

## COMPLETION REPORT

### **What Drives Malaysian Consumers' Affinity With Japanese Retail Brands? A Field Study on Uniqlo and Daiso.**

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This study set out to uncover the elements that constitute great branding among two fast-rising, popular Japanese retailers in Malaysia - Uniqlo and Daiso. Data collected from 2 focus groups and a survey of 618 Uniqlo customers and 662 Daiso customers revealed several interesting and useful insights. Firstly, this study's survey instrument, based on the Service Brand Verdict Model (SBVM) was proven to be a valid, reliable tool that can be used by researchers who wish to conduct retail brand evaluations. The SBVM was successfully validated and shown to be applicable across different retail formats such as apparel specialty retailers (e.g. Uniqlo) and also discount stores (e.g. Daiso). The addition of attachment (in place of the tried-and-true variable trust) as one of the brand outcomes in the SBVM has enhanced the model overall, enabling it to capture the emotional bond that arises as one becomes satisfied with a brand. What results is a parsimonious and robust model that can better explain the progression towards brand loyalty.

Secondly, it was found that branding elements which contribute to consumers' affinity towards Japanese retailers are mostly similar between Uniqlo and Daiso despite some notable differences. For both Uniqlo and Daiso, consumers' feelings towards the brand, servicescape (store environment), uncontrolled communications (word-of-mouth and publicity) and merchandise are crucial components affecting consumers' satisfaction towards the brand. However, for an image-related brand like Uniqlo, consumers' self-image congruence with the brand (resemblance between their self-concept and the brand's image and personality) also matters as a determinant of satisfaction whereas for Daiso which sells functional household items, value-for-money was found to contribute significantly to satisfaction. The role of satisfaction here is paramount because it is largely responsible for how the consumer regards the brand (attitude) as well as whether the consumer develops an affinity (attachment) to the brand. Consequently, all three outcomes of Uniqlo and Daiso's branding attributes namely consumers' satisfaction, attitude and attachment led to their loyalty towards the brands.

Thirdly, the importance-performance matrix analysis (IPMA) revealed one essential branding practice which the two retailers can improve on. In particular, uncontrolled communications. The IPMA showed this branding aspect as highly important in shaping consumers' satisfaction towards the brand. Hence, both brands, especially Daiso could benefit greatly by generating consistent media interest and ensuring that they keep customers satisfied in hopes that they will share their life-affirming brand testimonials with others.

On the whole, the findings of this study reaffirmed an important lesson in branding – that successful brands need to appeal to both the consumers' head (mind; utilitarian needs) and the heart (feelings; emotional needs). Both Uniqlo and Daiso have undeniably high quality merchandise sold in ambient stores supported by customer service, but what eventually won the affinity and loyalty of Malaysian consumers towards both brands was how the brands made them feel happy, pleased and impressed. In building their brand loyalty among consumers, aspiring retailers must constantly remember to combine credible product performance with strong imagery to evoke favourable customer responses and reactions towards their brands.

Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)

Two manuscripts to be sent to Scopus-ranked journals with open access options. Targeted publication time of articles would be by fourth quarter of 2017 (*though this could still be subjected to the journal's publishing schedule*).