

# Corporate Image Building for Modern Retail Trade Supercenters in Thailand

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**Abstract.** Today's competition amongst supercenters in Thailand is very high. Building good corporate image is highly essential for supercenters to stay in competition and sustainably survive with increasing profit in the long run. The objective of this study is to study the components and practice trends in corporate image building used by modern retail trade businesses. The subject of the study is supercenters in Thailand and the method used is the Kevin Lane Keller: 2008 case study on 11 components of corporate image building; corporate social responsibility, business practice, employee, product and services, marketing communication, distribution, social activities, executives, working environment, equipments and price. This is a qualitative research and data is obtained from literature reviews as relevant in combination with in-depth interviews with top management from the supercenters and corporate image academes. Group interviews were also conducted with the focus group being the consumers. Results of the study show that modern retail trade businesses or supercenters should use 7 of the 11 components in building their corporate image. To increase business sustainability and long-term competitiveness, the 7 components that should be focused on include corporate social responsibility activities, building on employee responsible image, product and services, communications and marketing, effective distribution channels, location and environment and using up to date technology. This finding will be beneficial as guidelines of practice for corporate image building for modern retail trade in Thailand.

**Keywords:** Corporate Image Building, Retail Modern Trade, Supercenter

## 1. Introduction

This study on corporate image building for modern retail trade supercenters in Thailand is designed to explore the components and trends of practices for building corporate images for these supercenters so that their image are perceived better by their stakeholders. This will also create brand loyalty with customers in the market leading to sustainable growth of the organization in the future. In the present competitive situation in the modern retail trade sector in Thailand which has been expanding rapidly, especially in form of supercenters that are mostly foreign investment, it is found that supercenters and cash & carry stores have the most market share. Shopping malls, supermarkets, local shops and specific item shops share the rest of the market respectively. The situation pushed retail business in Thailand to expand rapidly both on the central and regional scale along with competition in the retail sector. Many discount strategies are used in this competition making customer's loyalty to the modern retail trade decrease and therefore creating a critical retail war situation. Initial profit of the modern retail trade business is in recession therefore strategies used in this trade in the present and for the future must be focused on building corporate image and enhanced with excellent before and after sales services to gain customer's preference in the long run and sustainably. Hence the researcher is interested in exploring corporate image building for supercenters so that the information can be beneficial to stakeholders in the trade and for the general public interested.

## 2. Literature Review and Conceptual Model

### 2.1. Corporate Image

Corporate image building is something that forms inside the perspectives of the people towards the company or business institution. This includes the way they view the management, goods and services of the organization in business as well. Good corporate image can contribute to organizational branding development and create faith and accountability with future stakeholders (Kenneth E. Boulding, 1975). Philip Kotler, 2009, described corporate image in terms of marketing as the image being the way that the public learns about the company or the products of the company. In the same way, image is something that

happens because of many components under the control of business influence. Hart, Allison E., Rosenberger and Philip J. (2004: 88-96) found that corporate image has influence on the customer's loyalty where it is important to the satisfaction of the customers. Gurthan Canli et al. (2004: 197-205) showed that corporate image has a lot to do with new changes and trust because when customers have higher access to information they also have higher expectations. Paul Baines, John Egan and Frank Jenkins (2004:358) supports this concept by saying that a good corporate image ultimately creates public trust and faith in the corporate. Apisit Chattananon et al (2007) performed a study about corporate image building using the strategy of marketing for society found that this strategy and good corporate communications can build positive perspective of customers on the corporate image. George Christodoulides and Leslie de Charnatony (2009) found that brand image has impacts on the consumer's decision to buy, thus a good brand with positive image is likely to be trusted by consumers. Similarly, Joanna Mickiewicz et al (2011) studied corporate image in the business sector and found that corporate image has significant positive influence in relations to customer's satisfaction.

## 2.2. Conceptual Model

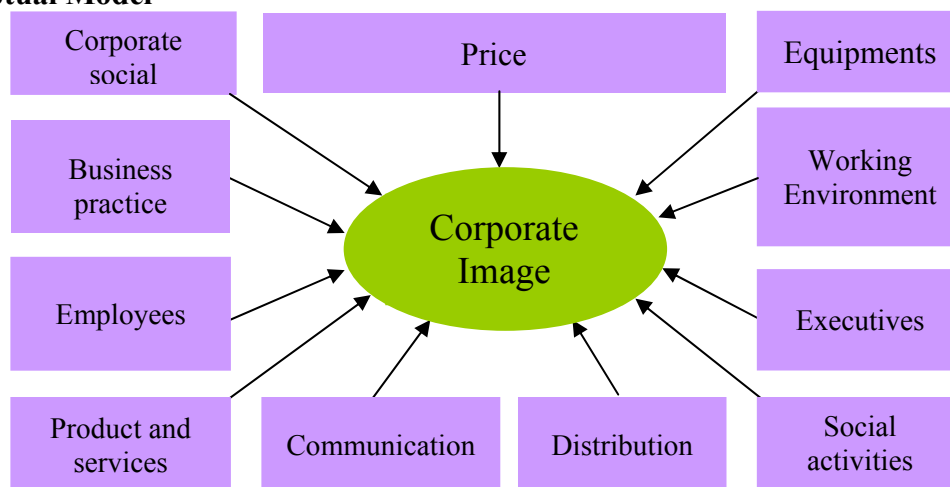


Fig. 1: Kevin Lane Keller: 2008

From fig.1, the framework used in the study by Kevin Lane Keller: 2008 is composed of 11 components as follows;

- Corporate social responsibility such as how the organization reflects their point of view on social responsibility, profit return to the society and participation with the society in solving problems.
- Business practice include things such as governance, transparency, traceability, honesty, clean and not taking advantage of consumers and other stakeholders in the business.
- Employee means that employees must have good image to all concerned parties whether they are people within the organization or not. All employees must be professionals in their role and have service mind.
- Products and services include good quality and high standard products and good services that are worthwhile for consumers' expenditure on the goods and services. Accountability and liability is very important in this sector.
- Marketing and communications are such as the use of communication tools for marketing that easily reaches the interests of the customers. Using appropriate marketing tools for different target customers will create good corporate image as well.
- Distribution channels can be things such as having a good and effective channel for the customers which is easily accessed by customers in the community and throughout the society.
- Social and community activities are such as assisting nearby communities and initiating constructive activities for the society. These activities must be in line with the needs of the community.
- Managerial image requires a management with a vision who is widely accepted by the general public. Top management must show that their core management principles include transparency, have social

awareness and initiates constructive activities for the community and society. This will enhance the overall social responsibility profile.

- Location and environment means things such as accessibility to the location and customer friendly setting. Also important in this component is work friendly environment with supports both the work and services offered to customers. The trendiness and design of the building and location have influence on the business partners and those who comes in to discuss opportunities.
- Tools and equipment used includes office tools such as businesses should have relevant and updated technology and tools to support customer services.
- Last but not least is the corporate image in terms of pricing. This is things like pricing fairly and giving customers good fair options and not taking advantage of customers.

### **3. Methodology**

This study is a qualitative research where data is collected through in-depth interviews with top management of supercenters in Thailand, corporate image academes and focus group interviews with consumers in supercenters. The focus group interviews are categorized into three groups with ten participants per group; students at higher education level, first jobbers and working-age group. The focus group interviews are conducted as semi structure interview. The steps in collecting data for this study were done as follows:

- Documentary research where the information is researched or extracted from Thai and international research papers, texts and other academic publications that is related to corporate image building of organization and modern retail trades.
- Set the frame of study based on Kevin Lane Keller: 2008 research format, the model for corporate imaging.
- Use the frame of study as the basis to design the questions used for in-depth interviews with supercenters' top management, corporate image academes and consumer focus groups.
- Review the interview structure and questionnaires with the research advisor and corporate image experts to make sure the questions are relevant and covers all grounds as indicated by the framework and objectives indicated. This is also to cross –reference the validity of the questionnaire.
- Amend the questionnaire as advised by the advisor and experts and test the questionnaire on a group of 20 people that is not the actual target group but possesses similar traits. This test group can understand the questions and answer them well.
- The questionnaire the then used with the actual target group of supercenters' top management, academes using the in-depth interview method. Then, use the questionnaire to interview the three consumer focus groups each having 10 interviewees being the university students group, first-jobbers group and the working age group. The information from both the in-depth interviews and the focus group interviews are analyzed based on the theories and ideas derived from the literature reviews. Emphasis will be given on analyzing the information based on Kevin Lane Keller's model to draw a conclusion from the analytic induction and then present the findings in form of descriptive literature.

### **4. Results**

The study on corporate image building of modern retail trade business case study of supercenters in Thailand was performed using in-depth interviews with supercenters' top management and corporate image academes and focus group interviews of 3 groups of consumers. The interview questions were based the 11 components of corporate image building frame of thought of Kevin Lane Keller: 2008. Results of the study shows that modern retail trade or supercenters in Thailand implements 7 of the 11 components of image building proposed by Kevin Lane Keller: 2008.

Modern retail trade supercenters in Thailand use the following 7 image building components in building their corporate image;

- Social activities, it was found that the major part of corporate image building includes building brand image, brand awareness and brand community. Brand strengthening is enhanced through social

activities which are part of creating brand community. This is because it allows both the company and the society to get to know one another. Companies generally implement this through 2 channels. One channel is through corporate social responsibility activities at the corporate level which covers nationwide contributions through setting up foundations which focuses on issues such as youth and education. Sometimes the support is in form of facility and buildings, libraries, book donations (encyclopaedias, references, etc) to schools especially where their outlet exists. The other is at branch or outlet levels where most of the contribution is tailored to the need to specific communities.

- Employee image, employees are generally the speakers of the companies who can be both a positive and negative influence. Therefore, it is necessary for human resource management to focus on creating and boosting morals and support for the employees. It is essential that employees are proud of the organization. At the same time, employees must clearly see the opportunity to grow in their profession. Hence, modern retail trades have training programs for their employees along with work efficiency assessment and provide work manuals for employees. The work manuals are intended to help employees to know their scope of work and responsibility. In some places, these manuals are given to employees in form of DVD training and employees can come back to it if they have any doubts. This makes the standard of service at the branches the same.
- Products and services, corporate image in terms of products and services is the ultimate goal of modern retail trade. The services of the supercenters are all focus on the services to customers in terms of product and service satisfaction, this component is always prioritized. One of the rules of modern retail trade is that all customers' queries or complaints must be fixed within 24 hours.
- Marketing communications, modern retail trade focuses on advertising through television commercials, newspapers and brochures to ensure that they cover all their target groups. Television commercials is the most expensive but effective method for Thai audience. This is because Thai consumers will take little time in reading newspaper or brochures but will spend a lot of time watching television.
- Distribution channels, supercenters with outlets throughout the country have advantage over others as the consumers have easy access to the business and it supports their needs.
- Location and environment, location and environment are highly influential to the quality of work. This is especially legitimate for service-type work where the environment must be designed to be relaxed and comfortable as much as possible. It is also necessary to communicate the importance of their services for the customers to the employees. At the same time, customers prefers comfortable, clean and safe environment.
- Modern technology tools and equipments, modern technology tools and equipments are used to create new sensation for the customers. It is also to provide comfort and decrease the waiting time as much as possible. Most importantly, tools and equipments used must make the customers feel that they are trendy. For example, there should be test equipment for the customer to try, barcode scanner equipment for customers to check the price and credit card machines for customer's payment choice. Some other good samples of hi-tech services are the one-stop payment services and furniture sections where there are free computerized decoration services.

## 5. Conclusion

This study was conducted by using the in-depth interviews with the supercenters' top managements and corporate image academes, and also three focus groups were interviewed. The findings of this study recommended that the modern retail business such as supercenters in Thailand implement 7-component concept in building their corporate images. In this concept, such components include corporate image building through social activities, employee image, product and service image, marketing communication image, distribution channel image, location and environment image, and modern technology tool and equipment image. The findings of this research were consistent with the findings of the research- the study on Corporate Imaging via Social Marketing Means- conducted by Apisit Chattananon in 2007. According to Chattananon, the social marketing and corporate communications are able to create a positive perception of the consumers, and dramatically affect the corporate image in a long term period. In addition, the findings were also consistent with the study of Hart, Alison E., Rosenberger and Philip J., in 2004, indicating that the

corporate image significantly affects both loyalty and satisfaction of the consumers. Therefore, this 7-component concept, supported by these two researches, truly enables the Thai supercenters to develop the corporate image building framework to obtain a sustainable marketing strategy, and to survive in their competitive business environment, in which price reduction is no longer the case for boosting the competition in the market. The contribution of the 7- component concept presented in this study can benefit, and can be used as a guideline for enhancing the corporate image for the retail business in Thailand in the future.

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