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The Store Brand Image Differences between Mother Country and Host Countries; The case of “MUJI” in Europe

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Abstract

This study aims to investigate the store brand image differences between mother country and host countries. In these years, Japanese manufactured retailers go global because domestic market has been shrinking. Retail competition is customer perceived competition. So the customer's perceived image, brand image, is important in host countries when retailer open new shops in abroad. However is the mother country's brand image replicated as same one in host countries? To examine the differences of attributes of store brand image between mother and host countries, I examined the store brand image of a Japanese manufactured retailer MUJI in Japan, UK, France, Italy and Germany. The results show that there are apparently different. In host countries, the company success in obtaining new unique niche position and obtaining higher score than in mother country.

Key words: Store Brand Image, Retail Internationalization. manufactured retailer, brand image transfer, mother and host country

1. Introduction

In this paper, I seek the store brand image differences between mother country and host countries while globalization of retailing business progresses at current situation. In Japan, it is expected that a retail market will be shirked by low birthrate and longevity from now on. In such domestic situation, Japanese retailers are going to outside market such as Asia and European countries. Especially in these years, there are some trends to open China shops aiming to get high growth markets share. Not only “Ito-Yokado” and “AEON” which are Japanese large general merchandising chain stores (Yahagi, 2007), but also “UNIQLO”, “NITORI”, and “MUJI” which are manufactured retailers are also go to overseas markets aggressively. *¹

According to Sternquist (2007), there are seven reasons of globalization of retailers; 1) There is the necessity to exceed the limit of its mother country low growth and matured market. 2) There is need multi Investment to avoid risk. 3) There is limitation by legal regulations in mother country. 4) There has a unique retail format. 5) There is strict market competition in mother country. 6) The market trend is down side in mother country. 7) The retailers aim to get first mover advantages. Most of retailers who trust to get competitive advantages position in host country, when they go to overseas markets. And such retailers try to transfer their original format and brand images to host countries based on the success of mother country.

In this paper, I picked up the “manufactured” retailer section. There are sold original goods, private label products, at their own shop. They plan development of goods by themselves, order at their cooperative factories to manufacture their products and sell them in their shops. There is a kind of vertical integration system from manufacturing to sales. There are like “MUJI” of Ryohin Keikaku Co.,Ltd., “UNIQLO” of FAST RETAILING, and “IKEA” etc. It is the feature to expand in the case of globalization, while tangible assets, such as a store and goods, used the “Economy of Replication” with same format as mother country has.

In such a globalization of retail trade progressing, retailing competition is attribute evaluation competition on the store level by consumers, and it is very important for them whether the overseas consumers of an oversea market understand the intentions of original mother country’s retailer’s business intention (Mukoyama 2009). In this paper, the store brand images are classified into two categories; tangible and intangible assets. I would seek what types of images are easily transferable and what types of images are hard to transfer to host countries. To obtain high score in store brand image in host countries, what are the important factors for each retailer? I focus on the attribution of store brand image. Understanding the store brand image gaps between mother and host countries helps brand strategy when retailers go abroad and obtain good store brand images in host countries.

2. Literature Review

2.1. Difference of Store Brand Cognition in Mother Country and Host Countries

Are there any differences of brand image where the consumers see the same brand in mother country and host countries? Aaker (1996) defines the “brand image” as perceived brand image from customer. And “brand identity” is defined as company’s ideal perceived image based on company’s strategy. These differences derived from the same brand perception gap from difference positions; point of view from company or consumer. Especially in retail business competition, it can be said that perception of consumer for the brand, brand image, is more important. The retail competition is based on consumer’s perceived attribute brand image competition (Mukoyama 2009).

Niikura (2005) discusses this perception gap between “brand image” which is consumer’s cognition and “brand identity” which is company aim to be. It is because of the partially or expanded image bias between there. The bias is defined as “3C bias”(Communication bias, Competitor bias, Consumer bias)*² by Niikura (2005). The “3C bias” is occurred not only domestic market but also international transferred business situation such as retail internationalization.

Especially the “Consumer bias” which is constructed by consumer attribution and the background cultural circumstances and habits, and the “Competitor bias” which is constructed by different competitive market are affected. Also the “Communication bias” may affected by different communication way from country’s local regulation and habits. When the manufactured retailers go to global markets, there is a possibility that not transferred the

brand image is not transferred as original brand identity. So host country's consumers perceive differences of brand images between mother and host countries' brand image because of some biases such as "3C bias".

2.2. Effects of Country of Origin (COO) on Store Brand Evaluation

In the brand image in the case of across countries, the Country of Origin (COO) should be concerned well. The COO of mother country will have effects on brand awareness and evaluation of the consumers of host countries. A lot of cross-national researches about COO have been done. For example, COO has not brought about the same effect by country (Zeynep and Durairaj 2000; Paku 2007), and it also turns out that the COO effects changes with environmental factors such as culture.

The anecdotal report of "a challenge to the global market to expand" published by the Ministry of Economy, Trade and Industry in Japan in March, 2010 picked up MUJI brand of Ryohin Keikaku as a case. According to the report "confectionery made in Japan" has achieved good sales and good reputation in Hong Kong and Taiwan because of Japan premium image and the COO effects derived from Japanese good quality image.

In an additional example, Kawabata (2006) which was doing field research (included interviews) showed clearly that Japan herself had the meaning and value with the special existence itself of "Japanese" COO in the markets of the China, Hong Kong, Taiwan and South Korea (East Asian Area).

When a service industry "A" is transferred from mother country to host country, a different image of "A1" might be perceived in host country. This is because of local habits and circumstance factors. One example is a Japanese tavern chain restaurant "WATAMI" in Hong Kong (Kawabata, 2006)*³. Even if the same business system as "tavern system" is employed in Japan and Hong Kong, a different meaning is applied to Hong Kong. Japanese tavern system is changed into "the Japanese restaurant of a reasonable small plate" in Hong Kong. Kawabata (2005, 2006) explained this phenomenon using the concept of the "local context" of local tacit knowledge and market context.

That is, when a company goes across the border, the bias by the COO effects, the culture, the customs and environment factors may influence the consumers' perception. Therefore, the companies intended brand identity in mother country may not be transferred as the same because of COO factors. However, although individual examples have accumulated it is not clear how COO effects affect the store brand image differences. Many factors in local contexts influence on them.

2.3. Empirical Studies on Customer Cognition of Store Brand Image in Globalization

It is important how the store brand is recognized well by the customer in the retailing global competition. Also it is important which position the global manufactured retailers can gain in the host country market. I reviewed some empirical studies as below.

Researches of the store image and positioning from a consumer perspective have existed for many years. Myers (1960) surveyed the store brand image in an American department store. He found the differences between the store image which the store intended and which the customers actually recognized. This empirical study was used for changing merchandising and promotion. As a result the store could achieve good sales.

McGoldrick and Ho (1992) described the importance of positioning in retail internationalization which was based on different customer brand perceptions for foreign invested department stores in Hong Kong. In the article, if the specific niche position could be established in the host country, it was suggested that the possibility of a success in the host country increase.

As comparative study of a global store brand image, there is an empirical study of Burt and Carralero-Encinas (2000). This empirical study was examined the customers' store brand image brand differences of "Marks & Spencer (M&S)" between UK (mother country) and Spain (host country). The questionnaire was based on nine store attributes of Lindquist (1974); Merchandise, Service, Clientele, Physical Facilities, Convenience, Promotion, Atmosphere, Institutional Factors and Post-transaction satisfaction. They developed their own questionnaire. The attributes of store image are divided into two categories; "Tangible Attribution" and "Intangible Attribution". Furthermore, each of them is classified into 3 small attributions ("Tangible Attribution"; Physical Characteristic, Product Range, Pricing Policy, "Intangible Attribution"; Customer service, Store Reputation, Character) containing four question items. Totally there were 24 questionnaire items on the sheet.

The results of Burt and Carralero-Encinas (2000) study shows the customers in UK (mother country) have much positive image of Marks & Spencer in that of Spain (host country). This result is very interesting because customers of the mother country have much higher store brand image than those in the host country.

As for the difference of the attribute of tangible assets and intangible assets, the intangible assets brand image is higher than tangible assets image between in both countries. In Marks & Spencer shop, the merchandising goods are the original PB (private label brand), Store Brand 100% policy. So such tangible assets such as product range might be easier to transfer from mother country to host country. But the intangible assets such as service might be difficult to transfer the original mother country image. Moreover, Marks & Spencer has built its store brand image for 100 years or more in the mother country. It has very short history in the host country. This difference is the cause of the intangible store brand image difference between mother and host country.

Moreover, Burt and Mavrommatis (2006) researched the "DIA", a Spanish food discounter, opening a shop in Greece. Here, they surveyed store brand image and compared positioning between the mother country and the host country. In Greece before DIA, there was no existence of food discounter format. As a result, DIA obtained higher store brand image in Greece (host country) than Spain (mother country). DIA might got a new market positioning

in Greece as new format food discounter. From this result, it could be said that the original differentiated positioning in host country was important. And it became apparent that the store brand image affects company's positioning in the host country.

Here, the importance of original positioning acquisition in host market was suggested. The company which aims at globalization will examine the expected positioning in a host country from current competition condition of market research and coordinate with its own brand image. The brand identity of company should be considered in managing this process.

2.4. Tangible Assets and Intangible Assets

Burt and Carralero-Encinas (2000) classified a store image into two categories; the visible attribution (Tangible Attributes) and the invisible attribution (Intangible Attributes). This study provided a useful view point for effectively analyzing store brand image in mother country and host country.

Hirschman (1980) summarized tangible and intangible attributes studies. The tangible attributes is accessible through five senses such as seeing, touching, listening, tasting and smelling. It is an attribute which is produced from such a concrete stimulus and can be explained physically. To contrast, intangible attributes is inside in individual person and made from social experience. For example they are personal experiences and influenced by social and cultural situation.

In manufactured retailer case, the tangible attributes will be the similar, because the shop format and goods are mostly the same as in mother country. But the intangible attributes are different. Because intangible attributes will different by local cultural and social contexts like service. How does the difference between tangible and intangible attributes come out in store brand image?

2.5. The management of global store brand

Onzo (1995) has proposed different ways of brand management by countries, by changing positioning and the contents of communication according to the situation by country, even when a brand is the same. He suggested the possibility of different brand management strategies.

Although Levitt (1983) described consumers under globalization of the retail sector, the consumers became homogeneous in the 20th century. According to Mooij and Hofsted (2002), Understanding the difference among the consumers across the border will lead to the efficient retail distribution in 21 century.

In summary, understanding the differences of consumer perception between mother country and host countries can be important when manufactured retailers go global. Also it will be important to employ a strategy to adapt both global and local.

3. Hypothetical Presentation

In previous literature review, there exist several studies on the store brand image differences between mother country and host countries. Only a few studies discussed brand attribution elements, while many studies discussed bias and brand study general. Mother country's companies intend to communicate a certain brand identity and try to get similar brand image with original mother country's image, but in host country the acquired brand image isn't the same as in mother country. Why does it happen? What kind of attributes and elements are easily transferred? Which are difficult to transfer? In this paper, I employed the tangible assets and intangible assets as analytical points of view. I also used smaller elements such as "pricing policy" and "customer service" to analyze the relationship. Especially to present hypothesis, I referred the study of Burt and Carralero-Encinas (2000)'s Marks & Spencer case. Because the retailer has 100% store brand policy, it is called the manufactured retailer. It is the same type of my target sector; manufactured retailer.

During the globalization, according to Sternquist (2007), company expects to come out from a mother country and to obtain a competitive advantage in a host country market, and aims at advance to overseas. In that case, the strength business models of mother country will be introduced into a host country. The business model is already successful in mother country. What kind of store brand image is perceived by customers in new host market? As previous studies showed, there were both negative and positive store brand image in host country. The store brand image will be affected by local bias, local competitive circumstances and cultural habits when manufactured retailer enters host country from country.

The manufactured retailer has their own business model which has own store format model and store brand merchandising. It copies those of mother country to host country. It is different from the business model of standard buying retailer. The buying retailer copies the store format but buys their products locally. The economy of replication is possible for manufactured retailer. The example of manufactured retailers such as IKEA, UNIQLO and MUJI go abroad with almost the same format and products. They aim to get efficiency and offer united brand identities. Namely the tangible assets such as store format and products are the same, but the intangible assets such as customer service will be adapted to local regulation, habits and rule.

The manufactured retailers develop new stores in host country with the same strategy in mother country. In tangible assets brand image, there are little differences of store brand image between mother country and host countries. Thus:

H1: There is no difference in tangible store brand image between mother country and host countries when the store brand image is transferred from mother country to host countries.

But the intangible assets are different. The retailer business is locally influenced compared to other businesses (Porter 1986). So though the tangible attributes such as goods and store format have globally the same and similar image, but the service, sales and promotion are related to the intangible assets. Usually they are adapted to local contexts. So such intangible

attributes are influenced by local competition and cultural circumstances. The intangible attributes are created by local contexts. Also literature on Japanese COO effects showed that the Japanese COO affects the intangible store brand images. Thus:

H2: The intangible store brand image is higher in host countries than in mother country when the store brand image is transferred from mother country to host countries.

4. Research Design

4.1. Sample and Procedures

This research sample data come from 702 of customers of MUJI of Japan as mother country sample and UK, France, Italy and Germany as host countries. MUJI is the store brand name of Ryohin Keikaku in Japan. The company is one of typical manufactured retailer in Japan. They go abroad positively to open their shops. MUJI opened the first overseas shops in London and then in Hong Kong in 1991. From annual report of February 2011, MUJI has 359 shops in Japan and 134 shops abroad (21 countries). In Europe, there are directly operated countries: 13 shops in UK, 7 shops in France, 6 shops in Italy and 5 shops in Germany. Also MUJI has 22 licensing shops in Portugal, Ireland, Sweden, Norway, Spain, Poland and Turkey. MUJI entered UK in 1991, France in 1998, Italy in 2004 and Germany in 2005.

In the annual sales in 2010, the non-consolidated net sales amount in MUJI Japan was 144,720 million yen and Europe (direct and licensing shops) was 7,746 million yen. The company's total consolidated net sales were 171,860 million yen. No information is available on sales of each country.

There are two types of stores; overseas shops are mostly "city type" stores which located in central major cities of each country and the others are "suburbs type". Although in Japan there are both "city type" and "suburbs types" of store, I selected "city type" stores to compare to European city type shops. In this survey I selected 4 shops in Japan, 3 shops in each of UK, France, Italy and Germany. The selection of store was done by local director in each country. Basically 50 questionnaires were assigned at each store. The sales personnel asked to customers to fill in the questionnaires and gave them small gift for filled questionnaire. The survey was done in May 2009.

Finally 173 samples were obtained from 4 shops in Japan (men 21.7%:female 78.6% : average age 32.4) , 150 samples from 3 shops in UK(men 40.7%:female 59.3%, average age 37.8) , 122 samples from 3 shops in France (men 35.2%:female 64.8%, average age 36.4), 109 samples from 3 shops in Italy (men 30.3%:female 69.7%, average age 41.4), 148 samples from 3 shops in Germany (men 27.0%:female 73%, average age 38.1) . Totally there are 702 samples from 16 shops (men 30.5%: female 69.5%, average age 36.8).

4.2. Measures

The questionnaire was made based on Burt and Carralero-Encinas (2000). The words were changed from "Marks & Spencer" to "MUJI" and from "UK" to "Japan" from original

questionnaire. The original questionnaire was prepared in Japanese and then translated into English by UK office staff, and also translated into local languages in France, Italy and Germany. All items use a five-point Likert scale (1="strongly disagree," and "5= strongly agree"). The based questionnaire (Burt and Carralero-Encinas, 2000) was used a seven-point Likert scale. But it was changed a five-point Likert scale because of easy to reply answer through discussion with each countries director. The original 24 attributes of the questionnaire is as follows (Table1).

Table 1 Attribute Statement		
Tangible Assets	Physical Characteristics	1. The store is clean and tidy
		2. The store décor is attractive
		3. The store layout makes shopping easy
		4. The store atmosphere is pleasant
	Product Range	5. The store carries a wide selection of products
		6. The products stocked are of good quality
		7. The merchandise is fashionable
	Pricing Policy	8. MUJI is a reliable brand
		9. The prices charged are reasonable
		10. Prices are low compared to similar stores
		11. You get good value for your money
12. The relationship between price and quality is good		
Intangible Assets	Customer Service	13. Store personnel are kind and helpful
		14. Sales people have a good knowledge of the products
		15. The store operates an easy return policy
		16. The store offers a high level of customer service
	Character	18. MUJI projects a conservative image
		19. MUJI has a clear Japanese appeal
		20. MUJI serves the middle class
	Store Reputation	24. MUJI is world class retailer.
		17. MUJI transmits a reliable image
		21. You have total confidence in MUJI.
22. You find MUJI totally trustworthy.		
		23. MUJI will never let you down.
		*Arranged based on the paper of Burt and Carralero-Encinas(2000)

The factor analyses were done and nominated factor to be confirmed the data. At the step of factor analyses, the 7 of 24 questions were removed because the factor loads were 0.40 under and/or double factors on one question. And further factor analyses were done (Principal axis factoring, Rotation: Varimax with Kaiser Normalization). The result is Table2.

The 17 items which factor load is 0.40 or more with one factor, and do not show 0.40 or more loads ranging over two factors were elected. As a result, three factors were chosen.

Although the tangible assets were three attributes of "physical characteristic", "the products offered of goods", and "pricing policy" in original precedence research (Burt and

Carrarelo-Encinas, 2000), this study was "physical characteristic" and "products range" settled on one factor which newly nominated as "store and products". The second factor became "pricing policy" in the same factor classification as precedence research.

Although intangible assets were three attributes from "customer service", "character" and "store reputation", the factor unified to one factor as "reliability" after factor analysis.

The table 2 shows which question items each factor included. For further analysis, the mean score included in each factor was used. And second phase analysis, tangible assets were calculated by mean score of "store and product" and "price policy".

It was the same as intangible assets as mean score of "reliability."

To confirm the reliability of each factor, Cronbach's alpha was calculated. As the first stage alpha of first factor "reliability" was 0.864 and the alpha of second factor "Store and Products" was 0.850 and the alpha of third factor "pricing policy" was 0.845.

In the second stage, I calculated Cronbach's alpha for two attributes; tangible and intangible. "reliability" in the first stage was the same as intangible in the second stage. Therefore the alpha of intangible was 0.864. Alpha of tangible consisting of 10 items was 0.860.

Table 2 : Factor Analysis : Store Brand Image (five countries total)

Table 2 Factor Analysis : Store Brand Image (5 countries)

Factor Analysis (Brand Image from 5 countries : Rotated Component Matrix						
	Component			Communalities	Statistics	
	Intangible	Tangible			Extraction	Mean
	Reliability	Store and Products	Pricing Policy			
1. The store is clean and tidy	.330	.684	.088	.585	4.50	.725
2. The store decor is attractive	.237	.723	.173	.609	4.21	.830
3. The store layout makes shopping easy	.336	.684	.156	.605	4.30	.769
4. The store atmosphere is pleasant	.349	.737	.148	.687	4.29	.774
5. The store carries a wide selection of products	.184	.465	.210	.294	4.13	.829
7. The merchandise is fashionable	.210	.471	.262	.335	3.90	.922
9. The prices charged are reasonable	.075	.114	.787	.638	3.62	.985
10. Prices are low compared to similar stores	.088	.048	.704	.505	3.04	1.073
11. You get good value for your money	.215	.271	.713	.628	3.73	.921
12. The relationship between price and quality is good	.174	.276	.711	.612	3.78	.933
13. Store personnel are kind and helpful	.690	.354	.042	.603	4.39	.737
14. Sales people have a good knowledge of the products	.760	.346	.052	.699	4.13	.863
15. The store operates an easy return policy	.571	.114	.229	.391	3.86	.874
16. The store offers a high level of customer service	.744	.327	.114	.673	4.05	.811
17. MUJI transmits a reliable image	.627	.354	.176	.549	4.22	.789
21. You have total confidence in MUJI.	.461	.308	.341	.424	3.98	.841
23. MUJI will never let you down.	.419	.230	.334	.340	3.75	.927
Total, Rotation Sum of Squared Loadings	3.281	3.244	2.653			
% of Variance	19.30%	19.08%	15.61%			
Cumulative %	19.30%	38.38%	53.99%			
Extraction Method : Principal axis factoring , Rotation : Varimax with Kaiser Normalization						
a. Rotation converged in 5 iterations.						

5. Test Result

To test the hypotheses H1 and H2, the independent variable was “country”; namely the variable were "Japan as mother country", and "UK, France, Italy and Germany as host countries". The dependent variables were “tangible assets” and “intangible assets”. I used

analysis of variance. The results are shown in Table 3.

	Japan	France	Germany	Italy	UK	F-value	
Store & Product	3.82	4.23	4.40	4.54	4.40	36.274	**
Pricing	3.51	3.45	3.27	3.69	3.78	8.250	**
Reliability	3.64	4.29	4.10	4.42	4.17	11.602	**
				*: p <0.05 , ** : p <0.01			

	Japan	France	Germany	Italy	UK	F-value	
Tangible Assets	3.69	3.91	3.94	4.21	4.15	17.975	**
Intangible Assets	3.64	4.29	4.10	4.42	4.17	38.221	**
				*: p <0.05 , ** : p <0.01			

As for H1, There are significant differences among five countries in “store & product”. The post-hoc comparison shows the Japan and other four countries are significantly different by Table 3-1 (p<0.01). I checked the 2 countries different mean pairs, Japan and each four host countries are significantly different (p<0.01). Also France and Italy is significantly different (p<0.01).

There are significant differences among five countries in “pricing policy” (p<0.01). I checked the 2 countries different mean pairs are France and UK (p<0.05), Germany and Italy (p<0.01), Germany and UK (p<0.01), Japan and UK (p<0.05) are significantly different. However I did not find the different between Japan and other four European countries.

In the second phase, there are significantly different among in five countries in tangible assets (p<0.01). Post-hoc comparisons show the Japan and other four countries are significantly difference. I checked the 2 countries different mean pairs, Japan and each four host countries; Japan and France (P<0.05), Japan and Italy (P<0.01), Japan and Germany (P<0.01), Japan and UK (P<0.01) are significantly different. Also France and Italy (P<0.01) France and UK (P<0.01), German and Italy (P<0.01), German and UK (P<0.05) are significantly different as well.

Since the results show the significant difference among five countries in tangible assets, The H1 is rejected. Especially there are “store and product” brand image is extremely different. But the “pricing policy” is not rejected. Although manufactured retailers have the same store format and almost the same products, the brand images are significantly different among five countries.

As H2 on the difference of mean score of “intangible assets” of mother country and four European host countries, I checked “reliability” factor. The result is significantly difference among five countries: mother country, Japan, and four European host countries (p<0.01). I checked the 2 countries different mean pairs, Japan and each four host countries are

significantly difference ($p < 0.01$). Also Germany and Italy ($p < 0.01$), Italy and UK ($p < 0.01$) are significance difference.

As the second phase from Table 2, compared “tangible assets” factor, I checked “intangible assets” factor, but it is exactly the same as “reliability” factor above noted.

Above the result, the attributes of “intangible assets” is significant different. The H2 is supported. The intangible assets are clearly different between mother country, Japan and 4 European host countries.

6. Discussion

The results show that H1 was rejected and H2 was supported. These results provide empirical evidence for the difference store brand images held by each country when they are transferred from mother country to host countries. The store brand image was higher in host countries than in mother country.

In this study, store brand image was divided into two attributes; “tangible assets” and “intangible assets”. Then “tangible assets” was divided into “store and product” and “pricing policy” attributes. In both attributes of “tangible assets” and “intangible assets”, there are significant differences between Japan (mother country) and other four European host countries. I found that store image was higher in host countries than in mother country. In MUJI case, when the manufactured store brand images are transferred to host countries, the store brand image is more highly scored in host countries. The results were completely opposite from Marks and Spencer study (Burt and Carralero-Encinas, 2000). Why was store brand image higher in host country than in mother country? The possible implications are as below.

First, MUJI might get a good differentiated unique position in new European countries. The report of the Ministry of Economy, Trade and Industry (2010) noted that “The basic concept of MUJI*⁴ is perceived with sympathy in any countries and area. Based on the concept, the brand image power is their attractive competitive advantage.” Because of the general basic concept of MUJI, the brand gets competitive niche position in each host country. In case the brand image is perceived unique, the brand image evaluated higher in host country. This is the same case as the DIA case (Burt and Mavrommatis, 2006).

Secondly, I compared the Marks & Spencer case, because this manufactured retailer has the similar format with MUJI. The store brand assortment is the same from fashion, household and foods. But Marks & Spencer has a long history in mother country for more than 100 years. So the “reliability” of store brand image from customer is already built firm high brand image position. On the other hand, MUJI was found in 1980 as one corner of supermarket store brand. The different store brand image in mother country might affect the empirical result.

Finally, the COO effects of Japan in Europe might be positive. I checked the question of “19. MUJI has a clear Japanese appeal.” The mean score of Japan is 3.08. UK is 3.93, France is 3.72, Italy is 4.03 and Germany is 3.91. The positive COO image is transferred to host

country and the store brand image might be the same.

In this study, I try to clarify how store brand attribute is different and similar between mother and host countries. This study suggested that the store brand image classifies into two attribute factors; tangible assets and intangible assets. And it is further broken down into small construction factors based retailer store brand image.

As for the attributes of tangible and intangible assets, in host countries the attributes of intangible assets factor were higher in host countries than in mother country (four countries mean 4.25: France 4.29, Germany 4.10, Italy 4.42, UK 4.17) than mother country (Japan 3.64). The attributes of tangible assets factor is also higher score (four countries mean 4.05: France 3.91, Germany 3.94, Italy 4.21, UK 4.15) than mother country (Japan 3.69). In comparison of the gap of attributes of tangible and intangible assets show bigger gap in tangible assets. However to examine “tangible assets” in more detail, the big gap is derived from “store and product” factor. The mean scores are higher score in host countries (four countries mean 4.39: France 4.23, Germany 4.40, Italy 4.54, UK 4.40) than in mother country (Japan 3.82). The “pricing policy” brand attributes image does not show big gap there. The host countries mean score is 3.55 (France 3.45, Germany 3.27, Italy 3.69, UK 3.78) and mother country (Japan 3.51). The gap derived from clear “store and product” image. I hypothesized manufactured store brand replicated their mother country format and product to host country, so the store brand image will be similar though there is some bias. From this result, there might be got good niche positioning because of their unique store brand concept in host countries. The differentiated competitive attractive attribute is important when the brand transferred from mother country into host countries.

Although the “pricing policy” is low score both in mother and host countries, customers in host countries highly evaluated tangible factors such as store, product and intangible factors such as “reliability” based service. Regarding this “pricing policy”, MUJI merchandising goods is exported to European markets from Japan or other Asian areas, so most products are more expensive than original Japanese price. I checked the each question data (Appendix 1). In the question “9.The price charged are reasonable”, the brand image is less satisfied in host countries than in mother country. However in question “11.You get good value for your money”, there is little difference between Japan and host countries. The high “store and product” and “intangible (reliability)” brand image might overcome the negative image of high price in host countries.

Regarding the “store and product” attribute factor, there is clearly large gap in store physical character like store tidiness, layout, décor and atmosphere (question: 1, 2, 3 and 4.) This is one of the competitive advantage elements of MUJI store brand image in Europe. The mother country’s format could be transferred and got good reputation in local host country. As a managerial implication, the strong store format in mother country has possibility to obtain good perception in host country. And product may be adapted to local host country’s situation, but in some situations products may not be accepted by local host

countries. The same thing can be said about the intangible service. Retail business is directly faced local customers. Thus customer perception depends on their local everyday life based on culture, habits and regulation. The “products and service” factors are more close to customer than store atmosphere.

As mentioned above, the store brand of manufactured retailer is transferred to overseas host countries, In order to acquire a high brand image in host countries, it is important to be care for the acceptance of local customer. The store physical character and intangible service factor should be cared in order to get good reputation.

In this research, the store brand image difference between mother country and host countries derived from three attributes containing tangible and intangible assets. Both store brand image is of tangible and intangible assets is perceived higher in host countries than in mother country. But from a managerial standpoint, local host countries acceptance should be cared. Especially store character of “store and products” is a key point of obtaining high store brand image in host countries.

7. Limitation and Further Research

This paper showed the differences in store brand image between mother country and host countries. However why these differences happened is not still clear yet by empirical data. Further it should be theoretically and empirically cleared task for nearly future.

Regarding the area limitation, in addition to European countries, I need to increase the research countries in Asia and USA considering global market growth. For example comparisons among Japan, Asian countries, European and USA will be helpful for understanding the tendency of store brand image transfer.

And in this paper, I selected MUJI as typical case of general manufactured retail company case. But it is better to increase the number of target companies comparable with MUJI case. So the results could produce the more consistency.

Continuous changes of store brand image both in mother country and host countries might be an interesting topic. Observing the changes in perception of store brand image by the store entered cycles such as entry, expansion, matured timing will increase our understanding of the phenomena. Above such multiple studies could produce are more precise tendency of transferring store brand image.

Lastly the brand name of "MUJI" does not have any special meanings in researched countries: in Japan, UK, France, Italy, and Germany.

The questionnaire should be back translation in each language at next research.

Notes

*1 "Challenge to global retailer" May 17, 2010: On FAST RETAILING company homepage (<http://www.fastretailing.com/jp/ir/direction/message.html>), president, Tadashi Yanai told that

as the UNIQLO sales target, the business for overseas will exceed domestic business within five years. At Current UNIQLO situation in second quarter 2010, there are 125 shops in overseas compared 791 shops in mother country, Japan. The growth rate of overseas UNIQLO is from 30% to 50% better than domestic profit growth rate (13%) of as like for like shops category. He presented UNIQLO brand image is now glowing to as Global Brand.

At the same as Japanese retailer, NITORI, the company president, Akiko Nitori, says similarly, "We proceed our business for globally the best with our dream and roman supported by customer voice." (http://www.nitori.co.jp/about_us/message/index.html) The present overseas shops are five stores in Taiwan. (Domestic shops: 212 stores)

The study sample case of Ryohin Keikaku (MUJI) company, they insist the possibility of global expansion at the time of the May, 2010 announcement of financial statements. They noted that as their main strategy for Chinese market, they opened 30 shops and aim to do the same chain operation as domestic system in 2010.

(http://ryohin-keikaku.jp/balance/pdf/h22_kessan_100415.pdf)

In the shrink domestic market situation in Japan, each retailer aim to go overseas markets accordingly.

*2 "3C bias": It is the concept which Niikura (2005) suggested that there are three bias "Communication bias," "Competition bias" and "Consumer bias" between company to customer. The "Communication bias" is more closely company side. It is related company brand and communication strategy. "Competition bias" is derived from competitive market situation such as product category range and positioning bias in market. "Consumer bias" is perception by consumer side. These are defined as interaction of each bias.

*3 Kawabata researched by field work and found that when the Japanese Tavern format went to Asian country, it was perceived as "Reasonable Japanese Restaurant with small dishes" by local people in Hong Kong. It was reported his book "The local context in East Asia" (2006). Even if it opens a shop in the same business condition format, the perceived format meaning might be different transform by local context.

*4 The concept of MUJI

There are more than 7,000 items sold as MUJI products. MUJI offer natural and simple design proposes rational lifestyles. MUJI products have reason why good quality products at lower prices. (<http://ryohin-keikaku.jp/>) There are three basic concepts of MUJI products as below.

"Selection of a material"

The materials MUJI uses to make such products are of the utmost importance; consequently, considerable attention is given to their selection. MUJI search worldwide for the most suitable raw materials. MUJI uses many industrial materials as well as materials discarded by others because of their appearance - items that can be acquired in bulk at low cost. The over-riding

selection criteria is always quality. These activities underpin our ability to create low-priced, high-quality products.

“Streamlining processes”

The processes by which each product is manufactured are subjected to carefully scrutiny at MUJI. Processes that have no bearing on a product's quality such as sorting, sizing, and polishing are eliminated, leaving only these processes that are truly necessary. Even items that have been discarded because they do not meet certain standards of size and appearance are turned into products for sale. Focusing on true quality, MUJI's manufacturing processes eliminate waste and reduce costs.

“Simplification of packaging”

When packaging products, MUJI seeks not to adorn them but rather to highlight their natural colors and shapes. For this reason, MUJI uses bulk packaging and place products in plain, uniform containers. Faithful to our philosophy of simplicity, this approach is also in keeping with our policy of conserving resources and reducing waste. Thus, all MUJI products appear on store shelves in simple packaging bearing only product-related information and a price tag.

Appendix

Appendix 1 : Question and Mean Score					
Question	Japan	UK	France	Italy	Germany
1. The store is clean and tidy	4.10	4.57	4.64	4.84	4.77
2. The store décor is attractive	4.05	4.45	4.19	4.58	4.37
3. The store layout makes shopping easy	4.00	4.46	4.40	4.70	4.44
4. The store atmosphere is pleasant	3.90	4.48	4.34	4.79	4.49
5. The store carries a wide selection of products	4.38	4.21	3.95	4.29	4.13
6. The products stocked are of good quality	4.00	4.35	4.25	4.07	4.16
7. The merchandise is fashionable	3.38	4.17	3.82	4.02	4.25
8. MUJI is a reliable brand	4.19	4.34	4.46	4.40	4.05
9. The prices charged are reasonable	4.05	3.93	3.50	3.49	3.52
10. Prices are low compared to similar stores	2.90	3.42	3.05	3.11	2.48
11. You get good value for your money	3.90	3.80	3.54	4.07	3.69
12. The relationship between price and quality is good	4.14	3.99	3.79	4.09	3.58
13. Store personnel are kind and helpful	4.05	4.42	4.59	4.82	4.67
14. Sales people have a good knowledge of the products	3.71	4.35	4.49	4.66	4.28
15. The store operates an easy return policy	3.95	4.09	4.04	3.94	4.00
16. The store offers a high level of customer service	3.86	4.28	4.14	4.65	4.13
17. MUJI transmits a reliable image	4.24	4.17	4.30	4.67	4.36
18. MUJI projects a conservative image	3.43	3.50	3.24	4.27	2.93
19. MUJI has a clear Japanese appeal	3.00	3.93	3.72	4.03	3.91
20. MUJI serves the middle class	3.52	3.68	3.27	3.56	3.68
21. You have total confidence in MUJI.	4.00	3.99	4.00	4.65	3.76
22. You find MUJI totally trustworthy.	3.80	4.06	3.98	4.26	3.93
23. MUJI will never let you down.	3.67	3.88	4.49	3.58	3.80
24. MUJI is world class retailer.	4.10	4.11	4.43	3.98	3.25

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