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Innovation and its Impact on Consumer Brand Equity: With Evidence from Modern Trade Industry in Colombo, Sri Lanka

Oshan N.N. Liyanage
Doctoral Student of Business Administration, University of Kelaniya, Sri Lanka
oshannl@gmail.com

W.M.C.B. Wanninayake
Professor, Department. of Marketing Management, University of Kelaniya, Sri Lanka

ABSTRACT

Innovations enable organizations to introduce novel products and services to its customers. However, within the Modern Trade Industry in Sri Lanka, firms deploy innovations, yet if that is influencing firms establish greater relationships with its customer's, remains unclear. Similarly, firms focus greatly upon consumer-based brand equity within the modern trade industry but there are no sufficient empirical studies to confirm the contribution of innovation for enhancing consumer based brand equity in modern trade environment. Therefore, the purpose of this study is to investigate the innovation on consumer based brand equity in modern trade sector in Sri Lanka. Literature suggests that concept of innovation is formed using innovative outcomes and innovative planning. Hence authors used these two dimensions that form innovation as independent variables to determine the consumer-based brand equity. The research was designed as quantitative research based on positivist paradigm and data were collected through a survey. Accordingly, 280 self-administered questionnaires, were obtained from respondents who are modern trade consumers in Colombo, Sri Lanka. The collected data were analyzed by using both descriptive and inferential statistics tools. PLS-SEM was employed as the main measurement model for testing hypothesis by using Smart-PLS 3 as the main analytical software. The findings revealed that innovation as an outcome and innovative planning, both can significantly influence upon consumer-based brand equity. Hence, authors suggest management of modern trade retailers to develop innovative technology driven retail platform to provide pleasant shopping experience to the customers with the purpose of improving consumer-based brand equity. Authors suggests future researches to investigate the impact of leadership on the implementation of innovations within the modern trade retailers in Sri Lankan context.

Keywords: *Consumer Brand Equity, Innovation, Innovative Outcomes, Innovative Planning, Modern Trade Industry, Sri Lanka*

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1. INTRODUCTION:

The modern business organizations maintain close interactions with the customers to understand their dynamic needs and offer products to deliver the highest degree of customer perceived value other than their competitors. Hence innovations remain a critical factor towards an organizational success in the current competitive marketplace (Tohidi & Jabbari, 2012). Often innovation unearth new products, services and solutions that differentiate the firm from the rival firms (Simpson, Siguaw and Enz, 2006). Often people and firms misunderstand the concept of innovation by thinking that innovation should unearth something drastically novel. Smaller innovations are hence not considered greatly (Kahn, 2018). An innovation doesn't derive from completely fresh knowledge. People can be aware about it previously, but they may have not had a liking towards it to embrace. Newness within an innovation is made of knowledge, urge or acceptance to adopt (Rogers, 2003). Changes are taking place rapidly because novel technologies are fast emerging, while consumers are also changing the way they think while the competition around the world has also risen (Johannessen, Olsen & Lumpkin, 2001). Research units attached to huge companies depend mostly on novel knowledge-driven technological innovations to remain competitive among firm's rivalry and they use the same when approaching new marketplaces (Ardis & Marcoli, 2001) Above suggests that innovations are for sure going to be beneficial for organizations specially when interacting with its customers. Also above suggests that most innovation tend to reach in the form of technology-based innovations.

Within the modern trade industry in Sri Lanka, it can be identified that firms are trying to maintain close interactions with its consumers by using many strategic directions. For that purpose, they can use innovations and specifically technology-based innovations. For instance, John Keells holdings, who owns Keells Supermarkets, believes that advanced business intelligence applications can bring huge amount of information which are rich, varying and can be deployed across the group to obtain an advantage over rivalry firms (JKH, 2019). Accordingly, Liyanage & Wijesundara (2020) argue that if technologically powered, innovative shopping environments are built by firms while delivering the required values to firm's customers, such technologically powered platforms can receive greater degree of acceptance by its consumers. Further, Wanninayake and Chovancová, (2012) argue that some significant changes have taken place within the retailing industry in the recently past years, while innovative consumer retail strategies were also developed due to dynamic customer lifestyle patterns. However, certain customers believe upon innovative technology-based shopping platforms and they think such platforms will allow firms to offer innovative products and while keeping the cost down. Simultaneously they think it can enhance the level of convenience as well (Liyanage & Wijesundara, 2020).

On the other hand, it can be seen most of retail firms are trying to establish great degree of consumer-based brand equity by undertaking various activities that keeps the consumer engaged with their brands. Brand equity establishes when consumers have significantly high degree of trust upon brands in contrast to its competitive brands. Enhanced faith impacts consumers in becoming loyal towards a product and due to loyalty consumers pay additionally to purchase products (Lassar, Mittal, & Sharma, 1995). Further brand loyalty of consumers can be varied in the different socio-cultural context (Chovancova, Asamoah, Wanninayake, 2012). Further financial literacy among the customers may have significant impact on customer adaptation towards technology base innovative payment methods in the local context (Kumari, Ferdous & Khalida, 2020). However, whether innovations have an impact upon consumer brand equity has not been identified by prior researches sufficiently. Specially, it is not sufficiently investigated in relation to the modern trade sector in Sri Lanka. Hence the authors attempt to investigate the impact innovations have upon consumer-based brand equity in the modern trade environment.

Therefore, the purpose of the present study is to identify role of innovations in enhancing consumer-based brand equity the modern trade outlets located in Colombo, Sri Lanka. The outcome of this research will help modern trade organizations to manage their innovations in a manner that can enhance firm's consumer based brand equity which will bring firm immense growth potential, create lasting relationships with its customers and the brands will receive greater acceptance within the marketplace, in comparison to its competition. In the paper, the researchers will first discuss the background of related concepts as an introduction. Then will continue by presenting the literature review, conceptual framework, hypotheses, and methodology. Research findings and discussion will be presented in section four, followed by the conclusion in the final section.

2. LITERATURE REVIEW:

The researchers investigated the literature related to innovations and consumer brand equity to help identify the relationship and impact that innovations have upon consumer brand equity.

Therefore, researchers have elaborated the conceptual backgrounds and empirical evidences for justifying the relationships among the selected concepts for the conceptual model. Therefore, the literature review is extremely helpful in developing the conceptual framework and hypotheses for the study.

2.1. Innovations:

Lucrative firms are aware about different ranges of innovations starting from smaller once to drastically greater innovations (Kahn, 2018). Majority have explained innovation as unearthing something completely novel or new (Johannessen et al., 2001) Innovation begins with an idea, converts into a practice or a product which then has to receive the acceptance of its users for it to have any value (Rogers, 2003). According to Damanpour (1991) there are few kinds of innovations which includes introduction of novel products, novel company structures and better ways to govern or establishment of novel processes driven by technology or novel projects involving people in the firm (Johannessen et al., 2001) According to Kotabe and Swan the biggest barrier in absorbing innovations derives from innovation not being usefully measured (Johannessen et al., 2001). Innovation can be looked as an output of an innovative effort and as an innovative process that produces an output. Firms that consider it either as a process or as an output will not arrive at the right conclusion (Kahn, 2018). To understand an innovation, one needs to look at the concept of innovation in terms of an output, process as well as a mindset (Kahn, 2018) According to Rogers, there are four components that forms an innovation. The innovation itself, the methods used to communicate the innovation, the timeline for innovation and the social network that embraces the innovation are them (Rogers, 2003). Studies on innovations could be clustered into 4 categories. Personal level innovation, structural innovation, interaction related innovation and designing systematic innovations are them (Johannessen et al., 2001) Above denotes that innovation can be classified in terms of Innovative Outcomes, in terms of Innovative Processes and in terms of Innovative Mindsets. But authors wish to investigate innovation in terms of Innovative Outcomes, while combining Innovative Process and Innovative Mindset into one component called Innovative Planning. Each of the two classified components will be separately discussed within the literature review.

When innovation is considered as an outcome, we tend to look at what comes out of it. Such outputs usually releases a novel product or a novel service that represents the terminology called product innovation (Kahn, 2018) Generating, developing and adopting a new ideology from organizational perspective can be thought of as an innovation (Johannessen et al., 2001)

How people see an innovation and how it is designed can decide to what extend they embrace the innovation (Rogers, 2003). Most define innovations as something drastically new being introduced into the context (Johannessen et al., 2001) To identify a meaningful explanation about innovation, we have to look at what newness the innovation brings, how the innovation releases newness and to whom this innovation happens to be new (Johannessen et al., 2001). According to Schumpeter there are five kinds of innovations. Discovering novel products or enhancing existing products, discovering a novel process within the industry, discovering a fresh market space, finding new supplies and the changes happens to the firm itself (Carvalho, Carvalho & Nunes, 2015). When innovation arrives in the form of an outcome, it contains product related innovations, process-centered innovations, market-based innovations, business model associated innovations, supply chain associated innovations, and company level innovations (Kahn, 2018). It has been found that majority of novel ideologies have arrived in the form of technology-based innovations and as a result frequently we use innovation along with technology-based innovations in the form of a substitute terminology (Rogers, 2003). Considering 'what', 'how' and to 'who' factors of newness, research looked at six different innovations. Novel product offerings, service offerings, newer mechanisms to manufacture, creation of marketplaces, finding latest supplies and newer methods of arranging work are them (Johannessen et al., 2001). The previous measurements of innovations are mostly revolved around basic concepts like financials deployed towards research and development along with obtained patent rights. They only cover the broad concept of innovation just partially not holistically (Carvalho et al., 2015). Innovation is made of three components. They are innovative inputs, innovation enabling processes and the outcomes of innovations (Ardis & Marcoli, 2001). Product focused innovations are often market-based and it looks to offer novel product offerings and novel service offerings (Kahn, 2018). Relative advantage explains how a person would accept the innovation as a greater solution than what existed prior the innovation was introduced. Extent of relative advantage can be measured financially, yet social acceptance, convenient nature and user fulfilment remains vital (Rogers, 2003). Further retail marketers are adopting to innovations for encouraging impulsive purchasing in the modern trade environment (Karunaratne & Wanninayake,2018). Above denotes that product innovations looks to provide consumer new values by either introducing a new product or changing the nature of an existing product. Both of them can impact organizational performances in any context.

Process Innovations reduces the cost, changes the price of a product forever without drastically changing the nature of the offered product. Objective of reducing the cost is mostly to be different to rival products based on its price point alone (Kahn, 2018). The compatibility of an innovation looks at the extent that an innovation has been seen as consistent against its current value, historical experience along with how well it meets future adopter requirements (Rogers, 2003). Complexity refers to the extent that an innovation can be considered as hard to identify and put to use. Certain innovations gets accepted quickly by people while some others takes a lot of time due to high complexity levels (Rogers, 2003). Above denotes that Process Innovation looks to reduce the cost factor and enhance the efficiency, without changing the product drastically. Yet the process innovations should release a significant degree of newness for it to get consumer acceptance.

Innovations that try to capture a new market, often provide an existing product without changing it that much into a completely new marketplace (Kahn, 2018). Innovations that extends the product offerings will incorporate novel additions to the available product in a way that it can provide its customers some unique value that was not previously provided to its consumers (Kahn, 2018). The concept of Trialability see if a particular innovation can be experimentally used prior accepting it (Rogers, 2003). Difference among rapid and organic innovative initiatives are frequently described in past investigations related to innovations (Johannessen et al., 2001) The phrase rapid interacts with drastic innovative initiatives as against organic innovations are innovations that takes place within a specified domain (Johannessen et al., 2001). The concept of observability tries to identify the outcome of a given innovation by observing its result. If the outcome is easy to asses for people, they are likely to embrace the innovation (Rogers, 2003). Previous investigations indicates that the degree of novelty associated with an innovation has a relationship with the sector who embraces that novel innovation (Johannessen et al., 2001). Commercializing an innovation is vital for the newly discovered products, processes and service offerings, yet it isn’t the ultimate outcome deriving from the innovation (Ardis & Marcoli, 2001).When a person gather a positive or negative intention upon an innovation they tend to persuade with the innovation (Rogers, 2003). Rapid innovative initiatives force major changes towards tasks that are undertaken by a firm and it might take the firm away from current practices. However organic innovations don’t enforce major deviations from what the firm is practicing right now (Johannessen et al., 2001). Innovations that acquire additional users towards an item usually reposition the item within a newly identified market but with least amendments to the existing item (Kahn, 2018). An innovation could be evaluated from the novelty it offers to the firm as well as the novelty if offers within the marketplace. (Johannessen et al., 2001). Innovations that introduces the firm's presence within a new category usually have items which are new to the firm but it's nothing new to the customer since that product category is readily available within the industry (Kahn, 2018) When confirming an innovation people like to look to validate the decision to accept the innovation with others. The person might not proceed with the innovation if they find contradicting opinions about an innovation (Rogers, 2003). Prior researchers build an argument stating that novelty of innovations within the market is too narrow towards product-based innovation. To establish process-driven and product-driven innovations, the firm has to offer novelty to its industry which will widen the impact (Johannessen et al., 2001). There are some innovations that introduces certain products that are new to the entire world. They often disrupt the marketplace using technologies and design marketplaces that were never present. Such innovations are recognized as drastic innovations (Kahn, 2018). An effective method to unearth innovations would be to connect the product that the firm looks to innovate with its company's marketing strategy (Kahn, 2018). Above denotes that Marketing Innovations will try to capture new markets and improve existing markets by means of engineering and delivering value on a continuous basis to its consumers.

Furthermore, authors reviewed the concept of Business Model Innovation. Innovations related to processes looks at changing the method of work to gain faster results, quality outcomes and that too at a reduced cost (Kahn, 2018). When recognizing what is new about an innovation, the entire spend upon research and development, allocation of professionals towards research and development initiatives along with how many patents are obtained remains vital (Johannessen et al., 2001). Process related innovations looks for faster performance at a reduced cost due to product related innovations having more emphasis upon enhancing the effect with the motive provide better products. Because novel products demands added resources, methods and changes (Kahn, 2018). Companies that are too dependent upon process related innovations run the risk of limiting thee product related innovations as process related innovations solely permit bringing down the cost associated than introducing novelty (Kahn, 2018). When evaluating an innovation we should look at the organization and in the industry both to see to whom this innovation becomes novel (Johannessen et al., 2001). Innovation is a process that creates and identifies varying ideas, evaluate changes about the ideologies and eventually shortlist the best ideologies (Ardis & Marcoli, 2001). Using the captured ideas from innovation process, firms design prototypes of the intended products or the processes (Ardis &

Marcoli, 2001) Market-based innovations looks at engaging with the customers within the existing and new environments while they introduce novel ways to promote products (Kahn, 2018). When a person makes good use of an innovation they proceed and deploy the innovation. As they use they might re-introduce some suggestions to improve the value released by the innovation (Rogers, 2003). Market-based innovations looks to create a requirement through enhanced awareness efforts, by increasing recognition while introducing unique products to consumers (Kahn, 2018). To convert an ideology into a prototype firms, need to obtain some technologies. As a result obtaining technologies are an essential portion of most innovations (Ardis & Marcoli, 2001). When an entire business model innovates, it forces the entire sector or industry to change the way it operates (Kahn, 2018). The end solution or the outcome deriving from the innovative process can help firms obtain an edge over its competing firms. (Ardis & Marcoli, 2001). Business models can be innovated in three major ways. Firms can use one kind of innovation or a combination of two or three. Such innovations includes industry business model changes, organizational revenue model changes and enterprise-level business model changes (Kahn, 2018). When a person try to work with the innovation they come to a decision making phase where they either go ahead with the innovation or go against it (Rogers, 2003). Industry level business model innovations changes the entire value chain since it moves organizations into fresh industries, reposition current industry behavior and discover completely new business models (Kahn, 2018). Above denotes that Business Model Innovations looks at changing the processes, capturing new values, using technologies, looks to disrupt and release unrecognized value. By doing so Business Model Innovations can change the way the entire industry operates than limiting the innovation to a firm itself.

Supply Chain Innovation too can produce excellent results towards the organization and authors are to investigate the concept from now onwards. When enterprise level business model innovations takes place it changes the entire value chain by changing the way the enterprise works with its staff, supplier base, consumers and integrate them all together tightly (Kahn, 2018). When firms innovate the revenue models they create new avenues for revenue by delivering redefined products, releases new values and offer better pricing mechanisms (Kahn, 2018). Supply chain related innovations looks at changing the suppler networking, supplier associated technologies along with supply chain process within the organization or in the sector with the intention of generating value for interest groups (Kahn, 2018). Above denotes that Supply Chain related innovations looks at integrating different aspects of supply chain network such as suppliers, customers, methods, materials and processes by innovating them using technology-driven or market-driven innovations that will add value towards the entire supply chain, which eventually reflects the holistic performance of the organization.

Organization level innovations looks to change the firm itself. These changes are often related to firm's structural design, types of managerial practices and working conditions (Kahn, 2018). Above denotes that Organizational Level Innovations looks to change the organizations design itself by being innovative, such changes can then influence organizational performance.

Based on literature, authors wish to recognize the concept of Innovative Outcomes, in terms of Product related innovations, Process related innovations, Market related innovations, Business model related innovations, Supply Chain related innovations, and Organizational Innovations. Next the authors wish to review literature pertaining to Innovative Planning which includes Innovative Processes and Innovative Mindsets.

Innovation as a process can be explained in three stages. Discovering innovation, developing innovation and delivering innovation are those three (Kahn, 2018) Major focus area becomes firm's place in the external marketplace, how it interacts and learn, how the knowledge is generated, how knowledge is deployed in practice and how knowledge gets distributed (Johannessen et al., 2001). An innovation diffuses via exchanging information about the innovation from one person to another person or to a group of people (Rogers, 2003). At the stage of discovering innovation, the company evaluates the big picture and identify potentially great chances to innovate and then the firm outlines such chances (Kahn, 2018). Diffusion of an innovation begins with the innovation, it reaches a target group of people who knows the innovation, it also reaches a group who doesn't know the innovation and there will be a path to communicate among these groups (Rogers, 2003). Structural innovations look at firm's structural design. Well highlighted part in structural innovations relates to how the firm interacts with outer environment. It refer to how a given activity can impact upon the structure when proceeding with an innovation (Johannessen et al., 2001). Past studies identify innovations to have an innovation policy, a structure to innovate, a methodology to execute the innovation or discovering a marketplace gap the firm can capture as an innovation opportunity (Johannessen et al., 2001) In order to convert an invention towards an innovation, firms should integrate varying forms of insights, capabilities and finances towards the invention. Innovations look to learn and change using technology to enter a market with a quality yet affordable solution (Carvalho et al., 2015). Organizational management is presented with a challenge to capture or design methods which can impact innovative mindset within a company for the company to manage innovative processes effectively and collectively (Ardis & Marcoli, 2001). Time aspect of innovation diffusion looks at how people exchange information upon an innovation so that people decide to accept or refuse the innovation, how innovative the target group who are experiencing the innovation and there pace of embracing it (Rogers, 2003). If a discovered opportunity looks encouraging to implement, the firm takes that to development stage. At development stage specific details are captured and based on that the value they release from the innovation gets designed (Kahn, 2018). Technologies are design using two elements. First being hardware which is the tangible equipment that holds the innovation in its physical form and the second being software which focuses on generation of information (Rogers, 2003). When an innovation enters the deliver stage, the previously designed values that the firm wishes to release are implemented in a way it becomes useful to the user and that can even reach the innovation being available to purchase (Kahn, 2018). When few interests groups try to collectively resolve an issue to arrive at a solution, we call that as a social system (Rogers, 2003). Within a social system, not everyone has the same behavioral patterns. That is why people create structures as they outline different thinking patterns and arrange them systematically to easily understand varying views (Rogers, 2003). Above denotes that Innovation as a Process looks at outward in approach by scanning the marketplace and finding the evolving dynamics, identifying new needs and delivering innovations towards the demand. It also looks at the inward out approach and see what innovations organizations can conduct within the firm that would impact forms performance. Such initiatives can be related to organizations people, its processes and its technologies.

When looking at innovation as a state of mind it refers to internal acceptance of the innovation by people, company and enhancing the firm's culture to enable the innovation (Kahn, 2018) People gather knowledge about an innovation while learning why a particular innovation is vital and they try to learn how the innovation works (Rogers, 2003). Through an observation one can examine consumer behavior, supplier behavior and behavior of the competing organizations and discover better methods of conducting activities (Kahn, 2018) Personal level innovation looks at the age, level of knowledge, gender, thinking pattern and individual creativeness (Johannessen et al., 2001). When deciding an innovation one person communicates information about the innovation, they form a positive mindset about the innovation, they decide to embrace or refuse the innovation, and they deploy the innovation and receive user confirmation upon the innovation (Rogers, 2003) Inventing something means introducing a novel product or a process and that then becomes the initial effort taken to convert an ideology to real world practice (Carvalho et al., 2015). Innovations can be deployed towards a product, a process and for services offered by the firm within its industry. Innovative concepts travels from phase to phase and needs a push to take the ideology from human mindset to common market (Ardis & Marcoli, 2001). Innovative inputs includes, leaders corporation, market research conducted, efficiency of people, supporting processes, available resources and firms culture (Ardis & Marcoli, 2001). Norms explain different behaviors of people that exists within social systems. Norms outline different behaviors while being a framework for people within social systems. Norms will explicitly state the desired behavior of those who are engaged in social systems (Rogers, 2003). Testing an innovation can develop interactions about the innovation among people and by doing so unconventional replies could surface from common people (Kahn, 2018). When innovating, if people can develop networks they can exchange varying ideologies with people coming from all backgrounds (Kahn, 2018) If an innovation is seen by people as something that offer a good relative advantage, if it is compatible, able to trial, able to observe and not that complicated to understand, that innovation has a better chance of being accepted (Rogers, 2003). If an innovation is put to question, then it challenges the intellectual capacity of people (Kahn, 2018). When associating with innovations firms find links among questions, issues and ideologies deriving from unconnected domains of expertise (Kahn, 2018). Above denotes that Innovation as a Mindset looks to think of new concepts and carry that thinking towards a plan that can be executed to release value to the consumers. Hence Innovative Mindsets can be as important as Innovative Outcomes and Innovative Processes. Authors combined Innovation and a Process and Innovation as a Mindset both, and formed Innovative Planning, while retaining Innovative Outcomes, as it is. However, if innovation as a whole can influence Consumer Brand Equity within the Modern Trade industry in Colombo, Sri Lanka remains at question. Hence an investigation upon it interests the authors.

2.2. Consumer Based Brand Equity:

Brand equity could be judged using customer perception of Brand Equity. Brand Equity can be judged based upon product and financial perspectives of a much broader concept of Brand Equity. It can evaluate value released from the product too (Ailawadi, Lehmann, & Neslin, 2003). Consumer perspective of brand equity tries to identify how shoppers perceive and feel about the brand. It comprises shoppers degree of understanding, shoppers intended outcome, degree of association, level of attachment along with shopper loyalty (Ingy & Hazem, 2016) Brand equity establishes because of the massive faith kept by consumers upon a brand against competing brands. Degree of faith impact consumers in becoming loyal to a given brand while they might invest little extra to purchase that brand (Lassar et al., 1995). (Pappu & Quester, 2005) argues that brand equity is made of Brand Awareness, Brand Association, Perceived Quality and Brand Loyalty (Pappu & Quester, 2005) As shoppers establish loyalty upon a brand, it generates a barricade for emerging entrants by establishing the basis to obtain a premium value. That provides companies time to antedate market-based trends and establish a barricade that prevent price-based competition (Aaker, 1996). Accordingly authors (Kocak, Akin; Abimbola, Temi; & Ozer, 2010) argue that perceived quality and the value engineered to customer along with intangible brand value including brand identity, degree of association with consumer can influence Consumer Based Brand Equity (Kocak, Akin, Abimbola, Temi & Ozer, 2010)

Consumer-based Brand Equity can be special since that looks to grab the method in which a brand needs to establish itself, also establish a process to measure brand equity while managing the brand itself (Keller, 2001) Previous studies have clustered Consumer Brand Equity in terms of Brand's Quality, the Value of the Brand, Image of the Brand, Degree of Trust upon the Brand and consumers Level of Commitment towards the brand (Lassar et al., 1995). Of late Quality of the Brand was replaced with Performance of the Brand that looks very specific (Lassar et al., 1995) (Pappu & Quester, 2005) identifies four elements that defines consumer perspective of brand equity. Such elements are brand awareness, its association, perceived degree of quality and consumer brand loyalty (Pappu & Quester, 2005).

Models assessing Consumer Brand Equity has to be built logically, it has to integrate itself well while being practical at the same time. Those models has to accommodate innovative thoughts driven towards managing a brand in theoretical and practice perspective (Keller, 2001) Above suggests that brand equity can be evaluated in terms of financial perspective, market perspective and consumer perspective. Authors have considered the consumer perspective of brand equity for the purpose of this investigation. Based on the consumer perspective authors denotes that Brand performance, Social Image, Brand Value, Brand Trust and Brand Attachment can be used to explain Consumer Brand Equity.

Vital element of a brand is Performance. If a product cannot provide the performance that is expected by the shopper, such shoppers surely can refuse such products that will lower a products embracement which eventually lowers Consumer Brand Equity (Lassar et al., 1995). Shopper satisfaction could be easily assessed if the shopper is within company's current shopper base, while those being in the shopper base for over an entire year. In most instances shoppers remember the last consumption experience of a brand (Aaker, 1996). Performance of a brand explains how useful the brand has become to its shoppers who have purchased it. Brand Performance evaluates internal elements that designed the tangible product or brand (Keller, 2001). Above suggests that when evaluating brand performance consumers see if the expected function from the product are delivered by the brand they purchased when evaluating a brand in terms of its performance.

Brand image was studied using society-based perspective, hence it got coined as Brand's Social Image. Brand's Social Image looks at shopper's perspective upon the brand along with how shopper's social network accepts the brand (Lassar et al., 1995). Establishing the accurate brand identity can create brand salience. Brand Salience measures shopper's understanding upon the product or brand (Keller, 2001). Brand quality generates Consumer Brand Equity. It might even be an absolute essential to establish Consumer Brand Equity. Quality product can be sold at a higher price, it will absorb changes to pricing, enhance brand use, while lowering product returns (Aaker, 1996). While establishing brand meaning firms have to develop a brand identity. Identity has to explain which components have constructed the brand while explaining how that firm want its shoppers to recognize the brand (Keller, 2001) Some brands use its personality to connect the brand and its emotive benefits to the shopper which establishes the environment for shoppers to engage with the brand. That can differentiate the brand from its rivalry (Aaker, 1996). An element that designs the meaning of a brand happens to be its brand identity. It looks at outer elements of the brand including how it meets shopper's psychological and social desires (Keller, 2001). Above denotes that brand's social image or the degree of its acceptance within the society if regarded as a vital factor, in establishing brand's social image.

If a brand can engineer value, that can bring financial benefits towards the company. When no value is engineered, there will be a level of uncertainty upon brand's future. Value engineering provides an indication upon brand's success with its shoppers (Aaker, 1996) Brand Equity investigates the consumer viewpoint about a product, considering global value generated, that mostly comes out of brand identity. Brand Equity is not that specific, it frequently referred in comparison rival brands and influences monetary performance (Lassar et al., 1995). If a brand is frequently purchased, that should release value to shopper. While trying to innovate, leader and his or her support is influential. Leadership will evaluate if novel findings contain technology and would want shoppers to continue purchasing (Aaker, 1996). Fulfilling shopper needs will enhance brand salience. That aids the company when shoppers try to buy or consumer such a product. (Keller, 2001) Above denotes that releasing value to the consumer through the brand remains a vital element in establishing brand value which might influence Consumer Brand Equity.

Consumers trust upon a brand is important when inculcating brand equity. Because shoppers contain immense value upon brands that they well trust (Lassar et al., 1995). When brand salience is present, it influences harnessing brand association that presents that brand its identity along with meaning (Keller, 2001). How shoppers feel about a product can be identified using brand feelings. Brands emotive attachments will engage with the degree of social value it contains (Keller, 2001). Above denotes that brand trust can be developed if the brand has a meaning and consumers feel good about it. Fulfilling the communicated benefits that are expected from the brand by its consumers are essential in developing brand trust.

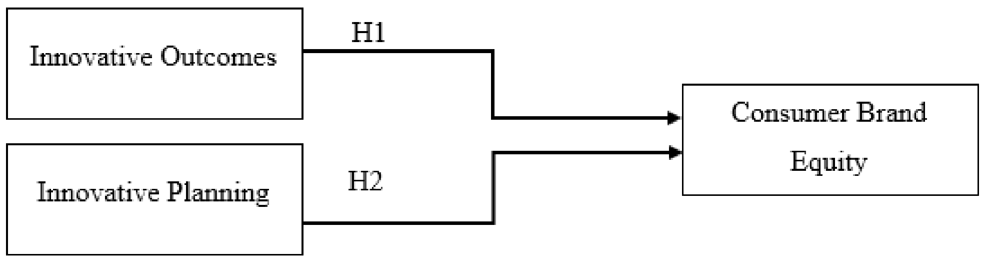
Firms should create an association between products and shoppers to become different. Greater the association, greater the shopper empathy, more innovative the firm, better the firm becomes in harnessing quality, hunts success, harness visibility, empathize upon public and gain recognition (Aaker, 1996). When developing brand equity, companies should recognize its products, shoppers and find a process to interact the brand with the shopper phycology and simultaneously meet shopper requirements (Keller, 2001) Reason for identifying brand attachment in establishing consumer brand equity was due to shoppers identifying some brands while developing an emotive interaction with the brand (Lassar et al., 1995). Shopper loyalty can be seen if the shopper is willing to pay an additional price to obtain a product as against identical products owned by rivalry firms (Aaker, 1996). Companies have to allow its shoppers to respond upon its brand identity along with the reason the product stands for within the marketplace (Keller, 2001). Brand awareness has been constructed using two constructs. They are brand's depth and width. Depth tries to measure how easily shoppers recall the brands they associate while width shows factors remembered by the shopper at the point of purchase (Keller, 2001). Brand responses studies how shoppers respond to a given brand, brand's marketing initiatives, along with useful extra information that includes, how a shopper evaluates the brand itself (Keller, 2001). Above denotes that brand attachment is vital in establishing consumer brand equity. To establish attachment, consumers should have a strong feeling while organizations should also allow consumers to interact with the brand often. By doing to brand attachment could be established. Brand attachment could impact Consumer Brand Equity.

By assessing various literature authors wish to evaluate Innovation in terms of Innovative Outcomes and Innovative Planning. Authors also wish to examine Consumer Brand Equity in terms of Brand Performance, Brand Social Image, Brand Value, Brand Trust and Brand Attachment. However, if Innovation can influence on Consumer Brand Equity among the modern trade consumers within Colombo, Sri Lanka remains a worthy investigation to conduct. By doing to if the concept can be put to practice or not can be identified.

3. CONCEPTUAL FRAMEWORK AND HYPOTHESES:

During the course of this investigation it was found that different authors hold varying views upon the broad concept of innovation. According to Damanpour (1991), there are few kinds of innovations which includes introduction of novel products, novel company structures and better ways to govern or establishment of novel processes driven by technology or novel projects involving people in the firm (Johannessen et al., 2001). To understand an innovation, one needs to look at the concept of innovation in terms of an output, process as well as a mindset (Kahn, 2018) According to Rogers, there are four components that forms an innovation. The innovation itself, the methods used to communicate the innovation, the timeline for innovation and the social network that embraces the innovation are them (Rogers, 2003). Using a deductive approach authors looked at innovation in terms of innovative outcomes, innovative processes and innovative mindsets. However, to operationalize the constructs in a much simple manner, authors coupled innovation as a process and innovation as a mindset into innovative planning while retaining innovative outcomes. Hence, the independent variables happen to be Innovative Outcomes and Innovative Planning. Since the area of investigation is towards the concept of consumer brand equity, the dependent variable was found to be Consumer Based Brand Equity.

Figure 1: Conceptual Framework



Rogers, explains innovation in four components. They are the innovation itself, the methods used to communicate the innovation, the timeline for innovation and the social network that embraces the innovation are them (Rogers, 2003). In order to gather an understanding upon innovation, firms have to look at the concept of innovation in terms of an output, process as well as a mindset (Kahn, 2018). Authors gathered innovation as an Outcome using the line of thought followed by Khan, (2018) mostly and that led authors form the following hypothesis;

H1: There is a positive impact of Innovative Outcomes on Consumer Based Brand Equity among Modern Trade Customers within Colombo, Sri Lanka

Authors clubbed innovation as a process and innovation as a mindset into Innovative Planning. Innovative Planning should instead look to establish the right processes within the organization to put innovation to execution while enabling a culture that cultivates an innovative Mindset. When both are clubbed together it formed Innovative Planning which led the authors to form the following hypothesis.

H2: There is a positive impact of Innovative Planning on Consumer Based Brand Equity among Modern Trade Customers within Colombo, Sri Lanka

4. RESEARCH METHODOLOGY:

On ontological grounds, this study is objectivistic. As causes along with its effects or relationships are studied, researchers frequently deploys positivism (Sahay, 2016), the present research is epistemologically a positivistic study. Research deployed based on the deductive approach and unit of analysis included modern trade consumers within Colombo, Sri Lanka whom the researchers interacted in obtaining data within the research sample. The convenient sampling method was deployed to gather data from the respondents. Sample was drawn from the customers who are using both physical and digital platforms for their day-to-day shopping. The researchers used a self-administrated questionnaire and distributed among 384 respondents and only 280 completely filled questionnaires were taken into final analysis. IBM SPSS version 26 was deployed to analyze the descriptive statistics and PLS-SEM was employed as the main measurement model for testing hypothesis by using Smart-PLS 3 as the main analytical software.

5. DISCUSSIONS & RESULTS:

The authors analyzed the data based on 280 questionnaires after removing uncompleted questionnaires and extreme cases. All the respondents are modern trade consumers within Colombo, Sri Lanka who are shopping in both online and physical shopping environments. Demographic results of respondents are detailed in Table 1.

Table 1: Demographic details of Respondents

Age	Frequency	Percentage (%)
Between 18 to 25 years	40	14.3%
Between 26 to 35 Years	32	11.4%
Between 36 to 45 Years	96	34.3%
Between 45 to 60 Years	64	22.9%
Over 60 Years of Age	48	17.1%
Sex		
Male	144	51.4%
Female	136	48.6%
Education Level		
Secondary Education Completed	64	22.9%
Professionally Certified	40	14.3%
Bachelor's Degree Holder	72	25.7%
Post Graduate Degree Holder	88	31.4%
Doctoral Degree and others	16	5.7%
Income		
Bellow LKR 50,000	56	20.0%
Between LKR 50,001 to LKR 100,000	64	22.9%
Between LKR 100,001 to LKR 250,000	96	34.3%
Above LKR 250,000	64	22.9%

Source: Survey Data 2020

The sample seems to have a reasonable distribution of age with 14.3% of the respondents being within the age limit of 18 to 25 years, another 11.4% of them aged between 26 years to 35 years, further 34.3% are aged between 36 years to 45 years, 22.9% of the respondents are aged between 45 years to 60 years with another 17.1% of the respondents being over 60 years of age. The sample consisted of a good gender representation with 51.4% of the respondents being males and the balance 48.6% being females. Respondents Educational Level also had a good distribution. 22.9% of them have completed Secondary Education, another 14.3% were

Professionally Certified, another 25.7% were bachelor's degree holders, further 31.4% have completed the post graduate degree and in addition 5.7% have completed the doctoral degree or other similar level of education. By studying the respondent's demographic profile, the authors have found the sample to have covered all different types of respondents and hence the sample is reasonably representing the target population.

The reliability of the scales was tested by Cronbach's Alpha values and results are given in table 02.

Table 2: Reliability Analysis for the Scale.

Scales	**Number of Items**	**Cronbach's Alpha**	**Mean**	**SD**
Innovative Outcomes	6	.878	3.7381	.57914
Innovative Planning	4	.905	3.7786	.73418
Consumer Based Brand Equity	14	.939	3.8755	.49468

Source: Survey Data 2020

According to George and Mallery (2003), the Cronbach Alpha value is >.7 is acceptable, >.8%, is good >.9 is considered as excellent. Based on the results of the reliability analysis, consumer-based brand equity has the highest Cronbach Alpha value of .939 and innovative planning has .905 Cronbach Alpha coefficient with maintaining excellent reliability level. Innovative outcomes scale was rated as reliable scale by reporting greater than .8 Cronbach Alpha value. Therefore, authors concluded that there is a great degree of internal consistency in the data gathered from the survey. As per the descriptive statistics given in the table 02, both independent variables are reported more than 3.7 mean values. Further mean value of consumer-based brand equity was reported as 3.87. Therefore, all the 03 variables are falling in to high score range and it is concluded that innovation and brand equity of Sri Lankan modern trade sector is at high level.

Pearson correlation test was conducted to identify the relationship among independent and dependent variables and the results are summarized into table 03.

Table 3: Correlation Matrix

	Innovative Outcomes	Innovative Planning	Consumer Brand Equity (CBE)
Innovative Outcomes	1		

Innovative Planning	.592	1	
Consumer Brand Equity (CBBE)	.817	.715	1

**. Correlation is significant at the 0.01 level (2-tailed).

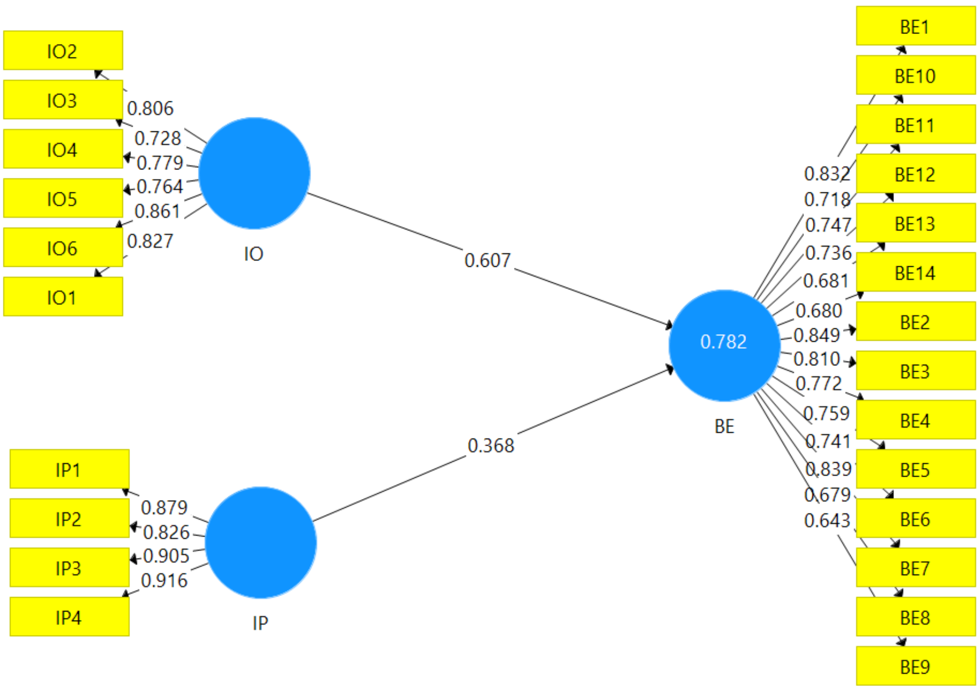
Source: Survey Data 2020

The findings revealed that innovative outcomes and CBBE have a positive significant correlation of 81.7% which is considered as a strong positive correlation and it is also significant at 0.01 level. Furthermore, there is a positive significant correlation of 71.5% between innovative planning and CBBE which is also a strong positive correlation that is significant at 0.01 level. In addition to the direct strong positive relationships between independent and dependent variables, there were strong positive significant correlations that are significant at 0.01 level between independent variables. There was a 59.2% correlation between innovative planning and innovative outcomes.

In addition to that structural equation model was employed to test the hypothesis apart from other relevant calculations to achieve the objectives the study. All scales determine based on a five-point scale. Accordingly, authors calculated the values of each variable by ranging from 5 points to strongly agree and 1 point to strongly disagree. As all the technical requirements are fulfilled PLS-SEM was employed as the main measurement model for the present study. It was further confirmed that LOCs (Lower Order Constructs) of both innovative outcomes and innovative planning as reflective latent variables in the present conceptual model. Accordingly, the structural model was constructed to determine the path coefficients from independent variable to dependent variable. The statistical outcomes of present model are summarized in the Table 4 and figure 3.

According to the findings, t values of the path coefficients relating to Innovative Outcomes (IO) and Innovative Planning (IP) are statistically significant in 0.01 level confidence level ($p > 0.01$). Further, most of the researchers in local context (e.g. Kumari & Ferdous, 2019) have confirmed statistical impact by considering whether BCa confidential interval is included zero. According to the findings, BCa confidential intervals were not included zero and it confirms that both IO and IP have significant impact on the CBBE by satisfying both requirement of criterion 01.

Figure 3: Direct Relationship Between Innovations and CBBE



Source: Survey Data 2020

Table 4: Path coefficient on innovation and CBBE

	B	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Bias	2.50 %	97.50 %
IO -> BE	0.607	0.608	0.036	16.648	0	0.001	0.527	0.671
IP -> BE	0.368	0.368	0.037	9.943	0	0	0.297	0.441

Source: Survey Data 2020

Accordingly, H1 and H2 were accepted based on the empirical evidences of the present study. Furthermore, findings revealed that IO has become the most significant dimension that helped to improve the brand equity towards the modern trade outlets in Sri Lanka. Based on the results, authors found that innovation as an outcome and innovative planning are both important in establishing consumer-based brand equity relating to the modern trade industry in Sri Lanka. Hence management of the modern trade organizations should consider to provide innovative outcomes to its consumers while developing innovative plans in order to enhance the consumer based brand equity. This comes as a very valuable new finding that the authors have discovered with regards to the selected context.

5. CONCLUSION AND RECOMMENDATIONS:

The modern-day organizations try their level best to stay close to its customers and obtain information about them. They do so to get more information about them and become knowledgeable when making decisions on commercial grounds. Changes are taking place rapidly because novel technologies are fast emerging, while consumers are also changing the way they think while the competition around the world has also risen (Johannessen, Olsen, & Lumpkin, 2001). It is also clear that with the emergence of technologies firms are beginning to use technology as a tool that enables companies to connect with its consumers better. Research units attached to huge companies depend mostly on novel knowledge-driven technological innovations to remain competitive among firms rivalry and they use the same when approaching new marketplaces (Ardis & Marcoli, 2001).

Within the modern trade industry in Sri Lanka firms are rapidly embracing technologies to interact with its customers. However, this enhance level of interaction effects upon consumer-based brand equity remained unclear prior to this investigation. To understand an innovation, one needs to look at the concept of innovation in terms of an output, process as well as a mindset (Kahn, 2018). According to Rogers, there are four components that forms an innovation. The innovation itself, the methods used to communicate the innovation, the timeline for innovation and the social network that embraces the innovation are them (Rogers, 2003). Studies on innovations could be clustered into 4 categories. Personal level innovation, structural innovation, interaction related innovation and designing systematic innovations are them (Johannessen et al., 2001). However, based on all the arguments, authors identified innovation in the form of innovative outcomes and innovative planning which they identified as the independent variables of the study.

Firms increasingly initiate efforts to harness consumer-based brand equity with the intention of retaining a loyal customer base in the long term for the firm to become a sustainable organization. Brand equity could be judged using customer perception as well as, it can be judged based upon product and financial perspectives. It is a much broader concept of brand equity and it can be evaluated value released from the product too (Ailawadi, Lehmann, & Neslin, 2003). Consumer perspective of brand equity tries to identify how shoppers perceive and feel about the brand. It comprises shoppers degree of understanding, shoppers intended outcome, degree of association, level of attachment along with shopper loyalty (Ingy & Hazem, 2016). Previous studies have clustered consumer based brand equity in terms of brand's quality, the value of the brand, image of the brand, degree of trust upon the brand and consumers level of commitment towards the brand (Lassar et al., 1995). However, quality of the brand was replaced with performance of the brand that looks very specific (Lassar et al., 1995). Therefore, authors measured brand equity in terms of brand performance, brand social image, brand value, brand trust and brand attachment etc. Therefore, the dependent variable was also measured based on the relevant scales to the retailing sector.

All the scales were shown high degree of internal consistency and sample was reasonably represented the target population. Further findings revealed that innovation outcomes, innovation planning and consumer-based brand equity of the modern trade outlets in Sri Lanka is at high level. That means, the domestic customers perceive that the modern trade outlets are adopting to new technology for their innovation outcomes and the planning. Furthermore, it was noted that modern retailers are maintaining high level of consumer-based brand equity with having hardcore loyal customer bases. The correlation analysis was explored that both aspect of innovation has strong positive correlation with the consumer-based brand equity in the present research context. Finally, the path model of PLS clearly noted that innovative outcomes and innovative planning have significant positive impact on the consumer-based brand equity in modern trade sector in Sri Lanka by supporting the both hypotheses in the study. This comes as a very valuable new finding that the authors have discovered with regards to the selected context. This result was empirically justified by the previous authors as well.

Based on the results, authors suggest the management of the modern trade retail organizations to initiate innovative outcomes to its consumers while developing innovative plans in order to enhance the consumer-based brand equity. Therefore, modern trade managers should develop innovative and technology-driven shopping platforms to provide pleasant and convenient shopping experience to their customers. Further, they have to consider value innovations other than consider the value cost trade off. Authors further suggests future researches to investigate the impact leadership can have upon innovations within the modern trade industry in Sri Lanka.

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