

Foreword

The dissertation of Dr. Karin Pennemann addresses a prevailing question. For two decades, retail firms have aggressively internationalized, first into developed and then into developing countries. Years after entering developing countries, international retailers can no longer rely on the weaknesses of local competitors because these domestic market firms have become more experienced and have internationalized themselves. Consequently, in countries such as China, retailers' global and local positioning as strong retail brands is of growing importance. Thus, detailed knowledge on how to create strong retail brands in these countries, how these strong brands drive customer purchase behavior and how reciprocal effects between strong brands on corporate and store (chain) level could be used is of paramount relevance for international retailers, especially in culturally distant countries. By addressing these three questions, the dissertation of Karin Pennemann includes three studies, which can be summarized as follows:

- *Building Retailer Brand Equity Based on Perceived Brand Globalness: The Role of Country of Origin.* This study examines the effect of perceived brand globalness (PBG) on retailer brand equity in China and proposes that PBG enhances brand equity by affecting consumers' perceived quality value and price value of the retailer, and that such effects are moderated by the actual foreign/domestic origin of the retailer. Based on a multilevel modeling approach, the findings indicate that quality and price values are the core mechanisms through which PBG affects brand equity. Moreover, the effect of PBG on brand equity and quality value is stronger for foreign retailers than for domestic retailers.

- *The Value Creation Process to Retail Patronage: Whether Retailers Benefit from Perceived Brand Globalness or Localness.* This study examines how foreign retailers can use their core advantage of a global retail brand and, more importantly, how consumer perceptions of global retail brands drive retail patronage. Analyzing 36 Western, Asian, and Chinese retailers, the results show that, due to retailers' origins, the routes of PBG and PBL enhance retail patronage differently by affecting consumers' functional and psychological values. Thus, the value creation process varies depending on retailers' origin. Consequently, retailers in China benefit from PBG depending on boundary conditions, such as retailer origin and consumer identity.

- *Analyzing the Reciprocity between Corporate and Store Images: The Moderating Roles of Evaluation Approaches and Corporate Brand Dominance*. This study examines the reciprocity of retailers' corporate image and store image, as well as the moderating roles of culture-specific and firm-specific factors. Based on an experimental design and data from two countries, it is shown that the two images are connected through feedback loops, whereupon the store image has a greater degree of influence on the corporate image than vice versa. Furthermore, it is shown that the reciprocity images provide greater benefits in predominantly holistic Asian countries than in analytic Western countries.

Dr. Karin Pennemann makes a significant contribution to retailing and international marketing research with her work. She advances knowledge on retail positioning in emerging countries and significantly disentangles the interrelation of corporate and retail branding. Her work impresses on the one hand by the extent of detail paid to the conceptualization and the methodology. Besides advanced methodology applied in a commendable manner, she also combined different types of methodology. On the other hand, she derives valuable insights for researchers as well as for retail managers.

I am very happy with this work in particular, which is the eighth dissertation at my chair for Marketing & Retailing at the University of Trier. I thank Dr. Karin Pennemann for more than three years working as a research associate at the Chair for Marketing & Retailing. Over this period she worked very hard and successfully faced all the challenges she encountered on the way, presenting this excellent piece of work at the end of it. I thank her very much for her commitment and regard her as a commendable and always kind-minded person. Dr. Karin Pennemann has my warmest and best wishes for her future career and life.

Trier, July 2012

Prof. Dr. Prof. h.c. Bernhard Swoboda

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The Positioning of Global Retail Brands in China

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