

The Mediating Effects of Brand Equity on Omnichannel Retailing and Performance of Large Scale Retail Stores in Nairobi City County, Kenya

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Abstract:

Background: The global retail industry has faced challenges due to the digital technology evolution. These phenomena have disrupted traditional brick and mortar retail businesses, and consumers' purchasing trends. The objective of the study was to assess the mediating effect of brand equity on relationship between omnichannel retailing and performance of large scale retail stores in Nairobi City County, Kenya. The study was anchored by the resource based view theory and double jeopardy theory.

Methods: The study took cross sectional approach employing descriptive and explanatory research design. The unit of analysis was large scale retail stores within Nairobi City County, while unit of observation was head of departments. The multiple linear regression was used in testing hypothesis and making inferences. The study utilized 5% significance level and P-values to determine significance in hypothesis testing.

Results: The regression coefficients indicated that there was mediating effect of brand equity on the relationship between omnichannel retailing and large scale retail stores performance. The analysis investigated the hypothesis of each regression model, where the three models were found to be significant (model 1, $p = 0.000$; model 4, $p = 0.000$; model 5, $p = 0.000$).

Conclusion: This shows relationship between omnichannel retailing and large scale retail stores performance; omnichannel retailing and brand equity; and the relationship between omnichannel retailing, brand equity and retail stores performance as significant. This confirms presence of mediating effects of brand equity.

Key Word: Omnichannel retailing, brand equity, performance, double jeopardy theory, Resource based view, omnichannel integration, omnichannel order fulfillment, omnichannel service configuration

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I. Introduction

The retailing sector transitioning from a single channel to multichannel operating independently, and finally adoption of omnichannel retailing (Shi et al., 2020). The reconfiguration and integration of multichannel led to omnichannel retailing (Asmare & Zewdie, 2022). Omnichannel retailing is integration of all retail channels, through provisions of seamless and synchronized customer experience during customers' shopping journey and increasing shoppers' touch points for the benefit of the retailer (Chen & Chi, 2021; Chen, Yeh & Deng, 2022; Cattapan & Pongsakornrungrungsilp, 2022). The retail industry has evolved into a dynamic and competitive environment with changing consumer behavior. This has facilitated consumer-brand engagement, brand image building and enhancement of customer overall experience (Bennett & Azhari, 2015). The emphasis of omnichannel retailing focus on customer-brand-retail channel interactions which call for utilizing physical channel, online, social and mobile networks in reaching and satisfying customers' needs (Juaneda-Ayensa et al., 2016; Galipoglu, Kotzab & Poppelhub; 2018).

The brand image building has made retailers recognize significance of brand equity in affecting consumer-purchasing intentions (Hansopaheluwakan, Oey & Setiawan, 2021). According to Iglesias- Pradas, Acquila-Natale and Del-Rio-Carazo (2022), technology advancement has given retailers a competitive advantage in the market. However, this has affected retailers' operations, performance and customer behaviours (Lynch & Barnes, 2020; Savastano, Dascenzo & Demarco, 2019).

Hossain, Akter and Dwivedi (2020) states that implementation of an effective omnichannel retailing system leads to an increase in the following attributes, customer retention, engagement rate, purchase frequency, order value compared to a mono channel system of retailing. The achievement of high gross margins and excellent customer service can be regarded as retail success (Mattila, King & Ojala, 2002). According to Adivar,

Huseyinoglu and Christopher (2019) they are four key dimensions of omnichannel retail success that are responsiveness, efficiency, sustainability, and flexibility. Moreover, the omnichannel success can be measured by retail ranking and annual sales, with profitability linked to sales and efficiency influenced by number of stores. Akturk *et al.* (2018) indicates that omnichannel retailing options like ship to store services deliver a seamless shopping experience potentially enhance revenue streams from physical and online stores. This form of retailing feature boost overall of performance of retail in term of sales and cross channel return in customers.

The Research Problem

Omnichannel retailers are facing a various challenges and this have decreased the profit margins (Eriksson, Norrman & Kembro, 2022; Riaz, Meidute-Kavaliauskiene, & Ahmed, 2021). Lee, Chan, Chong and Thadani (2019) indicate that the challenges of managing the expectations of shoppers across various channels affect sales. However, Swoboda, Weindel and Halsig (2016) indicate that the growth of omnichannel has been rising, and the need to focus on the brand equity of physical and online retail stores is paramount. The brand image building has made retailers recognize significance of brand equity in affecting consumer-purchasing intentions (Hansopaheluwakan, Oey & Setiawan, 2021). The implementation of omnichannel retailing information systems presents challenges due to integration complexity and high cost (Akturk, Ketzenberg, & Heim, 2018; Reguraman & Subbiah, 2019). Despite the recognition of the contribution of omnichannel retailing as a driver in retail performance. There are few studies on retail performance as most have focused on customers' perspective and from western context, such as (Chen, Su, Lin, Xu, & Zheng ,2022; Gao & Huang ,2021; Lazaris, Sarantopoulos & Doukidis, 2021). The need to contextualize the study from Kenya's perspective and incorporate performance dimension with different methodological approach. The study adopted a cross sectional design coupled with a descriptive and explanatory research design. The empirical model was applied to assess mediating effect between omnichannel retailing and performance.

Objectives of the Study

- i) To examine the effects of omnichannel retailing on the performance of large scale retail stores in Nairobi City County, Kenya.
- ii) To assess the mediating effect of brand equity on relationship between omnichannel retailing and performance of large scale retail stores in Nairobi City County, Kenya.

II Literature Review

According to del Barrio-Garcia, Rodriguez-Lopez & Rojas-Lamorena (2023), brand equity influence brand association, consumers' confidence in decisions making, and perceived quality. Brand equity plays a significant role in influencing consumer-purchasing intentions (Hansopaheluwakan, Oey & Setiawan, 2021). From business perspective, brand equity significantly enhances performance, marketing efficiency, longevity, and carryover potential (Tasci, 2021). Brand equity may increase or decrease the effectiveness of marketing operations compared to what they would be otherwise, hence strong brands lower marketing expenses in the long run (Ferreira, Faria & Gabriel, 2022). Swoboda, Weindel and Halsig (2016) indicate that the growth of omnichannel has been rising, and the need to focus on the brand equity of physical and online retail stores is paramount. According to Swoboda, Berg and Foscht (2013), retail brand equity is consumers' perceptions pertaining a retail store as a powerful, distinctive, and appealing. These are intangible assets that customer associate with a retail store. Diwan, Gupta and Chaturvedi (2022) state that retail brand equity measurement involves combination of indicators linked to perception and market behavior related measures. However, similar measurements of brand equity are applied in retail brand equity but require validation of the measurement instrument as per the sector under focus (Bougenvile & Ruswanti, 2017).

Tiwari (2010) indicate that brand equity constructs should be similar to attitude strength and lead to biased processing of information and beliefs that influence behaviour. Pham (2020) and Tasci (2021) indicate that the standard brand equity constructs are viewed from the following dimensions of brand awareness, perceived quality, brand loyalty, brand association and, proprietary brand assets. Jara and Cliquet (2012) used two dimensions of retail brand image and awareness. Davcik *et al.* (2015) state that measurement of brand must incorporate consumer based measures and financial measures. The customer-based scale has five dimensions; trustworthiness, value, social image, performance, and commitment (Round & Roper, 2017). The study adopted Jara and Cliquet (2012) and Pham (2020) conceptualization of brand equity into three constructs of brand image, awareness, and association. This conceptualization of omnichannel retailing dimensions into omnichannel integration, omnichannel order fulfilment and omnichannel service configuration quality that is consistent with the studies (Gao *et al.*, 2021; Kopot & Cude, 2021; Riaz *et al.*, 2021).

Resource based view Theory (RBV)

According to RBV theory developed by Wernerfelt in 1984, organizations are collections of resources that are tangible and intangible assets (D'Oria, Crook & Wright, 2021). The theory provides a guide on how a firm may attain superior performance by considering three fundamental elements of firm resources, competitive advantage and sustainable competitive advantage (Ferreira & Ferreira, 2024). The theory demonstrates how a firm may have a competitive edge over competitors by enhancing resource bundle management and indicating a robust relationship between information systems capabilities, making of decision, and performance (Moderno, Braz & Nascimento, 2024).

The RBV theory offers theoretical framework for analyzing performance in omnichannel retailing. It is therefore most appropriate for anchoring firm performance variable as it explains how a firm can attain and sustain firm performance (Helfat, Kaul, & Singh, 2023). The RBV theory is extensively applied in understanding the link between organization capabilities and how they affect performance (Dutta, Narashiman & Nath, 2014). Retailers, who leverage omnichannel technological infrastructure into their retailing model, have an edge over their competitors. However, the theory has been criticized as focusing mainly on the internal environment ignoring the external factors. This may have an adverse effect on performance and inadequacy in explaining the causality effects of resources and performance (D'Oria *et al.*, 2021; Ferreira & Ferreira, 2024).

2.2.5 The Double Jeopardy Theory

This theory was proposed by William McPhee in 1963 and further refined by Andrew Ehrenberg (Umit Kucuk, 2008). According to the theory, powerful brands with high brand equity have multiple advantages over weak brands. The theory developed a relationship between market share and customer behaviour. The theory asserts that small market share brands have a disadvantage over their competitors since they have fewer loyal buyers and less frequent purchases (Buoye, Nejad & Allsopp, 2016). In addition, firms with a popular brands and large market share tend to have more purchases from buyers from weak brands in the market (Umit Kucuk, 2008). This consumer behaviour trend of purchasing among the brands is driven by habit and convenience (Wilson & Winchester, 2019).

Double jeopardy has been observed across multiple product categories, retail channels, and media outlets in various geographical markets (Bandyopadhyay, Gupta & Dube, 2005; Rogers, Morgan & Beynon, 2017). The proponents of the double jeopardy theory demonstrate the connection between customers' intentions, attitudes, and penetration level of a brand (Buoye *et al.*, 2016). The theory focuses on market penetration, specifically repeat patronage and customer loyalty as drivers for increased market penetration (Rogers *et al.*, 2017). The theory has been used in omnichannel retailing; Higuete and Remaud (2023) examined wine buyers behaviour; Umit Kucuk (2008) studied double jeopardy patterns; Chowdhury, Barker and Lockshin (2022) examined Dirichlet model. The choice of the double jeopardy theory in the study is to support the choice large scale retail stores and brand equity variable.

The theory has been criticized for confusing correlation with causation, as brands with higher market share have high loyalty, this is unclear whether the relationship between market share and loyalty is causal or otherwise (Umit Kucuk, 2008). Secondly, the theory oversimplifies the association of market share and customer loyalty in assuming a direct correlation. However, other variables such as marketing initiatives, brand quality, customer satisfaction, may influence loyalty (Wilson & Winchester, 2019).

2.3.5 Omnichannel retailing, brand equity and Firm Performance

Swoboda *et al.* (2016) conducted four studies in Germany on testing hypotheses in retail brand equity predictors on electronic, fashion, grocery, and DIY retailing. The study aimed to investigate intentional loyalty in retail brand equity from consumer perspective. The samples size of 2112 respondents from fashion, DIY, grocery and electronic were used. The research methodologies used were cross-sectional design, quota sampling procedure and multi-group SEM model. The study found a high correlation among brand equity and loyalty of consumer across the retail sectors. The finding emphasized the significance of retail attributes in the relationship. According to the findings brand equity attributes differs across the four retailing types with service perception, price, assortment, and service and layout perception being key predictors. The study had limitations of using quota sample based on census and combination of retailers' evaluation in each category limited study's scope. This study used census method and incorporated all large scale stores in food, retail, hypermarket and specialty stores to capture the difference in categories in addressing gaps.

Jara and Cliquet (2012) examined brand equity in retail and conceptualized it into retail brand awareness and image. The study used three retailers; Carrefour, E.Leclerc and Intermarche, with a random sample of 504 consumers who were quantitatively surveyed in addition, 54 consumers were interviewed in three different locations that corresponded with each retailer. The study used qualitative research methodology, a confirmatory analysis and testing of model using PLS-SEM model. The finding concluded that retail brand awareness

significantly influences the choice of retail brand and purchase intention. The retail brand image significantly influenced consumers' response on their intention to purchase and choice of retail brand. The study had an external validity challenges due to its choice of only three stores, corresponding to three separate hypermarkets in France. This study focused on different product categories and combined qualitative and quantitative methodology.

Bougenvile and Ruswanti (2017) examined brand equity in Indonesia. The study used the two brands in juice product category, Minute Maid and Floridina. The main goal was to understand the behaviour of willingness to pay a premium price in product purchase through brand equity. The other objective focused on strategy execution of new entrant in the juice market. The study used a sample of 330 juice consumers and PLS-SEM model was used in hypotheses testing. The findings indicated that loyalty to juice is the foundation of building strong brand equity. Moreover, a positive significant effect existed between brand association and awareness, whereas a weak link existed for perceived quality dimensions. Consumer purchase intention and willingness to pay higher prices are determined by of juice's brand equity. The study was limited in the scope of Indonesia (Greater Jakarta) and focused on one product that brings the challenge of generalization of results to other product categories and areas. The study failed to address other constructs of brand equity. This study added a mediator variable that is brand equity and incorporated brand association, awareness and image constructs.

III Research Methodology

Research Design

The study used descriptive and explanatory research. The blend of two research designs enhances the validity by allowing the triangulation of the results designs as recommended. The descriptive research design ensures reliable relationships between research variables without inferring causality (Saunders *et al.*, 2009). The use of explanatory research design was used in explaining research variables, and analyze the causal relationship among them and ideal for testing cause and effect relationship between study variables (Mugenda & Mugenda, 2008). The study was guided by positivism philosophy that holds that research assumptions and data collection are made independently of the observed and measured phenomena resulting in objectivity (Mugenda & Mugenda, 2003).

Target Population

The study target population comprised of 22 large scale retail stores based in Nairobi City County. The target population comprised of hypermarkets, food retail and specialty stores. The study adopted a census-based approach where 22 large scale retail stores. The head of departments selected from the finance & accounting, marketing, information technology, and operations/logistics were unit of observation. The selection of the departmental heads was purposive as they were deemed to understand the brand equity and performance aspect in omnichannel retailing.

Data Collection

The questionnaires were distributed through drop-and-pick and online circulation. The researcher explained the objective of the study before data collection process. The data collection process adhered to ethical standards. The research instrument was administered to the departmental heads in finance, marketing, operations, and information technology from large scale retail stores in Nairobi.

Data Analysis

After data collection, screening was done to make sure that the responses were correctly coded. The survey underwent data coding, cleaning, editing, and imputation to eliminate errors from initial data gathering, ensuring accurate results (Hair, Black, and Anderson, 2014). The study used both descriptive and inferential statistics in interpretation and analyzing of the data collected. The descriptive statistics provided profile of respondent and variable in term of standard deviations, averages and percentages. Multiple linear regression analysis was used in testing hypotheses, and explaining correlations among variables.

IV Results Analysis and Discussion

The total response rate realized was 94.3% after acquiring 83 responses out of the 88 responses from studied retail stores. The stratification was in the three levels of specialty stores with the highest response rate of 96.9%; the hypermarkets indicated a 94.4% response rate and food retail stores with 90% response rate was realized. The study was therefore able to realize adequate response rate from three strata.

Demographic Characteristics of the Respondents

The distribution of the respondents was female 53% and male 47%. The majority of respondents were in age bracket of 20 – 30 years (47.0%), with a significant proportion being within the ages of 31 - 40 years (27.7%), 41 - 50 years (16.9%), and 51-60 years (8.4%). The level of education of respondents, 67.5% had minimum of bachelor degree level, 31.3% with diploma while 1.2% with certificate level. The (61.4%) of respondents had worked over 5 years in retail store, while (38.6%) had under 5 years of experience. The respondents represented large scale retail stores categorized as Specialty stores (41.0%); Supermarket/ Hypermarket (33.7%), and Food Retail (21.7%). A large majority (79.5%) of these large scale retail stores have been in existence for more than 15 years and only 7.2% have existed for less than 5 years.

Channel Characteristics

The study revealed that all retail stores were found to have both physical channels and online channels (web-site), while usage of third-party mobile apps was found to be used by 83.1% large scale retail stores. However, only 43.4% of the large scale retail stores indicated they own mobile shopping apps. The usage of the in-store technology is widely used among the large scale retail store. All retail stores indicated to have adopted the point of sale system, inventory management systems, and payment gateways (banks transfer/mobile money). Additionally, large scale retail stores own order management systems (92.8%), customer relationship management systems (83.1%), and supply chain and logistics platforms (72.3%). In addition, 19.3% of the studied large scale retail stores have other in-store technologies that they use in their operations. These in-store technologies reveal that majority of the stores are embracing retailing technologies.

Brand Equity

To measure the mediating effect brand equity, retail managers were presented with a list of statements on integration constructs. The statements were measured using a Likert scale ranged from 1- 5 where (1 = strongly disagree, 2 = disagree, 3 = moderately agree, 4 = agree, and 5 = strongly agree). The mean scores, and standard deviation were used in analyzing the response.

Table 1: Brand Equity

Statements	N	Mean	S.D.
The retail store has an image that enhances the implementation of omnichannel retailing	83	4.40	.604
The retail store has an image that builds customer trust to shop across the channels	83	4.37	.619
The brand association of the store ensures usage of omnichannel retailing by customers	83	4.30	.676
The customers associate the retail store with provision of a seamless experience in all channels	83	4.08	.629
The brand awareness of the retail store ensures customer willingness to engage with omnichannel retailing	83	4.16	.689
The retail store is recognized across various shopping channels	83	4.36	.691
Aggregate mean score and standard deviation	83	4.279	.456

Source: Survey data (2024)

As indicated in table 1, the respondents agreed that the retail store has an image that enhances the implementation of omnichannel retailing (Mean - 4.40; S.D. 0.604); the retail store has an image that builds customer trust to shop across the channels (Mean - 4.37; S.D. 0.619); the brand association of the store ensures usage of omnichannel retailing by customers (Mean - 4.30; S.D. 0.676); the customers associate the retail store with provision of a seamless experience across all channels (Mean - 4.08; S.D. 0.629); the brand awareness of the retail store ensures customer willingness to engage with omnichannel retailing (Mean - 4.16; S.D. 0.689); and, the retail store is recognized across various shopping channels, (Mean - 4.36; S.D. 0.691). The study revealed that the overall manifestation of brand equity within the studied stores had aggregate mean of 4.279, confirming majority of retail managers agreed with constructs measuring brand equity. The mean assessment indicates high penetration of brand equity in large scale retail stores. The aggregate standard deviation of 0.456 revealing minimal deviation from the mean, implying a low variation in the retail managers’ observation. This reveals that the studied large scale retail stores have high levels of brand equity.

Hypothesis Testing

This study was conducted under the assumption that the brand equity had significant mediating effect on the relationship between omnichannel retailing and performance of large scale retail store performance in Nairobi City County, Kenya. The multiple regression analysis was utilized to test these assumptions through use of adjusted R² and P-values.

Test of Direct Relationship

The study established the effect of omnichannel retailing comprising of omnichannel services configuration, omnichannel order fulfilment, and omnichannel integration, on the performance of large scale retail stores which necessitated undertaking an OLS regression. The findings are shown in table below

Table 2: Empirical Model Summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.569	.324	.298	.55572	2.067

The study indicated the correlation coefficient (R) is 0.569 indicating that omnichannel retailing and performance of large scale retail stores are positively correlated. The coefficient of determination (adjusted R² = .298) revealed that the three variables of omnichannel retailing (omnichannel integration, omnichannel order fulfilment, and omnichannel services configuration) account for 29.8% of the variability in large scale retail stores performance. However, other variables that were not included in the model explained 70.2% of the variance in the performance of large retail outlets.

Table 3: Empirical Model ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.696	3	3.899	12.625	.000 ^b
	Residual	24.397	79	.309		
	Total	36.094	82			

a. Dependent Variable: Performance of Large Scale Retail Stores
 b. Predictors: (Constant)

The findings in table 3 indicate F statistic value = 12.625, (P = 0.000) at 95% confidence level as fit to predict the relationship between omnichannel integration, omnichannel order fulfilment, omnichannel services configuration and performance of large scale retail stores performance. This confirms omnichannel retailing ability to impact the performance of studied retail stores as noted in the goodness of fit model as significant.

Brand Equity

The mediating effects of brand equity was assessed on the relationship between omnichannel retailing and large scale retail stores performance. The mediating effect was examined through use of OLS regression model. As presented in Figure 1, the model revealed that the need to confirm the omnichannel retailing effects on performance of retail stores (model 1), the omnichannel retailing effects on brand equity (mediating variable) (model 4), and the brand equity effects on performance of large scale retail store when the omnichannel retailing is controlled (model 5), as highlighted in diagram 1. This was achieved through developing several regression models where mediating effect was measured. The first regression model is where omnichannel retailing was regressed against large scale retail stores performance, the second model was where omnichannel retailing was regressed against brand equity, while third model was where brand equity was regressed against large scale retail stores performance.

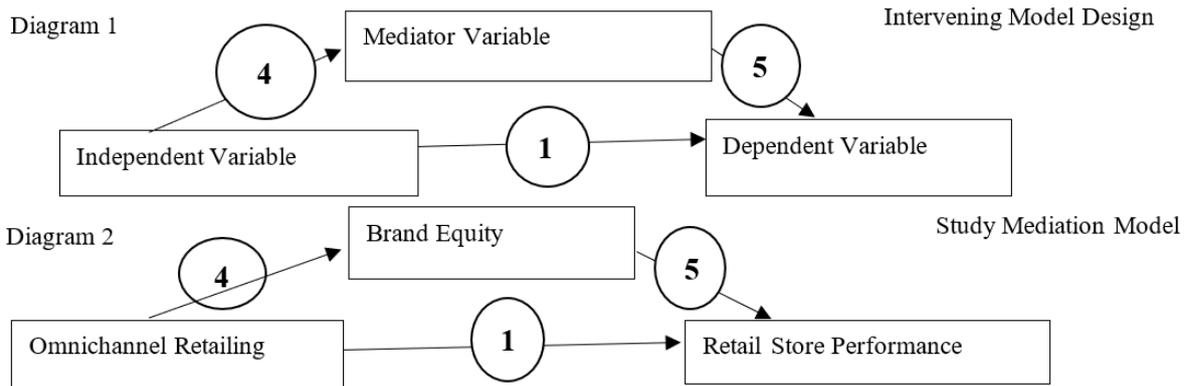


Figure 1: Brand Equity Mediator Regression Model

Source: Author (2024)

Mediating effect was examined through four-step regression model, examining the significance of coefficients at each step with four conditions (Hayes, 2013). The first condition indicates direct relationship among independent (x), and dependent (y) variables ($Y = \beta_0 + \beta_1 X + e$). The other condition indicates relationship among independent (x), and mediating (m) variable ($M = \beta_0 + \beta_1 X + e$). The third condition indicates relationship between the dependent (y), and mediator (m) variables ($Y = \beta_0 + \beta_2 X + \beta_3 M + e$). The last condition indicates that the first condition's coefficient should be greater than third condition's ($\beta_1 > \beta_3$), this aid in identification of indirect effect ($\beta_{\text{indirect}} = \beta_1 - \beta_3$).

The regression model summary of mediating effect is represented below

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Table 4: Model Summary for Brand Equity, Omnichannel Retailing and Performance

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.437 ^a	.191	.181	.60039
4	.650 ^a	.422	.415	.34881
5	.438 ^b	.192	.172	.60380
1	a. Predictors: (Constant), Omnichannel Retailing b. Dependent Variable: Large Scale Retail Stores Performance			
4	a. Predictors: (Constant), Omnichannel Retailing b. Dependent Variable: Brand Equity			
5	a. Predictors: (Constant), Omnichannel Retailing, Brand Equity b. Dependent Variable: Large Scale Retail Stores Performance			

Source: Survey data, (2024)

From the model summary, shown in Table 4, Model 1 regressed omnichannel retailing against large scale retail store performance. This had correlation coefficient ($R = 0.437$) and coefficient of determination (adjusted $R^2 = 0.181$) confirming that omnichannel retailing can explain 18.1% of the variability in retail store performance and that omnichannel retailing has positive effects on retail stores performance. Model 4 presents the regression between omnichannel retailing and brand equity, with correlation coefficient of ($R = 0.650$) and coefficient of determination (adjusted $R^2 = 0.415$) indicating that omnichannel retailing explains 41.5% of the variability in brand equity indicating a great effect of omnichannel retailing on brand equity as revealed by the coefficient of determination. The regression Model 5 indicates the effects of omnichannel retailing and brand equity on large scale retail stores performance. The regression Model 5 ($R = 0.438$) shows a greater correlation as compared to model 1 ($R = 0.437$) and therefore a high coefficient of determination ($R^2 = 0.192$ and adjusted $R^2 = 0.172$). Model reveals omnichannel retailing and brand equity explains 17.2% of the variance in large scale retail stores performance, suggesting that model 5 has a slightly lower ability in explaining the variability in large scale retail stores performance than model 1 where omnichannel retailing is considered.

Table 5: ANOVA for Brand Equity, Omnichannel Retailing and Performance

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.896	1	6.896	19.132	.000
	Residual	29.198	81	.360		
	Total	36.094	82			
4	Regression	7.206	1	7.206	59.227	.000
	Residual	9.855	81	.122		
	Total	17.062	82			
5	Regression	6.928	2	3.464	9.502	.000
	Residual	29.166	80	.365		
	Total	36.094	82			

Source: Survey data, (2024)

As indicated in table 5, the ANOVA analysis investigated the hypothesis of each regression model, where the three models were found to be significant (model 1, p = 0.000; model 4, p= 0.000; model 5, p = 0.000). This shows relationship between omnichannel retailing and large scale retail stores performance; omnichannel retailing and brand equity; and the relationship between omnichannel retailing, brand equity and retail stores performance as significant. This confirms presence of mediating effects observed in the model summary. Thus rejection of null hypothesis (H_0 : brand equity has no mediating effects on the relationship of omnichannel retailing and large scale retail stores performance).

Model 1 in the coefficients section shown in Table 5, confirmed that omnichannel retailing effects on large scale retail stores performance with p-value below 0.05 (p-value = 0.000). The regression model demonstrates significant coefficients and confirm the mediating effect.

The regression coefficients model 4 confirmed the ANOVA analysis observation of a significant relationship between brand equity and omnichannel retailing, with a p-value below 0.05 (P-value = 0.000). Thus, rejecting the null hypothesis, (H_0). Model 5 regression coefficients were observed to be significant for omnichannel retailing, brand equity and large scale retail stores performance (p-value = 0.000), showing the presence of a mediating effects of brand equity on the relationship between omnichannel retailing and large scale retail stores performance.

Table 6: Regression Coefficients Brand Equity, Omnichannel Retailing and Performance

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence Interval	
		B	Std. Error	Beta			Lower	Upper
1	(Constant)	-.186	.660		-.282	.778	-1.499	1.126
	Omnichannel Retailing	.671	.153	.437	4.374	.000	.366	.977
4	(Constant)	1.344	.383		3.506	.001	.581	2.107
	Omnichannel Retailing	.686	.089	.650	7.696	.000	.509	.864
5	(Constant)	-.110	.712		-.155	.878	-1.527	1.307
	Omnichannel Retailing	.710	.203	.462	3.497	.001	.306	1.115
	Brand Equity	.057	.192	.039	2.295	.049	.039	.326

a. Model 1 Dependent Variable: Retail Stores Performance
a. Model 4 Dependent Variable: Brand Equity
a. Model 5 Dependent Variable: Large scale Retail Stores Performance

Source: Survey data, (2024)

The finding from illustrated in table 6, that omnichannel retailing affects the performance of large scale retail store major satisfied the first condition of the mediating effects. The second condition of the mediating effect was met when omnichannel retailing had a significant effect on brand equity. The study met the third condition of the mediating effect where the omnichannel retailing and brand equity had a joint effect on the large scale retail stores performance. The fourth condition in mediating relationship, is that omnichannel retailing coefficient is less in model 1 than in model 5, which was met, model 1 coefficient (0.671, p=0.000) while model 5 coefficient (0.710; p=0.001).

The models presented in Table 6 can be presented as:

- a. Model 1: $FP = 0.671 OR + \epsilon$
- b. Model 4: $BE = 1.344 + 0.686 OR + \epsilon$
- c. Model 5: $FP = 0.710 OR + 0.057 BE + \epsilon$

The study confirms that brand equity and omnichannel retailing have a joint effect on large scale retail stores performance, hence considered a mediating variable.

Conclusion

The study determined mediating effects of brand equity on relationship between omnichannel retailing and large scale retail stores performance within Nairobi City County. Brand equity was operationalized by brand awareness, image and association. Brand equity and large scale retail stores performance had moderate positive correlation coefficient ($r=0.522$; $p=0.000$) revealing existence of a relationship. This was confirmed in a regression model where brand equity was confirmed as having mediating effect on relationship between omnichannel retailing and large scale retail stores performance. This study established that brand equity enhanced the ability of omnichannel retailing in explaining variabilities in performance. The three mediating effects models were significant and the regression coefficients for the three models were positive and significant (omnichannel retailing - $\beta = 0.671$ vs performance; brand equity - $\beta = 0.686$ vs omnichannel retailing; omnichannel retailing - $\beta = 0.710$ and brand equity - $\beta = 0.057$ vs performance) revealing that mediating effect of brand equity on relationship between omnichannel retailing and large scale retail stores performance. The study rejected null hypothesis concluding that brand equity had significant mediating effect on relationship of omnichannel retailing and large scale retail stores performance. The studies of Swoboda *et al.* (2016); Bougenvile and Ruswanti (2017) made similar findings regarding brand equity and performance. Jara and Cliquet (2012), indicated that brand equity effects performance because retail brand awareness significantly effects the choice of retail brand and purchase intention. Therefore, retail brand equity directly and positively effects the consumers' response on their intention to purchase and choice of retail brand.

Marketing Implications

The evidence from this study leads to conclusion that omnichannel retailing and brand equity had positive effect on the performance of large scale retail stores. Brand equity is a strong marketing tool that allows brands to achieve premium pricing and influencing consumer-purchasing intentions (Tasci, 2021). However, brand equity works slightly different when it comes to retail store brands as the stores capitalize on wider products offerings and lower margins, and is hinged on perception and market behaviour (Diwan, Gupta and Chaturvedi, 2022). This is better explained by the double jeopardy theory where habit and convenience drives consumers to purchase more of strong brands than weaker brands (Rogers *et al.*, 2017). Furthermore, Ferreira, Faria & Gabriel (2022) found that brand equity may increase or decrease the effectiveness of marketing operations compared to what they would be otherwise.

4.8 Limitations and Future Research

The research challenges were in the acquisition of the intended literature on omnichannel retailing in developing nations and particularly from Kenyan context. The extensive literature and empirical review was conducted using literature accessed from developed nations, with few of the literature accessed from the region. The study recommends further studies on omnichannel retailing including other variables to evaluate performance.

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