## "The Impact of Brand equity on Business and customer perception"

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## Abstract

Customers are more educated than past, they evaluate branded and unbranded product in terms of quality and price.The paper is illustrating purpose of creating brand and focuses on the analysis of the brand associations with the mind of consumers and how it helps to build a strong brand in order to get financial benefit by using brand equity. The value of the paper lies in providing detailed report on branding importance that highlights the importance of making the marketing function in order to maintain trust, consistency, and a defined set of expectations on customer's mind. The customer is in the middle if one see the business sphere, marketer and companies need to see first how customer reacts to branded product.

Key word: Brand Equity, Consistency, Trust

## 1.1 Introduction

Brand serves several valuable functions. If we start from definition of branding then "A brand is a name, term, sign, symbol, design, or a combination of these elements that is intended to identify the goods or services of a seller and differentiate them from competitors." Kotler, et. al. But the question arise how customer learn to buy branded product. It may be because of the image of a particular brand as it is commonly understand by consumers or any other aspects. While discussing brand concept then there are two common brand concept categories. First is function-oriented which is associated with product performance, reliability and durability. Second is prestige-oriented brand concept, which is associated

with images of luxury and status (Park *et al.,* 1991). So basically brands are built on the product level which accompany by organizations marketing practice. Basically a customer experience speaks about the product and passes on to friend circle or relatives.So because of this, branding used by organizations as an effective marketing strategy tool with frequent success in past even today. According Farquhar 1989, Egyptian used to brand their bricksas brand Identification as they guarantee quality to customer. Customer adds value to sale of product which ultimately in financial sense called asset.According to Lisa wood Sheffield University UK (2000) the term brand equity defined the relationship between customer and branded product.The management of brand concept or brand image is an activity that is strategically undertaken by firms in order to strengthen and build equity in brands, and to achieve long-run competitive advantage (Park *et al.* 1986). According to Joseph Arthur Rooney(1995)while looking at branding strategyexample can be find where branding has not been quite successful, and marketers has to reform the appropriate strategy in such case. Whatever problem occurs during any stage of product development, name of the particular brand will have impact on it. So caution will have to use while selecting any name of brand for selected product. Once select the appropriate name according the target audience, marketer will form the advertising strategy to support the brand among target market. Finally, keeping the brand in a strong position is a critical concern. Due to importance of this topic researcher pursue two objectives; examine the existing literature on branding; examine the customer's attitude and behavior related to branding and its importance in order to get benefits of brand equity.

**Hypothesis**

H:customer buys product just because of brand name without considering the quality and price of product.

H: customers switch to local product if Local companies maintain product quality.

1.2 The brand as a business equity

As said by chieng Fayrene Y. L et Al brand equity concept starts its existing in 1980. The association of the notion of brand to capital is relatively recent, starting in the early1980s, when the growth of companies being bought and mergers showed that the essential basis of the company's assets was not only the possession of easily quantifiable material assets, but that the brand also formed an important part of that capital (Guillaume, 1993).Brand value is defined as "a set of assets and liabilities linked to the brand, its name and symbol, which incorporate or diminish the value supplied by a product or service exchanged with the company's clients" (Aaker, 1994). According Doyle, (1995) the brand is said to be a company intangible asset as said in previously it is financial term and it generates a value. When product is identified by customer, from its brand name, then brand value generate the additional cash-flow which is

contributed by that particular product.It examined financial and customer based. According baalbaki (2012) mentionedits third perspective which was employee based. Youngbum kwon mentioned in 2013 that customer based and employee based is similar. Here, assets or liabilities refer to those which are linked with the brand name or symbol in such a way that if they were changed, some of these assets or liabilities would be affected.

1.3 There were several brand equity models presented by different authors but the researcher took two models to evaluate, the first model is Aaker's modeland second model is presented by Luming wang and Adam Finn (2013)

According Aaker1992, Keller1993, Yoo & Donthu 1997, Christodoulides et Al. 2006 said that through consumer mind-set awareness, association, loyalty, and perceived quality can be measured in order to see customer perception.



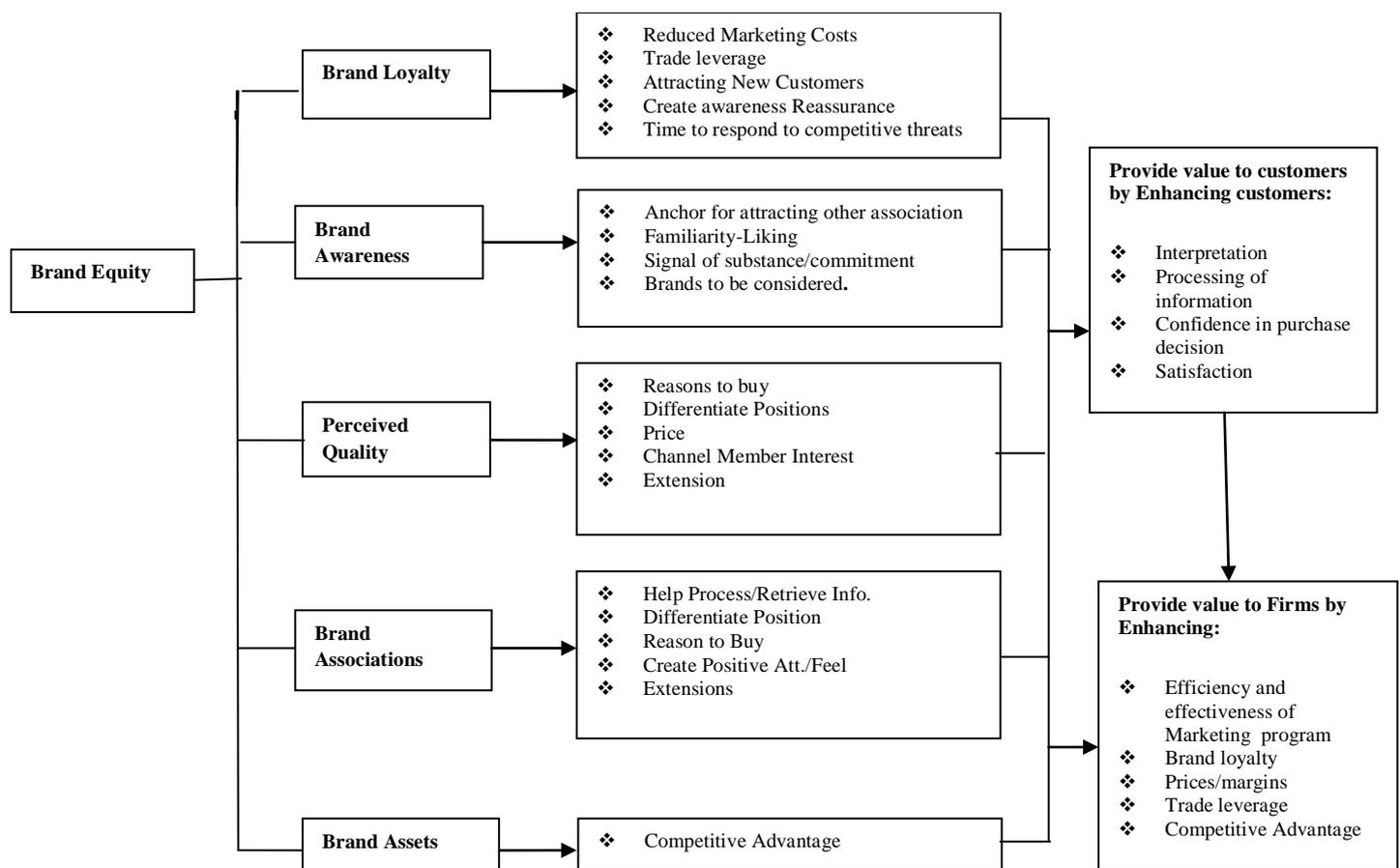Figure 1. Aaker's Customer Based Brand Equity Framework (source: Aaker's 1992, 1996)

1.4 Luming wang and Adam Finn (2013) presented new CBBE model which was extended with uniqueness and Brand Emotions.

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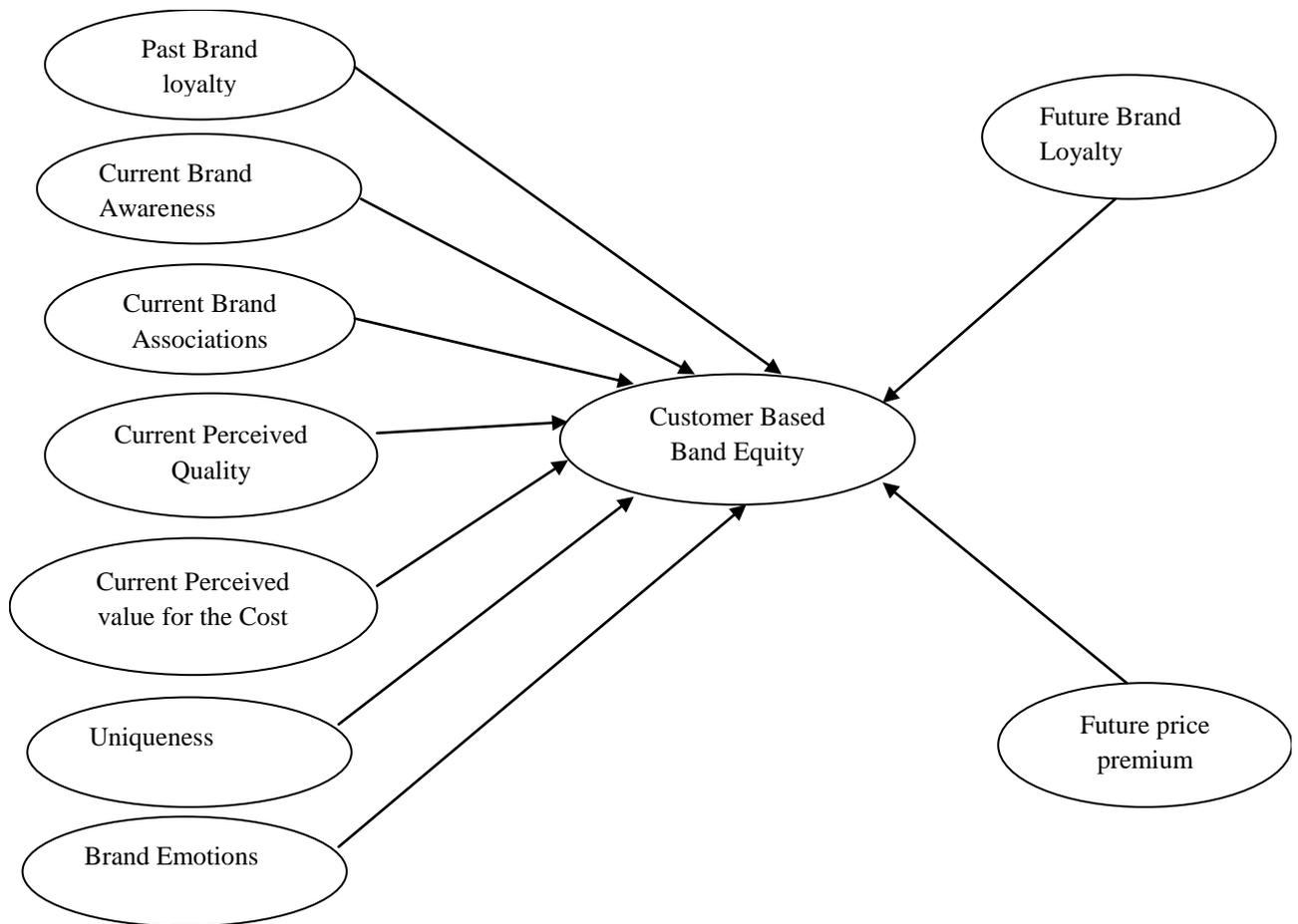
Page | 687

Figure 2. Luming Wang and Adam Finn (2013) CBBE Model

So this research is conducted basically customer based brand equity and survey method is being put in practice in order to see customer perception regarding brand in order to get benefit from brand equity and to see its impact on business.

## II.     ResearchMethodology:

The research methodology will consist of both primary and secondary data. The analysis will be done by the use of qualitative and quantitative approaches.

**Sample size**

In this survey,statistical population 150 taken and convenience sample method used to collect the data which took 3 months to complete. Male and female respondents were included between the ages of 18 to 28+. More specifically, the sample size of 150 people will give a confidence level of 95% and the allowable error is 5%.

**Data analysis of questionnaire**

SPSS software was used to analyze data collected from questionnaire. The software was chosen in order to find correlation between things like gender, knowledge and attitude toward branded product.

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Page | 688

**Questionnaire**

The questionnaires were structured in a way to allow testing of parameters required for the completion of the survey.

Limitations of the study:

☐ The survey was limited to Una district, Himachal Pradesh India.

☐ Finding of the study are on the basis of the information provided by the respondents.

☐ The study is restricted to the Graduate and post graduate students.

### 2.1 Cross tabulation

Cross-Tabulations are used to show relationships between responses made for two survey questions. This analysis helps to find out separately male and female behavior towards buying brand.

**Cross tabulation between Gender and influence to buy brand**

**Gender * brand influence Cross tabulation**

Count

| | | Brand influence | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Advt | Shop display | WOM | F/F/R | Att. Package | Dealer | other | |
| Gender | male | 26 | 8 | 7 | 7 | 13 | 0 | 6 | 67 |
| | female | 33 | 15 | 11 | 7 | 15 | 0 | 2 | 83 |
| Total | | 59 | 23 | 18 | 14 | 28 | 0 | 8 | 150 |

Figure: 2.1

Through this cross tabulation for male 38 percent (26/67), 11% (8/67), 10% (7/67), 10 percent (7/67), 19 percent (13/67), 9% (6/67) and for female 39 percent (33/83), 18% (15/83), 13 percent (11/83), 8% (7/83), 18 percent (15/83) and 2 percent (2/83) influenced brand preference by different marketing tools.

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Page | 689

## 2.3Gender * purchase of branded product Crosstabulation

**Count**

| | | Trust in brand | | | | Total |
|---|---|---|---|---|---|---|
| | | Yes Always | Never | Only when quality is important | Rarely | |
| Gender | male | 5 | 2 | 48 | 12 | 67 |
| | female | 8 | 6 | 55 | 14 | 83 |
| Total | | 13 | 8 | 103 | 26 | 150 |

Figure:2.2

Above figure has shown in male category 7% (5/67) & in female 9% (8/83) always trust to buy brand. Further 71% (48/67) and 66% (55/67) trust in brand when quality is important for them. Only 17% (12/67) and 16 percent (14/83) rarely participate to trust in brand and only 3 percent (2/67) and 7% (6/83) never trust to buy brand.

Q: How much do you care about using brands?



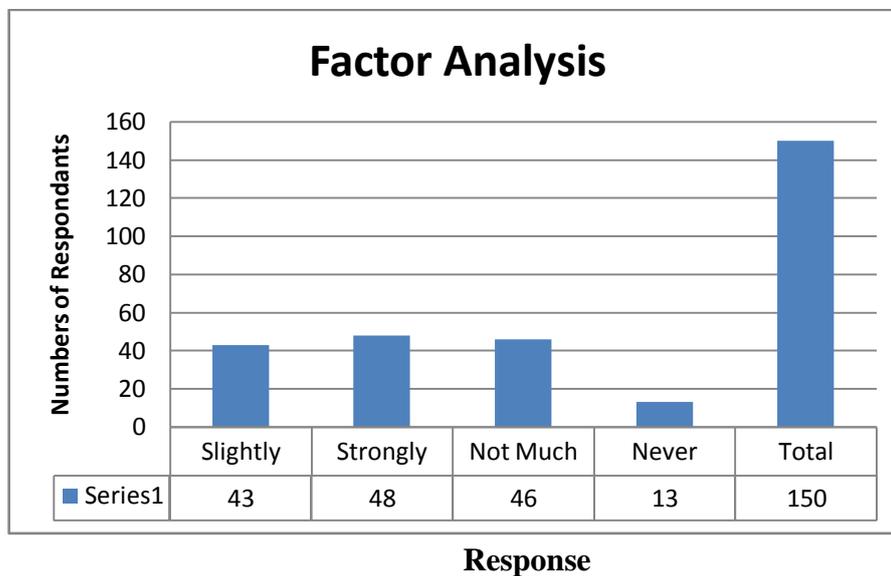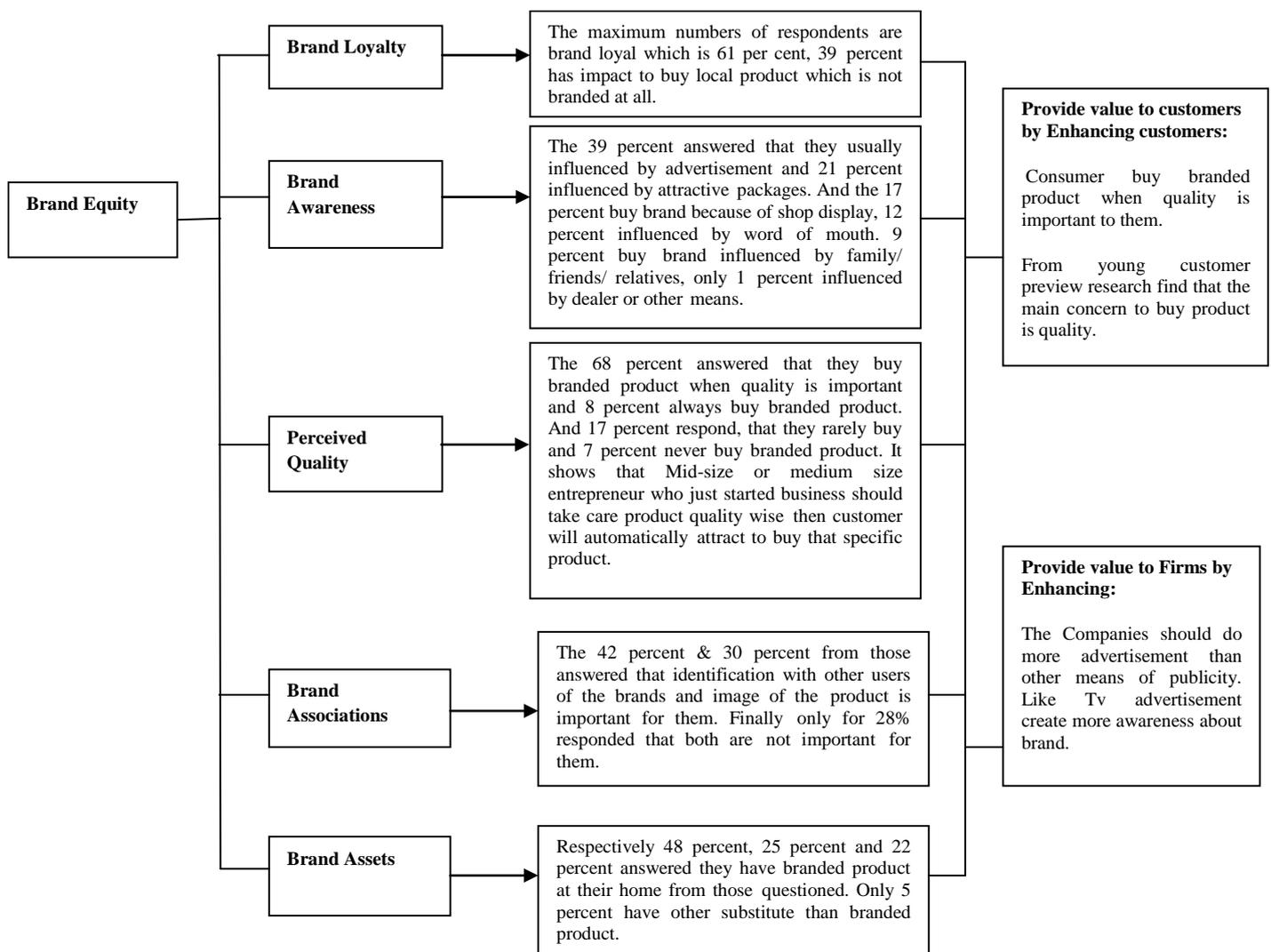| | Slightly | Strongly | Not Much | Never | Total |
|---|---|---|---|---|---|
| Series1 | 43 | 48 | 46 | 13 | 150 |

Figure 2.3

The 32 percent from those questions answered that they are brand conscious so they strongly care to buy branded product. And for 31 percents do not care much about brand. And for 29 percent response they care slightly, only 8% never care about branded products.If quality is better, 68% customer do not care about brand name they switch to local product.

## 2.4Questionnaire result

Questionnaire provided these major findings, most of the respondents prefer to buy branded product which is 68% even they influenced by different marketing tools. Most of them would like to buy because of quality is important for them.92 percent have different branded product proportion at their home.Cross tabulation has shown, both male and female young students are keen to buy branded products.

The main reason to buy branded product is quality which does matter to customers, if new companies/ organization look at the product quality wise then there is no way to stop reach on success.

| Brand Equity | | |
|---|---|---|
| **Brand Loyalty** | The maximum numbers of respondents are brand loyal which is 61 per cent, 39 percent has impact to buy local product which is not branded at all. | **Provide value to customers by Enhancing customers:** Consumer buy branded product when quality is important to them. From young customer preview research find that the main concern to buy product is quality. |
| **Brand Awareness** | The 39 percent answered that they usually influenced by advertisement and 21 percent influenced by attractive packages. And the 17 percent buy brand because of shop display, 12 percent influenced by word of mouth. 9 percent buy brand influenced by family/ friends/ relatives, only 1 percent influenced by dealer or other means. | |
| **Perceived Quality** | The 68 percent answered that they buy branded product when quality is important and 8 percent always buy branded product. And 17 percent respond, that they rarely buy and 7 percent never buy branded product. It shows that Mid-size or medium size entrepreneur who just started business should take care product quality wise then customer will automatically attract to buy that specific product. | |
| **Brand Associations** | The 42 percent & 30 percent from those answered that identification with other users of the brands and image of the product is important for them. Finally only for 28% responded that both are not important for them. | **Provide value to Firms by Enhancing:** The Companies should do more advertisement than other means of publicity. Like Tv advertisement create more awareness about brand. |
| **Brand Assets** | Respectively 48 percent, 25 percent and 22 percent answered they have branded product at their home from those questioned. Only 5 percent have other substitute than branded product. | |

## III. **Finding and Conclusion**

Research has attempted to review brand and customer relation in order to use brand equity to get benefit. Ultimately the goal of different branding technique is to increase customer awareness which can be substantial pay offs for companies.The company's main focus should be on customer requirement and quality, In the case of Indian customer they perceive brand with quality and value of money so business should focus on quality. If local entrepreneur emphasis on quality then product itself will create awareness among customer and repeat sale will occur, which will generate loyal customer and marketing cost eventually reduce.On the basis of the survey, practical suggestion is that Consumer buy branded product when quality is important to them.The Companies should do more advertisement than other means of publicity. Like Tv advertisement create more awareness about brand.
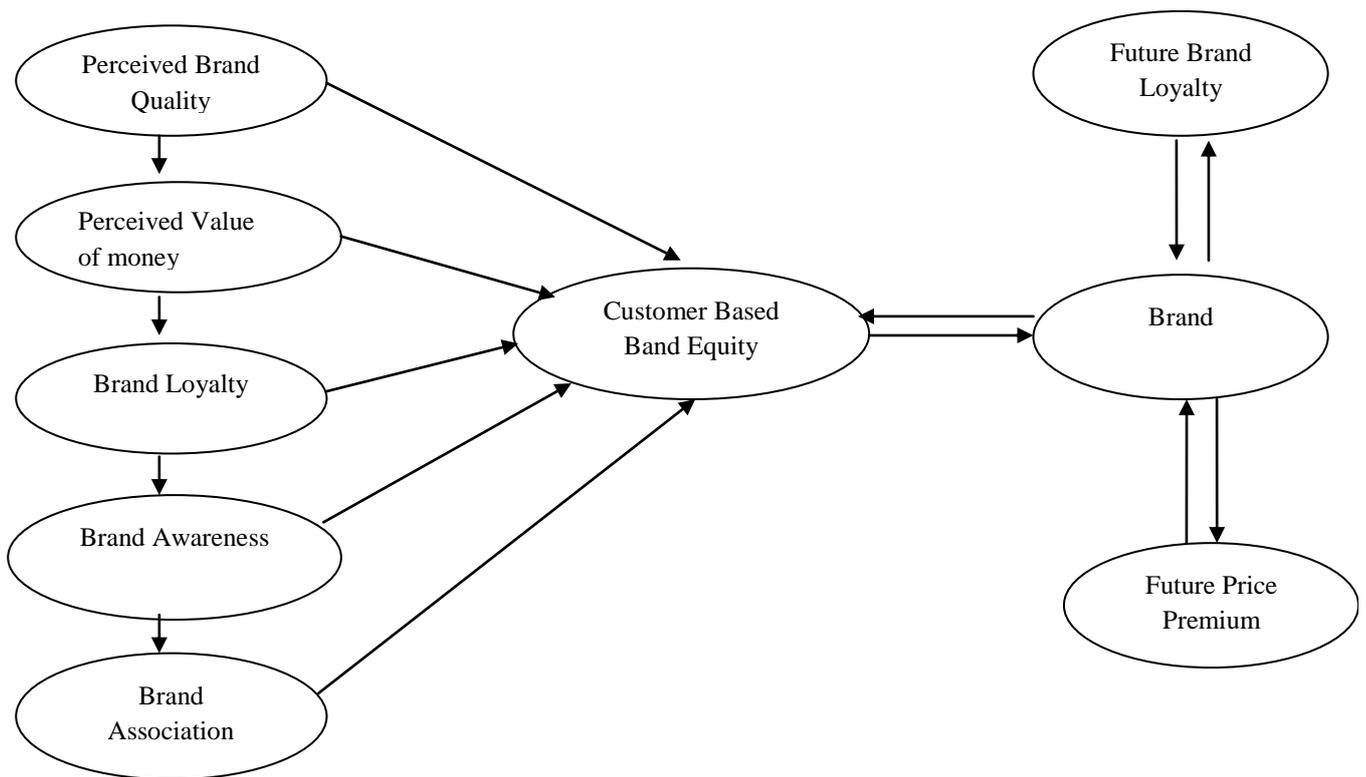


**Validation of hypothesis**

The constructed Hypothesiswere validated as under

H- 01: All customers trust in branded product when quality is important to them.

Above hypothesis proved by figure 2.2 which is cross tabulations shown that quality is important to customers.

| Calculated value of T | df | Table value | Test result |
|---|---|---|---|
| 97.21 | 3 at 5 % level of significance | 7.81 | rejected |

H-02If quality is better, 68% customer do not care about brand name they switch to local product. Figure 2.3 proves that second hypothesis is valid if local companies give quality then customer likely to switch to local brand.

| Calculated value of T | df | Table value | Test result |
|---|---|---|---|
| 0.28 | 3 at 5 % level of significance | 7.81 | Accepted |

IV.Originality/value

Companies, academicians talking about branding in theory but customer perception about branding is the subject to identify whether customer buy just because of brand or any other reason behind their purchase. On the other hand what should do as entrepreneur of small size or mid size business to use brand as equity. Basically research addresses the benefits of branding along with customer perception towards branding to unbranded products, where entrepreneur need to know how to use branding strategy.In order to implement branded strategy without failure, marketers have to reform the appropriate branding strategy which will generate greater turnover than expected.

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