CHAPTER 2

REVIEW OF LITERATURE

2.1 INTRODUCTION

A literature review is a body of text that aims to review the critical points of current knowledge and or methodological approaches on a particular topic. Literature reviews are secondary sources and as such, do not report any new or original experimental work. Its ultimate goal is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as future research that may be needed in the area. A well-structured literature review is characterized by a logical flow of ideas; current and relevant references with consistent, appropriate referencing style; proper use of terminology; and an unbiased and comprehensive view of the previous research on the topic.

2.2 REVIEW OF PREVIOUS STUDIES

For clear and easy understanding, the review of literature is presented in the following headings.

- Consumer Behaviour
- Brand
- Brand Equity
- Brand Awareness
2.2.1 Consumer Behaviour

Consumer behaviour is described by Krugman (1965) as the actions, thought process and perceived outcome, in collaboration with environmental factors, during the course of making a decision, which could result in a purchase. Some of the factors that are significant in consumer behaviour are external environment, demographics and personal characteristics, which are influenced by the consumer’s beliefs, values and attitudes.

In the literature perspective, Assael (1994) explained that consumer behaviour as the process of perceiving and evaluating different components of a purchase. Furthermore, he explains that there are two broad influences that decide consumer choice. At First, the individual consumer’s needs, consciousness of brand characteristics and awareness to alternatives are of significance in the matter of decision-making. Other factors that influence the choice of brand are the consumer’s demographics, lifestyle and personal characteristics. Secondly, the environment has importance in consumer behaviour, which consists of culture, social class and reference groups.

Blackwell et al (2001) defined consumer behaviour as a summation of acquisition, consumption and disposal of products or services. However, such definition falls short of the continuity of the processes. Based on this loophole, Arnoud et al. (2004) further proposed the circle of consumption that
recognize purchasing processes as a loop, comprising acquisition of goods and services, consumption, as well as disposal of used goods. As far as the consumer decision process model is concerned, consumers need to go through seven steps before reaching their final decisions. These seven steps include need recognition, search for information, pre-purchase, evaluation, purchase, consumption, post-consumption evaluation and divestment (Blackwell et al., 2006).

Rayport and Jaworski (2003) study revealed that most of the consumer research would primarily base on these seven stages and how different elements affect each stage of consumers’ decisions, regardless of the different terms and consolidation of stages. Further they point out that the significant impact of internet on consumer purchasing decision. This new kind of non-shop retailing format has begun replacing the fairly established catalogue and TV shopping and its development is rapid albeit it is more recently found in comparison with the existing non-shop retailing modes.

Porter (2004) pointed out that firms can create value by providing lower price or unique offers to the customers so as to excel their competitive advantages over the others. Stage four refers to the purchase decisions made by the consumers after evaluating the offers from different retailers.

Kolter et al (2005) explained that the pre-purchase evaluation that consumers compare between different products and brands to make a purchasing decision. In this stage, consumers pay particular attention to the attributes which are most relevant to their needs. Attributes like quantity, size, quality and price are commonly used to judge a brand by customers. Any changes in these attributes can affect consumers’ decisions on brand or product choices.
Solomon et al (2006) stated that along the same lines the complexity of consumer behaviour with regards to choice comes to our attention when we see it under the light of consumer behaviour motivations. Consumers’ motivations are frequently originated in underlying aspiration values. Further, consumers are not usually willing to communicate these underlying desires or often are not aware that their product evaluation behaviour is an extension of whom they are and who they want to be.

As stated by Blackwell et al (2006) there are two phases contributing to the decision making processes, including retailer and in-store selection. Retailer selection is made by judging which retailers to buy after investigating the attributes from the previous stage whereas in-store selection is affected by the selling skills of salesperson, visual displays inside the shops, as well as point-of-purchase advertising.

Kapferer (2008) pointed out that the brand is the ultimate personality, which discards atypical, dissonant elements in disagreement with its personality. A brand provides consumers a sense of stability and consistency. Along those lines, a brand is less flexible than its product categories. Once the personality image of the brand is created in the minds of consumers, it is very difficult to change. Thus, therein lays the importance of understanding consumers’ rejection of products and brands.

Saravanan (2010) in his study revealed that the modern market is highly competitive and traditional. The prominence gained by an individual consumer in marketing decision making compels the marketers to look at and organize the component of the marketing mix through the customer’s eyes. Hence, consumer behaviour research has come into existence. In the present era, women play a vital role in all fields and women play a major role in taking purchase decisions for non-durables.
2.2.2 Brand

According to Levitt (1983) there are four elements for building a successful brand, namely tangible product, basic brand, augmented brand and potential brand. Tangible product refers to the commodity which meets the basic needs of the customers. Basic brand, on the other hand, considers the packaging of the tangible product so as to attract the attention from the potential customers. The brand can be further augmented with the provision of credibility, effective after-sales services and the like. Finally and most importantly, a potential brand is established through engendering customer preference and loyalty. By doing so, the image of the brand could be well instilled in the customers’ mind.

Aaker (1991) stated that the brand is a distinguishing name and /or symbol (such as logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those competitors. A brand thus signals to the customer and the producer from competitors who would attempt to provide products that appear to be identical.

Kapferer (1997) has mentioned that the brand is a sign -therefore external- whose function is to disclose the hidden qualities of the product which are inaccessible to contact. The brand served to identify a product and to distinguish it from the competition. “The challenge today is to create a strong and distinctive image

Mooij (1998) revealed that brand is a name in every consumer’s mind and it is characterized by a noticeable name or symbol which can differentiate the goods and services from the rivals.
Kotler (2000) brought to light that branding as a major issue in product strategy. As the brand was only part of the product, the communication strategy worked towards exposing the brand and creating brand image.

Abrahams and Granof (2002) suggested that the brand is the promise of quality and consistency which provides the foundation for the relationship between an individual and a specific product, service or company. The fulfillment of this promise increases value, drives customer to buy more products, influences the financial community to recommend further investments and helps companies attract and retain the most talented employee.

Keller (2003) described that the technically speaking, then, whenever a marketer creates a new name, logo, or symbol for a new product, he or she has created a brand. However, those brands today are much more than that. As can be seen, according to this definition brands had a simple and clear function as identifiers.

Kotler and Philip (2003) defined the brand is a name, logo, colour and symbol are basically only marketing tools and tactics. The brand also represents the marketer’s guarantee to deliver a particular set of features, benefits, and services, with consistency, to the buyer. It is the task of the marketer to create a mission for the brand as well as a vision of what the brand must be and do.

According to the study of Sanjay (2011) utility score for international brand is highest among the other brand types. It means Sales promotion on international brand is preferred. Word of mouth publicity as a source of sales promotion schemes information is preferred over other media types. Value added is preferred over price off while immediate benefits has
score more on utility compared to delayed benefits. Overall, sales promotion scheme on international brand, awareness spread out by word of mouth, Scheme is value added type with immediate benefit is preferred by the customers. So, while designing sales promotion schemes and its benefits from the perspectives of the customers above mentioned attributes of the sales promotion schemes should be considered to achieve the objectives of the sales promotion schemes.

Katherine et al (2012) in their study shows that consumers are beginning to demand ethically produced goods from companies and are willing to pay a premium to attain such goods. The world is getting smaller as a result of increased globalization, improved transportation, and the explosion of the Internet—consumers not only are indicating that they are interested in fair-trade options but also are able to access ethically produced and priced goods with greater ease.

2.2.3 Brand Equity

Srivastava and Shocker (1991) proposed that brand equity comprises of two components: brand strength, which consists of the set of associations and behaviours on the part of the brand’s customers, channel members, and parent company that allows the brand to enjoy a competitive advantage; and brand value, which is the financial outcome of management’s ability to strategically leverage brand strength (the basis of brand value) to produce profits.

Keller (1993) defines brand equity as the differential effect of brand knowledge on consumer response to the marketing of the brand and also views CBBE as a process, that occurs when the consumer is familiar with the brand and holds some favourable, strong, and unique brand associations in memory. The favourable, strong, and unique associations are termed as
‘primary’ associations that include brand beliefs and attitudes encompassing the perceived benefits of a given brand.

Park and Srinivasan (1994) developed a survey-based method for measuring brand equity, which is the only method that provides a measure of brand equity at the individual level. The authors parcel brand equity into two sub components; attribute based and non-attribute based brand equity. They use the last brand purchased to calibrate the parameters. An important limitation of this method is that it assumes that there are no errors in the utility measurements.

Upshaw (1995) defined brand equity as the total accumulated value of brand in both tangible and intangible assets as well as contributes to the corporate parent. However, Upshaw has divided brand equity into two broad aspects. Brand valuation is the first one which relates to the bearing value of the brand including its financial worth of the company. Brand identity is another aspect which refers to how the brand is viewed by its current and potential purchasers since it is the bonding of brand positioning and personality.

Baldinger and Rubinson (1996) study revealed that, studying brand equity solely from the perspective of either the firm or the consumer may be inadequate. While assessing brand equity from the perspective of the firm can provide a measure of the financial value of the brand to the firm, it neglects the fundamental basis of the brand equity concept, which suggests that the equity of a brand is not merely a dollar-metric value but also an intangible asset residing in the minds of consumers.

Krishnan (1996) indicated that the development focus of brand equity can be divided in to three areas: the standpoint of brand valuation, how
mature brand can leverage their equity through brand extensions, and measuring the equity of established brands from a consumer perspective.

Chernatony (1998) explained that there are a number of indirect measures of brand equity and the applicability of these measures may in part be dependent upon the product class for which the measurement is being made. For example, brand dominance, the only brand known in the category, top of the mind share, brand knowledge and brand recall are some of the measures of brand awareness. It is not known a priori which the appropriate measure for a particular product.

According to Keller (2001) companies can develop strong brands only if the brand development process includes the following steps: (1) establishment of proper brand identity, (2) creation of the appropriate brand meaning, (3) extraction of the right brand responses, and (4) building of appropriate brand relationships with customers. Keller introduces six building blocks which are part of the Customer Based Brand Equity pyramid. Those building blocks are: salience, performance, imagery, judgment, feelings and resonance.

According to Feldwick (2002) brand equity is viewed as: It represents a long overdue shift in business and advertising thinking: from focus on making a sale, to creating and keeping a customer; from a purely short-term perspective to one that includes the longer term profitability of the business; away from volume alone to recognize the important of price and loyalty.

Cravens and Nigel (2003) described that the brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.
Keller (2003) stated that brand equity from the view of customer-based brand knowledge. The associative network model describes as to how and to what extent the human mind creates associations towards brands. Brand knowledge is comprised of two items named brand awareness and brand image. Brand awareness is related to the strength of the brand; stronger awareness increases the customer’s ability to remember the brand. If explained and correctly understood, brand recognition means that the consumer recognizes the brand to which they are exposed. Brand recall is another form of awareness that refers to the consumer’s mental acumen and ability to recall the brand from memory when given a relevant cue. Furthermore, brand images dependent upon many factors and will be determined by the type, favorability, strength, and uniqueness of brand associations, which are described as memory links.

Aperia and Back (2004) in their study stated that brand equity is brand’s capital described the incremental utility or value of the brand. They mainly focus on two aspects which are the marketing aspect and the financial aspect. For marketing aspect, brand equity aims to build and direct the brands assets by maintaining existing and attracting new customers. For financial aspect, brand equity becomes valuable when it comes to brand buying and selling process. However, the differentiation of the company or product itself can lead to the competitive advantage based on non-price competition.

Tanmay et al (2009) in their study nine hypotheses were made at the beginning of the study. They have seen that not all hypotheses that they had made were validated. There exists a group of factors that are the primary factors affecting brand equity, while another group of factors are the secondary factors affecting brand equity. While primary factors affect brand equity across type of cars, secondary ones do so in only in some category of
cars. This study clearly proves that both direct and indirect marketing mix variables have a direct bearing on the perceived quality and hence on brand equity of a product.

Mostafa et al (2010) the result of the study showed that brand meaning play an important role in creating brand equity. Brand awareness is secondary. However, brand awareness is needed in order to disseminate information on the brand meaning. These components of brand equity must be coherent in their actions so that consistent image of the bank is realized and valued by customers.

Ruta and Juozas (2010) in their study revealed consumer-based brand equity is more difficult to evaluate because of its intangibility and subjectivity, high expenditures on time and money as well as the lack of accessible and applicable methodologies. Consumer-based brand equity attributes can be sorted in two sections: attributes important for a consumer, as brand awareness, brand image and associations, product quality, product price, and attributes important for a company, as loyalty for a brand. The latter attribute is treated as a combination of repeated purchases and differential price level. Attributes of both sections form actual consumer-based brand equity.

Silke et al (2011) in their study showed the that negative online product reviews have considerable detrimental effects on consumer-based brand equity and thus lead to a significant brand equity dilution which is closely related with this finding, This study shows that even brands with regard to which consumers have a considerable brand knowledge are not immune from such detrimental effects. In addition, it showed that these effects exist independently of a person-specific variable such as the susceptibility to online product reviews.
Ashutosh and Rajiv (2011) revealed that strong brand equity allows the companies to retain customers better, service their needs more effectively, and increase profits. Brand equity can be increased by successfully implementing and managing an ongoing relationship marketing effort by offering value to the customer, and listening to their needs. Brand equity factors influencing customer purchase decision criterion has been discussed. The study concluded that brand managers efforts should be focused on customer loyalty, trustworthiness, brand advocacy, brand distinction and innovative features in managing brand equity. Right marketing mix should be focused to exploit brand equity in terms of the purchase decisions and repetitive sales of the products. Further, it can concluded that it was not only the marketer’s name which create a brand image in the mind of customer but dealer’s name also influence also develop the brand image attributes.

Mohammad et al (2011) in their study have taken a fresh look at a familiar phenomenon, branding, which receives continuous attention from academic researchers, managers and media commentators. The specific topics handled in this context include, the necessity of brand strategy and management, brand identity, brand image, brand names, brand extensions, and brand equity.

Chieng and Goi (2011) in their research identified dimensions of brand equity from academic literature and provide the necessary depth and breadth of understanding of brand equity and its measure. A conceptual framework is useful for examining the contribution of brand association, brand awareness, perceived value and brand loyalty to brand equity. It is imperative to know how much equity a brand commands in the market as building strong brand equity is a very successful strategy for differentiating a
product or service from its competitors. Although brand equity cannot be built in short term, it can be built in long term through carefully designed marketing activities.

Sanjay and Kevin (2012) in their study provided evidence that brand name structure can evoke different types of information-processing strategies and therefore influence both extension evaluations and dilution effects on parent brand evaluations. Specifically, the sub branding findings suggested that slight changes to the extension name structure would result in large changes in consumer responses.

2.2.4 Brand Awareness

Aaker (2000) revealed that brand awareness as a remarkably durable and sustainable asset. It provided a sense of familiarity especially in low-involvement products such as soaps, a sense of presence or commitment and substance and it was very important to recall at the time of purchasing process. Apart from the conventional mass media, there were other effective means to create awareness viz., event promotions, publicity, sampling and other attention-getting approaches.

Beverland (2001) analysed the level of brand awareness within the New Zealand market for ZESPRI kiwi fruit. The effectiveness of this branding strategy employed by kiwi fruit, New Zealand was studied. The implications of the findings for agribusiness in general using the data collected from surveys of kiwi fruit consumers (n=106) outside three major super market chains in Auckland, New Zealand. The results suggested that the level of brand awareness for ZESPRI is low among consumers. It is indicated that brand awareness could be increased through a relationship-making programme involving targeted marketing and supply chain management.
Chen (2001) expressed a different thought on brand awareness that it was a necessary asset but not sufficient for building strong brand equity. In his view, a brand could be well known because it had bad quality.

Yee and Young (2001) aimed to create awareness of high fat content of pies, studied consumer and producer awareness about nutrition labeling on packaging. For this, seven leading pie brands were analyzed for fat content and are ranged from 7.1 to 19.2 percentage fat content. Potato topped or cottage pies had the lowest fat content 7.1-9.2 percentage fat. Most pies did not display nutritional labeling on packaging. Over half of the consumers 52 percentage who responded to the survey 42 percentage was aware of the campaign. The study was successful at raising consumer awareness about the high fat content of pies and influencing the food environment with a greater availability of lower fat pies. It is possible to produce acceptable lower fat pies and food companies should be encouraged to make small changes to the fat content of food products like pies. Potato topped, pies are lower in fat and are widely available. Regular pie eaters could be encouraged to select these as a lower fat option.

Nandagopal and Chinnaiyan (2003) concluded that the level of awareness among the rural consumers about the brand of soft drinks was high which was indicated by the mode of purchase of the soft drinks by “Brand Name”. The major source of brand awareness was word of mouth followed by advertisements, family members, relatives and friends.

Ramasamy et al (2005) indicated that, the buying behaviour is vastly influenced by brand awareness and attitude towards the product. Commercial advertisements over television was said to be the most important source of information, followed by displays in retail outlets. Consumers do build opinion about a brand on the basis of which various product features
play an important role in decision making process. A large number of respondents laid emphasis on quality and felt that price is an important factor while the others attached importance to image of manufacturer.

Leah (2008) in his study indicated that differential effects of three models of categorization have on consumers’ categorization outcome. Researcher strongly recommended that researchers need to be aware of such differences and carefully choose a categorization model that fits their purpose best. The findings also suggest that consumers tend to naturally come up with one or more category exemplars to help their categorization tasks even in a situation.

Nazlialimen and Guldemcerit (2009) in their study have presented interesting outcomes regarding the perceptions of university students from different departments. The fashion brands aiming young consumers should consider brand knowledge, brand image and brand awareness impacts on their target segments. In a globalized world where local preferences are also playing an important role, brands act effectively in the development of the market demand. Brand knowledge is a key to evaluate in reaching the consumers and this research has proved the importance of empirical studies in this respect.

Ali (2011) in his study explained branding is a stabilizing activity, necessary in a turbulent environment to support the application of destabilizing activities. it also concluded that Substitution capability of main product of one brand with mean of 1.73, Perceived proportion of main product of one brand with mean of 2.04, marketing budget item with mean of 2.99 and, perceived quality of main product of one brand with mean of 3.10 were first to fourth priority respectively.
Florian et al (2012) in their study stated that brand equity has a predictable and meaningful impact on customer acquisition, retention, and profitability. The relationship stands even after controlling for a broad array of marketing activities that affect Customer life time value both directly and indirectly through brand equity. The components of brand equity exert different effects on acquisition, retention, and profit, suggesting that brand equity indeed is a multidimensional construct.

2.2.5 Brand Image

According to Hawkings et al (2001) brand images refers to the schematic memory of a brand. It contains the target market’s interpretation of the product’s attributes, benefits, use and characteristics of users and manufactures. It is consumers view and feeling when they hear or see a brand.

According to Marsden (2004) brand images refers to the set of beliefs that customers hold about a particular brand. Brand image is how a brand is actually perceived by its customers and constituencies. Two people might have differing opinions about the same brand, for all people are unique and have their own perceptions that are governed by many factors.

Copley (2004) stated that there is a clear distinction between brand image and brand identify. Brand identity is the way in which the organization presents itself to consumers as opposed to image, which is the perception of the brand by the consumers. Identity has to be created through the use of brand elements to capture the essence of the brand and experienced through everything the brand says and does by means of marketing communication programmes. Brand identity should be managed, planned and measured.

Nandan (2005) summaries that the differences between brand identity and brand image. Identity stems from the source or company whereas
image is created by the consumer. Identify represents the firm’s reality, while image represents the perception of the consumer.

According to Anon (2005) brand images is a set of unique associations with in the minds of the target consumers which represents what the brand currently stands for and implies a potential promise to consumers. Therefore, brand image is what currently resides in the minds of consumers, whereas a brand identity is planned.

Kotler and Keller (2006) defined brand image as the way in which consumer perceive the brand. More specifically, brand image as the perceptions and the beliefs held by consumers, as reflected in the associations held in the consumers, memory.

2.2.6 Brand Loyalty

Singh and Singh (1981) found that consumers had single or multi-brand loyalty based on the nature of product, like necessities or luxuries. Brand choice and store loyalty were found to affect the brand loyalty of the consumer. The factors that influence and strengthen loyalty to brand were quality of product, habit of use and ready and regular availability.

Shanmugasundaram (1990) studied about soft drink preference in Vellore town of north Arcot district in Tamil Nadu. The study revealed that, the most preferred soft drink among respondents as Gold Spot 26 percentage, followed by Limca percentage 24.80. It was found that taste was the main factor for preference of particular brand and among the media; television played a vital role in influencing consumer to go for particular brand. Because of convenience in carrying, tetra pack was most preferred one.
Ali (1992) studied the brand loyalty and switching pattern of processed fruit and vegetable products in Bangalore city by using Markov Chain analysis. The result of the study revealed that Kissan brand of Jam and Maggi brand of Ketchup had a maximum brand loyalty among consumers, and less amount of brand switching occurred for these brands.

Frederick (1994) pointed out in his book, “The Loyalty Effect”, that, the customer’s equity effectively explains success and failure in business. The companies with the highest retention rates also earn the benefit of profits. Relative retention explains profits better than market share, scale, cost position or any other variable associated with competitive advantage.

Ranganatham and Shanthi (1995) conducted a study on brand image among refrigerators in Tamil Nadu. The study revealed that Kelvinator scored higher for working of its power saving compressor, cooling power and its price was considered, except for defrost and new features. Voltas brand clearly outperformed others with respect to working of defrost system and always caused satisfaction with the models available under its brand name. The potential buyers felt that Godrej and Voltas had got a well-known corporate identity.

Veena (1996) studied brand switching and brand loyalty of processed fruit and vegetable products in Karnataka state by using Markov Chain Analysis. The result of the study revealed that Maggi, Sil and Kissan were having market retention of 74.20 percentage 55.78 and percentage 48.74 percentage, respectively for jam products. The equilibrium shares determined in order to predict future market position among the different brand showed that in long run, shares of Kissan, Rex. Other brands were likely to decline, mainly on account of increased market shares of Gala, Sil and Maggi.
Padmanabhan (1999) conducted study on brand loyalty, which revealed that the price of the preferred brand, efficiency of the preferred brand and influence of advertisement significantly influenced the brand loyalty. Only when the price of a particular brand is comparatively low, the farmers would naturally prefer. Otherwise farmers would naturally continue to purchase the same brand.

Burke (2001) created a brand equity index comprising of three components, best described as brand equity molecule. This is overarching device of retaining and attracting customers. The three atoms, which embedded to molecule, were image, value and loyalty. Image and value perceptions pull in new customers, while loyalty retains customers.

Rajarashmi and Sudarsana (2004) revealed that, almost all the sample respondents preferred branded products and if their favourite brand is not available in the retail shop, they will go for another store and their favourite brand. If it is not available in the market, the respondents are ready to postpone their decision. The results revealed that factors affecting repurchase intents vary across the two cultures.

Janghyeon et al (2011) in their study showed that consumers develop brand loyalty because the brand experience fits well with their lifestyles and social identity. Therefore, the brand experience should empower consumers to associate—or to disassociate—theirself with a specific social group in order to strengthen brand equity and brand loyalty. To do this, hotel and restaurant brands should develop new products to enhance customers’ social identity.

According to Supawan, and Geraldine (2011) brand experiences happen in a variety of setting such as when consumers search for brands, shop for brands and even consume brands. Accordingly, from the previous studies,
brand experience can be categorized into five dimensions such as sensory experience, affective experience, behavioural experience, intellectual experience and social-identity experience which are differentially evoked by various brands. The above mentioned that this paper also aims to investigate the concept of brand experience and its consequences in the Thailand context.

Hossien et al (2012) in their study revealed that the brand equity of chocolate products is directly made up of two dimensions, namely brand loyalty and brand image. These two dimensions have a medium direct impact on brand equity as hypothesized. Other dimensions have a very small and venial direct impact on brand equity that disregarded in building of brand equity in chocolate industry of Iran. The aforementioned findings are in conformity with past researches that have also found brand personality, brand association and brand image related to brand equity.

### 2.2.7 Perceived Quality

According to Zeithaml (1988) a consumers’ perception of product quality is based on evaluation of intrinsic and extrinsic attributes. Consumers depend on intrinsic attributes when the cues have high predictive value such as when consumers study the beverages, they use taste as the signal of quality assumption. If the beverage did not taste fresh, the evaluation was that quality was low. On the contrary, extrinsic cues are posited to be used as quality indicators when the consumer is operating without adequate information about intrinsic product attributes. This situation may occur when the consumer has little or no experience with the product or has insufficient time or interest to evaluate the intrinsic attribute and cannot readily evaluate the intrinsic attributes.

Aaker (1991) pointed out that perceived quality can be defined as the customer’s perception of the overall quality or superiority of a product or
service relative to alternatives. Perceived quality cannot necessarily be objectively determined, because perceived quality itself is a summary construct.

Parasuraman, et al (1996) revealed that perceived product quality is perhaps one of the most important constructs in marketing. In recent years, perceived quality has been the subject of considerable interest by both practitioners and researchers, mainly in services marketing. Work that integrates the role of perceived product quality within the context of other marketing variables like product involvement, consumer satisfaction and purchase intentions have received less attention. Moreover, the relationships between these consumers and goods are analysed but services have not been studied extensively in marketing.

Steenkamp (1997) in his study classified the concept of perceived quality in two groups of factors that are intrinsic attributes and extrinsic attributes. The intrinsic attributes are related to the physical aspects of a product on the other hand, extrinsic attributes are related to the product, but not in the physical part of this one: brand name, stamp of quality, price, store, and packaging.

Sridhar (2000) examined the relationship between perceived quality and advertising spending and found that perceived quality is positively related to advertising spending even after accounting for objective quality, price and market share. For nondurable goods, both advertising spending and market share are more important than objective quality, which is significant only for durable goods. Previous purchase experience, but not Consumer Reports readership, reduces the effect of advertising spending on perceived quality.

Bristow et al (2002) explained that when objective quality of a product is hard to justify, buyers would take more abstract signals such as
brand name as the key consideration. In the mind of customers, perceived quality defines perception, product quality and superiority. This effect on customers generally stimulates brand integration and exclusion which leads to positive consideration set before purchase decision.

Caruana (2002) in his research findings reported the preceding role of perceived quality and suggested a direct effect of perceived quality on consumer satisfaction. Thus, it is expected that the higher the perceived quality of a product, the higher the consumer satisfaction. There is no agreement however, on whether there is an interaction effect between perceived quality and satisfaction.

According to Petrick (2002) the dimensions of what consumers receive form purchasing services include the emotional response, the quality perceived and the reputation obtained from the services. He stated that the dimensions related to what is sacrificed or given, include monetary and non-monetary price. The relationships investigated in this study are found overall perceived value and perceived quality, monetary price, behavioural price, emotional response and reputation.

Espejel et al (2007) explained the product quality under the two main different perspectives; the objective quality and the perceived quality. Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls. Subjective or perceived quality refers the consumers’ value judgments or perceptions of quality.

Sik and Gede (2011) perceived that service quality is important concept on quality management area. Numerous researchers have investigated the relationship between perceived service quality and customer satisfaction and they concluded that perceived service quality affected customer
satisfaction. Furthermore, at services context, perceived service quality has more influence over customer satisfaction compared to perceived price.

Yu-Jia (2012) study pointed out that customer loyalty, brand equity, and perceived risk have significant and positive relationship to customer involvement. Brand equity and customer loyalty also partially mediated the relationship between perceived risk and customer involvement. This means both brand equity and customer loyalty played the significant roles to effect customer’s perception on customer involvement. In addition, the findings indicated customer loyalty has slightly stronger indirect effect on the relationship between perceived risk and customer involvement than brand equity. This fact revealed companies may not only focus on managing brand image, also should put more focus on building stronger customer loyalty. This fact also revealed the complexities of customer behaviors on purchasing on digital camera, such as these kinds of high price electrical consumer products.

2.2.8 Brand Associations

According to Chattopadhyay and Alba (1988) the brand 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 consumer's memory

Aaker (1991) stated that the brand associations are anything that the consumer connects in his memory to the brand. Some associations are stronger while others are weaker. The strength of the connection to a brand depends on how many experiences or exposures to communication the consumer has with the brand; the greater the amount of experiences and exposures, the stronger the link. If an association is supported by a network of other associations, it will also more strongly attach to the memory of the consumer.
Park et al (1991) suggested that the status function acts as a determinant of brand extension acceptance. They reached the conclusion that the image of prestige favours the extension of the brand to a wide number of product categories, even those that are functionally very different. On the other hand, the associations of prestige, luxury and status imply a social distinction of the brand, that generally affords the consumer positive emotional experiences.

Keller (1993) distinguished between brand association and secondary associations. The latter are associations that are linked to a brand association but not directly related to the product or service. He adds that “because the brand becomes identified with this other entity, consumers may infer that brand shares associations with that entity, thus producing indirect or secondary links for the brand. Secondary associations may arise from primary attributes associations related to the company, the country of origin, the distribution channels, a celebrity or an event.

Hutton (1997) in his study of brand image focused on grouping all the associations into a single dimension. He stated that it is foreseeable that brands of equal value for the consumer, in overall terms but not dimension by dimension, are differentiated as to the level and type of consumer response. Therefore, it is also interesting to analyze the individual effects of each of the different dimensions. This will enable marketers to guide brand decisions more appropriately, identifying which associations have to be strengthened in order to achieve the desired consumer response.

Keller (1998) pointed out that the customers are sometimes forgetful and associations towards a brand serve as a brief summary for the customers to make their purchasing decision. Associations can also be used to trigger the customers to recall their past experiences, making the customers
remember the brand by heart. Second, brand associations can differentiate one brand from another. It is about brand positioning that a well-positioned brand will find it hard to be attacked by its competitors due to its uniqueness.

Yoo et al (2000) researchers found that brand associations have a positive influence on consumer choice, preferences and intention of purchase, their willingness to pay a price premium for the brand, accept brand extensions and recommend the brand to others.

Rio et al (2001) proposed that brand associations are a key element in brand equity function and management. In this respect, high brand equity implies that consumers have strong positive associations with respect to the brand.

According to Korchia (2009) brand associations are all the linkages that exist between a brand and the other nodes stored in memory. In measuring the structure how information related to a brand is organized in memory and the content of an associative network of knowledge that a consumer holds for a brand, the perception the consumer has of the brand is also measured.

Mahsa and Hossein (2011) in their study substantiated the effect of extension attitude upon brand image, whereas initial brand associations and perceived fit between new products and other goods or brand image can improve consumer’s attitudes. Furthermore, the article explained that initial image is the single vital parameter influencing the final image when extension process is accomplished.

Me and Elmarie (2012) study revealed that demographic variables such as gender, age, marital status, province and qualification did not have a significant influence on the brand associations; this implies that the current
brand is more universal and developed for the general public. Such a universal brand is less expensive to maintain as various target markets can associate with the brand in the same way, thereby reducing marketing costs.

2.2.9 Consumer Durables

Elizabeth (1958) investigation revealed that in the American family, economic decisions were most commonly made jointly by husband and wife. There also seemed to be an implicit division of responsibility, growingly more pronounced with increasing age and the length of marriage. The husband played a major role in planning car purchases and the wife in planning home appliances purchases.

Study done by Daniel and staff (1958) focused 12 products grouped into 8 categories which includes both durable and non-durables. Result showed that wives expressed few brand preferences for predominantly masculine non-durable products. They did most of the shopping with an awareness of the brands their husbands preferred. The influences the husband and wives varied by sub-divisions on the durables goods categories.

Kapoor (1960) in his study on the “Durable consumer goods” revealed that the growth patterns in actual production and capacities of the consumer goods and concludes that rising income, urbanization and education are having a great impact on the Indian consumption pattern and the growing component of discretionary expenditure.

A survey conducted by Subhas (1973) during March-April 1972 shows that the upper income households those with income above `12,000 p.a possess a better ownership of consumer durables like scooter, furniture, electronic appliance etc. The study further stated that the companies have failed to exploit the market potential in rural areas.
George and Terry (1982) stated that it has been recognized for some time that brand attitudes can be useful predictors of subsequent brand choices when the proper measures are used and when few events intervene between attitude measurements and behaviour. A survey has been conducted on major appliances, purchasing behaviour and its relationship to pre search attitude and awareness data. The data relating to these aspects were obtained as a part of 2,350 U.S.A households. Results indicated that awareness of and attitudes towards major appliances brands were only weekly related to subsequent brand choices. Attitudes towards brands of major appliances seen to be formed primarily through a process of learning without involvement. Results suggested that attitudes derived from previous satisfactory experience with other products, in the line, which are reinforced with consistent brand advertising are more resistant to change.

Hunda and Sandhu (1987) made a study with the main purpose of determining the pre and post purchase behaviour and brand performance of television buyers. 250 samples were taken and the findings reveal that the main factors considered by the sample consumers were-price of various brands and the product attributes including after sales service. The study further reveals that the word of mouth was an important source of conformation.

An article by Barry (1992) revealed that replacement of durables account for a substantial position of sale of consumer durables in U.S.A. the study was conducted to develop a better understanding of the timing of durable goods replacement purchases. The characteristics of the consumer placing a product during the early and latter parts in the product’s life time were compared. A cross sectional design was used to investigate the degree to which consumer characteristics attitude, perceptions and search behaviour are associated with the timing of replacements. Result based on univariate and
multivariate analysis of replacement buyers are more concerned with styling and image and less concerned with cost than “late” replacement buyers.

Partrick (1993) explained that the role of price in a consumer’s decisions to buy or not a durable product is complex, to say the least. It is now accepted in marketing literature that different price constructs and related observed prices to internal value scales of consumer’s are necessary complements of the observed market price. Not only the price is a multi-dimensional concept but also, it is not known in advance for a long period.

Ronald and Turley (1994) in their article, investigate retailers’ relative influence on consumers’ sequential decision making process of forming evoked sets and then making purchase decisions from the evoked sets. The analysis describes the study in which customers, report on 23 durable goods grouped into three categories via, kitchen appliances, electronic products and recreational products. The findings of the study indicate that influence of the retailer on product choice varies significantly across different categories of durable products. At the choice stage retailers appear more likely to influence sales of electronic products than appliances; it reveals that retail managers should concentrate on the point of sale information and strategies on electronic products and decrease their use with other products.

Jose and Pavles (1994) stated in their empirical study the impact of three socio economic factors- education, occupation and income ; and four attitudes –activism, low community stratification, mass media participation and consumer modernism on the acquisition of novel technological consumer durable goods. Path analysis is used to test the significance of these variables. The findings revealed that the impact of socio- economic factors such as education, occupation and income in developing countries are expected to be positively related to innovativeness.
In an article by William et al (1998) examined the impact of national identity, cultural values, country of origin effects and selected demographics can the intension to buy foreign made appliances. Specifically the study examines Japanese refrigerators versus U.S. refrigerators, although the Japanese have been in the market for the longest period and have similar cultural back grounds with Taiwanese, the study reveals that U.S. made refrigerators are held in higher esteem by younger, well-educated and high income consumers.

John et al (1998) in their article examined the link between economic freedom (a measure of Government intervention) and the penetration of three durable goods television, radios and automobiles across the countries. The study reveals that after controlling the influence of income, there is a significant relationship between the greater amounts of economic freedom and durable penetration for these three products.

Sampathkumar (2000) made an attempt to higher the findings of consumer behavior on selected consumers products carried out in urban areas of Hyderabad city and in rural areas of nalgonda district. The study has been under taken with a view to (a) identify the factors influencing the behaviour of the consumers in the selection and use of a particular product category; (b) interpret and analyse the socio-economic profile of different strata of consumers and retailers and c) examine the motivation factors exhibited by consumers to impress upon and convince the retailers to get a product of their choice. The sample size was fixed at 500 and four consumer durables and four non-consumer durables were taken. The study revealed that a majority of consumers were highly en lighted. They were concerned with the quality of the product. It further revealed that both the urban and rural consumers desired to have quality products at reasonable prices and they relied more on the advice of retailers.
Madhavl and John (2000) in their paper focused on the level of perception and experience of product value with reference to refrigerators. The study was conducted with 150 randomly selected consumers and the aspects taken were quality, durability, availability, technology, economic service etc. they suggested that the manufacturers have to identify such gaps existing in different values and magnitude of differences based on this they must take steps to match the perception and experience. If this attempt is not made, they will be many dissatisfied buyers and in the long run the manufactures will be kept away from the market.

Pradeep (2003) stated that the durable goods consumption which was 25 percentage of the total market in eighties has been growing rapidly and now exceeds 50 percentage. The author has also stated that rural marketing was neglected by most of the companies due to the concept of urban orientation. It is also true that many companies have not invested sufficient time and money to understand rural consumer. The author concluded that more rural research studies should be undertaken to understand rural consumers for better results because, the next big market revolution is rural marketing.

A market survey conducted by Satya (2003) about television industry stated that urban and rural India contributed 50 percentages of overall colour television sales during 2001 which was 37 percentages in 1998. Experts attribute this rise in rural share to low price and easy financing.

Suman and Shukla (2003) pointed out the survey conducted by NCAER about selected consumer durable products. The study was conducted in both rural and urban areas on the basis of multistage, stratified sampling techniques. The study concluded with the fact that between 1987-88 and 1988-99 the income distribution of households has undergone a significant
change, which the share of low income households in the total population decreased sharply which in turn leads to increase in consumer durable products in both urban and rural areas but the proportion of rural is increasing at an increasing rate when compared to urban.

Selvaraj and Mahendran (2003) undertook a study to examine the factors influencing the consumer’s choice of washing machine and the problems faced by the consumers of Gobichettipalam town, Erode district of Tamil Nadu. The study revealed the facts that the choice of a particular company based on its quality, price and problem solving approach of the manufactures. The study concluded that if due attention is given to these aspects then both producers and consumers will be benefited.

In seeking to examine the family buying process and to identify the roles played by different family members, Verma and Sheetal (2003) surveyed 313 families living in Delhi who had purchased one of six durable consumer products viz., audio system, car, personal computer, refrigerator, television and washing machine in recent years. Five roles namely the initiators, influencers, the deciders, the buyers and the users played by family members were examined in the study. The study revealed that the young, well educated women in the family emerged as initiators of the buying decisions, students and children were among the influencers. The study further stated that the purchase decision process was relatively democratic at the initial stages, subsequently it seemed to become much more unilateral in terms the role played by the decider-members. The husband was found to play the highly significant role of coordinators, decider and buyer.

Bhagaban et al (2008) in their research pointed out that every day, consumers and households make decisions about the goods and the services they purchase. The factors that influence this buying decision are commonly
price, quality, advertisement, recommendation from near and dears etc. This research work found that the consumers’ perception on buying color television is mostly affected by the factors such as “structural advertisements such has add-on, Word of mouth, Technical features, Durability and Ground reality.

Hitesh (2010) study found that according to the responses decision maker’s role is played by male 76.46 percentages and by female 80.51 percentages. “Company or Brand Name” ranked first as the factor affecting in the purchase of durables by the respondents. While, “guarantee / warrantee” ranked second, “Price” ranked third, “After Sales Service” obtains the fourth rank. It indicates that consumers are well aware about their choice. Also they are purchasing of consumer durable goods mostly from authorized dealers’ shop, which ranked at top, while, role of TV as media also found important in this result. As it happen basic durables products like, Mixer, Tape/Music System, Flour Mill and Refrigerator become requirement than luxury. Where, in Television next generation products have still same glitters, so in Washing Machine, Water Purifier, Vacuum Cleaner and Air conditioner consumers of all classes are mostly untapped. Marketers have to utilize price and product combination well to satisfy the hidden needs of these consumers, as Tata Nano has did in the family car segment. While in upper class consumer the same products may at the replacement level or at second/another piece demand level, where producer can push the high priced, higher version or the latest edition of their products. It can help them to position their brand between the different income group consumers.

Lalitha and Shalini (2011) study revealed that the world of consumer durable products market is today changing fast. India is no exception. Especially after the opening up of the economy, the pace of change
that India and its people are experiencing in their socio-cultural milieu is mind
boggling. India, with its wide diversity, offers a fascinating scope to study the
host of changes which developmental activities have brought about in its
social and economical framework. While it is possible to get some estimates
of the macro changes taking place in India, it is impossible to get any accurate
measures of the subjective experiences that proceed, accompany or follow
such changes. However, the fact remains that the profile of the Indian market
is vastly different from what it was earlier. Although these changes are
difficult to measure at the micro level, nevertheless, they have been of great
significance to marketers. Any marketer is keen in closely monitoring the
changes in terms of numbers and specially keeping regular track of the
changing pattern of consumers’ aspirations and competitive actions.

Purna and Gowthami (2012) in their study results indicated that out
of the five demographic factors tested, all the factors, except one factor
gender, statistically proved to be significant in determining the attitude
towards consumer durable brands in the rural markets of Warangal district.
Among the significant determinants, age has shown significance to nine
product/brand features; education to seven features; occupation to 13 and
income to 11 features out of the total 14 issues tested. Thus the overall results
largely confirm the hypothesis of the study ‘that the attitudes towards
consumer durable brands in rural markets are affected the demographic
attributes of consumers.

2.3 RESEARCH GAP AND CONCLUSION

The literature review relating to the outcome of consumer
behaviour and brand equity are deeply analysed from various perspectives.
It is obvious that all the studies have attempted to examine consumer
behaviour and brand equity of various product categories with many
dimensions. The analysis of the review of literature unleashed abundance of innovative thoughts aimed at identifying the bases of consumer behaviour and brand equity. The analysis also ascertained that no serious attempts have been made by the researchers in durable products. This was identified as research gap through reviewing literature. Hence, it is perfectly justified to study the brand equity in the context of brand image, brand awareness, perceived quality, brand association, brand loyalty and consumer behaviour. In this direction, the research brings a limelight of consumer behaviour and brand equity on durable products.