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## **THE IMPACTS OF BRAND AWARENESS AND BRAND ASSOCIATION ON THE CUSTOMER BASED BRAND EQUITY**

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### **ABSTRACT**

*This research paper presents the impacts of brand awareness and brand association on customer based brand equity related to a mobile phones' brand through a conceptual framework. Literature review gives a tentative mainstream views in terms of the relations of the variables i.e. of brand awareness, brand association and brand equity. The influence of brand awareness and brand association give a platform for the enhancement of the topic relating to brand and branding. The total of 101 respondents are taken for the study. Descriptive and inferential analysis has been taken for the study. The analysis has shown the positive relationship between brand awareness and brand equity along with brand association.*

**Keywords:** Brand Awareness, Brand Association, Customer Based Brand Equity

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### **INTRODUCTION**

Globalization and competition in the market has taken an important lead in the aspect of brand management. A proper brand management leads to a differentiation of a product or services as well as a good perception from consumers or customers; and that automatically increases a market share. A core value in any product and services can be created through the use of a brand name too.

In terms of marketing, one of the important topics to explore is of brand equity, which constitutes of different factors associated with it.

As there is positive impact of brand loyalty on sustainability of brand (Howell, 2004), people, who are loyal with the products, become always ready to pay more for the products because they believe that these products are more useful for them (Jacoby and Chestnut 1978; Pessemier 1959; Reichheld 1996).

Present scenario of the research is based on the customers' perspective on the brand equity.

### **RESEARCH QUESTIONS**

The questions to be investigated are:

- What is the connection between brand awareness and customer based brand equity?
- What is the connection between brand association and customer based brand equity?

### **RESEARCH OBJECTIVES**

The objectives of the research are as:

- To find out the effect of brand awareness on customer based brand equity.
- To find out the effect of brand association on customer based brand equity.

## LIMITATIONS OF THE STUDY

The study is only based on the two dimensions of the customer based brand equity i.e. brand awareness and brand association along with a simple random sample technique, used for an analysis prospect. There is a constraint of time and cost in relation towards the research study. Only 101 respondents are taken for a study.

## LITERATURE REVIEW

### Introduction to Brand

According to the American Marketing Association, a 'brand' is a name, term, sign, symbol or design or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Keller, 1998).

According to De Chernatony and MacDonald (2003), a brand goes beyond physical constituents and what it stands for it has some additional attributes which although maybe intangible but are still important to consumers consideration.

Well-known brands are capable of developing favorable attitudes and perceptions more easily, leading to increase on the sales. Higher perceived quality gives the consumers a good reason to purchase the product (Pelsmacker et. al., 2001).

Schmitt (1999) recommended two ways to branding:

- The brand has to be viewed as an identifier where the logo, slogan, names form a particular image and awareness on the consumers.
- The brand has to be viewed as an experience provider where the logo, slogan, names, event and contacts by consumers provides consumers' effectiveness, sensory, lifestyle and create relation with the brand.

### Brand Awareness

According to Aaker (1991), brand awareness is the ability of prospective buyer to identify that a brand is a component of a certain product category. Factors to achieve brand awareness includes a slogan or jingle, needs to be different and memorable, symbol exposure, publicity, event sponsorship, considerable brand extension, and using queue.

According to Rossiter and Percy (1987), brand awareness is the ability of consumers to distinguish a brand amongst other brands.

In Lin and Chang (2003), the result of their study established a fact that brand awareness had the most powerful influence on consumers' decision regarding purchasing pattern.

Brand awareness can be guided through high aided awareness through product category and customer recognition and top of mind awareness i.e. immediate brand recall by mentioning product category and customer recall (management study guides brand awareness).

### Brand Association

Keller (1993, 1998) classifies brand associations into three major categories: attributes, benefits and attitudes.

The associations related to the functions represent a greater degree of abstraction than those referring to the attributes, and so are more accessible and remain longer in the consumers' memory (Chattopadhyay and Alba, 1988).

Researchers have found that brand associations have a positive influence on: consumers' choice, preferences and intention of purchase, their willingness to pay a price premium for the brand, accepting brand extensions and recommending the brand to others (Park and Srinivasan, 1994; Cobb-Walgen et al., 1995; Agarwal and Rao, 1996; Hutton, 1997; Yoo et al., 2000).

Chen (2001) clearly identified an accurate brand association model which makes brand maintainers easy to use the element of brand association to improve the brand relationship between the brand and customers.

Brand association is anything related to the preference of a brand (Aaker, 1991, Keller, 1993).

brand association is formed through Customers' contact with the organization and its employees; Advertisements; Word of mouth publicity; Price at which the brand is sold; Celebrity/big entity's association; Quality of the product; Products and schemes offered by competitors; Product class/category

to which the brand belongs; POP ( Point of purchase) displays; etc (management study guides brand association).

**Brand Equity**

Aaker (1991) suggested that brand equity has five dimensions i.e. brand loyalty, brand awareness, brand association, perceived quality and other brand proprietary assets.

Cheing et.al (2011) have investigated area of customers based brand equity through various literature and experiential studies. To study the brand equity, financial and customer based techniques are used herein. Through carefully designed marketing activities, brand equity can be designed for the long term. There is a need to conduct more empirical studies in the area of brand equity.

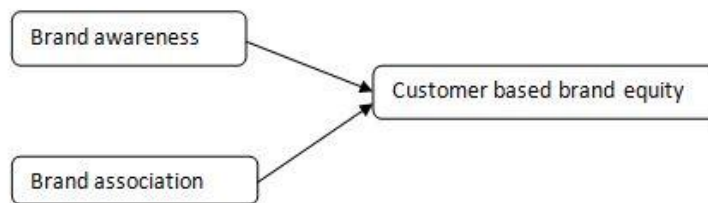
Rajat et.al (2011) investigates brand equity based on consumers and their interest in seeking a high reputation as they are status conscious for a universal versus native brand. They did it by using self-directed survey from pupils in a huge university of Australia. study was devoted for present flea market based on consumers’ brand equity and consumers’ consciousness for buying a universal versus native brand.

Mahajan et al. (1994) believe that customer based brand equity can be evaluated by the level of customers’ understanding.

Leone et al (2011) clearly illustrated that brand association belongs to the part of brand equity, because “strong, favorable and unique brand association are essential sources of brand equity to drive customers’ behavior” (Leone et al, 2011. P. 126).

**CONCEPTUAL FRAMEWORK**

Conceptual framework



The conceptual framework is being developed on the basis of a literature review.

**HYPOTHESIS OF THE STUDY**

- H1: brand awareness has a significant and a positive impact on brand equity.
- H2: brand association has a significant and a positive impact on brand equity.

**RESEARCH METHODOLOGY**

The research methodology contains of both of primary and secondary data. Secondary data contains of book, journals, articles, research papers, thesis; and the main source is the internet. In case of primary data, questionnaire was developed after literature review and was distributed to get in hand information on the subject matter.

In case of a research design, according to Ghauri and Gronhaug (2005), depending on the nature of the problem, the research could be exploratory, which is used to identify and explain the nature of the problem. It enables managers to better understand the problem It gives answers to who, where, what, how and when of questions and deals with cause and effect relations.

**DATA ANALYSIS AND DISCUSSION**

**Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	63	62.4	62.4	62.4
Female	38	37.6	37.6	100.0
Total	101	100.0	100.0	

The above table based on gender represents that out of 101 respondents, 62.4 percent were male and 37.6 percent were female.

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
18-26	94	93.1	93.1	93.1
27-35	3	3.0	3.0	96.0
36-44	4	4.0	4.0	100.0
Total	101	100.0	100.0	

The above table represents that the age group between of 18-26 constitutes 93.1 percent of respondents, age group of 27-35 constitutes 3 percent; age group of 36-44 constitutes 4 percent out of 101 respondents.

Mobile				
	Frequency	Percent	Valid Percent	Cumulative Percent
samsung	50	49.5	49.5	49.5
i phone	12	11.9	11.9	61.4
Gionee	5	5.0	5.0	66.3
Htc	4	4.0	4.0	70.3
Oppo	3	3.0	3.0	73.3
Huawei	6	5.9	5.9	79.2
Other	21	20.8	20.8	100.0
Total	101	100.0	100.0	

The above table represents that 50 respondents use Samsung mobile; 12 respondents use I phone; 5 respondents use Gionee; 4 respondents use HTC; 3 respondents use Oppo; 6 respondents use Huawei and 21 respondents use other mobile brands.

Correlations				
		awareness	association	Equity
awareness	Pearson Correlation	1	.353**	.536**
	Sig. (2-tailed)		.000	.000
	N	101	101	101
association	Pearson Correlation	.353**	1	.575**
	Sig. (2-tailed)	.000		.000
	N	101	101	101
equity	Pearson Correlation	.536**	.575**	1
	Sig. (2-tailed)	.000	.000	
	N	101	101	101

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

The correlation analysis indicates that there is a positive and significant relationship between brand awareness and brand equity along with brand awareness and brand equity. Therefore the alternative hypothesis H1 and H2 is being accepted.

## SUMMARY AND MANAGERIAL IMPLICATION

The research is undertaken to view the different prospects of consumer based brand equity factors in the Nepalese market. Consumer based brand equity deals with the consumers' perception towards the brand indicating its reliability and economical dimensions in the minds of the customers/consumers. The study was prior towards the mobile phone and its related dimensions.

Brand awareness and brand association are taken as the independent variables and consumer based brand equity is a dependent variable for the study with the sample size of 101 respondents. The study shows that there exists a relationship between brand awareness and brand association in terms of

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mobile phone users. Our study supports the study of Leone et al (2011) in terms of combination of brand awareness and brand association with brand equity. This finding is highly harmonized and consolidated along with Rajat et.al (2011); Leone, et al (2011); Cheing et.al (2011), (Chattopadhyay and Alba, 1988) and so on. Competencies exist in a market; and dynamism of markets provides a crucial role in brand awareness, brand association and brand loyalty. To become competitive in this scenario, it's an utmost necessity for the producers to be able to grasp the situation and make opportunities for the business prospective. Further studies should be focused on the other dimensions of the brand equity measures including the more respondents for exploration of the different dimension of the analysis.

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