



Brand Equity Dimensions Effect On Consumers Mind While Preferring Branded Durable Products

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Abstract

This paper seeks to analyse the effect of brand equity dimensions on preferring branded products. It also attempts to throw light on factors preferring branded products influence on overall brand equity with regards to consumer durable goods. A well-structured questionnaire method was developed in the study taking a sample of 559 responses using simple random sampling. SEM was used to test the proposed hypotheses in the study. The study found that brand awareness, brand image, brand association, perceived quality has significant effect on preferring branded products while brand loyalty was not found to have significant effect. Subsequently, it was revealed that preferring branded products also has no significant effect on overall brand equity. This study highlights the factors which the marketer should keep on mind while developing or improving a product.

Keywords – Branded products, Durable goods, Brand equity, SEM.

I. Introduction

In the recent scenario 'Brands' are the talk of the town. Marketers, companies, corporate are splurging both money and time while developing products and implementing strategies to create some differences from their competitors to grab a position in the market. Specifically, since 80's the academicians, researchers made an attempt to explore this domain. Many different concepts, ideas and framework have seen the day light. Thus, a wide range of different perspectives on brand equity has been conceptualised in the play (Heding, Knudtzen, & Bjerre, 2009). Around 90's the fog that had surrounded the concept of brand began to clear when a closer and deeper look was taken by the academicians and researchers. The impact of branding has been widely studied by many researchers. The literature in this topic is mostly fragmented and unsettled (Anselmsson, Johansson, & Persson, 2007). Mainly, there are two major aspects regarding this concept, some researchers have given attention to the financial value and market perception aspect while

others have focussed on the consumer's perspective. The authors those have focussed on the perception of consumers have considered the cognitive psychology and among all Aaker, 1991 and Keller, 1993 have contributed significantly (Torres, Augusto, & Lisboa, 2015). According to Aaker (1991 & 1996) segregates the brand equity into four dimensions such as perceived quality, loyalty, association and awareness; Keller (1993) splits it in terms of awareness and image.

The deviation from normal products to a brand has not been an immediate change or undeniable thing. Brand and branding have been in existence for decades as a way to distinguish a product from another (Jeon, 2017). It emerges out of standardisation in the quality of products during the middle of the 20th century that needed companies to find a new path to distinguish themselves from their rivals.

II. Review of Literature

The paper has tried to study the durables products of consumer buying behaviour in rural areas and analyse the factors which drive the people in purchasing consumer durables. From the study, it was found that among the 100 respondents 88% of the consumers have taken connection of Induction Stove (Bhatia, 2013). Eswari & Subramanian, (2017) tried to evaluate the factors that influence consumer perception towards purchase behaviour of durable goods. It has also tried to analyse the level of satisfaction of the respondents. The study reveals that the demographic variables were not deeply associated with the attributes and it was found that the respondents were found not loyal to the branded goods. To determine the association between brand equity and marketing mix elements, dimensions in the study were perceived quality, brand loyalty, brand awareness and brand association. SEM was applied to test the hypotheses and was computed by LISREL 8. The results showed that brand loyalty, perceived quality and brand awareness/association had a positive impact and have a positive relationship with brand equity (Yoo, Donthu, & Lee, 2000)

The relationship between brand equity and consumer behaviour. A framework was designed and the relationship was found out among the constructs namely brand equity, purchase intention, brand preference and consumer behaviour. The hypothesis was tested using structural equation modelling and LISREL software used for the data analysis and interpretation. From the study, it was found out that brand equity has a significant effect and influences purchase intention and brand preference. This particular outcome of research was also supported by previous other findings of the past research (Tabrizi & Valanejad, 2018).

Johansson & Persson, (2007) tries to draw a model for understanding the customer-based brand equity and price premium in the context of grocery products. The study highlights that brand equity and price premium highlights four basic dimensions of brand equity such as awareness, qualities, associations, and loyalty. Also, the role of uniqueness was highlighted in the study.

III. Objectives of the Study

- To study and examine the important elements of brand equity dimensions that influences the purchase decision while preferring branded products.
- To study the impact of preferred branded products on over all brand equity.

IV. Hypothesis of the Study

H1: Brand awareness has significant impact on preferred branded products with reference to durable goods.

H2: Brand Image has significant impact on preferred branded products with reference to durable goods.

H3: Brand Association has significant impact on preferred branded products with reference to durable goods.

H5: Perceived quality has significant impact on preferred branded products with reference to durable goods.

H4: Brand Loyalty has significant impact on preferred branded products with reference to durable goods.

H6: Preferred branded products have significant impact on overall brand equity.

V. Research Methodology

Methodology is a specific technique or process used to analyse information about the related topics and critically evaluate the reliability and validity of the study. The research was based on Quantitative Research. The essential strides the methodology was divided in the following manner as data collection, Sampling procedure & Techniques, Instruments, and Data Analysis & Interpretation.

Both Primary and Secondary sources were used in the study. For the purpose of the research, a well-structured Questionnaire was developed. The responses were collected through mail and by-hand. A total of 559 questionnaires were distributed and sound responses were collected. Hence, 559 responses were considered for analysing the data. The respondents were asked to respond to each item of the questionnaire using 5-point Likert Scale (1- strongly disagree to 5- strongly agree) having constructs namely brand awareness, brand image, brand association, brand loyalty, perceived quality and Brand Equity.

The hypotheses were tested with the help of the SEM Model in AMOS and SPSS 20.0 package. SEM is a multivariate statistical analysis technique is used to analyse the structural relationship. It is one of the statistical techniques to provide efficiency and the ability to access the relationship among the constructs (*Hair et al., 2010*). The motive behind using SEM is to evaluate the association between the measured variable and the latent construct.

VI. Results and Discussion

In total, 30 elements were loaded in this study. These 30 elements were categorized under seven constructs for analyzing the brand equity dimensions to understand the effects on preferring branded products (PBP) regarding durable goods. After determining the dimensions of brand equity items i.e. brand awareness, brand image, perceived quality, brand loyalty, and brand association, the next was to identify the factors preferring branded products and overall brand equity. Brand equity dimensions and preferring branded products was examined by employing Structural Equation Model (SEM). All the elements were checked using Cronbach's alpha method to know the reliability and internal stability of the items. The value of

Cronbach's alpha was .872 which indicates all the elements were reliable for the study. The threshold acceptable Cronbach's alpha value should be greater than 0.7 (Das & Lall, 2021). The validity check recommended that all the constructs were reliable and valid for the study.

6.1 The test results of validity and reliability

The first step was to check the model fit, considering brand awareness, brand image, perceived quality, brand loyalty, and brand association which represented independent variables and preferring branded products and brand equity as dependent variables.

Table I Standardized Regression Coefficient of Brand Awareness

Elements	Standard Regression Coefficient	Cronbach's Alpha
BA1	.577	.857
BA2	.544	
BA3	.685	
BA4	.855	
BA5	.727	
BA6	.756	

Table II Standardized Regression Coefficient of Brand Image

Elements	Standard Regression Coefficient	Cronbach's Alpha
BI1	.603	.866
BI2	.558	
BI3	.827	
BI4	.831	
BI5	.818	

In the dimension brand awareness, there are six elements which is presented in the table I. The factor loading (std. regression weight) ranged from .544 to .855 and Cronbach's Alpha value was .857. The validity and reliability test were employed in this study to know the accuracy and consistency of the sample respondents. The statistics result stated that all element in this factor were above .5 and the Cronbach's Alpha was beyond 0.7 (Das & Lall, 2021) which is regarded as the threshold. The next dimension of the study was brand image, it consists five observed variables shown in table II. Factor loading (std. regression weight) ranged from .558 to .827 and Cronbach's Alpha value was .866. It revealed that entire items in the brand image were valid and reliable for this study.

Table III Standardized Regression Coefficient of Brand Association

Elements	Standard Regression Coefficient	Cronbach's Alpha
BAS1	.804	.918
BAS2	.857	
BAS3	.693	
BAS4	.792	
BAS5	.731	

Table IV Standardized Regression Coefficient of Brand Image

Elements	Standard Regression Coefficient	Cronbach's Alpha
PQ1	.880	.945
PQ2	.842	
PQ3	.897	
PQ4	.857	
PQ5	.872	

Table V Standardized Regression Coefficient of Brand Image

Elements	Standard Regression Coefficient	Cronbach's Alpha
BL1	.878	.907
BL2	.878	
BL3	.849	
BL4	.741	
BL5	.677	

The dimension brand association includes five items and the factor loading ranged from .731 to .857. The Cronbach's alpha value was .945 which is more than 0.7 shown in table III. It revealed that entire items in the brand association were valid and reliable for this study as the value of factor loading was more than 0.5. The next dimension perceived quality and brand loyalty, both consist of five observed variables shown in table IV and V. Factor loading (std. regression weight) range of perceived quality and brand loyalty items .842 to .887 and .677 to .878. The Cronbach's Alpha value was .945 and .907 respectively.

6.2 The estimation result of the research model

From the previous section, the study confirms the validity and reliability of the sample respondents. After that, the next step was to evaluate the brand equity dimensions effect on preferring branded products with reference to durable goods by employing structural equation model.

In this model, the path draws from brand awareness to preferring branded products (PBP), brand image to PBP, brand association to PBP, perceived quality to PBP, brand loyalty to PBP and PBP to overall brand equity (BE) for identifying the brand equity dimensions impact on preferred branded products.

Table VI Hypotheses Testing Results

	Hypotheses		P-value	C.R.	Result
Brand Awareness	--->	(H1) PBP	.000	-4.84	Supported
Brand Image	--->	(H2) PBP	.000	5.14	Supported
Brand Association	--->	(H3) PBP	.000	24.27	Supported
Perceived Quality	--->	(H4) PBP	.000	-33.23	Supported
Brand Loyalty	--->	(H5) PBP	.979	.02	Not supported
PBP	--->	(H6) BE	.148	-1.44	Not supported

From the Table VI, four hypotheses i.e. H1, H2, H3, and H4 were supported as the p-values was showing less than .001 whereas H5 and H6 were not supported as the p-values was greater than 0.05 in this study. Table VI reveals that brand awareness, brand image, brand association and perceived quality factor have significant and positive impact towards preferred branded products with regards to durable goods.

Moreover, brand loyalty on PBP has insignificant impact. Also, PBP was found to have no significant impact on overall brand equity. Figure I shown the estimate value of brand loyalty to PBP ($\beta = .02$, p-value =.979) and PBP to BE ($\beta = -1.44$, p-value =.148) significant value which is more than 0.05. Therefore, the findings of the study reveal that brand awareness, brand image, brand association and perceived quality have significant impact on preferred branded products except brand loyalty. From the results, it can also be stated that brand association was one of the most influencing factors as it was found to have highest t-value and lowest p-value.

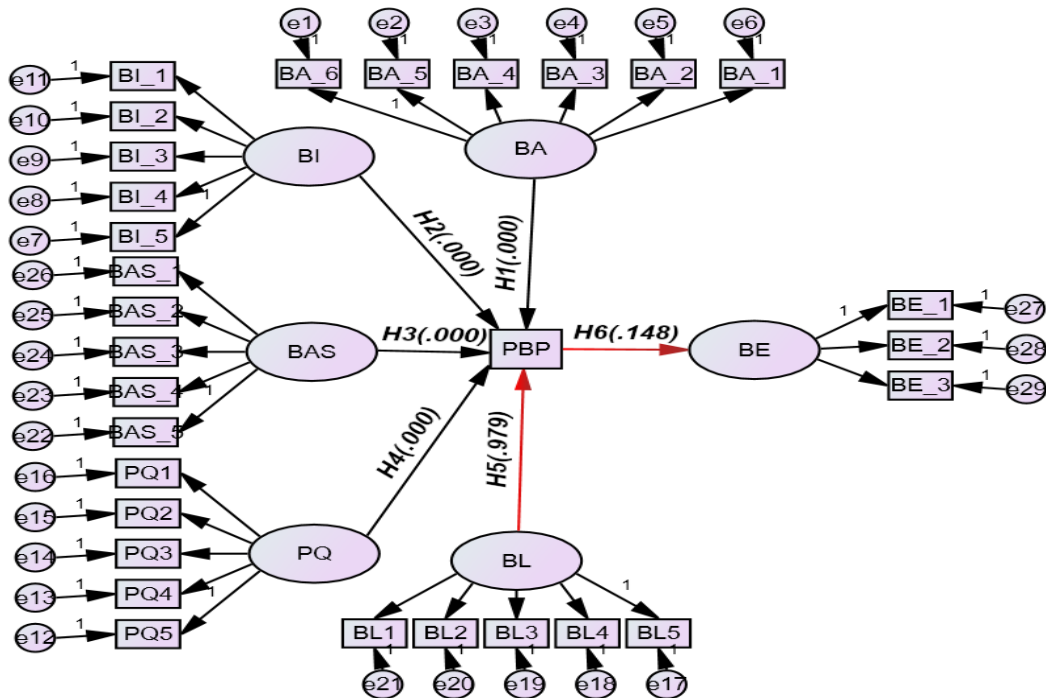
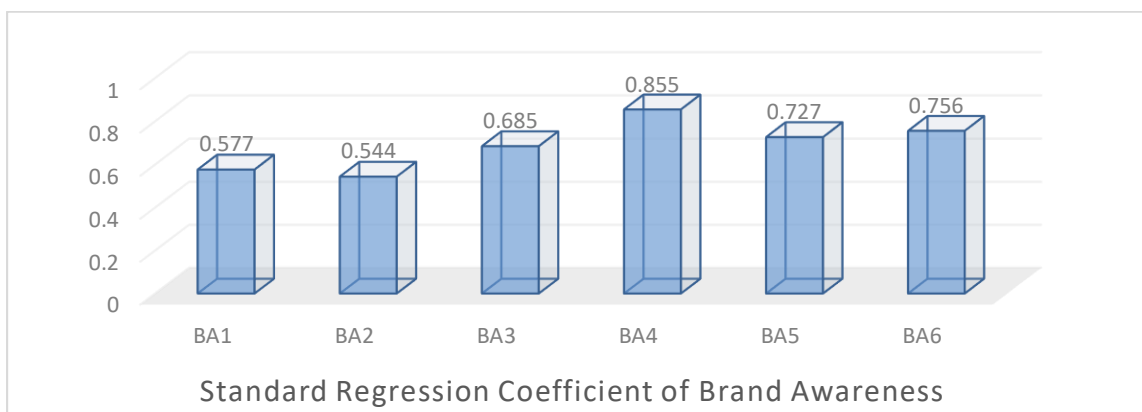


Figure I Proposed Structural Equation Model (SEM)

VII. Discussion

The next step was to examine the standard regression coefficient of brand equity dimensions and each of them has been described below separately;

Figure II Standardise Regression Coefficient of Brand Awareness factor



The figure above depicts the standard regression coefficient of brand awareness. It contains six observable variables. Among them, the statement BA4 representing “I have used and known about this brand” gathered the highest degree of contribution amounting to 0.855. This suggests that the respondents once used a

particular brand can easily distinguish between the brand already used. Thus, while designing a product it should be kept in mind to attract consumers and make them buy the same product again and again.

Figure III Standardise Regression Coefficient of Brand Image factor

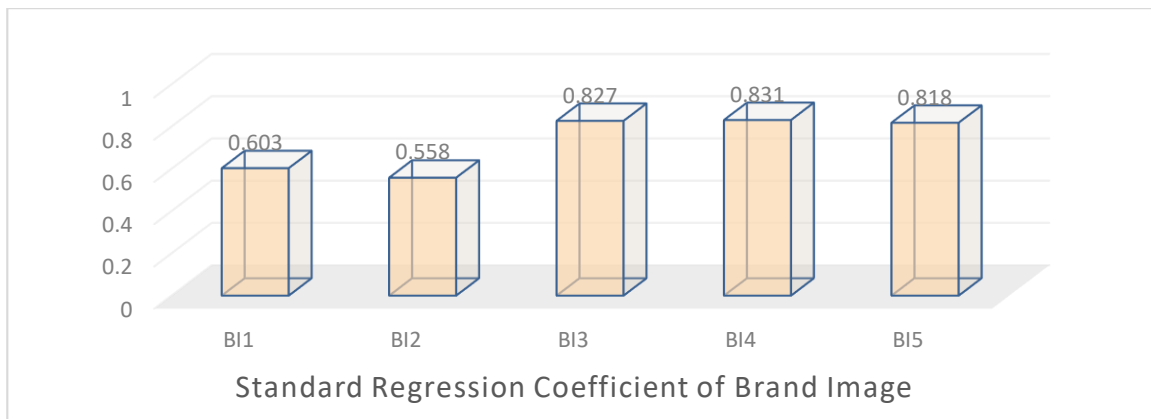


Figure VII represents the factor loading of the variable brand image. It contains five observable variables and the values of BI4, BI3 & BI5 were quite adjacent to each other. However, the statements BI4 and BI3 acquired the highest degree of contribution i.e. .831 & .827 respectively. It throws light towards the fact that service, quality, durability and reliability were the most important factors that consumers think of before purchasing a durable product. Thus, producer and marketer must give due importance to these aspects while dealing with consumer durable products.

Figure IV Standardise Regression Coefficient of Brand Association factor

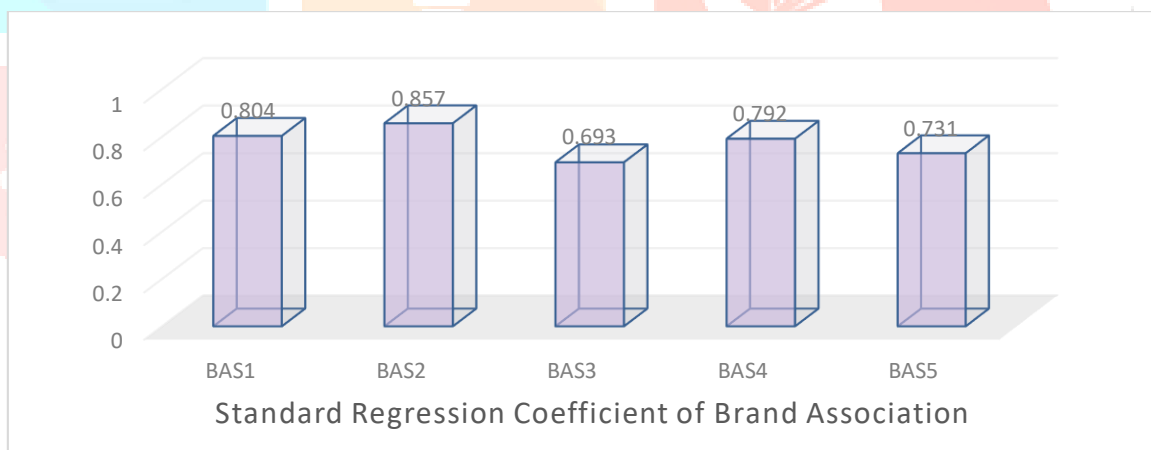


Figure IV represents the factor loading of brand association consisting five variables. In this case, BAS2 & BAS1 obtained the highest value as compared amounting to .857 and .804 respectively. This again draws towards a conclusion that consumers while purchasing durable goods look into purchasing a qualitative product with good features.

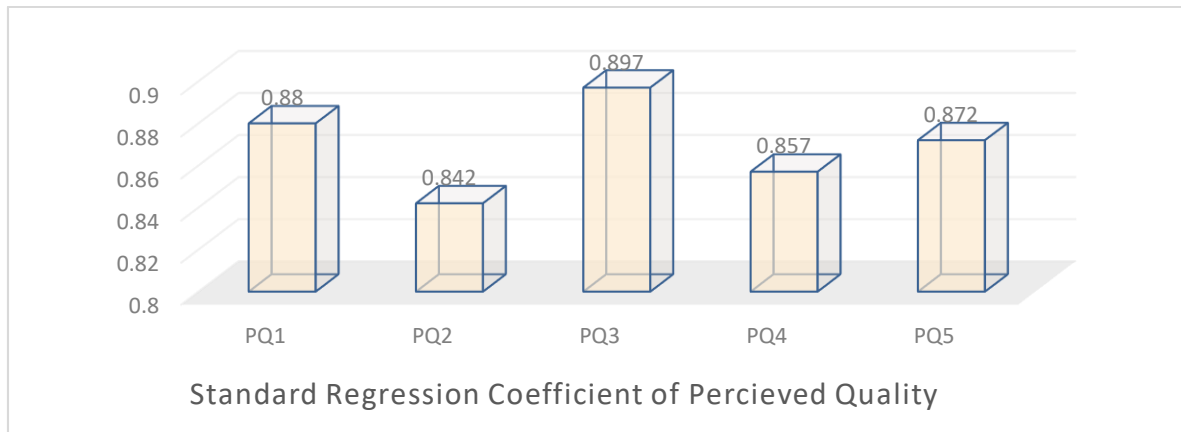
Figure V Standardise Regression Coefficient of Perceived Quality Factor

Figure V describes the standard regression coefficient of perceived quality factor. It also consists of five variables. In this case, it was found that values of statements PQ3, PQ1 and PQ5 were not having much difference. However, variable PQ3 and PQ1 obtained the highest degree of contribution i.e. 0.897 and 0.880 respectively. This portrays the fact that features of durable products and its overall performance play a major role that impacts the consumers mind while deciding to purchase a durable product. It again highlights to consider in providing good features and make a product attractive.

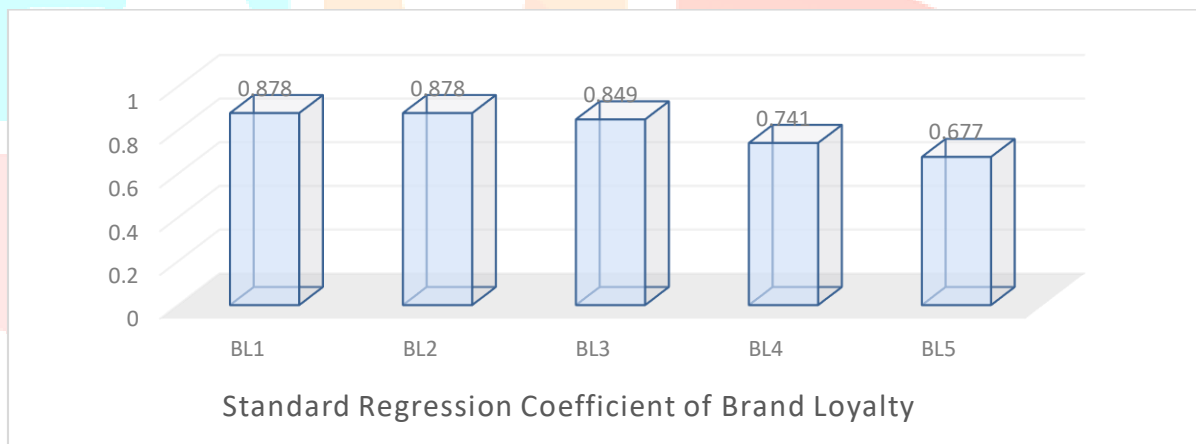
Figure VI Standardise Regression Coefficient of Brand Loyalty factor

Figure VI represents the factor loading of brand association consisting five variables. Among them the values of variables BL1, BL2 and BL3 were quite close to each other i.e. 0.878, 0.878 and 0.849 respectively. However, variables BL1 representing “I will stick to buy products of this brand” and BL2 representing “Whenever there is a need, I will consider this brand as my first choice” obtained the highest degree of contribution. It signifies if a consumer is satisfied with a brand, he/she will definitely consider it once while making a final purchase in case of durable product.

VIII. Conclusion and Suggestions

The results of this study present a theoretical and analytical implication. This paper identifies the impact of brand equity dimensions and attempted to understand the preference of consumers while purchasing branded durable products. The result reveals that the dimension such as brand awareness, brand image, brand association and perceived quality were found to have an impact on preferred branded products while brand loyalty was not found to have the same. Also, the preference of consumers while purchasing branded products had no significant impact on brand equity. Among all the dimensions, brand association had the most significant impact while choosing branded products. It was disclosed that the brand equity dimensions namely brand awareness, brand image, brand association, perceived quality mostly affected consumers buying decision while preferring branded products.

As the durable products involves a huge amount of money and is becoming more competitive now a days. Thus, the producers of durable products should always attempt to understand the interest and perception of consumers to get a hire sale of their products. Consumers are regarded as the kingpin around whom the entire marketing activities lie down. Therefore, it is highly inevitable to produce goods that suit the needs and aspiration of target market to be in an advantageous position for achieving success than its competitors.

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