CHAPTER 2

2. Review of Literature on Brand Equity:

Brand Equity as a Signaling Phenomenon – Tulin Erdem, Haas School of Business, University of California, Berkeley. & Joffre Swait – University of Florida and Advanis Inc.

Objective:
To understand the chain of relations that drives consumer based brand equity using survey data on jeans and juice.

Findings:
Marketing strategy in general and brand management and consumer brand preference in particular, are affected by informational aspects of the market. Thus, brands are seen as information sources for consumers.

The effect of Brand Attitude and Brand image on Brand Equity – James.B.Faircloth – University of Wyoming, Louis M. Capella, Mississippi State University, Bruce L.alford, Louisiana Tech University

Objective:
To identify the brand associations and criteria that consumers would use in making purchase choices of polar fleece sweaters.

Findings:
This study found that different combinations of brand associations (brand attributes) manipulated in the conjoint experiment and tested causally in a structural equation model can result in positive brand image significantly enhance the likelihood of purchase intentions.

**Objective:**
To explore and establish a proposed model of brand equity.

**Findings:**
1. At the individual level, brand equity can be measured as a consumer’s positive attitude towards the brand.
2. In the market place, brand equity can be identified by the impact that it has a consumer information processing, judgment and choice.

Understanding and measuring brand equity – Don E.Schultz. Professor of marketing communications. Medill School of Journalism. NorthWestern University.

Brand Equity measurements become critical for it defines what a firm might be willing to invest in a brand based on some type of expected return.

“True value or equity of the brand resides in the consumers’ valuation.”

If the customers get back as much from the brand as they believe they put into the brand i.e., cost of search and value of benefits, they likely will become brand loyal and continue that loyalty.

How brand image drives brand equity – Alexander L.Biel-Principal , Alexander L.Biel and Associates

**Objective:**
To demonstrate the relationship between brand image and equity to identify the properties of image.

**Findings:**
It is found that the image of the product involves various properties like corporate image, image of maker, soft attributes like personality, leadership, character, functional attributes like technology, service, age occupation etc., have a direct influence on brand equity.
Using Brand Equity theory to explore TV audience Lead-in effects, a case study – Walter McDowell, Radio /Television Department southern Illinois University. John Sutherland. Department of Advertising, University of Florida.

**Objective:**
To find out the possibility of applying brand equity theory to help explain variances in program lead-in effects.

**Findings:**
Audiences do not perceive “added value” attached to the programming on a competing channel. Therefore, it is deduced that lead-in effects are most pronounced in situations of relative poor brand equity. A program that is unable to generate sufficient brand knowledge (i.e., familiar, strong and unique brand associations) among its potential viewers is vulnerable to the program content on competing channels.

Programs with strong equity would be expected to optimize lead in ratings more efficient than program with weaker equity.

The qualitative dimensions of brand equity – Max Blakston- President, Research International, Brand Communication (1995)
The objective brand consists of a set of associations, images and personality characteristics around which there is a more or less a consensus.

The subjective brand is much more personal because it represents what the brand thinks of me. Does it like me? Does it respect me? Does it think it is smarter than I am? This is what we call brand attribute.

A study on brand awareness and brand loyalty in branded commodity products – C.Anandan, K.Ravichandran, M.Prasanna, Mohanraj and N.K Shetty (2006)
Objectives:
1. Consumer awareness of the brands in wheat and salt categories.
2. Factors influencing consumer preference in choosing wheat and salt
3. Switching behavior of consumers in wheat and salt brands.
4. Up to what extent consumers are brand loyal to wheat and salt brands.
5. Various strategies that can be used to retain customers.

Findings:
1. Awareness from Television, Print, Friends/Relatives, Retailers.

Research Issues in building brand equity and global brands in the PC market –
Len Tiu wright, De Montfort University, UK, Cindy Millman, University of Central England UK & Lynn M Martin, University of Central England UK.
There is no agreed measure of brand equity as there are different measures of the various aspects of a brand. In business segments, the measures that are quick to apply are imperative and this generally means that “brand associations” questioning prevails. Whatever measurement is used should cover the key dimensions, attributes and criteria affected brand choice.

Lifestyle, cultural trends and consumer attitudes influence decisions, strategies for marketing toothpastes used to be about battling cavities and whitening teeth. Through research, marketers have learned that consumers are now concerned with their gums and their entire mouth. To appeal to the broader definition of dental care toothpastes such as Colgate total have been introduced.
Market entry and sustenance strategies of Korean firms in Indian Consumer Electronics Market – An exploratory study by Y.L.R. Moorthy and T.R.Madan Mohan

**Objectives:**
To validate the internationalisation strategies of Korean foreign entry and analyse the dynamics of the consumer electronics market. 

Impact of entry of Korean companies into the Indian Market- Will the Korean Strategy work.

**Findings:**
Hypothesis Tested 1: Most new buyers will buy Korean brands because of their superior product features. 
This was rejected at 4% level of significance 
Hypothesis Tested 2: Korean firms introduce models faster than Indian Companies. 
Was statistically not valid. Videocon was introducing models faster.

The Structure of Survey Based Brand Metrics - Donald R.Lehmann, Keven Lane Keller and John U.Farley

**Objective:**
To assess the broad range of potential brand performance across the different cultures of United States and China. This study was conducted for soft drinks. 
They constructed 27 measures to assess brand performance in these markets, which included Loyalty and Awareness. They found these to be discriminating factors in the brands.

**Findings:**
The research indicated that the measures were highly correlated. Pepsi’s performance was stronger in the United States, but Coke was stronger in China. The correlations for the factor loyalty in consumption were significantly higher for Pepsi in United States than in China. (.64>.42). For the Awareness factor China was slightly higher (.23>.21).
Study on Brand Loyalty of Colour Televisions – S.Ramesh Kumar, Professor Marketing, Indian Institute of Management, Bengaluru & Krishanu Rakshit, a student in the Fellow Programme in Management, Marketing at IIM, Bengaluru.

**Objectives:**
Understanding loyalty dimensions, decision variable for selection of a second television, outlet/retail format loyalty and attitudinal loyalty.

**Findings**
1. Most of the participants had purchased their second color television from the exclusive dealer outlet of which a large number (20 out of 50) had been loyal to the retail format.
2. Informal sources of information were extremely critical when the customer made a purchase decision over a high-involvement product. All participants had sought information from friends and relatives about the different brands.
3. About 70% of the respondents had changed their choice of the brand after visiting the retail outlet.
4. The colour television market was found to be low on equity. This may be largely due to the fact that the earlier Indian brands had become old and obsolete and the new multinational brands focusing on technological superiority had grabbed the imagination of the customers.

**Research on cellular phone brands in Korea-V.Seenu Srinivasan – Adams Distinguished Professor in Management and Chun Su Park of Korea University**

**Findings:**
1. Simple awareness i.e., getting the names to pop-up in consumers minds generates the largest return.
2. This is followed by the customers’ responding to the cachet of owning the brand (non-attribute based equity)
3. A brand’s image provides a stronger incentive for buying even than the perception that it is a better product.
4. Greater awareness of your brand is the major component driving brand equity.
Building Brand Equity via Product quality – Andreas Herrmann, frank Huber, Alan.T.Shan & Ye Qing Bao – University of St.Gallen, Switzerland, University of Mainz, Germany, University of North Carolina at Charlotte, USA, University of Alabama, USA.

**Objective:**
To propose a practical approach to enhancing brand equity.

**Findings:**
The effect on brand equity was influenced by marketing mix factors, Product (mean of .22), Field personnel (mean of .16), communication (mean of .03), in-house personnel (mean of .17), company resources (mean of .06).

The theoretical separation of brand equity and brand value: Managerial implications for strategic planning – Randle D.Raggio, Robert P. Leone

**Findings:**
Equating brand equity with market place outcomes bypasses all the changes that occur in consumer attitudes, perceptions, beliefs, etc., yet it is what happens in the minds of the consumer that determines brand equity. Brand equity may exist even in cases where purchase is habitual and based on trust in a brand’s promise of benefits.

Highly trusted Brands run more risk of offending customers” – Jennifer Aaker, Professor of Marketing at Stanford Graduate School of Business,

**Findings:**
1. Brand personality has a significant impact on customer relationships and the ability to recover from mistakes.
2. A sincere brand enjoyed stronger relationships with customers.
Consumers’ perception towards brand extension: influencing factors – Sachin S.Kamble,

**Objectives:**
1. To study the influence of the factors (viz., similarity with the parent brand, reputation of the parent brand, perceived risks and innovativeness) on the acceptance of an extended brand.

A consumer survey was conducted to collect the primary data on the perceptions of the consumers’. Statements were assessed using Likert scale ranging from ‘strongly agree’ to ‘strongly disagree’. The instrument was administered to 100 respondents.

Multiple regressions were used to study the relationship influencing factors and success of the brand extension.

**Findings:**
1. 48% of the respondents got the information about the extended brand from point of purchase display, 30% from television advertisements, 12% from print advertisements, and 10% from friends and colleagues.
2. There exists a strong relationship between independent variables viz., similarity with the parent brand, customer’s innovativeness and brand reputation and the dependent variable acceptance of the brand.

Relating consumer based sources of brand equity to market outcomes – Steven.N.Silverman, Washington State University
David.E.Sprott, Washington state University
Vincent.J.Pascal Washington State University

**Objective:**
To compare consumer-based measures of brand awareness including familiarity, favorability and direct experience to market outcomes of brand value (annual sales).

**Findings:**
Brand equity arises from the strength and favorability of the two components of consumer-based brand knowledge structures: brand awareness and brand image

49
How Brand reputation affects advertising – Brand Equity link – Arjun Chaudhuri. - Fairfield University.

Objective:
To determine the effects (if any) of brand reputation on market share and relative price.

Findings:
The consumer level variables of brand familiarity and brand uniqueness are related via brand reputation to brand equity outcomes at the market level such as market share and relative price.


Objective:
How the components of global brand attitude, strength of preference, brand knowledge and brand heuristic are interrelated for two frequently product categories.

Findings:
The strength of preference components is evident in the consistent predisposition to prefer a particular brand over others. It also serves to help distinguish inertia driven repeat purchase behavior, from brand equity driven purchase behavior.

Managing Brand Equity – Peter H.Farquhar, Director, Center for Product research, Carnegie Mellon University

Managing Brand Equity is done in three distinct stages (Park, Jaworski and MacInnis 1986) – First, Introduction i.e., start with a quality product and then build the image, second, is elaboration i.e., foster attitude accessibility in the consumers’ mind, make the brand easy to remember, third stage is fortification i.e., extending the brand to other products.
The Brand Association base – a conceptual model for strategically leveraging partner equity- Henrik Uggla, KTH Industrial economics and management Stockholm, Sweden

Objectives:
In what ways do the images of a country of origin or country of brand, celebrity spokesperson or retail store change or supplement the image of a brand.

Findings:
The type of brand association i.e., source of brand equity from leader brand, partner brand and institutional associations give functional, emotional and symbolic benefits to the consumer.


A new approach to understanding the creation of brand equity, as an interactive process involving both the brands and the consumer are studied.
Number of studies of consumers’ relationships with corporate brands has invariably found two components in a successful positive relationship, (i) trust in a brand (ii) customer satisfaction with the brand.

Brand Equity and Vertical Product Line Extent – Taylor Randall, Karl Ulrich, David Reibstein, the Wharton school, University of Pennsylvania

Objective:
1. Does the presence of premium or high quality products in a product line enhance brand equity?
2. Do economy or low quality products diminish brand equity associated with the other products in the line?
Findings:
Managers wishing to maximize the equity of their brands would offer only high-quality products and avoid offering low quality products.

Brand Equity and College Athletics: - Investigating the effects of brand uncertainty situations on customer based brand equity – Julie A.Higgins-Ohio state University, 2006

Objective:
To understand what situations can ‘activate’ brand equity in the minds of the consumers and impact of such activation on consumers’ decision –making.

Findings:
Results of this study indicate that those with strong brand equity for a team are less likely to change their beliefs on the basis of one brand uncertainty situation.

Liberalisation and color TV industry in India - Seshiah, Venkatakrisna, and Radha

Objectives:
To analyse the factors that influence the buying decision of the consumer in choosing the brand by taking the variables other than the family roles and social influences.

Findings:
The results revealed that the purchasing decision of the consumer depends on Quality, Goodwill, Popularity, Affordability, features, and support services of the product, this phenomenon observed in all income groups. The results also revealed that the brand preference is independent of age, income and education.
Consumer behavior and Brand Preference towards Onida television- an empirical study with reference to Karur, Tamil Nadu - Dr.N.Kathirvel & Dr.N.Chandrasekaran

**Objectives:**
1. To know the advertisement effectiveness of Onida television.
2. To know the brand loyalty of the respondents towards Onida televisions.

**Findings:**
1. There is a significant preference for Onida televisions because of advertisement strategy and clear picture quality which attracted the respondents towards Onida TV.

**Brand Loyalty – The link between attitude and behavior - Allan.L.Baldinger and Joel Robinson (Journal of advertising research – Nov./Dec.1996)**

**Objective:**
To measure the loyalty through consumer behaviors and attitudes.

**Findings:**
It is found that there were much lower levels of year-to-year retention of high loyals than anticipated. Attitudes towards the brand had a dramatic effect on brands.

**Consumer based brand equity and brand performance – Jorge M.Oliveira, Gordon R.Foxall, Victoria K.James & others, Institute of Psychology, University of Brazil, Cardiff Business School, and Cardiff University, UK.**

**Objective:**
To investigate the relation between consumer based brand equity and brand performance across 15 product categories like coffee, washing powder, instant chocolate etc.

**Findings:**
Results showed that the relation between consumer-based brand equity and brand performance varies across product categories, indicating that products differ with respect to their level of brand ability.
Varying perspectives of Brand equity – Jonathan Knowles-CEO, type 2 consulting

Findings:
The measures of brand equity are categorised as two:
Behavior based measures of brand equity – Purchase frequency, premium, re-order rate, share of wallet, cross-sell ratio.
Preference based measures of brand equity – Relevant differentiation, willingness to recommend, worth paying a premium for affinity.

Examining Brand Equity antecedent/consequence relationships – S.Allen Broyles, David W.Schumann and Thaweeephap Leingpibul

Objective:
To assess the brand equity constructs in the model like reliability, behavioral loyalty, perceived quality, attitude, image and performance on brands KFC and coca cola.

Findings:
This research reflects that for a brand like KFC, the various constructs presented show that to develop and sustain their operations they have to reinforce reliability.
For a brand like coca cola, their operations should be designed to focus on brand awareness strategies.

Measuring Brand equity across products and markets – David A. Aaker.

Findings:
The Brand Equity Ten include Loyalty measures (price premium, satisfaction), Perceived Quality ( leadership, perceived quality), Associations ( Brand Personality, Organisational associations, perceived value), Awareness ( brand awareness), Market behavior measures ( market share, price and distribution indicators)
Brand Imitation and its effects on Innovation, Competition and Brand Equity – Ricky Wilke and Jodith Lynne Zaichkowsky:

Objective:
The real impact of brand imitation on Brand equity

Findings:
The demise of brand equity as a result of others imitating it can be because of the weakening of the brand’s perceived uniqueness and possible unfavorable associations.


Objectives:
To investigate which factors can affect the awareness level in the collegiate sports sponsorships.

Findings:
Brand awareness in terms of brand recall and brand recognition can be successfully achieved in consumers’ minds both in terms of strength and exclusively of the link between sponsor and sponsored event.

Integrating customer-based equity with brand market performance: an empirical investigation of the US automotive industry – Ahmed H.Tolba, Dept. of Marketing, School of business, the George Washington University (June 1st 2006)

Objectives:
Measure customer based brand equity constructs (Brand Preference, Intention to purchase, and Behavioral Loyalty)
Findings:
It is found that for consumers who never tried a particular brand, value and image are the main drivers of brand preference and intention to purchase, while knowledge equity does not have a significant effect.

Raju et al., (1990) Parasuraman ET. Al (1996) found that quality of the product plays a major role in the consumers’ preference of the product, their satisfaction and repurchase intention.

Richardson et al., (1996) a.b; Dick ET. Al., (1996) in their study found that favorable attitude of consumers’ towards store brands initiates them to buy regularly.

V.Seenu Srinivasan – Adams distinguished Professor of management – Stanford Graduate School of Business in his study “Calculating the dollar value of Brand Equity” mentions that the greater the awareness of your brand is the major component driving brand equity.

Kathryn Shaw; Ernest C.Arbuckle – Professor of Economics Stanford graduate School of Business found that “companies that spend heavily on advertisement to build their brand reputation own a higher percentage of franchise outlets for that brand as a way to protect it’s reputation.

Slotegrafy Moorman and Imman in their study forum found “Higher equity brands are able to generate immediate returns from their marketing efforts”.

Bell, Chaing and Padmanabhan (1999) found that “higher loyalty brands generate greater stockpiling from promotions”.

Keller (1993) stated that “when a brand has a stronger equity, consumers hold more favorable, powerful and unique associations with the brand”
Aba, Hutchinson and Lynch 1991 –“ Exposure to high equity brands through visual means such as displays or future advertisements may enhance brands competitive advantage”

What CEO’s are saying about brand equity: a call to action for researchers- Allan L. Baldinger, Director of Marketing research, ARF.

Clearly the true goal of all brands when profitable growth is the objective and when the marketing mix is working properly is focused attention on product quality improvement and marketing mix efficiencies. As a brand attracts loyal households, its long term equity will inevitably increase.