

# Marketing debate 2



**ASSIGN  
BUSTER**

A store image affects the brand images of the products sold within that store. There are certainly products whose manufacturers prefer to associate with particular retail outfits because of the image those stores have that resonate with a particular category of customer the manufacturer would like to reach. For example, it would be difficult to imagine high end designer clothing labels wanting to associate with discount department store chains such as Wal-Mart or Target. Those stores carry a store brand that enables them to sell a reasonably acceptable product at the lowest price point possible in order to compete for the category of shoppers that is most likely to frequent them. Their focus is to attract cost conscious shoppers, and thus they compete on price.

On the other end of the spectrum there are high end stores such as Saks Fifth Avenue and Bloomingdales whose business model is not to compete on price, but rather to sell high quality, designer merchandise that focuses on the image of the consumer. Designer labels such as Ralph Lauren and Pierre Cardin are likely to be found in these stores that are associated with a higher price point and oriented toward image-based shopping. To be sure, it would generally not be possible to find these kinds of labels in discount store chains because they are priced at a point that would not be attractive to the category of shoppers that find discount retailers appealing. It would have an impact on the image of those labels if they were to associate with a store that utilizes a price-based business model as opposed to an image based model.

Brand image is a crucial business asset. Any decisions made by a manufacturer that affect that image for better or worse must be carefully considered in order to avoid squandering a competitive advantage and

associated profits that are tied to the brand. “ A strong brand image offers an organization several important strategic advantages. A brand distinguishes the goods and services of one seller from those of competitors. A powerful brand identity creates a major competitive advantage; a well recognized brand encourages repeat purchases. Thus, a brand acts as a signal to consumers regarding the source of the product and protects customers and manufacturers from ‘ me-too’ products that may appear identical” (Porter and Claycomb, par. 6).

The question of whether a store’s image affects a brand’s image works in reverse as well. The brands a store chooses to carry go a long way toward impacting the image of that store. As Porter and Claycomb assert, “ Favorable images of brands positively influence patronage decisions and purchase behaviors, while unfavorable images adversely influence such decisions and behaviors. In other words, the images associated with the brands a store carries influence a stores image, which in turn, influences consumers decision-making processes and behaviors. Consequently, brand image and retail image are inextricably linked to one another” (par. 1).

Ultimately, the business model of a retail outfit is what governs whether it makes sense for a manufacturer to associate its brand with that outfit. Questions of whether a retailer competes in the market on a price-based business model or on an image-based model must be addressed in order for a manufacturer to associate its brands with a retail outlet that is a good fit with the brand. This decision sends a strong signal to the marketplace that the brand is either value or quality oriented. Making the wrong choice can be disastrous for the image of the brand, and can squander one of the most valuable assets a company has.

Reference

Porter, S. and Claycomb, C. “ The Influence of Brand Recognition on Retail Store Image.” *The Journal of Brand and Product Management* 6 (1997): 373.