



THE INFLUENCE OF CORPORATE REBRANDING ON SME'S PERFORMANCE

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Abstract

In business management, branding is one of the most important factors. Rebranding is a popular strategy used by many businesses to increase customer brand recall and compete with new market entrants. SMEs, in particular, frequently rebrand in order to survive in a competitive market. SMEs in the service sector frequently develop new strategies to gain traction in the business world. This essay examines the rebranding requirements for a SME's success. Based on data gathered from customers of SMEs focusing on the service sector, constructs such as store layout, perceived quality of the consumer, and customer experience have been developed. According to the study, the aforementioned constructs aid in the corporate level rebranding of SMEs. In order to determine the suitability of the structured questionnaire used for the survey, Cronbach Alpha and Composite reliability were arrived at. The path model, which slightly deviated from the conceptualised study model, was discovered using structured equation modelling. The research findings showed that customer experience, along with other constructs like perceived customer quality and store layout, contributed to the rebranding. The study provided key recommendations for rebranding a SME to achieve its highest level of financial performance.

Keywords: Rebranding, SME, Customer Experience, Perceived Quality, Store Layout

I. INTRODUCTION

Branding is an extremely important component of the marketing aspect of business management. A paradigm shift is occurring in the industry, moving away from line branding and towards corporate branding in light of the current environment. Because of this, it is extremely important to have a comprehensive understanding of the corporate branding management method because it is distinct from line branding. According to Moiescu and Vu (2011), the primary motivation behind the transition to rebranding was the need for the company to remain profitable in an increasingly competitive market. Because tastes and preferences of customers are always evolving, businesses are forced to rebrand themselves periodically. The launch of new products is yet another essential factor to consider when evaluating the necessity of a rebranding effort. A powerful brand will generate more favourable product reviews, ensure that the product continues to be recognised by consumers, and keep the brand's image or personality consistent over time. It is essential to revitalise the brand in accordance with consumer mindsets in order to keep up with the changing landscape of marketing. In the long run, this will lead to increased brand awareness, more positive product reviews, and a more cohesive image for the brand overall.

"Small and medium-sized businesses" (also known as "SMEs") are extremely important to the process of economic growth, particularly in developing nations. Small and medium-sized businesses (also known as SMEs), which together account for the vast majority of all businesses in the world, play an essential role in the expansion of the global economy and the generation of new job opportunities. They account for more than half of all employment throughout the world and approximately ninety percent of all businesses. The development of India's economy, the production of new jobs, and the alleviation of poverty are all dependent on the nation's small and medium-sized businesses (SMEs). It is anticipated that India is home to 42.50 million SMEs, with the manufacturing sector contributing 6.11 percent to the country's GDP and the service sector contributing 24.63 percent. This article focuses on the recent trend of rebranding and how it affects the performance of businesses. In a developing country like India, the purpose of this project is to identify the factors that influence the performance of businesses and to research how different rebranding strategies influence the performance of businesses.

II. REVIEW OF LITERATURE:

Chatterjee Joyeeta et al. (2017) performed a case study on airtel concerning the consumers' perception towards rebranding. The study adopted judgment sampling with a sample size of 162. Also, focus group interviews were conducted to find the customers' perceptions towards rebranding. The study identified that the respondents who included customers and noncustomers did not have any perceptual differences towards rebranding both customers and noncustomers of Airtel. The respondents did not appreciate the new change in the new logo even though they were aware of the same. Concerning the tagline, jingle and color of the new logo, there existed a mixed opinion among the respondents.

Margarita Isoraite (2018) examined the definitions of rebranding, the merits and downsides of rebranding, and some examples of rebranding. According to the study's findings, rebranding must be done systematically, with a creative vision, and for a compelling cause.

Joyeeta Chatterjee (2019) studied consumer reactions to Hero MotoCorp's makeover. While Hero MotoCorp's rebranding process was examined, the study also looked at the impact of this procedure on customers, particularly in India's growing two-wheeler sector. The structured questionnaire included 160 valid respondents. Customers and noncustomers provided data. The t-test was employed to analyze the data in this investigation. The researcher discovered that while rebranding has changed its brand, it can reach more people, both consumers and noncustomers.

Catarina Marques et al. (2020) looked at rebranding from the perspective of brand equity. The study's goal was to compare the influence of rebranding on private label brand performance before and after rebranding. It was based on research of major Portuguese retailers' customer perspectives. It was done online with a standardized questionnaire and acquired 466 valid samples. As an independent variable, rebranding was analyzed using t-tests and correlations, while brand equity was analyzed using confirmatory factor analysis. There were no substantial changes in brand equity following the rebranding. However, consumers could identify their new brand image and connected it with innovation and originality, whereas the old image was associated with low cost and reliability.

Abraham Joseph et al. (2021) looked at corporate rebranding from the viewpoint of employees. The purpose of this study was to investigate three areas: first, the effects of internal branding activities on employees; second, the relationship between staff brand identification and corporate brand; and third, the impact of employee buy-in following a rebrand; and finally, the impact of employee engagement. The researcher relied on qualitative approaches to acquire an in-depth comprehension of the workers' points of view. In order to examine this topic, interviews with participants of a variety of case studies were carried out. According to the findings of the study, employees who are actively involved in their work and have a sense that they belong in the company are more likely to buy in.

III. RESEARCH GAP

This study's goal is to discover how rebranding affects the performance of small and medium-sized businesses (SMEs) engaged in the services industry. Above all, the current study should add to the body of knowledge and practises surrounding branding in developing nations like India.

RESEARCH CONTEXT

Many firms find it challenging to build SME in an extremely modest, thin-margin with rising raw material and gasoline prices (Lee et al. 2016). SMEs cannot compete in a market dominated by established mass producers' Indian consumers value quality and service. They watch the price. The proprietors' ineptitude and lack of knowledge led to the SME's demise.

Because a service industry must cover its operational expenses with revenue that cannot be guaranteed initially, the current study concentrates on the service sector. Consistency in quality and customer service is a few characteristics that affect a company's productivity before it launches. The brand's reputation suffers as a result of these problems. To determine if rebranding initiatives have improved business performance, this study will examine the following factors:

DEVELOPMENT OF CONCEPTUAL MODEL AND HYPOTHESES

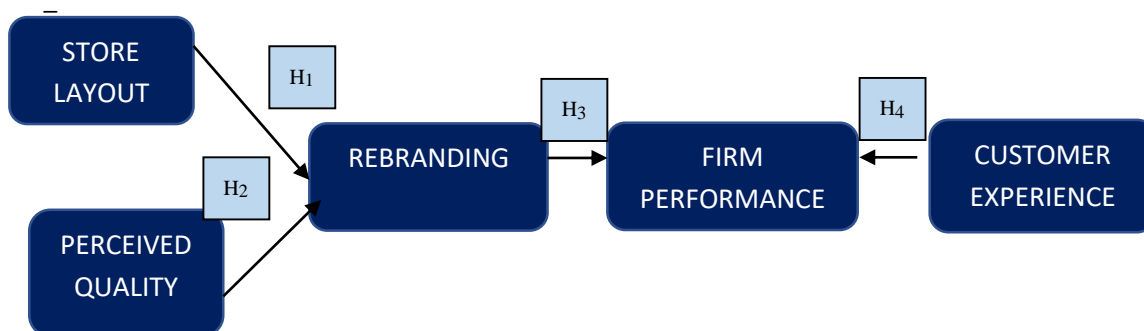


Figure 1: Conceptual Model

This article argues that a company's success is directly correlated with how well consumers perceive a rebranded business they do business with. The hypotheses in this section are derived from the theoretical model displayed in Figure 1. According to the study, customer experience is a barometer used to gauge a company's performance directly.

IV. STORE LAYOUT VS REBRANDING

According to Ghose et al. (2010), store design has an impact on customer movement and purchase decisions. Companies are putting more and more effort into improving their shop image as opposed to their product image. According to Saraswat et al. (2010), the store image shows how customers "see" or "visualise" a store. Customers will begin to accept the store once they have experienced and adopted the image. People will begin purchasing goods that reflect their taste and needs for food, clothing, gifts, and home furnishings once they have experienced and accepted the image (Saraswat et al., 2010). Customers gain from the retail image as a result. According to Ghosh et al. (2010), a good layout influences both the customer experience and the speed of shopping. According to the following theory, store layout and rebranding are related:

H1: Rebranding is positively impacted by store design.

PERCEIVED QUALITY VS REBRANDING

In the research literature, brand equity is defined in a variety of ways (Aaker, 1991; Aaker & Joachimsthaler, 2000). Aaker (1991) defined brand equity as including not only perception but also brand linkages and other proprietary assets in addition to perception. Comparing a product or service's intensity and quality to those of its rivals is one way to assess perceived quality,

according to Aaker (1996). The two authors (2010) contend that the quality of the product and how it is perceived are two distinct things. A buyer's assessment of the calibre of a product is wholly subjective. Because of this, a sizable number of businesses view customer-driven quality as a distinct advantage. It should go without saying that there is a direct correlation between product quality and how satisfied customers are with it. Customers still buy the brand from a variety of different companies because they like using it, claim Jin, Lee, and Huffman (2012). On the basis of the information and description given, I have developed a few hypotheses.

H2: Rebranding is influenced favourably by perceived quality.

REBRANDING VS FIRM PERFORMANCE

based on the organization's operations, its pursuits, and its environment (Cameron & Whetten, 2013). Professionals must regularly update their skills, knowledge, and experience to keep up with the shifting demands of today's workplace and economy (Al-Khouri, 2013). A positive attitude towards a business or its products enhances the performance of the brand, claim Beverland et al. in 2007. Customers are willing to pay more for, buy, and recommend similar products, per the findings of a number of studies (Hutton, 1997; Bendixen et al. 2004). Consequently, in light of:

H3: The performance of businesses is positively impacted by rebranding.

CUSTOMER EXPERIENCE VS FIRM PERFORMANCE

Customer experience, as defined by Meyer and Schwager (2007), is the fundamental and individualised response to each business interaction. Wali et al. (2015) claim that the business was able to gain a sustainable competitive advantage as well as devoted clients who positively referred the business to their network of contacts. Given the details provided here, one might conclude that:

H4: Customer satisfaction has a favourable impact on a company's performance.

RESEARCH DESIGN & METHODOLOGY

The study's primary subjects were Indian consumers who resided in Chennai. In this study, the unit of analysis was the individual client. In this specific case, a customer survey was conducted. The four distinct neighbourhoods that make up Chennai were used for this survey. A total of 397 survey forms were distributed, and 372 of those could be used to process the final data. A 94% response rate was as a result. Every respondent had the chance to complete the questionnaire with the aid of an expert from the service sector. This was done to reduce response patterns brought on by various points of reference. After that, they were told to find out the name of the retail brand and remember it as they filled out the survey. The accumulated body of prior literature served as the framework for the research scales. The items that were being measured were given a Likert score on a scale of one to five, with one denoting a very strong disagreement and five denoting a very strong agreement.

V. DATA ANALYSIS & RESULTS

Table 1 displays the participant's demographic details. There were 58.6% more female respondents than male respondents. The average age of respondents remained between 26 and 45 (52.7%). 60.2 percent of those surveyed were employed or self-employed, compared to 221.5 percent of students. Most of the respondents had used the service outlet before the rebranding period.

Table 1: Demographic Statistics

| Variable | Frequency | Percentage |
|---------------------|---------------|------------|
| Gender | Male | 154 |
| | Female | 218 |
| Age | Upto 25 years | 108 |
| | 26 – 45 years | 196 |
| | > 45 years | 68 |
| Occupation | Student | 80 |
| | Self-employed | 64 |
| | Employed | 160 |
| | Unemployed | 68 |
| Prior to Rebranding | Yes | 302 |
| | No | 70 |

The researcher looked at the measures' validity and reliability. Dependability was primarily evaluated using Cronbach's value and the composite reliability (CR). This is explained in Table 2. Table 3 displays the average and factor loadings.

Table 2: Reliability Statistics

| Construct | Cronbach-Alpha | Number of items | CR Value |
|-----------|----------------|-----------------|----------|
| SL | 0.975 | 04 | 0.781 |
| PQ | 0.918 | 05 | 0.794 |
| RB | 0.899 | 04 | 0.901 |
| FP | 0.947 | 02 | 0.942 |
| CE | 0.956 | 04 | 0.847 |

SL: Store Location **PQ:** Perceived Quality **RB:** Rebranding **FP:** Firm Performance **CE:** Customer Experience.

Table 3: Average and Factor Loadings

| CONSTRUCT | AVE | FACTOR LOADINGS |
|-----------|-------|-----------------|
| SL | 0.711 | 0.84 |
| PQ | 0.698 | 0.82 |
| RB | 0.701 | 0.83 |
| FP | 0.722 | 0.84 |
| CE | 0.715 | 0.82 |

Structural equation modelling was used in the conceptual research approach to validate the hypotheses that were developed for this study. Three of the four hypotheses can be supported by the data presented in Table 4's findings. A favourable relationship between store layout and rebranding was hypothesised to exist in the first hypothesis, H1. A favourable relationship between perceived quality and brand equity was hypothesised to exist in the second hypothesis, H2. A favourable correlation between rebranding and firm performance was hypothesised to exist in the third hypothesis, or H3. A favourable correlation between customer experience and firm performance was hypothesised to exist in the fourth hypothesis, or H4. The results show that increased levels of rebranding activity are linked to higher levels of business performance. The research's conclusions show that there is no connection between consumer satisfaction and business performance. As a result, all of the hypothesised correlations are supported by statistical evidence, with the exception of hypothesis 4. In 1994, J.C. Nunnally and I.H. Bernstein published the results of their research.

Table 4: Results of Structural Equation Model Analysis

| Proposed Relationship | Hypothesis | p-value | Inference |
|-----------------------|------------|---------|-----------|
| SL -> RB | H1 | *** | Supported |
| PQ -> RB | H2 | *** | Supported |
| RB -> FP | H3 | *** | Supported |
| CE-> FP | H4 | 0.142 | Rejected |

***= p-value is significant at 5%

To ensure convergent validity, the researcher looked for items that had loadings greater than 0.5 on each of their individual (a priori) constructs. Contrarily, the variance explained (AVE) value and the absence of significant inter-research variable cross-loadings were used to assess discriminant validity (Chin, 1998). The structural model depicted in Tables 2 and 5 is estimated using structural equation modelling, which conducts a confirmatory factor analysis. (CFA).

Statistics indicating a satisfactory fit of the measurement model with the data were suggested by the entire model evaluation. The overall acceptable CFA model fit indices used in this study are shown in Table 5, and they are as follows: 2(df) less than 5.00, Comparative Fit index less than 0.9, and RMSEA less than 0.05. With an RMR of 0.024, a CFI of 0.987, and an RMSEA of 0.014, the rebranding model has good model fit.

Table 5: Fitness of Model

| Fit Statistic | Benchmark | Obtained |
|---|------------|----------|
| χ^2 | - | 445.974 |
| Degrees of Freedom (df) | - | 837 |
| χ^2 Significance | $P < 0.05$ | 0.935 |
| χ^2 / df | < 5.0 | 0.4328 |
| Goodness of Fit (GFI) | > 0.92 | 0.972 |
| Modified Goodness of Fit Index (AGFI) | > 0.92 | 0.941 |
| Normalized Fit Index (NFI) | > 0.92 | 0.974 |
| Comparative Fit Index (CFI) | > 0.92 | 0.987 |
| Incremental Fit Index (IFI) | > 0.92 | 1.000 |
| Tucker Lewis Index (TLI) | > 0.92 | 1.000 |
| Root Mean Square Error of Approximation (RMSEA) | < 0.05 | 0.014 |
| Root Mean Square Residual (RMR) | < 0.05 | 0.024 |

PATH MODEL

Based on the outcome of the hypotheses, the conceptual model was slightly modified to obtain the model that has fit for the present study and is explained in figure 2. Rebranding eventually increases the firm performance in the service sector. The customer experience also contributes for the rebranding along with the existing constructs store location and perceived quality.

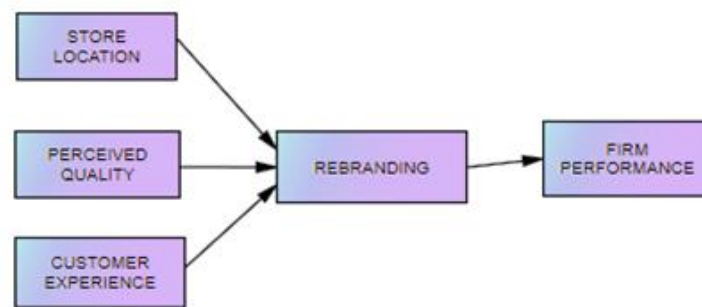


Figure 2: Path Model Suggested for the research

VI. DISCUSSION & CONCLUSION

The goal of this study was to look into how rebranding affects business performance, particularly in terms of store design, perceived product quality, and general customer satisfaction. Four specific hypotheses were presented for consideration. Data from clients who interact with the services sector were gathered in order to test the aforementioned hypotheses. Three of the four research hypotheses that were put forth received strong support from the empirical results. The study's conclusions support the notion that rebranding initiatives are more significantly influenced by store design. When using p-value, the perceived quality has an impact on the rebranding process. However, it doesn't seem as though there is a strong positive correlation between customer satisfaction and business performance.

Customers' purchasing experiences are likely to be impacted by interactions between customers and employees in a retail environment or in the service sector. The assistance offered by staff may have a direct impact on customer satisfaction, their propensity to make additional purchases, and the company's overall financial success. On the other hand, it is possible to guarantee high performance through a successful rebranding via store design intervention.

VII. CONSTRAINTS AND PROSPECTS FOR FUTURE STUDY

Despite the fact that it was very useful, this study has some shortcomings. Begin by enlisting participants from various regions of the nation to expand the research's sample size. Second, the research's purview was restricted to India. In order to compare the results, this study should be conducted in a few other developing nations. To sum up, this research did not examine the reliability of brands, their experiences, or their identities. It will be crucial to look into additional antecedents in future research and how they affect the performance of non-financial firms.

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