The Evaluation of Effects Factors on Brand Equity of Binalood Company From the consumer's perspective

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ABSTRACT

In today's competitive markets not only are brand an efficient tool for managers, but also is brand a strategic requirement helping organizations in order to create more value for customers and also helps to create a sustainable competitive advantage. In the present study, impact of Brand Awareness, Brand loyalty, perceived quality and Brand Association on the brand equity of dairy products of Binalood Company in Nishabur are examined. The model used in this study is drawn from the Aaker model which value of brand is included brand loyalty, brand awareness, brand association and perceived quality in this model. This research is in terms of practical, and a questionnaire is used to collect the required information and measure the variables of the research. Likert questionnaire has been designed according to Likert scale. Moreover, method of these research is in terms of descriptive approach. Furthermore, sampling method in this study is simple random. So as to analyze data, we used one-sample T method. Analysis results show that all of the research hypotheses are approved.

Key words: Brand Awareness, Brand loyalty, perceived quality, Brand Association and Brand equity

Introduction

In the modern competitive environment, good name or brand which indicates identity, credit and reminiscent all of the functions of company interactions with its customers have an important role. In this case, brand is now one of the main approaches in the Manufacturing organizations.

In Persian, the word of brand has several translations such as brand, stigma, identity and such that.

But it is more correct to say that meaning of brand is respectability and credits of a company in other words; it is reputation of the organization. Indeed, logos, slogans and organizational colors are signs of brand. But the essence of brand is a perception that is formed in our minds by seeing brand of an organization, and it is reminiscent of credit, history and specific features of organizations products. Accordingly, continual assessment of brand has also particularly important, and it causes to maintain its quality and value.

One of the vast changes that have taken place in the trade and services is changing attitudes of corporates from tangible assets to intangible assets; hence, process of intangible asset valuation has a great importance for companies.

Since brand equity is considered as an effective measurement indicator of brand strategy, focusing on this issue that how marketing activities can act similar to intangible assets and special attention to this sector will cause corporate profitability and acquiring a competitive advantage for organizations [4].

According to Simon & Sullivan [8], gaining a suitable position in the customer's mind so that the consumer would be loyal to the company is very important in today's competitive conditions. Brand equity is one of the factors that contribute to achieve such a place in the minds of customers.

Literature Review:

Brand equity is a marginal utility or value which a product makes it by brand like Coca-Cola. One of the main reasons for the importance of this concept is its strategic role so as to gain a competitive advantage that this competitive advantage is achieved in market. Brand equity is considered as an asset for a company increasing business cash flow [8].

Brand equity is a multidimensional concept which can be boosted by reinforcing its dimensions. David Aaker is one of the academic...
pioneers in branding. David Aaker knows brands as symbols which are associated with so many assets and subjective liabilities and to identify and distinguish the goods is offered. Aaker model is a conceptual perspective which seeks to identify the features that form brand value from a consumer view [1].

**Brand equity:**

one of the most comprehensive definitions of brand equity is; set of capabilities and assets which attached to a brand is its name and symbol that increases value providing by a product for companies and customers or decreases its value [7].

**Dimensions of brand equity in Aaker Model:**

- **Brand Awareness:** ability of potential buyer to recognize or recall that a brand is belonging to particular class of a product. If a brand name is the first name that recalls, that name is the best name in terms of awareness [1].

- **Perceived Quality:**

  Boulding et al [3] defined this criterion as consumer awareness of superior quality of products than other products. In other words, it is the customer's perception from the overall quality or superiority of a product or service than willingness of customer to its replacements. Zeithmal and Bitner [10] also suggest that perceived quality is not real quality of product, but it is consumer's subjective evaluation about product.

- **Brand Loyalty:**

  in the eyes of Marketing Association of America, brand loyalty is an advantage which a customer frequently buys from a supplier instead of buying a product from several suppliers.

- **Brand Association:**

  this criterion reflects depth associations and consumer attitudes to brand in the eyes of Crosno et al [5]. Brand association is anything which related to brand in memory. In the eyes of Aaker, brand association is anything that is related to brand in mind and could include consumer's mentality, product characteristics, uses, associations that is related to the organization, personality of the brand and its symbols, clearly defined variables, easily measured variables, extensive using of modelin research studies and high-frequency questionnaire in several countries are the most important strengths in Aaker Model. It is worth noting that mentioned model is core of researches in the field of brand equity.

branding strategies and brand management as an effective tool in the hands of managers provides the possibility of creating more value for customers, more profitability for shareholders and more organization's success, especially, in competitive markets. something which has attracted attention of researchers in management field and executives since beginning of nineties is measuring of brand value. considering competitive market and offer similar products and homogenous products for dairy products, it is essential for companies in this area which their brand is known among customers and a factor for selection of their products, consequently, Aaker model is used in order to investigate the factors influencing on brand equity of Binalood dairy products from view of customers.

**Previous Empirical Studies:**

- affecting factors on brand equity based on consumer opinion were stated by Aaker [1] which include brand awareness, brand association, perceived quality, brand loyalty and relationship of brand with the assets.
- impact of marketing activities (price, image, advertising expenses and distribution power) and dimensions of brand equity (awareness, association, perceived quality and brand loyalty) was studied in twelve different brands by Yoo et al [9]. The results indicated that advertising expenditure has had a positive impact on brand equity.
- impact of brand equity on consumer opinion in three products was examined by Gil et al [6]. They found that these three factors (awareness, association, perceived quality) cannot increase brand equity directly and just brand loyalty increases brand equity directly.

in research which was done by Atitlan et al [2] also concluded that four factors of awareness, association, perceived quality and brand loyalty are effective on brand equity; furthermore, these factors also influence each other but only brand loyalty is effective on brand equity directly.

**Hypotheses:**

- **H1:** Significant relationship exists between perceived quality and brand equity
- **H2:** Significant relationship exists between Brand loyalty and brand equity
- **H3:** Significant relationship exists between Brand Awareness and brand equity
- **H4:** Significant relationship exists between Brand Association and brand equity
Materials and Methods

Sample:

Statistical population of this research is customers of Binaloodcorporate in the city of Neyshabur which have been studied by simple random sampling. We used the following formula:

\[ n = \frac{p \cdot q \cdot Z^2 \cdot \alpha^2}{d^2} \]

- \( N = \) Population size
- \( p = 0.5 \)
- \( \alpha = 0.05 \)
- \( d = 0.07 \)

\[ n = \frac{0.5 \times 0.5 \times (1.96)^2}{(0.07)^2} = 196 \]

Data Collecting Tools:

The present study has been divided into two parts as the following to obtain the required data.

1) Library studies: to study the literature of research subject we used mainly books, articles and libraries and especially central libraries of Iran.

2) Field Researches: Questionnaire which included 20 questions measuring respondents' opinion by using Likert was used to collect the required information and measures the variables of the research.

Reliability and validity:

Results and Discussion
Table 1: Results of two-way analysis of variance by Friedman test for ranking

<table>
<thead>
<tr>
<th>Result</th>
<th>Sig.</th>
<th>Test Statistic</th>
<th>Type of test</th>
<th>variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0 Rejected</td>
<td>0.000</td>
<td>353/43</td>
<td>one-sample T test</td>
<td>perceived quality</td>
</tr>
<tr>
<td>H0 Rejected</td>
<td>0.000</td>
<td>632/23</td>
<td>one-sample T test</td>
<td>Brand loyalty</td>
</tr>
<tr>
<td>H0 Rejected</td>
<td>0.000</td>
<td>043/29</td>
<td>one-sample T test</td>
<td>Brand Awareness</td>
</tr>
<tr>
<td>H0 Rejected</td>
<td>0.000</td>
<td>371/31</td>
<td>one-sample T test</td>
<td>Brand Association</td>
</tr>
</tbody>
</table>

as we can see from the above table, because P-Value = 0.000 and it is smaller than the significance level of the test which is considered 0.05 (P-Value = 0.000<α = 0.05), the null hypothesis at the 5% significance level is rejected. Therefore, we can say with the confidence of 95% that from the viewpoint of the respondents which all of the research hypothesis is accepted from the viewpoints of the respondents.

In addition to, results of the Friedman test showed that the significant value of the test is less than 0.05 so the hypothesis of equality of the variables is rejected. Thus, the variables are ranked based on their averages which results are reported in Table 2.

Table 2: Results of the Friedman test

<table>
<thead>
<tr>
<th>MEAN RANK</th>
<th>VARIABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.13</td>
<td>perceived quality</td>
</tr>
<tr>
<td>2.46</td>
<td>Brand Awareness</td>
</tr>
<tr>
<td>2.45</td>
<td>Brand Association</td>
</tr>
<tr>
<td>1.96</td>
<td>Brand loyalty</td>
</tr>
</tbody>
</table>

perceived quality and brand equity

**H2:** Significant relationship exists between Brand loyalty and brand equity

**H3:** Significant relationship exists between Brand Awareness and brand equity

**H4:** Significant relationship exists between Brand Association and brand equity

Conclusion

First hypothesis:

Positive and direct effect of perceived quality on brand equity for dairy products will cause consumers prefer dairy products of Binalood to other brands available. So as to improve the perceived quality, we can consider mouth to mouth advertising and responding to customer problems.

Second Hypothesis:

Direct and positive impact of brand loyalty on brand equity of Binalood dairy products create the possibility that according to this influence consumers purchase these products. Since the number of loyal customers is a valuable asset for an organization, we can increase their trust and loyalty by giving special advantages, giving gift and thanking them; furthermore, with creating strong public relation prove our humanitarian goals to customers; moreover, facilitating loyalty by creating reliability.

Third hypothesis:

brand awareness impacts brand equity of Binalood dairy products directly and positively, and it indicates the ability of customers to identify a brand in their mind. So we suggest that in order to increase customer awareness about brand, we use the strategy of integrated marketing activities such as billboards, brochures supporting cultural and sporting events and television advertising.

Fourth hypothesis:

brand association contains elements that create the brand name or brand image in the customer's mind. In order to increase brand association in the minds of customers, many factors must be considered such as using stores and vendors who have a good mental picture from customers' perspective and using of promotional activities in stores.

Reference

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