew the customer intimately. (LifestyleCo)*

The organisations represented in this research varied in age: 76 years old (established 1938); 54 years old (established 1960); 42 years old (established 1972); 30 years old (established 1984); and six years old a recently established retail store (established 2008). This variance is reflected in the participants' responses. Some of the organisations have reinvented themselves and changed channels to market, from traditional 'bricks-and-mortar' only stores to integrated, multi-channel offerings, with on-line store offering being part of the mix. All participants agreed, however, that the retail and business environment is ever-changing, and that they are not the same businesses they were when founded. Nevertheless, they insisted that, in line with brand DNA, the core of what they offered and will offer into the future remains constant.

### *Differentiated Offerings*

A brand's design signature (Brand DNA) also includes its point of difference in the market. The importance of this differentiation is reflected in the following comments:

*I think it is important in terms of talking to customers about your brand, because otherwise everyone can have exactly the same thing. Every brand can have a store that has white walls and grey marble floor.* (AccessoriesCo)

*It is really important that you understand your brand so that everything you do with your brand has reference back to your heritage and who you are, and what your about, your DNA. And that starts with the store concept and then within the store concept, we have visual merchandise and store staff who work on how we display our products. The way we display our products is different to the way Brand X or Brand Y display their products. (AccessoriesCo)*

*I think it is important in terms of talking to customers about your brand, because otherwise everyone can have exactly the same thing. So it is about actually, having a reason for why you have done it the way that you have done it.* (AccessoriesCo)

Therefore, finding a brand's uniqueness is key to finding the brand's position in the market. This position allows the brand to have a unique story and differentiation that other organisations cannot easily copy or replicate, as evidenced in the following perceptions:

*… so that everything you do with your brand has reference back to your heritage and who
you are, and your DNA.* (AccessoriesCo)

*It is all about differentiation—It is the differentiation strategy, we are not the low cost guys,
that is Brand X is that. We have private labels that are 20% lower than the national brands
therefore higher margins.* (PharmCo)

### 4.6.2 Sub-theme (3.2): Regular 'brand health checks' to re-align

To be faithful to 'brand' (as discussed above), and to deliver consistencies of delivery,
an organisation needs to manage, monitor, and renew its brands through regular 'brand health
checks' across all customer touch points. Different brand metrics (for example, Net Promoter
Score [NPS]) are employed to measure and check the alignment of the brand with customer
expectations and experience.

Social media commentary (FB) and rejuvenation of/introduction of new designs across stores
are also used as strategic 'health check-up' changes.

*Every brand needs to go through a change—for want of a better word—a 'rejuvenation'—
every number of years…* (AccessoriesCo)

### Purpose and focus reflected across all touch points

Understanding brand's impact across the organisation was—to varying degrees—seen as
important to everyone interviewed, and there was unanimous understanding that brand starts
with an understanding of the vision and strategy of the organisation.

*To me, brand is everything. It is the way we ice and decorate the cakes, and the way
we put the little stickers on the box. (*BakerCo)

*Each brand has its own customer and its own brand story.* (LifestyleCo)

The larger of the organisations interviewed (LifestyleCo and AccessoriesCo) were more equipped
and resourced to ensure consistency, having brand and marketing departments within head office.
In some cases, and because the organisations have multiple companies and brands, each brand
had a separate team that looked after each brand, with an overarching brand and marketing
manager. Representatives of AccessoriesCo indicated their realisation of the importance of
branding and brand health checks:

*We took a deep dive into the X Brand itself and we did a brand health check and took
a look at some of the softer sides of the business in terms of the store environment and
our communications campaigns, products etc. and ranked them against our competitors*

*particularly our international competitors and reviewed how we stack up. Out of this we actually have a new store concept we are working on at the moment and working with an architectural firm in London.* (AccessoriesCo)

*So it is about actually, having a reason for why you have done it the way that you have done it.* (AccessoriesCo)

*And what that means is that they are able to judge you up against the competitors and so you know it is a good opportunity for us in a way, to kind of relook at ourselves and say okay look, if we are staking and putting ourselves up against say Brand A, Brand B, Brand C some of those brands that you know sit in our space, how do we stack up?* (AccessoriesCo)

Two participants concentrated brand comments on the retail store touch point*:*

*It is about an understated glamour, it's about a relaxed glamour so it's about creating a store environment and displaying our products that reflects that and look like that in store as well. This is also reflected in staff training for example, on how we deal with customers as a company as opposed to other companies etc. and how to approach customers and how to deal with them.* (AccessoriesCo)

*No one remembers what you bought last time they went to David Jones but they do remember how they made you feel. You remember if you enjoyed the experience or not.* (LifestyleCo)

Despite their size, all organisations were aware of the need to focus on the brand, and were aware of consistencies of delivery across customer touch points.

*The brand has to have a personality. And we have aligned our research across our brands to ask similar questions about all of our brands to get our insights and understanding of the brand persona.* (LifestyleCo)

### 4.6.3 *Sub-theme (3.3): Staff are an important part of brand expression*

Participants recognised that staff are an important part of consistent brand delivery and insights. Indeed, they are the first point of contact that customers have with the brand; therefore, it is imperative that staff understand what the brand stands for. Furthermore, it is essential to make sure that all staff within the organisation tells the same brand story, and understand the brand strategy and point of difference. It is also important to attract and retain staff who have an affinity with the brand, a principle that AccessoriesCo applies:

*We do staff engagement surveys every year which includes questions about why you were attracted to the brand and what keeps you working for the brand or what interested you in the company.* (AccessoriesCo)

On-going creation and maintenance of brand knowledge through staff training and formally documented standard manuals is also imperative in developing and understanding the brand from boardroom to 'shop floor'. Thus, brand education is part of ongoing, on-line staff training programs that organisations conduct. This training ensures that all staff are delivering a consistent service level, as well as gaining extensive product knowledge that assists with customer engagement. Two participants commented in this regard:

*It is quite comprehensive training program we have for our staff so it is covers everything from the basics of selling skills through to our brand, our brand strategy, and how we behave.* (PharmCo)

*When we bring someone new on board we go through a process where we actually understand who the company is and look at who the target audience is for the customers and add definition to those and we build CVP (Customer Value Proposition), who they are and what we stand for. We build up a persona for each brand, for instance, if you went to LifestyleCo we would say, this is Barry and Barry is between this age and this age and on the weekends Barry likes to do this or that and drink X brand beer. So we build up a visualisation of who the customer is. We find it easier for the team to identify with the core customer that way.* (LifestyleCo)

However, while all participants mentioned the importance of staff in the delivery of the customer experience for the brand, there seemed to be a lack of formal staff training processes in place. Indeed, one participant said that they have to continually remind their staff to complete their on-line training.

## 4.7 Summary

This chapter has presented the key results that emerged from both the primary and secondary data collected from the desktop research and five qualitative interviews. The results outlined relate directly to the sub-research questions.

The first sub-research question (RQ1) is *How do organisations identify and extract insights from customers?* The thematic analysis of the collected data reveals that customer insights are gathered from various sources, and are analysed to help determine strategic direction. Although the participant responses were varied, the common thread was the fact that all participants understood the importance of capturing, filtering, and leveraging customer insights. This was done in various ways that ranged from the capturing of conversations with customers, to the use of sophisticated software that pre-empted customer needs.

The second sub-research question (RQ2) is *How do they capture and interpret these insights?* From 'traditional' consumer research to comments on Facebook, insights are collected and overlaid with information on international trends, and aligned with the brand DNA. Participants used the brand's DNA to filter the customer insights. The understanding of the importance of analysing the insights overlaid by the brand platform was evident in all participants' observations, albeit to varying degrees. For example, one participant strongly believed in the brand's consistency, while the desktop research and in-store review did not suggest that this was so.

The third sub-research question (RQ3) is *In what way do these organisations apply these insights?* It can be seen that new product and service design and implementation is reliant on customer insights. Feedback through questionnaires or requests from customers can lead to new products and services. Point of sale information is also used to understand success of products. As competition increases across all categories within the retail sector, every participant is aware of the need to constantly be one step ahead of their competitors. For example, one participant looks for inspiration outside of retail, while another uses travel to trade shows to develop inspiration for new products.

The fourth and final sub-research question (RQ4) is *How does gaining these customer insights make a difference in the organisation?* It can be seen that it is crucial to use customer insights to plan the next product launch and to feed back into the strategic direction of the organisation. All participants captured data; however, all also said they could always collect more data and know more about their customers. They all felt that the more knowledge they had—beyond mere sales records—the more their products and services could be tailored to suit their customers' latent needs and wants.

The results thus answer the main research question, *How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?* In short, customer insights are crucial in bringing together the brand and strategy to create a differentiated offering that will resonate with customers. Insights not only inform the organisations about what is occurring in the business at present, but can also indicate trends that could affect future product development.

# Chapter 5: Discussion

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## 5.1 Introduction

In Chapter 4, the findings from both primary and secondary data were outlined. This chapter now discusses these findings in relation to the relevant literature, in order to explore and respond to the research question that lead the research investigation:

> *How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?*

This main research question has four sub-questions:

1) *How do organisations identify and extract insights from customers?*

2) *How do they capture and interpret these insights?*

3) *In what way do these organisations apply these insights?*

4) *How does gaining these customer insights make a difference in the organisation?*

Specifically, this chapter focuses on the three themes that emerged from the research data presented earlier in Chapter 4 (see Figure 4.10). Firstly, each theme is presented with respect to the literature and research findings, using the Brand Development 'Impact Model' (see Figure 2.6) as the foundation for illustrating the three themes. The chapter ends with a presentation of a new brand impact model that proposes the repositioning of an organisation's brand platform to the core of the brand development process.

The three main themes that emerged from the research (see Figure 4.1) are:

1) *Speed to market crucial*

2) *Currency of customer Intelligence imperative*

3) *Brand with purpose and focus leads to differentiation.*

As also illustrated in Figure 4.1, each of these themes has related sub-themes.

## 5.2 Theme 1: Speed to Market is Crucial

To recap the previous chapter, the Australian retail environment is one of constant change. With the competition now moving from local to global, every retailer is competing for customers. The speed of change in every aspect of business—the range of products and services offered; business models developed; channels to market employed; and new product development—is

accelerated by competition from international brands, not only in the on-line space but, more recently, with the establishment of their bricks-and-mortar stores in Australia.  The arrival of these brands and the establishment of their physical stores provide head-to-head competition and easier access for the customer. Australian retail organisations are also competing in a global marketplace by creating multi-language sites and stores outside of Australia.

Brand differentiation is the key to enabling Australian retail organisations to compete. The organisations who participated in the research are conscious of the need to differentiate their products and services from the competition. Smaller retail organisations are also aware of the need; however, they are resource-challenged (time and money) and slower to develop. The literature describes new ways of creating sustainable business strategies (Katter, 1996). Common to all strategies, is the awareness of having to constantly develop new ways of attracting and retaining customers.

However, differentiation is not simply about creating new products and services. Core to any new offering is an understanding of the brand and what the brand stands for; that is, the brand platform, as shown in Figure 5.1. This brand platform guides the decision making throughout the organisation. As discussed in the literature, brands are at the heart of marketing and business strategy (Doyle, 2003, p. 165), and building brand equity is considered to be one of the key drivers of an organisation's business (Prasad & Dev, 2000). Brands cannot be separated from the organisation: the tangible manifestation of the corporations is its brand (Olins, 2008). Finding a unique brand positioning for the brand is important as it allows for competitive advantage and sustainable growth and, therefore, sustainable returns (Aaker, 1996).

The data from this research shows that participants started with a small product range but have developed and changed according to the market and customer needs. While this development varied according to the size of the organisation, the product mix in all cases developed as new opportunities presented themselves. This is especially important due to the plethora of new products and their speed to market that customers have now come to expect.
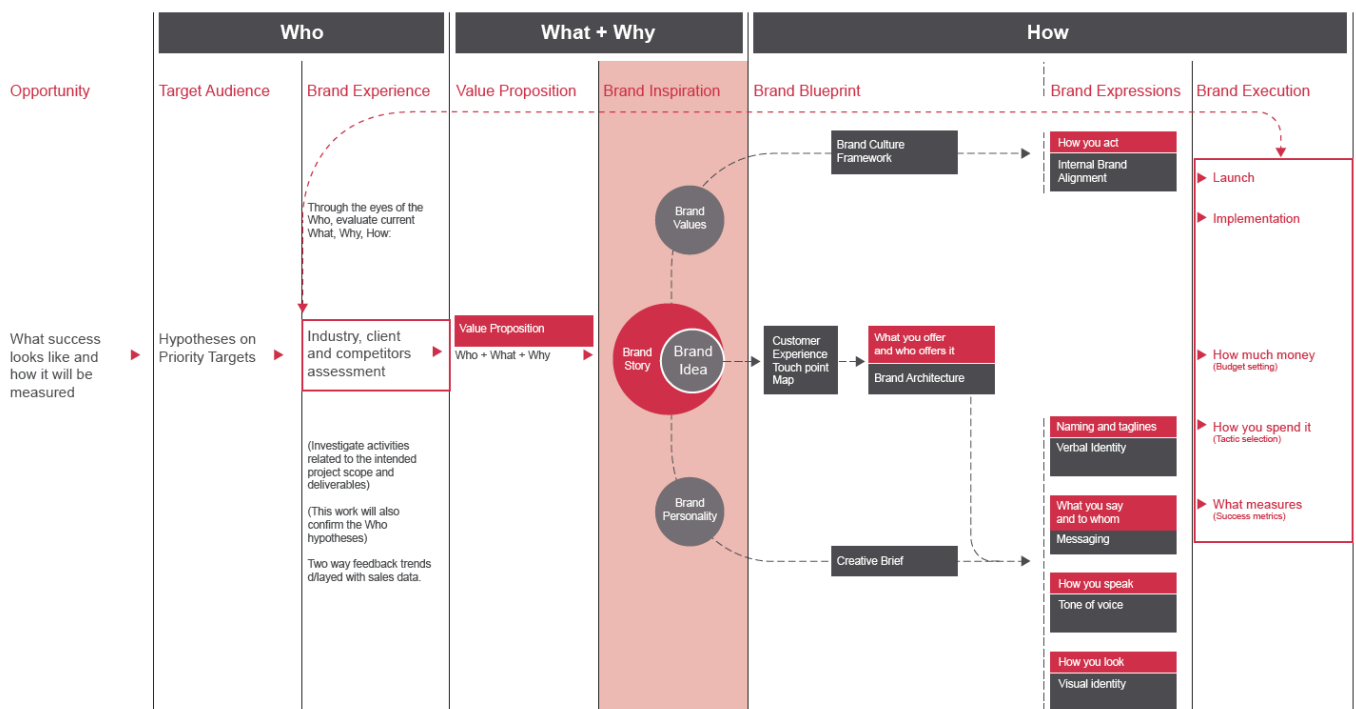
*Figure 5.1: Link between Brand Experience and Brand Execution as it relates to Brand Development 'Impact Model' (Adapted Interbrand, 1998, p.61).*

## 5.3 Theme 2: Currency of Customer Intelligence Imperative

To recap, research results show that retail organisations are looking at new opportunities for growth through understanding their customers, by reviewing their current systems for streamlining/ cost savings and bringing products to market faster; and by reviewing international trends for inspiration and ideas that could be applied to the local market. They are also employing both traditional and contemporary research methods in an effort to understand their customers and to provide them with more engaging experiences. While the traditional methods of customer surveys and questionnaires administered by external specialists are still used, these are overlaid with other customer data such as point of sale data (on-line and in-store) and social media feedback (from Facebook, Instagram, and YouTube). Customers are becoming more important as they psrovide valuable insights and 'real time' comments that can inform various aspects of the business; for example, customer feedback on fashion trends, and market research on new products via Facebook polling.

Because of the different channels through which customers now access the retail organisations, the Brand Framework 'Impact Model' (Interbrand, p. 61) has been updated to indicate that many areas of brand development—that is, beyond the initial establishment of the 'Value Proposition'— are now informed by customer insights; for example, customer insights are now important at the stage when the brand's customer experience is developed, as well as at the brand execution stage. Figure 5.2 indicates where customer insights are now captured.

Consistency in brand application is important (Salter, 2011), and every touch point is important to the customer's experience of the brand; this includes everything from the staff greeting to the retail organisations fit out, to the design of the website (Johnston & Kong, 2011; Clatworthy, 2012). The systematic design of each touch point and the design of the entire customer journey is key to the brand experience and the retail organisation's ability to 'pull' customers into the purchasing phase (Johnston & Kong, 2011). Aligning the business strategy to the brand strategy was crucial to Burberry's turnaround (Ahrendts, 2013), and creating one voice across all touch points was key to this. A 'brand czar' was appointed and issued the directive that everything the customer was to see was to go through his office.

The insights garnered directly from customers via social media and from the traditional forms of marketing research inform the tangible aspects of the brand—the 'brand experience' that the literature recognises as an emerging area of competitive advantage (Johnston & Kong, 2011; Pine & Gilmore, 1998; Prahalad & Ramaswamy, 2004). Some experiences, such as the retail environment, are controlled; others, such as Facebook comments, are uncontrolled.

AccessoriesCo starts their brand experience with the retail store. An example of this is its recently launched 'new look' store in a prestigious Sydney precinct. Direct comparisons with its Brisbane store reveal a complete brand redesign; changes include: the shopfront signage (much more discreet), the store layout (very open with lots of open space), fittings and furnishings (level of finish and materials is in line with the European luxury goods brand, Louis Vuitton). Other items that are mentioned on Dunn and Davis' Brand Touchpoint Wheel (p. 36) are also part of this brand redesign. Other elements such as the website, the photography, the product design, and even the brand ambassador, have changed to align with the new change in direction. This consistency in brand application is important (Salter, 2011), as every touch point is important to the way in which the customer experiences the brand.
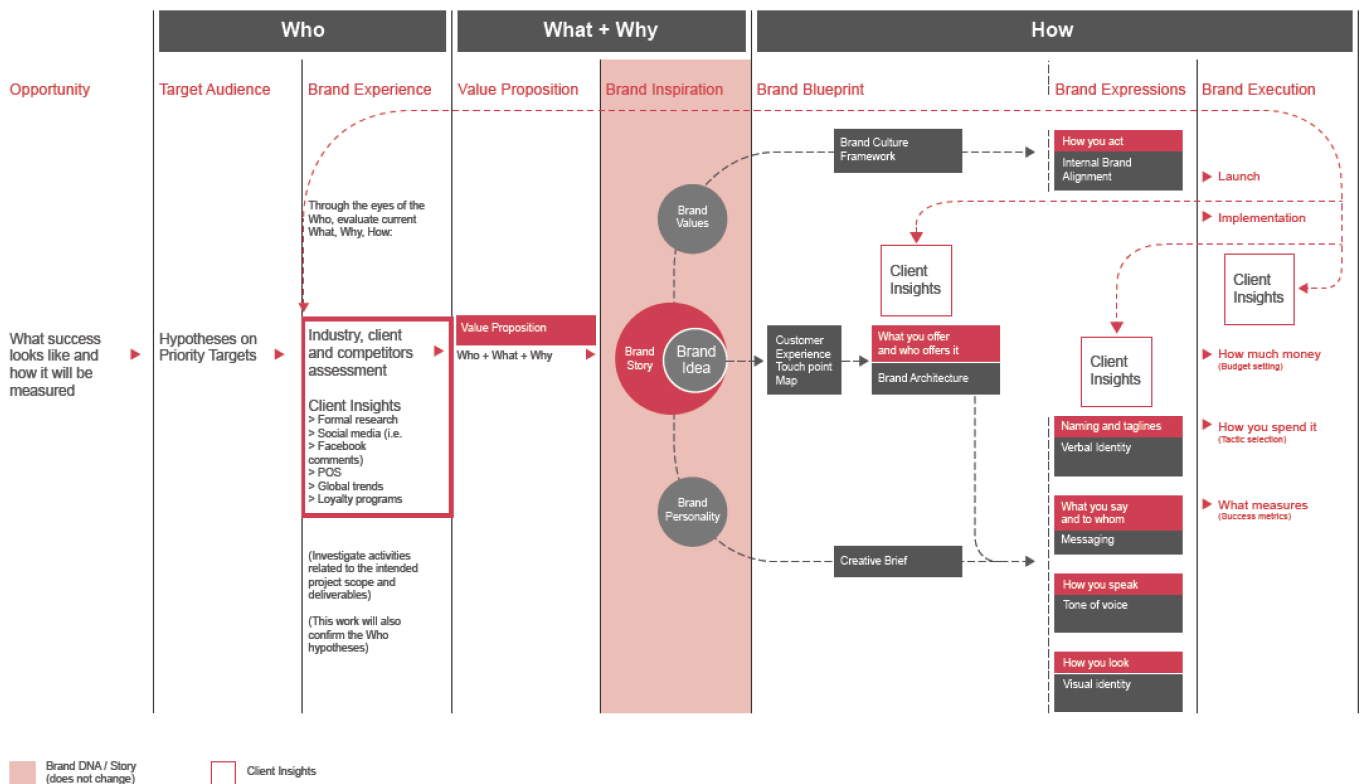
*Figure 5.2: Collecting customer Insights as related to Brand Development 'Impact Model' (Adapted from Interbrand, 1998, p. 61).*

Customers are now seen as a valuable resource to inform design and production development. The customer research extends from purchase history to understanding the lifestyle of the customer and overlaying this with information on global trends to create products and services that address various elements of the customers' lives. In the case of AccessoriesCo and LifestyleCo, the entire focus of the organisations is on the persona of the customer, rather than on their standard demographics indicator. For example, AccessoriesCo created a persona of their customer that included how she lived, where she lived, what car she drove, and what restaurants she ate at. This persona was then visualised as a photograph so that everyone in the organisation could recognise and understand their customer, and the design team could create appropriate products. Another example was LifestyleCo who built a profile of their typical customer, and focussed on this customer's 'Passion'.

Understanding the customer is crucial to all organisations. Designing the brand experience from the customer's perspective and putting their needs and wants at the centre of the strategy enables them to build strong relationships (Einweiller & Will, 2002; Esslinger, 2009; Lafley & Chiron, 2008; Martin, 2009). The methods used by the participants to understand their customers varied from simply being aware of customers coming into stores and following the organisation's social media (Facebook), to contracting external research companies to conduct formal and in-depth research. However, participants are now relying more on collecting their own data—from

both point of sale and social media. All participants use intelligence gathered from social media at the very least.

## 5.4 Theme 3: Brand Purpose and Focus Leads to Differentiation

As corroborated by the literature review, there was no common interpretation of 'brand' among participants. Most agreed with Aaker's (1991) description of branding that focuses on name, symbol, and design all being created to communicate the values of the brand to the marketplace. Only one participant—AccessoriesCo—talked about the brand in relation to its promise to the customer (Raggio & Leone, 2007). AccessoriesCo, PharmCo, LifestyleCo, and BakerCo discussed brand as central to strategy and the business (Farelly & Beverland, 2008; Schultz & Kitchen, 2004). However, this discussion often centred around "the design team" (AccessoriesCo) or "the marketing team" (LifestyleCo) understanding what the brand stood for, rather than around the whole organisation understanding the brand from the customer's perspective.

More than other participants, AccessoriesCo articulated the importance of brand to an organisation. This participant understands that to compete against the global brands, they have to understand where they wanted to be positioned in the market with respect to these competitors. For example, AssessoriesCo does not position itself at the top luxury level, but rather, at the 'affordable luxury' level. As this level has many competitors, particularly US brands, AccessoriesCo's brand team compared their brand with their competitors and identified their point of difference: the 'Australian-ness' of their brand. This 'Australian-ness' will be expressed across all its stores and products. AccessoriesCo was undergoing a 'brand rejuvenation' so the topic was forefront in the mind of the participant. The new concepts being developed were being introduced to one store as a trial, and then tweaked and rolled out to other stores.

Other participants also commented on this link between the brand expression and the brand story, which is illustrated with the addition of the red horizontal two-way arrow and the red box around brand expression in Figure 5.3. The arrow is two-way because the tangible aspects of the brand are often reviewed prior to being reconsidered and realigned with the brand inspiration. This process is ongoing and not a one-off event, as Burberry realised in their turnaround in 2008 (Ahrendts, 2013) where, as the literature states, creating one voice across all touch point was the key.

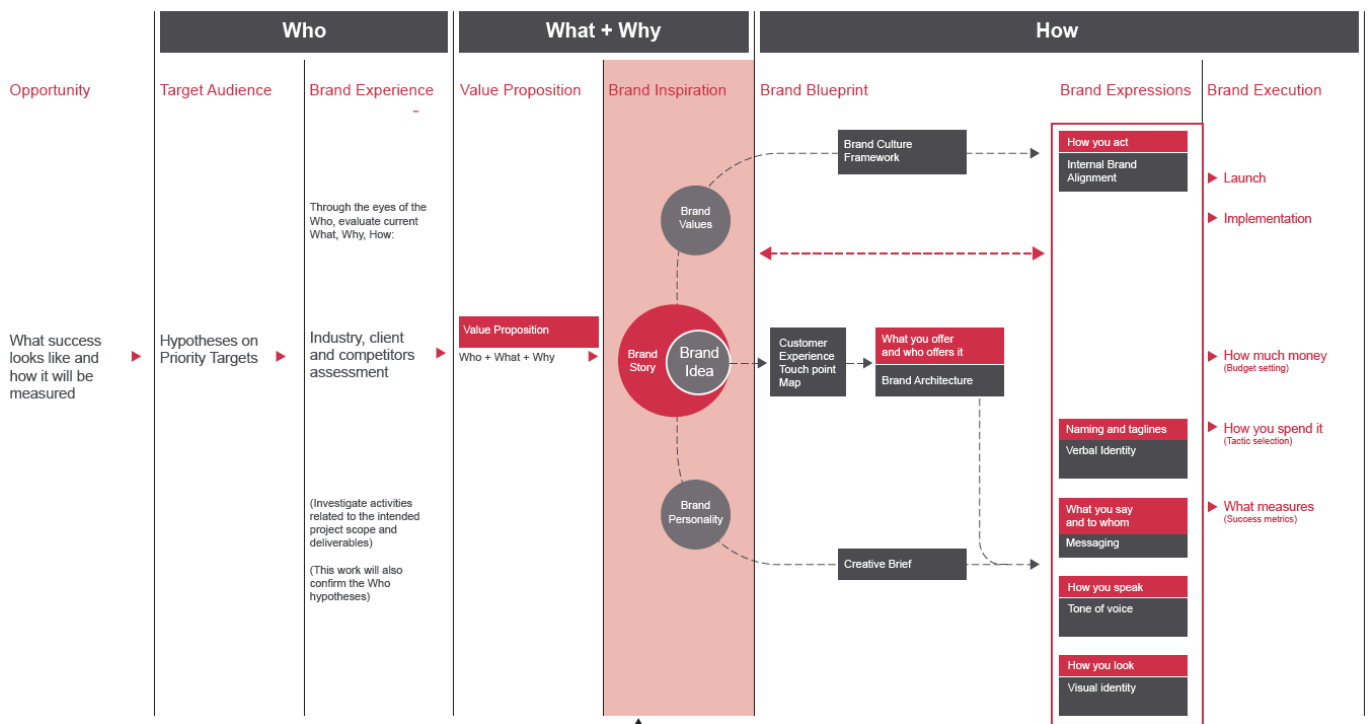| Who | | | What + Why | | How | | |
|---|---|---|---|---|---|---|---|
| Opportunity | Target Audience | Brand Experience | Value Proposition | Brand Inspiration | Brand Blueprint | Brand Expressions | Brand Execution |

*Figure 5.3: Link between Brand Inspiration and Brand Expression as it relates to Brand Development 'Impact Model' (Adapted from Interbrand, 1998, p.61).*

In Burberry's case this was achieved by appointing one person to head the design unit and to approve all brand materials. AccessoriesCo has the same process, where a team headed by an Executive is responsible for all aspects of the brand touch points. It should be noted that the important insight here is that both Burberry and AccessoriesCo Brand Managers report directly to the CEO and are part of the Executive team. This reflects the importance that the organisation places on the organisation-wide consistency of brand, and the need to build a stronger link between brand inspiration and brand expression, as illustrated in Figure 5.3.

LifestyleCo has a different model, where each brand within the Group has a Manager who reports to a General Manager who is responsible for each different sector; in turn, these General Managers report to an Executive in charge of that area, who then reports to the Leadership team. There is a General Manager/Group Marketing and Communications who are part of the leadership team, but not part of the Executive team. While two of the retail organisations were too small to have a dedicated brand and marketing department, the owners were directly involved in all aspects of the brand application approval process, from product photography to store layout.

The physical store is undergoing resurgence, with participants recognising it as one of the biggest touch point investments. The literature talks about 'Flagship' stores (Ponsonby-McCabe & Boyle, 2006; Davies & Ward, 2005), for example, and these stores are often used to make the brand more visible and more dynamic (Floor, 2006, p. 56). The brand experience in-store was important to all customers, and this importance will continue to grow. The global retailers, for example, have tested the market with their on-line stores prior to committing to high-profile, high-street CBD

locations in major cities in Australia. Australian retail organisations are now sitting side by side with their overseas counterparts, making it easier for their customers to make direct comparisons.

## 5.5 The Brand Differentiated Model

Interbrand's Brand Development 'Impact Model' (1998, p. 61), first presented in Figure 2.6, has been redesigned in light of the findings of this study. The resultant new model—*The Brand Differentiated Model* (see Figure 5.4)—has also been influenced by four other models, including Kaplan & Norton's (1992) 'Balanced Scorecard' (Figure 2.3); Chareonsuk & Chuvej Chansa-Nagavej's 'Branded Scorecard' (Figure 2.4); Logman's (2004) Brand Management Model (Figure 2.5); and Dunn and Davis' (2003) Brand Touch Point Wheel (Figure 2.7).

Unlike these (mostly) linear models, the new *Brand Differentiated Model* represents the ongoing cycle of the process of review and adjustment of the brand touch points as a result of the ongoing capture of customer insights. The circular diagram in the model also allows for the inclusion of a central core that focuses on the brand platform (that is, brand vision, mission, values, personality, and tone). This prominent, central position enables the focus to be on the brand's core to assist in informing and focussing an all-of-organisation delivery of a consistent and differentiated brand. The central position of the brand platform also indicates permanency, as the core of the organisation's brand does not change—just as the DNA of the organisation does not change. Customer insights feature in the concentric circles to indicate the need to continually and constantly collect and analyse the customer data and industry trends that dictate the development and timing of new products and services.
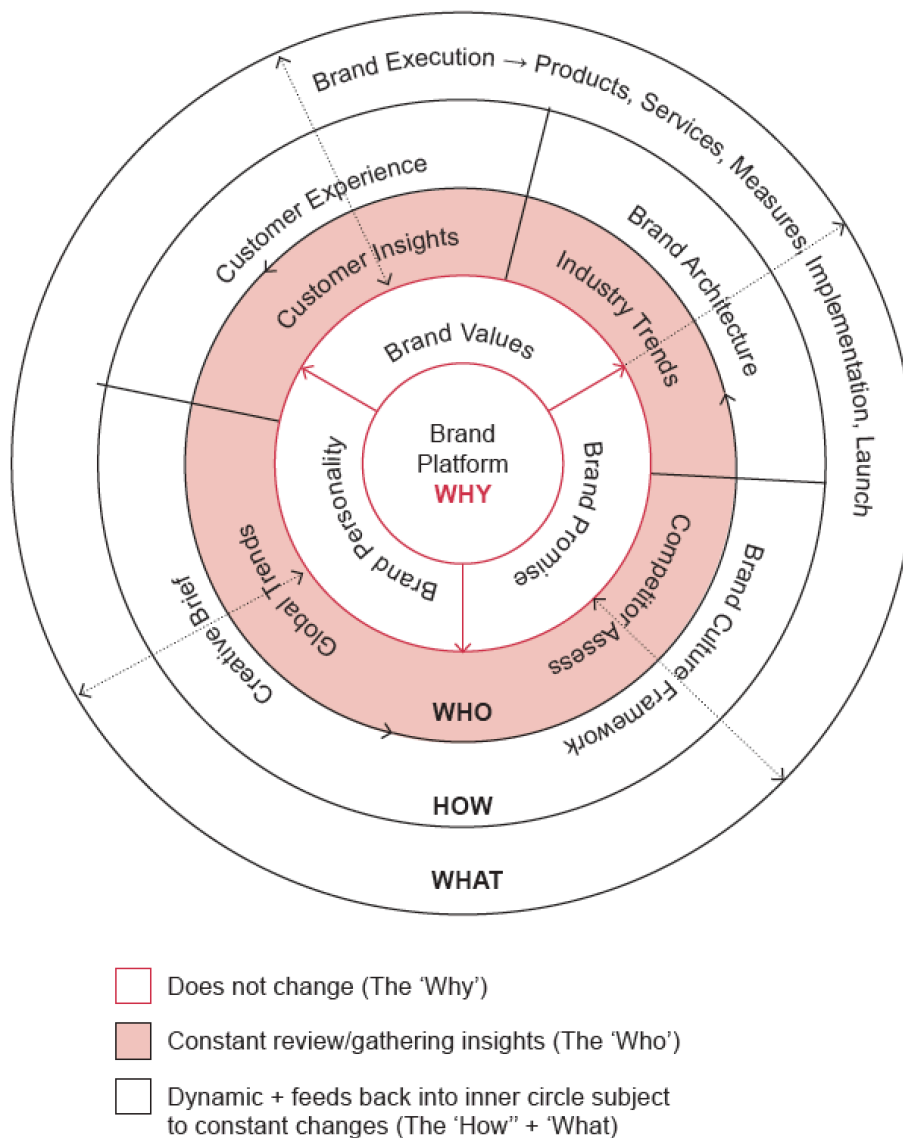
*Figure 5.4: The Brand Differentiated Model developed for this research (Moody, 2015).*

## 5.5 Summary

Knowing more about its customers helps to develop and influence an organisation's strategy, product range, recruitment, and every other key aspect of their business. Formal research is overlayed with customers' social media commentary and data collected from in-store at point of sale, to help to understand the customer's current and future needs. Innovation can be a result of the data collected. The research indicates that while data are important, it is only one source of the intelligence needed to develop new products and services. An understanding of trends on both a local and international level also informs future developments. Competitors also contribute to an understanding of customers' needs, and help organisations find their own 'white space' and differentiated offering.

# Chapter 6: Conclusions

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## 6.1 Introduction

This study examined the role of customer insights in the creation of an organisation's strategy to create brand differentiation in the retail sector. Reviewed literature revealed gaps in knowledge of how customer insights are collected and then used to inform the organisation's strategy and, in turn, how this strategy is made tangible through consistent brand applications across all customer touch points. In addressing this gap, the focus was on the Australian retail sector, which is operating in a challenging environment due to the influx of global brands who are establishing both on-line and bricks-and-mortar stores in Australia.

The study explored an integrated, whole-of-organisation focus on: i) the customer at the centre of that focus; ii) an understanding of the brand's competitive differences; and iii) the creation of consistent brand experiences through every brand touch point. The framework for this focus is the Brand Touch Point Wheel (Dunn & Davis, 2003), as illustrated in Figure 2.7 and the Branded Scorecard (Chareonsuk & Chuvej Chansa-ngavej, 2008), as outlined in Figure 2.4, which ensures that the outcome (the touch points) is considered in the context of the organisation's Vision and Strategy (which are located at the centre of the diagram).

The research results have a wide range of implications for the development of brand-led differentiation in the retail sector. These implications are of particular relevance to Australian retail organisations, and to those working within, or consulting to the sector at all levels: business (boards and executives), industry (industry associations), and professional (brand consultants). It also has implications for those developing tertiary education courses in brand design. A detailed discussion of the implications for each of these sectors is presented below.

## 6.2 Implications for Industry

The organisations participating in this research have a varied understanding of the power of brands and the need for brand consistency across all touch points. Furthermore, even where this understanding exists, it does not always filter down to all levels of the organisation. In order for Australian retail organisations to understand the power of brands, more research and case study work should be carried out on successful global brands. Recent new entries to the Australian market are H&M, Forever Young, Burberry, and Williams Sonoma, and some of these brands have been the focus of such studies (Ahrendts, 2013; Moore & Birtwistle, 2004; Oslo, 2007). American Girl Place has also been the subject of one case study (Borghini et al., 2009). All these studies hold lessons for Australian retail organisations. The global 'invasion' is not going to stop; the only

one defence of Australian retail organisations is to understand their brand's positioning, to ensure that this is reflected across the organisation, and to thus protect the brand's 'white space' by differentiating it from its competition.

Retail industry associations include the Australian Retail Association, as well as design associations such as the Australian Graphic Design Association, and the Design Institute of Australia (which represents graphic, interior, industrial, architectural, furniture, and fashion designers). Whether working at the retail store level or in management, these associations need to ensure that their continuing professional education policies and programs reflect the change in business dynamics, as well as the entry of global brands into the local markets. Field trips to key benchmark companies both here and overseas, for example, would ensure that the retail sector is constantly innovating and competing with a differentiated offering. Industry associations also need to understand the context of the design of the tangible aspects of the strategy, such as the organisation's vision and strategy, and its financial, developmental, and internal business processes—all of which come together to form the brand strategy. This strategy then forms the briefing document that informs everyone involved in every aspect of the business.

An understanding of the importance of an integrated brand and its implications for all facets of the organisation, includes an understanding of brand's effect on the commercial aspect of the retail sector. Being able to communicate in the business language of the boardroom, for example, goes a long way to ensuring that the brand is on the agenda. As the appreciation of the value that brand adds to an organisation grows, the combination of business and brand will be an imperative in Australian university business schools. Indeed, progressive schools in the USA and UK are already implementing courses that address these two facets of the retail business. For example, Harvard Business School (Harvard Business School, 2015) and London Business School (London Business School, 2015) offer courses in brand. Topics include brand extensions, line extensions, and brand portfolios; measuring and managing brand equity and brand loyalty; drivers of brand equity; brand equity segments; brands as assets; and the employer brand.

Undergraduates in all design disciplines—such as architectural, interior, industrial, landscape, and graphic design—should be exposed to, and gain an understanding of cross-functional organisational strategies to gain an appreciation of how brand affects all facets of an organisation. The outcome will be brand consultants who understand the business imperatives of their organisations, and their impact on the brand and the brand identity through the customer touch points. As the focus is on the brand experience, all design disciplines need to understand the perspective of both the client and the organisation.

**6.3 Implications for Theory**

The retail sector faces a future of tough trading for many reasons. The economy is likely to continue to be affected by global recessions and global downturns. Consumer shopping styles will continue to change, and all sectors—including the luxury goods segment—will need to adjust and change direction to accommodate the dynamic business environment in which all businesses now operate.

Social media, including Facebook and other ICT tools, will continue to develop, and the retail sector is at the forefront of this innovation. The personalised retail experience will continue to deliver a range of products and services when and where customers demand. On-line stores have meant upheavals in the retail landscape that are revolutionary in scope, and unprecedented in nature (Sorescu, Frambach, Singh, Rangaswamy, & Bridges, 2011). And this is not about to change. Today, most businesses—including retail organisations—have morphed into multichannel firms, where the same customer visits the retail business via different channels for different purchases (for example, a customer might obtain information on-line, make purchases off-line, and contact customer support via telephone). Most businesses have also expanded their focus from selling products to engaging and empowering customers, with the ultimate goal of creating a rewarding customer experience.

**6.4 Summary of Implications**

This research has generated implications for organisational boards and executives, retail associations, industry associations, and brand consultants in the context of the Australian retail sector. Findings and their implications, however, are also of relevance to the manufacturing and professional service sectors. The participating firms all commented how they enjoyed the interview process, which allowed them to "reflect"—through the answers to the research questions—on their organisations and on their future directions. It also helped them to appreciate that their intended strategy and its implementation could be articulated to someone outside the organisation.

**6.5 Contribution to Knowledge**

Researching retail brands offers an opportunity to understand companies who operate in a multichannel business platform. The aim of this research was to identify the organisation's brand heritage and strategy and how this has changed since the organisation was founded and how this reflects the product mix, store location, and other tangibles of the brand. The research also set out to determine whether a brand focus has made a difference; and, if so, where has the most impact been made, and how is it measured.

The research documents the organisations' brand strategies and outlines the tools and processes used to translate these into customer touch points in the brand execution phase. This comparison will enable underperforming retail companies to learn from, and apply the findings to their own

businesses. Specifically, the research has identified and documented the way in which successful companies build the bridge between brand strategy and brand execution, and the part that customer insights and customer data play in this process.

Through addressing the sub-research questions developed in response to its research proposition, this study has addressed the gaps evident in the literature. Table 6.1 outlines and explains the resulting specific contributions to knowledge. These contributions are then discussed in relation to specific sub-questions.

| Literature Gap | **Research Question: How do customer insights inform an organisation's strategy and drive an organisation's differentiation through brand?** | Contribution to Knowledge |
|---|---|---|
| **Customer Data for Better Decision Making** | S/RQ 1) How do organisations identify and extract insights from customers? | This research highlights the fact that data aids decision making. The data comes in many forms—from traditional research to social media—and all creates an understanding of the current and future needs of customers. |
| **Collecting, Analysing, and Using Data on Customer** | S/RQ 2) How do organisations capture and interpret these insights? | Organisations are less reliant on 'traditional' market research (at in-store point of sales) and more on social media. The data are used to build up a persona of the typical customer, and this is overlaid with the brand signature and lifestyle trends to create new products, services, and experiences. |
| **Applying Findings of the insights across Organisation's Touch Points** | S/RQ 3) In what way do these organisations apply these insights? | The insights are used to inform store design, product range, new product innovation, and staff recruitment and marketing campaigns. |
| **Creating a Differentiated Offering through Brand** | S/RQ 4) How does knowledge of these customer insights make a difference to the organisation? | Insights help to build an image of the customer, and this is overlaid with considerations of the brand's heritage to create a differentiated brand. Creating a brand that has a unique point of difference enables it to attract and engage with customers in a unique way. |

*Table 6.1: Contribution to Knowledge as it Relates to the Research Question.*

### 6.5.1 Customer Data for Better Decision Making

*S/RQ 1) How do organisations identify and extract insights from customers?*

This research highlights the fact that data aids decision-making. The data comes in many forms—ranging from traditional research to social media sources—and serves to create an understanding of the current and future needs of customers. The importance of social media is increasing as more customers shop on-line (for example, AccessoriesCo's on-line sales have risen to 10 per cent of their sales over the last 12 months). Data are also collected at in-store or on-line point of sale, and from in-store conversations with customers.

In addressing this first sub-question, the research provided examples of Australian retail organisations using customer insights for better decision-making. Other studies available have not linked data to decision-making in the Australian retail sector. Other Australian retail organisations and other sectors can also use the processes documented in this research as a means of acquiring and applying customer insights.

### 6.5.2 Collecting, Analysing, and Using Customer Data

*S/RQ 2) How do organisations capture and interpret customer insights?*

Organisations use 'traditional' market research, in-store point of sales data, and social media data to capture customer insights. These data are then used to create a persona of their typical customer; this is then overlaid with data on lifestyle trends and the brand's signature to create new products, services, and experiences.

### 6.5.3 Applying Customer Insight Data across Organisational Touch Points

*S/RQ 3) How do the organisations apply these insights?*

This study illustrates the development of a customer persona, including their lifestyle preferences. This is then used to inform store design, product range, new product innovation, staff recruitment, and marketing campaigns. It is also used as the framework to develop the brand expression across all customer touch points. Ongoing customer research, and monitoring of social media platforms, allow for constant review and adjustment of strategy, operations, and product mix. Shorter runs and product launch cycles mean lower risk of product failure, and all resultant learnings and information contribute to future touch point design.

### 6.5.4 Creating a Differentiated Offering through Brand

*S/RQ 4) How does knowledge of customer insights make a difference to the organisation?*

Gathering customer insights and applying their implications across touch points creates an opportunity to tell a unique brand story and to develop a differentiated offering. Although

photographs were not included in the research, an analysis of the touch points highlighted the need to understand the differentiated offering intimately before creating the brand. Customer insights assist in building an image of the customer and their needs (existing or latent) to inform the creation of a unique and differentiated brand offering. This unique and differentiated brand offering adds a layer of 'white space' around the brand that competitors find difficult to copy.

## 6.6 Limitations of Research

This research had several design limitations. Firstly, the interviews were restricted to five Australian retail organisations; while many potential participants were approached, only five responded. The research methodology was designed to be flexible enough to accommodate variously sized retail organisations, and it would have been beneficial to have larger multi-national, multi-brand retail organisations involved. Participants organisations were recruited via mail with a low response rate. Secondly, all of the information collected from the interviews relied on the executives talking openly; in some cases, however,—due to their ASX-listed status—they could not talk freely, nor could they disclose details of their future plans.

## 6.7 Recommendations for Future Research

This study provides the foundation for future research into the use of brand for organisational differentiation within the Australian retail sector. The study compared the sector's implementation of consistent customer experiences from a focused brand position, to the approach of global brands in this regard. The themes and experiences thus identified could be the focus of other case investigations, perhaps of one brand (such as Burberry). The focus should be on companies that are successful, and have become part of the stable of publicly-listed companies; this would enable access to financial data that is not available for private companies.

In-depth research into one successful Australian and one international retail organisation would allow for a deeper understanding of particular areas within the retail sector (for example, footwear or clothing). International brands that have used brand to reinvigorate and rejuvenate declining retail brands (such as Burberry) should be included. In-depth ethnographic studies, such as that completed for American Girl Place (Borghini et al., 2009), could also be undertaken. Photographs of store layouts and merchandise should provide visual supporting documentation for such research.

## 6.8 Conclusions

This thesis has examined a variety of brands in the retail sector, with a focus on Australian brands and the way they are differentiated in an ever-increasingly crowded market. Delivered through the qualitative investigation method of semi-structured interviews with five leading public and private companies in various different retail specialities (baked goods, apparel, accessories, and recreational products), the study aimed to understand the links between brand, brand

differentiation, and the importance the organisations place on brand. More specifically, the study explored executives' understanding of the concept of brand, its integration across their organisations, and its facilitation of decision making from product range to store fit out. This is extremely important knowledge, as the retail sector is one of the largest employers in Australia and brings financial and social benefits to employees, their families, their employers, and their communities.

Literature surrounding brands in the retail sector indicates that there is a definite link between CEOs and executives who understand that brands are more than logos, and their leveraging of brand to achieve financial gains. These executives understand the link between customer loyalty and long-term brand sustainability and growth. One of the key gaps in knowledge that remains, however, is how to leverage customer insights to inform an organisation's strategy and thus create a differentiated brand. This knowledge is critical in ensuring that firms are able to focus on their customers, while also being aligned to their brand strategies.

The research findings will assist both retail organisations and brand consultants to adopt and develop tools and processes that will lead to sustainable growth. More specifically, they reveal various ways to measure brand's role in this growth. The investigation of successful brands should provide inspiration, motivation, and a strong argument for the implementation of the tools and processes uncovered.

It is hoped, furthermore, that the research findings provide sufficient evidence to convince CEOs and executive leaders of the importance of brand differentiation in the delivery of the brand experience. For an Australian retailer to be successful, it should be open and willing to understand its unique brand DNA and use this to tell a unique brand story across the organisation. This story must be told in a consistent 'voice' across every customer touch point, to deliver a consistent customer experience no matter where the store is located (on-line or off-line).

This research makes a significant contribution to the emerging field of brand experience. It illustrates the importance of brand consistency across all customer touch points to create a unique brand experience for the customer, to maintain their loyalty, and thus create a sustainable retail business. The research has identified key strategies that leading retail organisations use to attract a loyal customer base. Furthermore, it makes a significant contribution to indicating the manner in which companies need to listen to their customers, and to overlay this with their own observations and findings in order to remain competitive.

It is hoped that this research marks the beginning of a much larger research agenda designed to capture data that can inform the creation of unique brand experiences.

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# Appendices

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## Appendix A: Keyword Definitions

| | |
|---|---|
| Australian Retail | Retail is selling products and services to consumers for their personal or family use. By contrast, wholesale is selling good and services for resale. Many businesses, like Home Depot, are both retail organisations and wholesalers because they sell to consumers and also to building contractors. Other businesses, like The Limited, are both retail organisations and manufacturers. Regardless of their other functions, these businesses are still considered retail organisations when they interact with the final user of their product or service. (Australian retail covers companies headquartered in Australia.) |
| Brand Differentiation | Process of identifying, branding, and communicating the actual and emotional benefits that make a product or service unique vs. competing, but seemingly similar, choices. Differentiation is at the heart of branding to simplify choice by providing tangible benefits to guide the decision-making process. |
| Brand Experience | When consumers have been exposed to various brand attributes. A successful brand experience happens with exposure to a brand's most positive aspects, and this can happen in a store, through advertising and websites, or through word of mouth. The critical aspect is to have the experience match or exceed the customer's expectations based on promises made in communications. |
| Brand Management | Processes of managing an organisation's brands to increase long-term brand equity and financial value. Originally invented and championed by Procter & Gamble as a competitive system for managing individual brands within a portfolio, today defined more widely and encompasses strategy, design, and deployment of an organisation, product, or services. Organisations are increasingly investing in branding for competitive advantage, and this is forcing re-examination of traditional marketing departments, resulting in more responsibility for chief marketing officer or senior marketing executive. Sophisticated branding organisations employ brand values as guideposts across all functions, ensuring consistent behaviour, decision-making, and performance. |
| Brand Platform | Positioning that outlines the goals of an organisation, product, service, or brand. A brand platform calls for a deep understanding of what differentiates a brand and makes it credible and relevant to defined target audiences. It also requires informed decision-making regarding a brand's ability to stretch beyond its initial category and competition. The platform comprises: Brand Vision—the brand's guiding insight; Brand Mission—how the brand will act on its insight; Brand Values—the code by which the brand lives, The brand values act as a benchmark to measure behaviours and performance; Brand Personality—the brand recognisable and 'ownable' personality traits; and Brand tone of voice—how the brand communicates to its audiences. |

| | |
|---|---|
| Brand Strategy | Brand strategy is a "big picture" plan, a clear vision and articulation of how brand will deliver distinctive and relevant benefits to target customers. An effective brand strategy answers five critical questions: 1) What are the most profitable customer segments to which the brand must appeal?; 2) What is the single-minded value proposition that is going to compel these high priority customer to repeatedly choose the brand?; 3) Why should these high priority targets believe in the brand?; 4) What are the facts that support the value proposition?; 5) How do we communicate and implement the branding, marketing, and operational plan so employees and sales channels will adopt it?<br><br>There is no prescription or template for developing a brand strategy. Many different models exist, but all should be rooted in the brand's vision and driven by the principles of differentiation and sustainable customer appeal, and based on specific industry and competitive variables. |
| Brand Values | Small number of descriptive behaviours that brand is to exemplify. To represent the organisation, brand, and employees. Examples include passion, inventiveness, respect, honesty, and/or collaboration. |
| Customer Engagement | Customer engagement is the communication, delivery, and after-sales care of the buying public. In the best organisations, it is the centrepiece of their efforts. It is largely delivery though customer-facing employees but also, increasingly, through customer-friendly technology (such as the telephone or internet). Unfortunately, in many organisations, customer service and engagement is a department that only handles complaints or answers questions, so it is usually relent to only a small number of customers. |
| Customer Experience | When customers have been exposed to various brand attributes. A successful brand experience happens with exposure to a brand's most positive aspects—i.e, in store, through advertising and websites, or through word of mouth. The critical aspect is to have the experience match or exceed the customer's expectations based on the promises made in communications. |
| Customer Touch Points | Where people come in contact with a brand is called a "touch point" and can be product use, advertising, packaging, in-store displays, casual conversations. Branding is a holistic experience and brand owners must anticipate all possible interactions a consumer can have with a brand. |
| Service Design | Service Sector of the business world deals with marketing and selling intangible products instead of physical goods. Nail salons, travel agencies, Insurance companies, lawyers, and so on are in the service Sector, and why they sell requires branding and marketing just as tangible products do. |

*Interbrand. (1998). The brand glossary. Hampshire, UK: Palgrave Macmillan. p.3-130.*

**Appendix B: Summary of Literature Review**

| Topic | Themes/ Definitions | Authors |
|---|---|---|
| **Strategy Creation** | | |
| | 1.1 brand definition | Aaker, 1991; Beverland, 2005; Blumenthal, 2004; Chareonsuk & Chansa-nagavej, 2008; Clatworthy, 2012; Dunn & Davis, 2003; Lane et al., 2012; Lafley & Charan, 2008; Logman, 2008; Nassbaum, 2005; Olins, 2008; Pine & Gilmore, 1998; Prahalad & Ramaswamy, 2004. |
| **1) Brand differentiation** | 1.2 brand as everything company does | Aaker, 1991; Berry, 2000; Olins, 2008; ; Pitt et al., 2006; Timmerman & Shields, 2014. |
| | 1.3 part of strategic framework | Aaker, 1991; Borghini et al., 2009; Berry, 2000; Blumenthal, 2004; Chareonsuk & Chansa-nagavej, 2008; Doyle, 2003; Eggers et al., 2013; Farellly & Beverland, 2008; Hambrick & Fredrickson, 2005; Kitchen, 2004; Kimpakorn & Tocquer, 2010; Kotter, 1996; Lafley & Martin, 2013; Lane et al., 2012; Olins, 2008; Porter, 1996; Prasad & Dev, 2000; Raggio & Leone, 2007; Schultz & Magretta, 2002; Sorescu et al., 2011; Strohhecker & Größler, 2012; Tynan et al., 2010. |
| **2) Brand in organisation context** | 2.1 point of difference | Aaker, 1991; Balmer, 2010; Berry 2000; Bitner & Hubbert, 1994; Chareonsuk & Chansa-nagavej, 2008; Davies & Ward 2005; Edosomwan et al., 2011; Fournier, 1998; Kapferer, 2004; Kaplan & Norton, 2004; Kimpakorn & Tocquer, 2010; Lafley & Charan, 2008; Olins, 2008; Pitt et al., 2006; Porter, 1996; Prasad & Dev, 2000; Wang & Lo, 2003; Roberts & Merrilees 2007; Timmerman & Shields, 2014; Zaichkowsky, 2010; Zomerdijk & Voss, 2010. |
| | 2.2 creating competitive strategy | Aaker, 1991; Ahrendts, 2013; Balmer, 2010; Bedizen et al, 2004; Burnett & Hutton, 2007; Chan et al., 2004; Foote et al., 2001; Glaser, 2008; Karjalainen, 2004; Kerin & Sethuraman, 1998; Madden et al., 2006; McCullagh, 2010; Neumeier, 2009; Olins, 2008; Raggio & Leone, 2007; Roberts & Merrilees 2007; Timmerman & Shields, 2014. |
| | 2.3 creating sustainable competitive advantage | Aaker, 1991; Balmer, 2010; ; Bedizen et al, 2004; Berger, 2009; Campbell & Keller, 2003; Edosomwan et al., 2011; Fournier, 1998; Gebauer et al., 2011; Hsieh, 2004; ; Karjalainen, 2004; Petersen et al., 2009; Raggio & Leone, 2007; Roberts & Merrilees 2007; Timmerman & Shields, 2014; Tony & Hawley, 2009. |

| Brand Differentiation | | |
|---|---|---|
| **3) Brand importance** | 3.1 from product brands to corporate brands | Balmer, 2010; Berger, 2009; Berthon et al., 2008; Blumenthal, 2004; Castleberry, 2001; Chan et al., 2004; Chareonsuk & Chansa-nagavej, 2008; Doyle, 2003; Fischer et al., 2010; Foote et al., 2001; Fournier, 1998; Gebauer et al., 2011; Glaser, 2008; Kapferer, 2004; Kaplan & Norton, 2004; Keller & Lehmann, 2003; Keller & Lehmann, 2009; Kotter, 1996; Lane et al., 2010; Martensen & Gronholdt, 2010; McCullagh, 2010; Neumeier, 2009; Olins, 2008; Pitt et al., 2006; Petersen et al., 2009; Porter, 1996. |
| | 3.2 responsibility/ ownership move from marketing department to all of organisation | Aaker, 1996; Balmer, 2010; Blumenthal, 2004; Kapferer, 2004; Madden et al., 2006; Petersen et al., 2009; ; Pitt et al., 2006; Ponsonby-McCabe & Boyle, 2006; Strohhecker & Größler, 2012. |
| | 3.3 co-creation through ongoing interactions with customers | Ahrendts, 2013; Edosomwan et al., 2011; Nations, 2015; Pitt et al., 2006. |
| | 3.4 functional and emotional values | Ahrendts, 2013; Doyle et al, 2008; Fang et al., 2008; Hollenbeck et al., 2008; Ilonen et al, 2011; Pitt et al., 2006. |
| **4) Brand metrics** | 4.1 accountability means measurement | Aaker, 1991; Aaker & Jacobson, 1994; Alloza, 2008; Balmer, 2010; Bedford et al., 2008; Chareonsuk & Chansa-nagavej, 2008; Conchar et al., 2005; Crosby & Lunde, 2008; Doyle, 2000; Epstein & Mirza, 2005; Hoque & James, 2000; Hupp et al., 2003; Hutton, 2005; Ind, 2003; Interbrand, 1998; Ittner et al., 2003; Kaplan & Norton, 1993; Keller, 1993; Keller et al., 2009; Kerin & Sethuraman, 1998; Kim & Hatcher, 2009; Knowles, 2003; Kumar, 2008; Lehmann, 2004; Leitch & Richardson, 2008; Logman, 2007; Madden et al., 2006; Martensen & Gronholdt, 2010; Munoz & Kumar, 2004; Prasad & Dev, 2000; Peterson et al., 2009; Pettis, 1995; Rajagopal, 2008; Range, 2012; Simon & Sullivan, 1993; Tuan, 2012; Venkatesan & Kumar, 2004; Zeithaml et al., 2006. |
| | 4.2 intangible assets difficult to measure | Chareonsuk & Chansa-nagavej, 2008; Doyle 2000; Fischer et al., 2010; Hupp et al., 2003; Keller & Lehmann, 2003; Keller & Lehmann, 2009; Knowles, 2003; Martensen & Gronholdt, 2010; McCullagh, 2010; Petermans et al, 2013; Pitt et al., 2006; Ponsonby- McCabe & Boyle, 2006; Olins, 2008. |
| | 4.3 need different metrics than tangible assets—new metrics required | Diamondet al, 2009; Eggers et al., 2013; Fischer et al., 2010; Hupp et al., 2003; Johnston & Kong 2011; Kaplan & Norton, 2004; Karjalainen, 2004; Keller & Lehmann, 2003; Keller & |

| | | Lehmann, 2009; Martensen & Gronholdt, 2010; Munoz & Kumar, 2004; Pine & Gilmore, 1998; Prahaland & Ramaswamy, 2004; Ryan & Bernard, 2003; Qu & Dumay, 2011; Tynan et al., 2010. |
|---|---|---|
| | 4.4 link brand metrics to business strategy; link key goals impacted by brand; determine key constituencies influenced by brand | Chavan, 2009; Eggers et al,. 2013; Hupp et al., 2003; Kapferer, 2004; Kaplan & Norton, 1992; Keller & Lehmann, 2003; Keller & Lehmann, 2009; Lafley & Charan, 2008; Lafley & Martin, 2013; Martensen & Gronholdt, 2010; Nassbaum, 2005; Pine & Gilmore, 1999; Pettis, 1995; Ponsonby-McCabe & Boyle, 2006; Sorescu et al., 2011; Timmerman & Shields, 2014. |
| | 4.5 link between brand and shareholder value | Alloza, 2008; Ashberg & Uggla 2009; Balmer, 2010; Bedford et al , 2008, Eggers et al., 2013; Fischer et al., 2010; Hupp et al., 2003; Kapferer, 2004; Kim & Hatcher, 2009; Martensen & Gronholdt, 2010; Munoz & Kumar 2004; Muzellec & Labkin, 2009; Petersen et al., 2009; Pettis, 1995; Strohhecker & Größler, 2012; Tynan et al., 2010; Wang & Lo, 2003; Zaichkowsky, 2010; Zomerdijk & Voss, 2010. |
| | 4.6 customer loyalty = profits | Ahrendts, 2013; Balmer, 2010; Hupp et al., 2003; Ilonen et al, 2011; Kotter, 1996; Munoz & Kumar, 2004; Pettis, 1995; Raggio & Leone, 2007; Roberts & Merrilees 2007; Timmerman & Shields, 2014. |
| | 4.7 forward thinking metrics—Customer Lifetime Value (CLV), 'Impact Model', Brand Scorecard | Crosby & Lunde, 2008; Hutton, 2005; Interbrand, 1998; Logman, 2007; Petersen et al., 2009; Chareonsuk & Chuvej Chansa-ngave, 2008. |
| **5) Brand expression** | 5.1 brand experience | Aaker, 1996; Ahrendts, 2013; Balmer, 2010; Castleberry, 2001; Chareonsuk & Chansa-nagavej, 2008; de Chernatony & Cottam, 2008; Clatworthy, 2012; Crosby et al., 2008; Davis & Longoria, 2003; Doyle et al., 2008; Dunn & Davis, 2003; Elliot & Percy, 2007; Einwiller & Will, 2002; Esslinger, 2009; Gloppen, 2009; Floor, 2006; Hogan et al., 2005 Hollenbeck et al., 2008; Ilonen et al., 2011; Johnston & Kong, 2011; Karjalainen, 2004; Keller, 2009; Lafley & Charan, 2008; Logman, 2007; Logacono & Zaccai, 2004; Martin, 2009; Mascarenhas et al., 2006; Nassbaum, 2005; Pine & Gilmore, 1998; Ponsonby-McCabe & Boyle, 2006; Prahalad & Ramaswamy, 2004; Roberts & Alpert, 2010; Roslender & Hart 2010; Salter, 2011; Tudor, 2011. |
| | 5.2 customer touch points | Ahrendts, 2013; Clatworthy, 2012; Crosby et al, 2008; Dunn |

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| | | & Davis, 2003; Davis & Longoria, 2003; Davies & Ward 2005; Edosomwan et al., 2011; Hogan et al., 2005; Johnston & Kong, 2011; Kimpakorn & Tocquer, 2010; McCullagh, 2010; Olins, 2008; Percy, 2007; Pitt et al., 2006; Salter, 2011. |
| | 5.3 design of brand to fit with customer experiences | Ahrendts, 2013; Bloomberg, 2012; Crosby et al, 2008; de Chernatony & Cottam, 2008; Clatworthy, 2012; Edosomwan et al, 2011; Floor, 2006; Hogan et al., 2005; Ilonen et al, 2011; McCullagh, 2010; Mascarenhas et al, 2006; Munoz & Kumar, 2004; Olins, 2008; Raggio & Leone, 2007; Salter, 2011; Sorescu et al., 2011; Timmerman & Shields, 2014; Tynan et al., 2010 |
| | 5.4 creating brand relevant customer experiences | Ahrendts, 2013; Burnett & Hutton, 2007; Chareonsuk & Chansa-nagavej, 2008; Clatworthy, 2012; Davies & Ward 2005; Dunn & Davis, 2003; Edosomwan et al., 2011; Fournier, 1998; Grewal et al., 2009; Kimpakorn & Tocquer, 2010; Munoz & Kumar, 2004; Nations, 2015; Raggio & Leone, 2007; Rajagopa, 2008; Reis & Trout, 2001; Salter, 2011; Verhoef et al., 2009. |
| | 5.5 creating engaging and lasting experiences for customers = growth in profits (how?) | Ahrendts, 2013; Berry, 2000; Brown, 2009; Burnett & Hutton, 2007; Balmer, 2010; Clatworthy, 2012; Collins 2001; Dunn & Davis, 2003; Floor, 2006; Kimpakorn & Tocquer, 2010; Lovelock et al, 2002; McCullagh, 2010; Olins, 2008; Rajagopa, 2008; Timmerman & Shields, 2014. |
| **Customer Insights** | | |
| **6) Brand-led organisation differentiation** | 6.1 designing brand from customer's perspective | Aaker, 1996; Ahrendts, 2013; Bendixen et al., 2004; Burnett & Hutton, 2007; Berry, 2000; Bitner & Hubbert, 1994; Bloomberg, 2012; Brown, 2009; Campbell & Keller, 2003; Chernatony & Cottam, 2006; Clatworthy, 2012; Collins, 2001; Davies & Ward, 2005; Dunne & Martin, 2006; Einwiller & Will, 2002; Esslinger, 2009; Fang et al., 2008; Fielding, 2012; Gebauer et al., 2011; Grewal et al., 2009; Heskitt et al., 1994; Hsieh, 2004; Roberts & Kelly 2005; Kimpakorn & Tocquer, 2010; Lafley & Charan, 2008, Lawson, 2006; Lojacono & Zaccai, 2004; Lovelock et al., 2002; McCullagh, 2010; McKay, 2010; Martin, 2009; Merrilees, 2007; Martin, 2009; Nussbaum, 2005; Reingold, 2005; Ries & Trout, 2001; Roberts & Alpert, 2010; Roslender & Hart, 2010; Reingold, 2005; Shulman et al., 2011; Sorscu et al., 2011; The Sydney Morning Herald, 2012; Tong & Hawley, 2009; Tudor, 2011; Verdict Research, 2012; Verhoef et al., 2009; Wang & Lo, 2003; Wenerfelt, 1984; Zaichkowsky, 2010; Zomerdijk & |

| | | |
|---|---|---|
| | | Voss, 2010. |
| | 6.2 being close to customers | Ahrendts, 2013; Belk, 2013; Burnett & Hutton, 2007; de Chernatony & Cottam, 2008; Dunn & Davis, 2003; Dunne & Martine, 2006; Edosomwan et al, 2011; Esslinger, 2009; Kelly, 2005; Kapferer, 2004; Kimpakorn & Tocquer, 2010; McCullagh, 2010; Nations, 2015; Olins, 2008; Rajagopa, 2008. |
| | 6.3 brands as connection between strategy and customers = ongoing sustainability | Balmer, 2010; Burnett & Hutton, 2007; Chareonsuk & Chansa-nagavej, 2008; Heskitt et al, 1994; McCullagh, 2010; Clatworthy, 2012; Ponsonby- McCabe & Boyle, 2006; Olins, 2008; Roberts & Merrilees 2007; Rajagopa, 2008; Sawhney & Khosla, 2014; Strohhecker & Größler, 2012; Wenerfelt, 1984. |
| | 6.4 brand differentiation = competitive advantage | Ahrendts, 2013; Balmer, 2010; Burnett & Hutton, 2007; de Chernatony & Cottam, 2008; Crosby et al, 2008; Edosomwan et al., 2011; Fournier, 1998; Kapferer, 2004; Kotter, 1996; Lane et al., 2012; Lafley & Charan, 2008; McCabe & Boyle, 2006; McCullagh, 2010; Nations, 2015; Olins, 2008; Porter, 1996; Roberts & Merrilees 2007; Rajagopa, 2008; Shulman et al., 2011. |

## Appendix C: Proposed and Actual Interview Participants

| Queensland | | |
|---|---|---|
| **Organisation** | **Initial / Follow Up (Response Y/N)** | **Request for interview / follow up via email** |
| QLD01 <br><br> Women's sports / lifestyle apparel | 21_02_14 | NO |
| QLD02 (LifestyleCo) <br><br> Fishing / camping / recreation products and apparel | 21_02_14 <br><br> Additional information sheet sent 05_03_14 <br><br> F/U email with 12_03_14 | COMPLETED |
| QLD03 (FashionCo) <br><br> Women's fashion / apparel / accessories | 21_02_14 <br><br> F/U email with 12_03_14 | COMPLETED |
| QLD04 <br><br> Women's and Men's Jewellery / Manufacturer and Retail | 21_02_14 <br><br> F/U email with 12_03_14 <br><br> Phone call from EA to ask more details—she will f/up with Stu | NO |
| QLD05 <br><br> Women's Apparel / Designer | Prepared 16/03/14 <br><br> Mailed 17/03/14 | NO |
| QLD06 <br><br> Women's shoes / Designer | Prepared 16/03/14 <br><br> Mailed 17/03/14 | NO |
| QLD07 (BakerCo) <br><br> Cake / Bakery | Prototype / Pilot interview 10 + 28 July 2013 | COMPLETED |
| QLD08 (PharmCo) <br><br> Pharmacy Retail | WED 14 May 2014 | COMPLETED |
| **New South Wales** | | |
| NSW01 <br><br> Women's apparel / Designer | 21_02_14 <br><br> F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| NSW02 <br><br> Women's apparel / Designer | 21_02_14 <br><br> F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| NSW03 | 21_02_14 | NO—John no longer there— has moved to Burberry Aust. |

| | | |
|---|---|---|
| Men's apparel / accessories | F/U email with 12_03_14 | Rep did not interview |
| NSW04 (AccessoriesCo)<br><br>Women's and Men's / accessories / apparel / footwear | 21_02_14<br><br>FU email with further information<br>12_03_14 | COMPLETED |
| NSW05<br><br>Women's accessories | 21_02_14<br><br>F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| NSW06<br><br>Women's apparel / Designer | 21_02_14<br><br>F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| NSW07<br><br>Women's apparel / Designer | 21_02_14<br><br>F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| NSW08<br><br>Women's accessories / home wears / Designer | Prepared 16/03/14<br><br>Mailed 17/03/14 | NO RESPONSE RECEIVED |
| NSW09<br><br>Women's footwear / Designer | Prepared 16/03/14<br><br>Mailed 17/03/14 | NO RESPONSE RECEIVED |
| NSW10<br><br>Men's footwear | Prepared 16/03/14<br><br>Mailed 17/03/14 | NO RESPONSE RECEIVED |
| **Victoria** | | |
| VIC01<br><br>Women's apparel / Designer | 21_02_14<br><br>F/U email with 12_03_14 | NO—via email 24/03/14 |
| VIC02<br><br>Women's apparel / Designer | 21_02_14<br><br>F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| VIC03<br><br>Women's footwear / Designer | 21_02_14<br><br>F/U email with 12_03_14 | NO RESPONSE RECEIVED |
| VIC04<br><br>Women's apparel / accessories / footwear | 21_02_14<br><br>F/U email with 12_03_14 | NO RESPONSE RECEIVED |

**Appendix D: Pre-Interview Desktop Research (Example)**
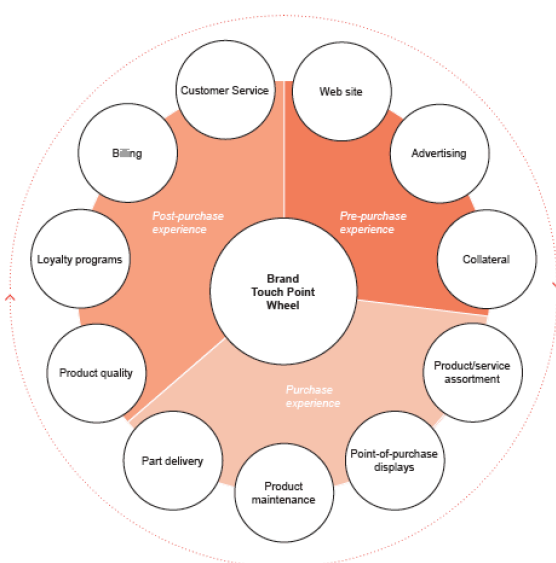
| Retail Organisation | | | |
| --- | --- | --- | --- |
| Organisation name: <Withheld> | | | |
| Organisation contact: <Withheld> | | | |
| Interview date / time / location: Friday 04 April 2014 | | | |
| Code name: LifestyleCo (NSW02) | | | |

| Retail Category | Organisation Structure / Hierarchy | Brand Architecture | Brand Platform (Vision, Mission, values, personality; and tone of voice) |
| --- | --- | --- | --- |
| Apparel—Clothing and Accessories | Public Sector ASX-Listed Board and Non-Executive Directors Turnover: $125M Stores: 50 (Australia HQ) | Endorsed brand—Corporate brand and 3 x brand names | Our Mission is to <withheld> Our Values are <withheld> |



*Figure 2.7: Brand Touch Point Wheel (Dunn & Davis, 2003, p.36).*

**Brand Expression / Customer Touch Points in relation to Brand Touch Point Wheel**

**General Observations/Comments**

Brand identities (logos, colors, fonts, photographic style, products, quality)

Aimed at aspirational groups

Separate websites, materials etc for each brand

Different store locations (suburbs) and store layouts for each brand.

**Pre-purchase Experience**

Website: Each brand has distinct identity and branding

Advertising: Each brand has unique advertising look and feel

Collateral: Brochures et al have unique brand identity i.e.,

Photography, products, people f*eatured.*

**Purchase Experience**

Stores: Boutique experience, shopping centre location—located with other upscale, luxury, national and international brands i.e., Gucci, Hermes, Louis Vuitton stores

Product/Services: Range of clothing, bags, shoes specific to brand i.e., <brand name> is only Australian brand and features Australian icons in backgrounds of photos

| | |
|---|---|
| | POS Displays: Parquetry floor, brass logo embedded in granite entry plate, bespoke monogram tiles on exterior, museum-like display cabinets with beautifully crafted joinery and counters; large photos of models dressed head to toe in products<br><br>Product Performance: NA<br><br>Parts Delivery: NA<br><br>**Post-purchase Decision**<br><br>Customer Service: Contact details / feedback easy via phone, email, facebook<br><br>Billing: In store or on-line<br><br>Loyalty Programs: Each brand has own program i.e.,\<LifestyleCo\> club.<br><br>Product Quality: High Quality design and manufacturing. |

**Appendix E: Detailed Table showing Research Questions and Methodology**

| Research Questions and Methodology | |
|---|---|
| Literature Review (Chapter 2): Principal scholars for methodology—Borghini et al., (2009) for research strategy; Castleberry (2001), Ryan & Bernard (2003), and Qu & Dumay (2011) for qualitative methodologies; and Diamond et al (2009), Grewal et al. (2009), Petermans et al (2013); Aaker (1991) and Clatworthy (2012) for brand and<br>retail theory. | |
| **Research Question** | |
| RQ1: Organisation Background | Can you tell me a little about your organisation and the business it is engaged in? Has the nature of this business changed over time? In what ways? Were there some drivers for change? |
| **Literature Review Topics** | **Themes / Definitions** |
| 1. Brand differentiation | 1.1 brand definition<br>1.2 brand as everything organisation does<br>1.3 part of strategic framework |
| 2. Brand in organisation context | 2.1 point of difference<br>2.2 creating competitive strategy<br>2.3 creating sustainable competitive advantage |
| Research Objectives | To understand link between customer insights and organisation's strategy |
| Research Questions | |
| RQ2: Customer Insights | Who are your key Customers? Has this customer profile changed over time?<br><br>How do you get to know your customers?<br>Who are your customers? How do you know this?<br>Who would you like your customers to be and why?<br>How do you know what your customers want to buy and their latent needs?<br>How do you launch new products and services?<br>What are the processes and how do you test / experiment?<br>How do you use this information?<br>Are these processes the same for each new product launch?<br>What are the variables?<br>Can you give me an example of a recent new product using this process?<br>What did you do?<br>What happened? What was timeframe? What did you learn? |
| RQ3: Strategy Creation | How would you describe your organisation's strategy?<br>How does your organisation create its strategy? And how often is it reviewed / updated?<br>How does your knowledge about customers influence your organisation's |

| | strategy? Has your knowledge of customers lead to any other changes in the last couple of years? |
|---|---|
| | What new opportunities has this change of strategy brought to the organisation? |
| | When was the most recent change? What new opportunities has this change of strategy brought to the organisation? |
| | What would having more customer insights allow you to do that you don't do now? |
| | How does your knowledge about customers influence your organisation's strategy and the product range? |
| Research Objectives | How brand is used to express this strategy across all customer touch points |

| Literature Review Topics | Themes / Definitions |
|---|---|
| 3 Brand importance | 3.1 from product brands to corporate brands |
| | 3.2 responsibility/ ownership move from marketing department to all of organisation |
| | 3.3 co-creation through ongoing interactions with customers |
| | 3.4 functional and emotional values |
| 4 Brand metrics | 4.1 accountability means measurement |
| | 4.2 intangible assets difficult to measure |
| | 4.3 need different metrics than tangible assets—new metrics required |
| | 4.4 link brand metrics to business strategy; link key goals impacted by brand; determine key constituencies influenced by brand |
| | 4.5 link between brand and shareholder value |
| | 4.6 customer loyalty = profits |
| | 4.7 forward thinking metrics—Customer Lifetime Value (CLV) and 'Impact Model' |
| 5 Brand expression | 5.1 brand experience |
| | 5.2 customer touch points |
| | 5.3 design of brand to fit with customer experiences |
| | 5.4 creating brand relevant customer experiences |
| | 5.5 creating engaging and lasting experiences for customers = growth in profits (how?) |

| Research Questions—Brand Differentiation | |
|---|---|
| RQ4: Competitors | In your industry, who are your Competitors? How would you describe these firms? What does your firm do differently from them? |
| | How do you communicate this difference within your organisation? |
| | And then to your customers; suppliers; and distributors? |
| RQ5: Brand Differentiation | What does the notion of 'brand' mean to your organisation? |
| | How does your brand contribute to the value of your organisation? |
| | How do you measure your brands value? What metrics do you use? |

| | |
|---|---|
| | How do you express your brand? |
| | How you do express your brand differently from your competitors? |
| | Has this changed over time? |
| Research Objectives | What is understanding of brand in retail context and how important is competitor analysis |
| | Understanding how to link organisation strategy with brand expression for a differentiated offering that resonates with customers—measured through sales / growth and customer loyalty |
| | Understanding how all levels of the organisation refers to 'brand' and how this is interpreted across the organisation—from board to shop floor; and on-line to bricks-and-mortar  stores |

| Literature Review Topics | Themes / Definitions |
|---|---|
| 6 Brand-led organisation differentiation | 6.1 designing brand from customer's perspective |
| | 6.2 being close to customers |
| | 6.3 brands as connection between strategy and customers = ongoing sustainability |
| | 6.4 brand differentiation = competitive advantage |
| | 6.5 lessons from retail can be applied to manufacturers i.e. developing services as well as products |

| Research Questions | |
|---|---|

| RQ6: Future Performance | In what ways, do you see your organisation performing well in the future? |
| | What changes need to occur for that picture of the future to come to life? |
| Research Objectives | Why this is important for an organisation's sustainability and growth |

| Research Methods | |
|---|---|

| Methods of Data Collection | Primary Research: |
|---|---|
| | Qualitative—Semi-structured, face-to-face interviews with Executives: |
| | How to capture customer insights |
| | Analysing and linking customer insights with organisation strategy |
| | Using organisation strategy to create a differentiated brand |
| | Expressing a differentiated brand through all customer touch points |
| | Secondary Research |
| | Desktop / Pre-Interview Research |
| | Customer Touch Points i.e., Organisation websites, retail stores, marketing materials |
| | Systematic review of publicly available materials |
| | Site visits to bricks-and-mortar to observe touch points and interaction of shop floor staff with customers. |

**Appendix F: Interview Questions**

**1. Background**: Can you tell me a little about your organisation and the business it is engaged in? Has the nature of this business changed over time? In what ways? Were there some drivers for change? [Prompt: Is the founder of the business still involved in the business? or play an active role?]

**2. Competitors**: In your industry, who are your Competitors? How would you describe these firms? What does your firm do differently from them? How do you communicate this difference within your organisation? To your customers; suppliers; distributers?

**3. Strategy**: How would you describe your organisation's strategy? How does your organisation create its strategy? Has this strategy changed much over time? When was the most recent change? What new opportunities has this change of strategy brought to the organisation?

**4. Brand**: What does the notion of 'brand' mean to your organisation? How does your brand contribute to the value of your organisation? How do you measure your brands value? What metrics do you use? How do you express your brand? How you do express your brand differently from your competitors? Has this changed over time?

**5. Customers**: Who are your key Customers? Has this customer profile changed over time? How do you know get to know your customers? How do you know what your customers want to buy? How does your knowledge about customers influence your organisation's strategy? Has your knowledge of customers lead to any other changes in the last couple of years? What new opportunities has this change of strategy brought to the organisation?

**6. Customer Insights**: How does knowing what customers want to buy influence the product range? So for example, thinking about a recent new product range that your organisation developed or introduced, can you describe how you developed that range?

**7. Future**: In what ways, do you see your organisation performing well in the future? What changes need to occur for that picture of the future to come to life?

**Appendix G: Interview Transcript Example (Excerpt)**

| Thematic Analysis from Transcripts | [So I have been into a lot of the stores and I see the customers. Do you have key customers? Who are your customers?] |
|---|---|
| **Interview Code: NSW04** | Yes we absolutely we do, we try not to be too specific about who we say we are targeting as we are ==happy to have anyone to interact and engage with the brand== |
| Date of Interview: 04_04_14A | ==Our core customer== is at the moment, a professional woman, in her maybe mid-to late-30s maybe 40s and often as I said a working woman but often with a family and juggling those two things |
| Date Transcribed: 05_04_14 | And ==who appreciates good style, good quality and is looking for premium==, what we would call 'obtainable luxury' product and that is who the customer is. |
| Length of Interview: 33.42 mins | [How do you know this?} Well, we do a number of things, obviously we have an ==extensive database of customers, we build up a database of customers we collect information and we ask our customers to engage and join our database in store== |
| File Name: NSW04_transcript from interview (04_04_14) 06_04_14A | We also have a very well developed ==on-line business== |
| Notes: [Prompts} | There is about ==10% of our sales==, so pretty much guess at the forefront of mix of sales compared to most of our peer group |
| Q2. Customers: Who are your key Customers? Has this customer profile changed over time?  How do you get to know your customers? | There is obviously ==information and data about our customers== we collect through the on-line business |
| | So that is one way and we have developed a ==very, very large database of customers over the years== |
| ==Brand Differentiation== | But we also do ==consumer research== and as part of that research we find out more about our customers so we do surveys with them ==both on-line and focus groups and those type of things== |
| ==Customer Insights== | [So how do you find out the trends? So they are buying X and product sales of those, how do you get on top of things trends wise or what the next thing is going to be?] |
| ==Strategy Creation== | Obviously we have a…we are a ==vertical brand, so we do everything with our <withheld> brand from the design sketch through to finished product in store== |
| | We have a ==creative director== who is also the General manager of the <withheld brand>—<withheld>—and she has a design team |
| | They are—obviously being a ==design team they are in constantly touch with what is happening in terms of trends and followings trends within the industry both== |

*here but also internationally, and staying very in touch with that, so they get inspiration from lots of different areas*

*The availability of information about companies, about brand, and about trends is much, much broader now than it ever was in the past, with social media for example, in particular, and so they are very in touch with those sorts of things, but I also think it is important to recognise that we have a design signature for our brand and we have a point of difference and a design style, that we have built up over the years—part of our heritage—that is intrinsically <withheld>, in terms of its style and it is very important to always continue to stick to that irrespective to what is happening regarding trends.*

*So its very much about getting as much information as you can from external environment but also then feeding that into the DNA of the brand and coming out with products styling of products that is appropriate and right for our brand and our customers but is also on trend.*

*[So tell be a little bit about this DNA is it used as a filter for what goes through?]*

*Yes absolutely the design team, you know we have our ideal woman and you know, in pictorial format plastered around the design studio and you know, there are pictures of her and pictures of what she does, what she wears, and what car she drives, what food she eats and what restaurants goes to.*

*["A day in the life of?"[ Exactly that's right, it is important, and the design team are always thinking about that woman and have that woman in mind and then it is about, yes, exactly coming up with new ideas and filtering that through, you know saying "would this woman use that?" "does this fit her lifestyle?" and "what bit of her lifestyle does it work with" you know, the things that she does, does that suit her lifestyle? Is there a purpose there for it? That is how we do it.*

**Appendix H: Initial Theme Identification from Interview Transcripts Example (Excerpt)**

<table>
<tr>
<td colspan="3">Code 1<br><br>RQ 1: Can you tell me a little about your organisation and the business it is engaged in? Has the nature of this business changed over time? In what ways? Were there some drivers for change?<br><br>[Prompt: Is the founder of the business still involved in the business? or play an active role]<br><br>Can you draw me a timeline of the history of the organisation and tell me about the history and what has changed from the start?</td>
</tr>
<tr>
<td>Label</td>
<td colspan="2">Brand and the retail environment</td>
</tr>
<tr>
<td>Definition</td>
<td colspan="2">Brand being everything an organisation says and does.</td>
</tr>
<tr>
<td>Description</td>
<td colspan="2">Intangible and tangible aspects of the retail brand developed from a focus strategy and presented as a cohesive and consistent brand offering across store location, store design, products, website, packaging et al.</td>
</tr>
<tr>
<td>Themes</td>
<td>Changed product offerings since founded<br>Developed broader range and / or acquired additional companies / brands<br>Became well-known for one iconic product<br>Vertical organisation—Design, manufacture, and retail + control it brings + speed to market<br>International Inspiration applied to local market<br>Market and customer driven changes over time<br><br><br>**Legend**<br>Blue = AccessoriesCO<br>Green = FashionCo<br>Orange = PharmCo<br>Brown = BakeCo<br>Red = LifestyleCo</td>
<td>Evidence and Data Collection — Transcript Excerpts / Quotes</td>
</tr>
</table>

*For us moving from leather goods and accessories into apparel for example, was more about us creating a lifestyle brand as opposed to being specifically an accessories only brand and giving our customers the opportunity to have a full wardrobe from us and from our brand and our brand style but also in terms of the retail environment having apparel helps to soften up the retail environment.*

*The category extension was a natural one in terms of completing a wardrobe, but it is also about lifestyle and the overall presentation of the brand*

*..we are a vertical brand, so we do everything with our <withheld> brand from the design sketch through to finished product in store*

*It is a vertical company, that means that we design, manufacture and retail our product locally*
*I can have control it so that the mistakes are very few I can come up with the concept one week, we can sample it, produce it, and manufacture it and in two weeks it can be in store*

*There has been a lot of changes in not the nature of the business but the mix of the services and products that we offer to franchisees*
*Market driven, consumer driven, responding to a need to have a strong proposition for pharmacists*

| | | | | *to bring more pharmacists onboard so they are the core reasons* |
|---|---|---|---|---|
| | | | | *changed a lot—we started with six flavours and now we have approaching 25 flavours—not all at the same time—we now have the large cakes and specialty cakes and a lot more corporate orders* |
| | | | | *So the reality is that we look at many businesses and if they do not fall within that thought process of "passion" and being passionate about the product, that activity it is not something that we buy into* |

# Appendix I: Participant Information for Research Project

## Understanding the processes to embed brand strategies across the organisation for high growth:
### Brand differentiation in the retail sector

## RESEARCH TEAM

Principal Researcher: Christine Moody Masters student
Associate Researcher: Dr Cara Wrigley Lecturer and Supervisor
School of Design, Creative Industries Faculty, Queensland University of Technology (QUT)

## DESCRIPTION

This project is being undertaken as part of Masters study for Christine Moody.

The focus of my research is the retail sector. My research seeks to understand: The role your knowledge of your customers has on the strategy of the organisation; how this strategy is translated to the brand—products, store design and layout, and logo; how this is embedded throughout the organization; and how does this lead to growth.

Crucial to this research is talk to successful organisation's key executives and staff which will allow for a deeper understanding of the processes <Name Withheld> employs to embed brand strategies across the organisation—from the strategic plan to the 'shop floor'. Along with, corporate communication materials ie, corporate brochures and websites, and desktop research ie, newspaper and journal articles. the interviews will allow a deeper understanding of your challenges and successful strategies and processes used to in seek customer's insights, using the data gained from the insights, and what implications this has on the customer 'touch points' ie, the product range, the store layout, the packaging, on brand differentiation in the marketplace.

You are invited to participate in this project because you have been identified as the perfect candidate to assist with our research—a retailer with both 'bricks and mortar' and online stores; are part of a national and/or international chain; have high visibility in high street / mall retail areas; and have at least one store location in Brisbane.

## PARTICIPATION

Your participation will involve an audio recorded—via italk—interview at your offices or other agreed location that will take approximately 60 minutes of your time. Indicative questions include:

> Who are your competitors and what do you do differently from them?
> How often do you review your strategy and how do you describe your company's strategy to your staff?
> What does the notion of brand mean to your organisation and how do you express brand throughout your organisation?

Your participation in this project is entirely voluntary. If you do agree to participate you can withdraw from the project without comment or penalty within seven days (7) days of the date of the interview. If you withdraw, on request any identifiable information already obtained from you will be destroyed. Your decision to participate or not participate will in no way impact upon your current or future relationship with QUT.

## EXPECTED BENEFITS

It is expected that this project will not benefit you directly. However, it may benefit you to know that you will receive a copy of the final assessed document and subsequent published research papers. This research will provide you with current information about the retail industry which may be of use to you and your organisation.

## RISKS

There are minimal risks associated with your participation in this project, these include potentially disclosing sensitive information about your organisation. A unique code will be placed against your interview transcript, so that it will not be possible to identify you or your organisation. Your name and your organisation's name will not be identifiable in any storage and dissemination of the research results. All research materials will be stored securely as per QUT Management of research data policy.

**PRIVACY AND CONFIDENTIALITY**

All comments and responses will be treated confidentially unless required by law. It should be noted that the names of individual persons / organisations are not required in any of the responses. Once the transcripts have been created, they will be forwarded to you for comment and verification, prior to final inclusion. The audio recording will be destroyed once the assessment process has been completed. A unique coding system will be used instead of your name and organisation. It will not be possible to identify you or your organisation.

**CONSENT TO PARTICIPATE**

We would like to ask you to sign a written consent form (enclosed) to confirm your agreement to participate.

**QUESTIONS / FURTHER INFORMATION ABOUT THE PROJECT**

If have any questions or require further information please contact one of the research team members below.

| | |
|---|---|
| Christine Moody | Dr Cara Wrigley |
| +61 (0)419 888 468      c.moody@student.qut.edu.au | +61 7 3138 9471      cara.wrigley@qut.edu.au |

**CONCERNS / COMPLAINTS REGARDING THE CONDUCT OF THE PROJECT**

QUT is committed to research integrity and the ethical conduct of research projects. However, if you do have any concerns or complaints about the ethical conduct of the project you may contact the QUT Research Ethics Unit on +61 7 3138 5123 or email ethicscontact@qut.edu.au. The QUT Research Ethics Unit is not connected with the research project and can facilitate a resolution to your concern in an impartial manner.

*Thank you for helping with this research project. Please keep this sheet for your information.*

| QUT Queensland University of Technology<br>Brisbane Australia | CONSENT FORM FOR QUT RESEARCH PROJECT<br>– Interview – |
| --- | --- |

## Understanding the processes to embed brand strategies across the organisation for high growth:
### Brand differentiation in the retail sector

QUT Ethics Approval Number 1300000714

**RESEARCH TEAM CONTACTS**

Christine Moody

+61 (0)419 888 468        c.moody@student.qut.edu.au

Dr Cara Wrigley

+61 7 3138 9471        cara.wrigley@qut.edu.au

**STATEMENT OF CONSENT**

**By signing below, you are indicating that you:**

- Have read and understood the information document regarding this project.

- Have had any questions answered to your satisfaction.

- Understand that if you have any additional questions you can contact the research team.

- Understand that you are free to withdraw at any time, without comment or penalty.

- Understand that you can contact the Research Ethics Unit on +61 7 3138 5123 or email ethicscontact@qut.edu.au if you have concerns about the ethical conduct of the project.

- Understand that the project will include an audio recording.

- Agree to participate in the project.

Name ...................................................................................................................

Signature ...................................................................................................................

Date ...................................................................................................................

*Please return this sheet to the investigator via email: c.moody@student.qut.edu.au*