This chapter is divided into four parts. Part I is an attempt to define what is Sales Promotion, how it has been classified by different authors and what are the different streams of Sales Promotion from the perspective of market demand, and consumer’s perception, and how consumers respond to different promotions. Part II tries to explain the origin of Brands, define the term Brand, and to trace the evolution of Brand concepts and images. Part III tries to give different definitions and approaches to Brand Equity and Consumer Based Brand Equity as envisaged by various authors. It also discusses the different approaches to measure Brand Equity and Consumer Based Brand Equity. Part IV explains the sources of Consumer Based Brand Equity, namely, Brand Awareness, Brand Associations, Perceived Quality and Brand Loyalty.
Part I

Sales Promotion is defined as a diverse collection of incentive tools, mostly short term designed to stimulate quicker and/or greater purchase of particular products/services by consumers (Kotler, 1988). Paley (1989; 1996) regarded Sales Promotion as activities intended to motivate salespeople, retailers, and end consumers to match corporate plan through temporary incentives. Shimp (1993) suggested that Sales Promotion was an incentive which induced distributors and consumers to purchase products, or motivated salespersons to actively increase Sales Promotion. O’Guinn, Allen and Semenik (2000) defined Sales Promotion as the utilisation of incentive techniques in creating a concept of greater brand values among consumers and distributors. The main purpose of consumer promotion is to have a direct impact on the purchase behaviour of the firm’s customers (Kotler, 1988; Blattberg and Neslin, 1990). Consumer promotions are aimed at creating a ‘pull’ for end customers as opposed to trade and retail promotion that are aimed at creating a ‘push’ through channel members.

2.1 Sales Promotion and Approaches to Sales Promotion

2.1.1 Categories of Sales Promotion.

Several researchers have grouped the characteristics of Sales Promotion tools into different categories. Based on timing and incentive types, Quelch (1989) and Shimp (1990) grouped Sales Promotion into two categories: instant and postponed Sales Promotions. Both the types Sales Promotions primarily focus on lowering prices and adding value to the consumers. Instant Sales Promotion tools include discounts, premiums, and bonus while postponed Sales Promotion tools include coupons in packs, sweepstakes and rebates.
Based on the characteristics of Sales Promotion incentives, Dommermuth (1989) proposed two kinds of Sales Promotion: one was Sales Promotion from economic incentives like discounts, coupons, and rebates; another was Sales Promotion from Psychological incentives like premium and sweepstakes.

Campbell and Diamond (1992) classified different promotions as monetary and nonmonetary Sales Promotions on the basis of the concept that Sales Promotion incentives affected reference price. According to them, the incentives involving monetary Sales Promotion, e.g., discounts, or rebates, influence reference price, while the incentive involving nonmonetary Sales Promotion, e.g., premium or trial offer, was regarded as an extra benefit and was not able to influence reference price.

Blattberg and Neslin (1990) and Mela, Gupta, and Lehman (1997), categorised Sales Promotion as price based and non-priced (Premium) promotion. According to them, price based promotions are defined as promotions such as coupons, cents off, refunds and rebates that temporarily reduce the cost of goods or services and non-price based promotions are defined as promotions such as give always and contents in which value is added to the product. The most commonly used promotions as classified by Blattberg and Neslin, (1990) is given below:
Table 2.1 Classification of Sales promotion on Price based Vs Non-Price based

<table>
<thead>
<tr>
<th>Price based Promotion</th>
<th>Non-Price based Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promotion</strong></td>
<td><strong>Definition</strong></td>
</tr>
<tr>
<td>Price-off</td>
<td>Offers a discount on the regular price of the purchase</td>
</tr>
<tr>
<td>Coupon</td>
<td>Provides a certificate entitled the bearer to a saving on the purchase</td>
</tr>
<tr>
<td>Rebates</td>
<td>Offers cash back from the manufacturer on a purchase</td>
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O’Guinn et al. (2000) listed several tools for consumer-market Sales Promotion, which included price-off deals, contests and sweepstakes, sampling and trial offers, event sponsorships, rebates and premium promotion. Engle, Blackwell and Miniard (2001) proposed three main Sales Promotion tools motivating purchases on new products which included sampling brand trial offers, coupons, as well as rebates while primary Sales Promotion tools driving consumption purchase on existing product included price-offs, premiums and contests.
Kotler (2003) displayed thirteen Sales Promotion tools which included samples, coupons, rebates, price packs, premiums, frequency programs, prizes, patronage awards, free trials, product warranties, tie-in promotion, cross-promotion, point-of-purchase displays and demonstrations. Schultz, Robinson, and Petrison (1998) introduced ten basic Sales Promotion techniques and they were: coupon, bonus pack, specialty containers, refund, sweepstakes/contest, sampling, price discount, free gifts, trade promotion and cause-related promotion. The relationship between different types of consumers and derived results through Sales Promotion as put forward by Schultz, Robinson, and Petrison (1998) is given below:

Table 2.2 Types of Consumers and Derived Results through Sales Promotion

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
<th>Derived Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Loyal</td>
<td>People who buy the right Product most or all the time</td>
<td>Reinforce behavior, increase consumption, change purchase timing</td>
</tr>
<tr>
<td>Competitive loyal</td>
<td>Buy a competitor’s product most/all time</td>
<td>Break loyalty, persuade to switch to promoter brand</td>
</tr>
<tr>
<td>Switchers</td>
<td>People who buy variety of products in the category</td>
<td>Persuade to buy the ‘right’ brand more often</td>
</tr>
<tr>
<td>Price Buyers</td>
<td>Buy the least expensive brand</td>
<td>Supply added value that make price less important</td>
</tr>
</tbody>
</table>


Literature review on Sales Promotion revealed that there are several streams of research on promotion. One stream of research focuses on the empirical estimation of promotion effects in terms of range of outcomes such as sales, market share, purchase acceleration, brand switching, and stock piling.
(Shoemaker and Shoaf, 1977; Guadagoni and Little, 1983; Neslin, Henderson and Quelch, 1985; Kamakura and Russel, 1989; Diamond and Johnson, 1990; Raju, 1992; Chandon, 1995; Grewal and Marmorstein, 1996; Smith and Sinha, 2000). Another stream of research examines the impact of price promotions on psychological variables such as consumer’s reference price, purchase attitude, perception, mental accounting and brand equity of the promoted product (Sawyer and Dickson, 1984; Shimp and Kavas, 1984; Foxman, Patriya and Wong 1988; Diamond and Campbell, 1989; Dickson and Sawyer, 1990; Inman and McAlister, 1992; Arkes, Joyner and Cynthia 1994; Ehrenberg, Hammond and Goodhardt, 1994; Huff and Alden, 1998). Yet another stream of research compares consumer’s response to promotion to price based versus non priced promotions (Webster, 1965; Campbell and Diamond, 1990; Ward and Hill, 1991; Blattberg, Briesch and Fox, 1995; Bawa, Srinivasan and Srivastava, 1997; Dhar and Jagmohan, 1998; Huff and Alden, 1998; Chandon, Wansink and Laurant, 2000).

2.1.2 Sales Promotion on Aggregate Market Outcomes

According to Blattberg and Neslin (1990), Sales Promotion can provide perceptions in monetary savings by lowering the unit price of the promoted product, offering more of the same product for free or providing refunds or rebates on subsequent purchases of the same or other products. Both the size of the price reduction and deviation from the reference price can create perception of monetary savings and can reduce the pain of paying.

Blattberg, Bruish and Fox, (1995) consistently reported high sales effect and high price “elasticity” of brands, which are on promotion. The economic rationale for the promotional response is clear; temporary price cuts increase the value of the product to the consumer and require immediate action.
Dodson, Tybout, and Sternthal, (1978), studied the panel data of 459 families on the purchase of two product categories, margarine and flour and showed that price promotions enhance brand substitution within a product category.

Gupta (1988) decomposed the sales ‘bump’ during the promotional period into sales due to brand switching, purchase time acceleration and stockpiling. The study examined the impact of promotions on consumer decisions of when, what, and how much to buy. The analysis of purchase of coffee during sales promotions indicated that more than 84 percent of sales increased due to promotion from brand switching, 14 percent from purchase time acceleration and less than 2 percent from stock piling.

In Neslin and Shoemaker’s (1989) study on 2000 family’s purchase of product category coffee revealed that after promotion, the personal repurchase ratio remained unchanged while the overall repurchase was reduced by impact of Sales Promotion. This study inferred that the reduction of overall repurchase resulted from the fact that most of the subjects in this study were new brand buyers and brand switchers whose incentives for the purchase was Sales Promotion. Relatively, the repurchase ratio would decrease after the promotion period, which also brought about the decrease of overall repurchase.

Studies on brand switching have shown that brand switching effects within a category are seen to be asymmetric such that higher quality brands impact other brands disproportionately (Blattberg and Wisniewski, 1987; Krishnamurti and Raj, 1991; Walters, 1991; Grover and Srinivasan, 1992; Gourville, 1998; Gourville and Soman, 1998). According to them, during a promotion, higher quality brand induces a large number of consumers to
switch to them as compared to lower quality brands. They were of the view that large share brands have higher Brand Equity and attract switchers more than low share brands.

Ward and Davis (1978) provided evidence of purchase acceleration, where consumers buy more quantity of the product category or buy at an earlier time than usual. If the consumers buy extra quantity during a promotion or earlier than normal, they are not in the market to buy products once the promotion is over. The purchase acceleration is demonstrated through a lengthening of inter purchase times after promotion.

Blattberg, Eppen and Lieberman (1981) found evidence of purchase acceleration both through large quantities and shorter inter purchase times.

Using a referred model, Ward and Davis (1978) showed that purchase quantities of orange juice were large when coupons were used with the purchase.

Neslin, Henderson and Quelch (1985) found that purchase acceleration was more likely to be exhibited in increased purchase quantity than in shortened inter-purchase times. Results showed that consumers mostly made up for the large quantity purchased by waiting longer until purchasing again. Results indicated that heavy users tended to accelerate purchase more than light users and there is negligible difference in the acceleration propensities of high value low income groups.

Bell, Chiang and Padmanabhan (1999) reported gross category differences in primary demand effects of promotion. They found that categories such as bacon, salted snacks, soft drinks and yogurt exhibited primary demand expansions as a result of promotion while bathroom tissue, coffee, detergent and paper towel exhibited stock piling only.
Ailawadi and Neslin (1998) found that promotions induce consumers to buy more and consume faster based on product categories. They found that price promotion led consumers to buy Yogurt (more perishable) than Ketchup (less perishable).

With regards to substitution and complementary goods, Sales Promotions play a vital role. Moriarty (1985) and Walters and Mackenzie (1988), found only minor substitution and complementary effects of promotion, while Mulhern and Leone (1991), Walters (1991), and Mulhern and Padgett (1995) found that promotions increase sales in complementary categories. However, Van, Gupta and Wittink (2003) were of the opinion that 75 percent of the Sales Promotion bump was due to Brand Switching among the same product class.

Mulhern and Leone (1991) found strong cross relationship between products of the promoted product category indicating brand substitution behaviour. They found complementary effects of promotion in the form of negative cross price coefficients between price of a brand and the sales of a complementary brand. They stated that retail price promotions work as a form of implicit price bundling whereby the consumer surplus is transferred from the promoted item to the non promoted item. Walters and Mackenzie (1988) found that retail price promotions create significant complementary and substitution effects within the store.

Mulhern and Padgett (1995) examined the relationship between retail price promotions and regular price purchases based on analyses of individual purchases. They found a significant positive relationship between regular price purchases and promotion purchases. Shoppers visiting the store for the promotion spent more money on regular price merchandise than on promoted merchandise.
Nijs, Dekimpe, Steenkamp and Hanssens (2001) examined if price promotions increased short run and long run category demand. They studied the category demand effects of price promotion across 560 product categories over a four year period. They found that although the short-term effect of price promotion is strong, these promotions rarely exhibit long term effects. They noted that category demand was stationary either around a fined mean or deterministic trend.

Pauwels, Hanssens and Siddharth (2002) examined the long-term effect of promotions on various components of brand sales, namely category incidence, brand choice and purchase quantity. They found that each sales component generally lacked a permanent effect and the effect of promotion was short lived.

Mela, Jeddi and Browman (1998) examined if the increase in promotions affected consumers stock piling decisions in the long run. They found that the combined short and long-term relationship of promotion was zero. The stock piling induced by a promotion was essentially offset by reduced demand in the long run. Thus increased sales according to them were more a result of sales borrowed from the future than increased consumption.

2.1.3 Consumer’s Psychological Response to Promotion

Explanations of consumer’s psychological response to Sales Promotion especially price promotion have been based on the concept of reference price (Montgomery, 1971; Thaler, 1985; Winer, 1986; Kumar and Leone, 1988; Lattin and Bucklin, 1989; Gurumurthy and Winer, 1995). Thaler (1985) through the concept of transaction utility stated that the total utility derived from a purchase comprised acquisition utility and transaction utility. Acquisition utility was the expected utility gained from acquiring the product (i.e. benefits of the product) compared to the cost of paying for it (i.e. the price
of the product). The transaction utility was the difference between the internal reference price and purchase price of the product. It is derived from the feeling of psychological pleasure of satisfaction experienced on receiving a good bargain or deal. Buyers are thought to experience satisfaction from the fact that they bought the product at a price less than the regular price.

Lichtenstein, Netemeyer and Burton (1990) examined the impact of coupons on consumer’s perception of acquisition utility and transaction utility. They found that a coupon had greater impact on transaction utility than acquisition utility. This happened because the lower price offered by the coupon was contrasted against the internal reference price. Buyers compared the price at which they were getting the product to an internal reference price that led to the associated pleasure with the financial terms of the deal.

Grewal and Monroe (1988) examined the impact of price comparison advertising (where a high advertised comparison price is compared to a lower advertised selling price) on buyer’s perception of acquisition utility, transaction utility and behavioural intention. They proposed that comparing a lower selling price to a higher advertised referred price (e.g. Was Rs. 200, Now Rs. 150) would enhance buyer’s psychological satisfaction or transaction utility obtained from the deal. The result indicated that comparing a lower selling price to a higher external referred price enhanced perceived transaction utility which in turn enhanced buyer’s perception of acquisition utility and willingness to buy the promoted product.

Monroe (1979) had proposed a theory called Adaptation level theory or internal referred price theory which said that consumers carry with them an adoption level price or ‘internal reference price’ for a given product. The internal reference price represents the price a consumer expects to pay for a
product and is formed on the basis of post prices paid/observed either for the same product or similar products. The internal reference price is a standard against which market prices are compared and judged as high, low or medium.

Thaler (1985) developed the Mental Accounting Theory, which states that people practice a form of cognitive bookkeeping or ‘mental accounting’ to keep track of transactions. Mental accounting theory proposes that people set up mental accounts to evaluate costs (losses) and benefits (gains) related to particular transactions. Henderson and Peterson (1992) demonstrated that people tend to group and label different sources of income. Researchers have shown that people assign income, expenses and activities to specific mental accounts (Shefrin and Statman, 1987; Shefrin and Thaler, 1988; Heath and Soll, 1996) and depreciate the fixed costs of their expenses over time and/or uses (Heath and Fennema, 1996; Okada, 1998). Thaler and Johnson (1990) have found that individuals perceive unexpected monetary inflows such as Sales Promotion as ‘gains’ and have a higher marginal propensity of consumption as expected income.

Researchers have proposed that consumers respond to a price promotion based on the comparison between the internal reference price and the promotional price (Lattin and Buchlin, 1989; Kalwani and Yim, 1992). Frequent price promotion has lead consumers to lower the reference price for the promoted product. Consumers with lowered reference prices will be unwilling to pay the full price of a product once the promotion is over.

Winer (1986) investigated the nature of reference price effects on branded choice through a lower probability model whereby the probability of purchase for a brand was a function of the observed price and the difference between the observed price and reference price. He found that the model
predicted probability of purchase better than standard demand models that incorporated only brand prices.

Kalwani, Yim, Rinme and Sugita (1990) demonstrated that customer’s brand choice and judgments were mediated through customer’s price expectations for a brand. They showed that consumer price expectation was formed based on past prices of the brand, customer characteristics and situational factors.

Mayhew and Winer (1992) examined the realistic impact of internal reference price (price in memory) and external reference price (prices provided by stimuli) on consumer brand choice. They estimated choice models with variables representing the two types of reference prices and found that both types of variables had a significant impact on purchase probabilities.

Kalwani and Yim (1992) investigated the impact of brand price promotion frequency and depth of price difference on a brand’s expected price and brand choice. They demonstrated that both price promotion frequency and depth of price discounts had a significant impact on price expectations.

Using Assimilation Contrast Theory, researchers have studied the impact of promotions on consumer purchase. The assimilation contract theory examines how external reference prices influence consumers’ internal reference price and subsequent promotion evolutions. An external price may be introduced through a price advertisement or in-store communication that features both the lower promotional price and the higher regular price.

Blair and London (1979) found that promotional advertisements, which included the higher regular price along with the lower promotional price, produced larger perceptions of savings than advertisements that included only
the lower promotional price. The greater the percentage difference between the promotional price and the advertised regular price, the less believable was the external reference price.

Berkowitz and Walton (1980) conducted a study to assess the influence of advertised reference prices and store image on consumer perception of savings and willingness to buy. Results showed that the presence of advertised reference prices generated higher perception of savings, perceived worth and willingness to buy. Results of their study also showed a store quality interaction such that higher discount levels produced relatively less positive responses with the discount store.

Bearden, Lichtenstein and Teel (1994) showed that more positive attitude and greater intention to purchase was present for national brands as compared to private label and generic brands irrespective of the price presentation format. Inclusion of reference prices led to more positive consumer’s price perceptions, attitudes towards purchase and intention to purchase.

Gupta and Cooper (1992) found that consumer’s perceptions of price discounts were typically lesser than the advertised price discounts i.e., consumers “discounted price discounts”. The discounting of price discounts was moderated by the discount level such that it increased with increase in the advertised discount. They found that consumers did not change their intention to buy unless the promotional discount was above a threshold level of 15 percent of purchase price and discount saturation point located at 40 percent of the purchase price, above which the effect of discounts in consumer’s purchase intention was minimal. The results of the study suggested ‘S’ shaped response of consumer response to price discounts.
Urbany, Bearden and Weilbaker (1988) investigated the effect of advertised reference prices on estimates of average market prices, perceived offer value and perceived benefits of search. Results indicated that advertised reference prices positively imported perceived offer value and the size of the effect increased as the advertised discount increased.

Martin and Monroe (1994) found that, in the promotion situation, the consumer perception of price fairability was based not only on comparison between internal reference price and price in discounting, but also the comparative difference of prices paid by him/her and others. They inferred that consumer favourability on different Sales Promotion was differentiated by consumer perception of price fairability.

Researchers have used object perception theory to Sales Promotions which implies that the presence of promotion will lead consumers to attribute low quality to the brand owing to the fact that it is on promotion.

Khan and Louie (1990) investigated the after-effects of in store price promotion on market shares in the face of two contingencies – (1) Whether one or many brands were promoted at the same time and (2) whether consumers naturally switched among brands or were primarily loyal to the last brand purchased. They suggested that if many brands were on promotion (i.e. promotional level was not distinctive), the effect of promotions on brand quality would be lower than if only one or two brands were on promotion. They also stated that promotion would not decrease post promotion purchase for switchers who were familiar with a larger array of brands and were less likely to use promotion as a quality cue. On the other hand, loyal consumers were less likely to be familiar with a large array of brands and were more likely to use promotion as a quality one. Results of the study showed that for
last purchase loyal subjects, a promotion’s brand share decreased in the post promotion period when it was the only brand being promoted. On the other hand, the promoted brand’s share did not decline on post promotion choice occasions when subjects tended to switch among brands or when all national brands were promoted equally.

Davis, Inman and McAlister (1992) directly measured brand evaluations in a field experiment to examine if presence of a price promotion led to an inference of lower quality for the promoted product. They found out that evaluation of that brand in the past promotional period was not less than the pre-promotional period. The results showed that price promotions had a strong influence at the point of choice but no memory of promotion lingered to drive down brand evaluation.

Neslin and Shoemaker (1989) stated that lower repeat rates could be found after a price promotion even when individual purchase probabilities remain the same before and after the price promotion. It is because a price promotion temporarily attracts a disproportionate number of households who under non-promotion circumstances have a very low probability of buying the brand. Thus after the price-promotion the low purchase probabilities of these new consumers bring down the average repurchase rate.

Cox and Cox (1990) studied the influential effect of store name, brand name, and price discount on consumer brand value and consumer purchase intention. They found that discount depth was negatively related to perceived quality. That means, the more discount depth, the less perceived quality. The finding inferred that information of price promotion would not absolutely result in positive purchase intention and might damage brand value.
Chen, Monroe, and Lou (1998) examined the influence of price promotion incentive on consumer’s perception and purchase attitudes. They found that, in the coupon promotion, consumers with no coupon still had to pay money corresponding to the original price to buy the product; therefore, the original price was still an effectual price and consumers did not down value the quality of the promoted product. The study also found that, in coupon promotion, consumers would have perceptions of advantageous price inequity which resulted in leverage of perceived value.

Raghubir and Corfman (1999) investigated the relationship of price promotion on brand value before using products taking service products (dental services, health club and mutual funds) as products of their study. They suggested that if consumers who never had purchase experience on a promoted brand or a new promoted product, they would regard the promoted brand as one with lower quality. The study found that price promotion had a negative impact on consumer brand value before consumers began using a new product.

Swait and Erdem (2002), investigating temporal consistency in Sales Promotion on consumer product evaluations and choices, found that price variability may result in the decrease of consumer utilities and thus choices. The study showed that marketing mix inconsistency, e.g., price variability in Sales Promotion, decreased perceived quality and eroded consumer’s value on perceived quality. Since Sales Promotion negatively affected consumer’s product evaluation, they suggested that marketers should be cautious about the utilisation of Sales Promotion with involvement of pricing when they are concerned about brand credibility.

Sivaramakrishnan and Manchanda (2003) studied how cognitively busy consumers were likely to assess the value of price discount offers as they got a
great deal of information, like product attributes - colour, shapes, or sizes among thirty seven under graduates and Television as object of the study. The study found that, cognitively busy consumers would perceive less on the magnitude of discount and the actual savings than those who were cognitively less busy. It implied that when consumers who were cognitively less busy acquired enough product information and completely processed it, they evaluated the products and value by attribute information like brand name, rather than price to make a good purchase decision.

2.1.4 Comparison of Price Promotion with Non-Price Promotion (Premium Promotion).

Several studies have attempted to discriminate consumer responses to price based promotions versus non-price based promotions. Researchers comparing different types of promotions have demonstrated that price based and non-price based promotions evoke differential consumer response. Although, traditionally, promotional research has been founded on price based promotions, there is a need to comprehensively study a variety of non-price based promotions in the market and its various dimensions and implications (Raju, 1992; 1995; Chandan, Wansink and Laurent, 2000; Nune and Park, 2003; D’Astous and Landerville, 2003).

Bawa and Shoemaker (1980), and Inman McAlister and Hoyer (1990) have shown that Sales Promotion can improve shopping efficiency by reducing search cost. This is done by helping consumers find the product they want or by reminding them of a product they need to buy. Sales Promotion can improve shopping efficiency by reducing decision lots. This is done by providing consumers with an easy decision heuristic for purchase evidence or purchase quantity (Wansink, Kent and Hoch, 1998) and by signaling product price and quantity (Hoyer 1984; Raghubir 1998).
Since Sales Promotions are constantly changing, and because they attract consumer’s attention they can fulfill the intrinsic needs for explanation, variety and information (Kahn and Louie, 1990; Kahn and Raju, 1991; Baumgartner and Steenkemp, 1996). The explanation benefit has been documented in the context of shopping (Bobin, Dasden and Griffin 1994), variety seeking (Kahn, 1995) and exploratory behaviour (Baumgartner and Steenkemp, 1996).

Diamond and Campbell (1989) examined the impact of price versus non-price promotions on a consumer’s reference price. The researchers reasoned that price promotions would be integrated with the purchase price of the product and lead to the reduction of internal reference price while non-price promotion would be segregated from the purchase price of a product and not lead to a reduction of internal reference price. Results of the study showed that price promotions led to a lower internal reference price while non-price promotions did not affect internal reference price. Researchers also found out that price based promotions were more easily noticed by consumers than non-price based promotion and it took a larger non-price based promotion than a price based promotion to make a consumer suspicious of a product.

Diamond and Sanyal (1990) used prospect theory, which proposes that people perceive outcomes of a choice as perceived ‘losses’ and ‘gains’ relative to a subject reference point. The prospect theory predicts that price promotions would be viewed as reduced losses and chosen less often than non-price promotions which would be viewed as gains (Kahneman and Tversky, 1989). However, Diamond and Sanyal (1990) found that an almost equal number of subjects chose the non-price promotion (a premium offer) as compared to the price promotion (a price discount).
On interaction between promotional value and type of promotions

Diamond (1992) found that price discounts were preferred for high value promotions and extra product promotions were preferred for low value promotions. Similarly, in a comparison of different promotions, Smith and Sinha (2000) found that consumers preferred ‘price-off’ promotions for higher priced categories and extra product promotions for lower priced categories.

In another study, Huff and Alden (1998) found that fun and enjoyment of participating in sweep-stakes (a non-price based promotion) positively affected consumer’s attitudes towards sweepstake.

Chandon, Wansink and Laurent (2000) found different types of consumer benefits associated with price based and non-price based promotions. They found that non-price based promotions provided primarily specialty or hedonic benefits to consumers (perception of being good or smart shoppers, the feeling of fun and entertainment) while price-based promotions offered primarily utilitarian benefits to consumers (monetary savings, upgradation to high quality products, reduction of search/decision costs associated with shopping).

Rio, Vazquez and Iglesias (2001) studied the effects of a group of four brand image functions (guarantee, personal identification, social identification, and status) on consumer responses, using non-specialized shoes that were suitable for sport and casual wear as reference. According to them, among these four categories of brand image functions, guarantee function was associated positively with all three independent variables (consumer’s willingness to recommend the brand, consumer willingness to pay price premium for it, and consumer willingness to accept brand extensions) whereas personal identification, social identification and status only partially influenced either one
or two independent variables. Hence, they suggested that marketers attempting to focus on managing brand image can make good use of product guarantee promotion to generate positive communication towards the brand.

Lee (2002) employed managers from twenty six consumer product categories to assess brand manager’s evaluations to Sales Promotions using coupons (price-oriented) and lucky draws (non-price-oriented). This study found that managers heavily favoured price-oriented Sales Promotion over non-price-oriented promotion. They also found that the managers appeared to under utilize non-price-oriented promotion. The study concluded that price-oriented Sales Promotion may facilitate short-term objectives while non-priced-oriented Sales Promotions may strengthen Consumer Based Brand Equity by achieving long-term objectives.

Gilbert and Jackaria (2002) conducted a study to analyze the associated relationship between the four promotional tools (coupons, price discounts, samples and “buy-one-get-one free”) and consumption behaviours of 160 respondents consisting of 42 percent males, and 58 percent females. They found that only the price discount promotional tool was statistically significant. According to them, coupon promotion may be perceived as a nuisance that costs time and efforts to redeem, and sample promotion generated prevention of future purchasing. Among these four sales promotional approaches, price discount promotions were found to have the effect of inducing households to switch brands and of creating an earlier buying behavior, and “buy-one-get-one free” significantly resulted in brand switching behavior and purchase intention. The study showed that these sales promotions have been noticeable, thus facilitating brand recognition and brand recall for future purchases, without a significantly negative influence on brands.
D’Astous and Jacob (2002) evaluated what kinds of situations can gain consumer appreciation of premium-based promotion offers by conducting survey among adult consumers. The result showed that there were positive relationships between consumer appreciation of premium-based promotional techniques and some independent variables, including direct degree of premium, positive consumer attitude and great interest in the premium, high deal-prone consumer traits, and high compulsive consumption prepositions.

Guerreiro, Santos, SilveriaGisbrecht, and Ong (2004) examined the marketing manager’s perceptions on bonus pack promotion. The study showed that managers favour bonus pack over price discounts as most of the respondents agreed that bonus packs may facilitate negotiation with clients. However, Ong, Ho and Tripp (1997) found that bonus packs did not absolutely guarantee positive consumer attitudes. They also found that bonus pack attracted current users of the product more than the new users, whereas consumers perceived that bonus pack offers appeared not to have much credence about the concepts of “no price increase” and extra quantity.

Siebert (1996) found that respondents perceived the extra amount given in bonus packs was either directly or indirectly paid by consumers. The researcher observed that compared with bonus packs (non-price-oriented sales promotion), price-oriented Sales Promotion may result in a more effective marketing advantage because of savings in warehousing, shipping, inventory, package design, and size changes.

Garreston and Clow (1999) utilized dental service to measure the influence of coupon promotion on service quality, perceived risk, and purchase intention. They found that more discount generated less value on professionalism of dental services. They concluded that the negative perception
would hurt or offset positive economic incentive which discount coupons attempted to bring.

Parker and Pettijohn (2003) studied the effect of promotional gifts or samples among physicians in regional health centers of USA. Their study showed that the prescription of drugs were independent of acceptance of free gifts or samples from pharmaceutical companies. However, Daly (1993) reported that promotional gifts (non-monetary sales promotion) could facilitate in creating perception, reinforcing a buying decision, strengthening brand relationship with consumers and stimulating interest.

Mela, Gupta and Lehman (1997) have examined the impact of promotions on Brand Equity and have reported that in the long run promotions especially price promotions, increase consumer price sensitivity and have damaging effects on Brand Equity. They had used 8 ¼ years of panel data for frequently purchased packaged goods to address the long term effects of promotion and advertisement on consumer’s brand choice behaviour and brand equity. By using a two stage approach, which permitted them to assess the medium term (quarterly) effect of advertising and promotion as well as their long term (i.e. over an infinite horizon) effects, they studied the impact of promotions on Brand Equity. Results indicated that reduction in advertising made consumers more price sensitive and it was noticed among non-loyal consumers, and thereby increasing the size of the non-loyal segment. In the case of Sales Promotions, while in price promotions both loyal and non-loyal segments were sensitive, the non-loyal segments were more sensitive than loyal consumers. Thus it was seen that in the long run, advertising had ‘good’ effects and promotions had “bad” effects on brand choice behaviour and Brand Equity.
Davis, Inman and McAlister (1992) directly measured brand evaluations in a field experiment to examine if there is any difference between pre and post promotion brand evaluation for frequently purchased consumer goods. Results showed that promotion had a strong influence at the point of choice but no memory of promotion lingered to drive down trend evaluations. Kamakura and Russel (1993) observed that frequent use of promotion reduced consumer’s inherent preference for the brand thereby hurting the Brand Equity.

Jedidi, Mela and Gupta (1999) examined the impact of promotions and advertising on ‘Brand Equity’. Estimating a model based on a data of 691 households for a consumer package product over eight years, it was seen that, in the long term, advertising had a positive and significant effect on Brand Equity while Sales Promotions had a negative effect. Results suggested that, in the long term, promotions made it more difficult to increase regular prices and increasingly greater discounts needed to be offered to have the same effect on consumer’s choice.

Low and Mohr (2000) explored the effects of Advertising (long-term brand-building activity) and Sales Promotion (a short-term sales incentive) on consumer attitudes, brand equity, and market share from a bounded rationality view among senior marketing mangers. They found that brands with higher budget allocations for advertising have more advantages than brands with lesser Sales Promotion budget in terms of influencing consumer attitude, brand equity, and market share. They suggested that marketers should invest budgets in Advertising instead of Sales Promotion if they want to deliver positive brand image to consumers to get the promise of a powerful brand.

Yoo, Donthu and Lee (2000) studied the relationships between marketing mix elements and Band Equity. They investigated consumer’s perception of five
selected strategic marketing elements, viz., price, store image, distribution intensity, advertising spending and frequency of Sales Promotions. Using 5 point Likert’s scale, and product categories Athletic Shoes, Common Films and Colour Television and employing 569 students as respondents, the researchers were able to prove that high advertisement spending, high price, distribution through retailers with good storage images and high distribution intensity build Brand Equity while frequent use of Sales Promotion especially price promotion harms the Brand Equity. They found out that Sales Promotion erodes Brand Equity and must be used with caution. Relying on Sales Promotions, which can be inconsistent with high quality and image, reduces brand equity in the long run as they do not enhance the strength of Brand Association despite short-term financial gain. Instead of offering price promotions, the firm should therefore invest in advertising to develop Brand Equity.

On the other hand, Vidal and Elena (2005) who studied the effect of Sales Promotion on, using the CBBE Scale developed by Yoo and Donthu (2001) had an entirely different conclusion. On a sample of 167 Women buyers and using the products, laundry detergent (Shopping Product) and chocolate (Specialty Product), they showed that marketing communication tools (Sales Promotions) can contribute to Brand Equity by creating awareness of the brand and/or linking strong, favourable and unique association to the brand in the consumer’s memory. That is, Sales Promotions can be used to build Brand Knowledge because the individuals exposed to promotions stimuli evoked a greater number of favourable associations. The results also showed that monetary incentives are more effective for Shopping Products while non-monetary promotions are equally effective for both Shopping Products and Specialty Products.
2.2 Brands and Evolution of Brands

2.2.1 Origin of Brands

Low and Fullerton (1994) stated that although the brand concept is ancient, it was around 1870 that American business leaders began to develop branded products and by 1915, brands were well established in American consumer life. The economic boom following World War II also triggered the explosion of new products and brands.

Srivastava and Thomas (2003) explain that the word brand is derived from Old English, meaning “burning stick” derived from the Indo-European word that meant “to be hot”. Livestock branding was used by the ancient Egyptians as early as 2700 BC as a theft deterrent, to identify stolen animals. Around the tenth century, merchant marks, known as the ‘signa mecatorum’ in Roman-Dutch law were used to prove ownership of goods that were missing due to shipwrecks, pirates, or other mishaps.

Jevons (2005) traced the origin of the word from the Oxford English Dictionary which states the development of the word “brand” from the Germanic word “brandr” which referred to the mark made by burning with a hot iron, a usage first noted as early as 1552.

Johnson (2006) added that the use of markings to establish who owns or who made a certain product appears to be ancient. Bison paintings dated to be around 5,000 B.C. on the walls of the Lascaux Caves in southern France contain distinct marks that scholars say indicate ownership. Stone seals dating to 3,500 B.C. with indications on who made certain items have been found in the Middle East. The ancient Egyptians, Greeks, Romans, and
Chinese all used various forms of stamps or markings to indicate who made certain things, such as pottery or bricks. Not only did the marks indicate quality, but they also let people know whom to blame if there was a problem with the product.

### 2.2.2 Definitions of Brand

A brand according to Batra and Myers (1996) is not just a name or a symbol, but reality that stands for images, thought, feelings and more. There are a set of intervening variables in branding, which include brand awareness, brand comprehension, brand image and personality, brand attitude, associating feelings with brands or user experiences and complex models.

According to Choudhury (2001) a brand is essentially the sum total of the particular satisfaction that it delivers to the customer who buys that specific brand, the sum total being its name, ingredients, price, packaging, distribution, reputation and ultimately to its performance.

Erdem (1998) stated that Brands signify a certain level of quality so that satisfied buyers can easily choose the product again and it enhanced the value of a product beyond its functional purpose. Naomi (2000) argued that branding can be a powerful means to secure competitive advantage. According to Maureen and Jacob (2000), a brand offers the firm legal protection for unique features or aspects of the product.

Wiley (1992) points out that Brand, for centuries were used to distinguish goods of one producer from those of another. Suri and Monroe (2003) were of the opinion that Brands identify the source or maker of a product and allow consumers – either individuals or organizations – to assign responsibility for its performance to a manufacturer or distributor.
According to Ogilvy (1983), Brand is the intangible form of a product attribute: its name, packaging, price, its history, culture, its reputation and the way it is advertised. Kapferer (1992) has defined brand as a living memory, a genetic programme which endows products with meaning. The products which are mute, is given meaning and purpose by telling us how the product should be read. A brand is both a prism and a magnifying glass through which products can be decoded (Kapferer, 2008).

Brands define their own standards. Legally, they guarantee nothing, but empirically they convey clusters of attributes and values. To the stock market strong brands result in better earnings and profit performance for the firm, which in turn, creates greater value for shareholders (Kotler, 2000).

Webster (2000) defined Brand as a guarantee of consistent features, quality and performance to the consumers and is also a pledge of support to the middlemen. In the same vein Auken (2004) argued that a Brand is the source of a promise to the consumer – promise of relevant differentiated benefits.

Zyman (2002) has given a simple definition. According to him a brand is the original way to scale an idea, to make it grow, to get the word out about the product. Brands give buyers a way to tell one nearly generic product from another, and they give buyers a reason to buy. Ries (2003) defines brand as a singular idea or concept that is owned inside the mind of the prospect. Parameswaran (2004) added that it is the amalgam of the physical product and the notional images that make the brand. According to him, Brand = Product + Images.

Haigh (2004) has provided a more comprehensive view of the term, Brand. According to him there are at least three different definitions that
include first, a logo and associated visual elements that focus on the legally
protectable visual elements used to differentiate and stimulate demand for one
company’s products and services over another. The second definition
considers the brand as a large bundle of trademark and associated intellectual
property rights, and the third that of a holistic company or organisational
brand.

According to Murphy (1990), brand is a complex phenomenon. It is not
only an actual product, but also the unique property of a specific owner and has
been developed over time so as to embrace a set of values and attributes – both
tangible and intangible – which meaningfully and appropriately differentiate
products which are otherwise very similar. As consumers have become more
complicated, rushed and time starved, the ability of a brand to simplify decision
making and reduce risk is invaluable (Suri and Monroe, 2003).

2.2.3 Evolution of Brand Concepts

The evolution of brand concepts and images has been described by
McEnally and de Chernatony (1999) in terms of six stages as suggested by
Goodyear (1996). The six stages referred to changes in branding practices in a
product category over time rather than changes in any specific brand. The first
four stages represent the traditional classic marketing approach to branding
and the last two represent the post-modern approach to branding.

Stage 1: Unbranded Goods. In the first stage, goods are treated as commodities
and are unbranded. Here, producers make little effort to distinguish/brand their
goods with the result that the consumer’s perception of goods is simply as
differentiated products or services with high level of substitutability. A company
or brand name has a commodity status when it is not offering enough value for
customers to pay asking or premium price. They have suggested four rules of commodity branding: (i) to market to those who are willing to pay for added value, (ii) provide differentiation that is significant, (iii) communicate to the right people using economics, and not emotion and (iv) to never assume that the current product or service is good enough.

**Stage 2: Brand as Reference.** In the second stage, producers start to differentiate their goods from the output of other manufacturers, mainly due to competitive pressures. Differentiation is achieved through changes in physical product attributes (“gets clothes cleaner”). Consumers start to evaluate goods on the basis of consistency and quality and will use brand names based on their image of the brand when deciding what to buy.

**Stage 3: Brand as Personality.** By this stage, differentiation among brands on rational/functional attributes becomes exceedingly difficult as many producers make the same claim. Therefore, marketers begin to give their brands personalities. An example is Ivory Soap in the context of the American market. By creating the personality of the caring mother, the marketer injects emotion into the consumer’s learning and valuing process. Moorthi (2003) asserts this point when he states that brand personality is the sum total of all the significant tangible and intangible assets that a brand possesses, and what ultimately matters in building brand personality is being single minded in communicating and preserving what might be called core brand values.

**Stage 4: Brand as Icon/Cult.** In this stage, the brand is owned by consumers. They have extensive knowledge about the brand and in their mind, have many associations—both primary (about the product) and secondary. For example, Air Jordan shoes have primary associations with Michael Jordan’s athletic prowess and secondary associations with the Chicago Bulls and winning.
Ragas and Bueno (2003) echoed this point by stating that consumers want to be a part of a group that is different. Cult brands sell lifestyles that help customers fulfill their high-level needs, create brand evangelists and respect their opinions and also create customer communities. It is all inclusive and welcomes customers of all ages and races, promotes personal freedom and draws power from competitors.

Stage 5: Brand as Company. This stage marks the change to post-modern marketing. Here, the brand has a complex identity and there are many points of contact between the consumer and the brand. Because the brand equals the company itself, all stakeholders must perceive the brand (company) in the same fashion. Communications from the firm must be integrated throughout all of their operations and must flow from the consumer to the firm as well as from the firm to the consumer so that a dialogue is established between the two. In stage five, consumers become more actively involved in the brand creation process.

Stage 6: Brand as Policy. Few companies to date have entered this stage which is distinguished by an alignment of company with ethical, social and political causes. Prime examples of this stage are The Body Shop and Benetton. Consumers commit to the firms that support the causes favoured by the company by purchasing from the firm. Through their commitment, consumers are said to own the brand.

In stages 5 and 6, the values of brands change. While brand values in the first four stages were instrumental because they helped consumers achieve certain ends, brands in stages 5 and 6 stand for the end states that consumers desire.
2.3 Brand Equity and Consumer Based Brand Equity

2.3.1 Brand Equity

Brandings are centuries old. Brick makers in ancient Egypt placed symbols on their bricks to identify their products. The “Brand” concept evolved in the 18th century as the names and pictures of animals, places of origin, and famous people replaced many producers’ names. In the 21st century, a brand goes beyond the definition of American Marketing Association (2004) which defined it as a name, term, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Now researchers are of the view that a brand enhances the value of a product beyond its functional purpose. The concept of Brand Equity which goes beyond the identification and differentiation of goods or services, has received much attention in recent years.

Farquhar (1989) defined Brand Equity as the added value a brand gives a product. According to him Brand Equity can be measured by the incremental cash flow from associating the brand with the product. Farquhar observed that brand equity impacts competitive advantages to the firm, brand resiliency to survive in difficult times, resistance from competitive attack, and brand leverage over other products in the market leading to more shelf space in the shop and increase in the brand attitude by the consumer. He had conceptualised Brand Equity as having three perspectives:

i) **Financial:** This approach conceptualised Brand Equity as a base for commanding price premium for brands over other generic products.
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ii) **Consumer Based**: This perspective implied that a strong brand increases the consumer’s attitude towards the product associated with the brand which will lead to more Brand Awareness and Associations, inferred attributes and eventually brand loyalty.

iii) **Brand Extension**: This meant that a successful brand can leverage the existing brand awareness to launch related products with reduced advertisement and other promotional expenses.

Aaker (1991) further refined the definition of Brand Equity from a marketing perspective. He defined it as a set of brand assets and liabilities linked to a brand, its name and symbol that adds to or detracts from the value provided by a product or service to a firm and/or to the firm’s customers.

Simon and Sullivan (1993) defined Brand Equity in terms of the incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products. According to them, Brand Equity is the incremental cash flows which accrue to branded products over unbranded products. Based on the financial market value of the company, their estimation technique extracted the value of Brand Equity from the value of the firm’s other assets. They used two approaches, macro and micro, to measure Brand Equity. The macro approach estimated Brand Equity at the firm level while the micro approach isolated Brand Equity at the individual level by measuring the response of Brand Equity to major marketing decisions.

There were a number of other attempts to measure Brand Equity. Brasco (1988), Shocker and Weitz (1988) and Mahajan, Rao and Srivastava (1990) measured Brand Equity under conditions of acquisition and divestment. Their
methodology was based on the premise that Brand Equity is dependent on the ability of the owning companies to utilise the brand assets.

Kamukura and Russel (1989) used the scanner–based measure to measure Brand Equity, which provided three measures of brand value. The first measure, perceived value, estimated the value of customers of the brand that could be explained by Price and Promotion. The second measure, the dominance ratio, placed an objective value on a brand’s ability to compete with other brands on price. The third measure, intangible value, provided a measure of quality perceptions not attributable to physical attributes of a product.

Wentz and Martin (1989) used brand–earnings multiples to measure Brand Equity. This technique multiplied brand “weights” by the average of the past three year’s profits. The brand weights are based on both historical data, such as brand share and advertising expenditures, and individual’s judgments of other factors, such as stability of product category, brand stability and internationality.

Ourusoff (1993) used the Financial World method for measuring Brand Equity. The Financial World’s formula calculated net brand-related profits, and then assigned a multiple based value on brand strength which was defined as a combination of leadership, stability, trading environment, internationality, ongoing direction, communication support, and legal protection.

Park and Srinivasan (1994) defined Brand Equity as the difference between an individual consumer’s overall brand preference and his/her multi-attributed preference based on objectively measured attribute levels. They used survey method for measuring brand equity in a product category and evaluated the equity and consumers preference for the brand’s evaluation into a different but related category. The major substantive findings from
application of the approach to the tooth paste and mouth wash categories were (i) of the two components of brand equity, the non-attribute based component affected to play a more dominant role than attribute based component and (ii) the impacts of a brand’s equity on its market share and profit margin were substantial.

In 2005, Srinivasan, Park and Chang refined their definition of Brand Equity as the incremental contribution per year obtained by the brand in comparison to the same product (service) at the same price but with no brand–building efforts, which is consistent with the ‘added value’ notion of Brand Equity. The incremental contribution is driven by the individual customer’s incremental choice probability for the brand in comparison to his choice probability for the underlying product with no-brand building efforts. The approach took into account three sources of Brand Equity – brand awareness, attributes perception biases and non attribute preference and revealed how much each of the three sources contributed to Brand Equity, with enhancement of brand’s availability. By doing consumer survey among 281 users of digital cellular phones in Korea, Srinivasan, Park and Chang (2005) found out that, among the three sources of Brand Equity, brand awareness contributed to Brand Equity the largest, followed by non-attribute preference and to a smaller extent, enhanced attribute perceptions.

It was Aaker (1996) who coined the term ‘Brand Equity Ten’ – ten sets of measures grouped into five categories to measure Brand Equity. The five categories were: Brand Loyalty, Perceived Quality and Leadership Measures, Brand Association and Differentiation Measures, Awareness Measures and Market Behaviour Measures. In his earlier studies, Aaker (1991) had claimed that the price premium may be the best single measure of Brand Equity.
The details of the ‘Brand Equity Ten’ are shown below:

<table>
<thead>
<tr>
<th>Loyalty Measures</th>
<th>Perceived Quality / Leadership Measures</th>
<th>Association / Differentiation Measures</th>
<th>Awareness Measures</th>
<th>Market Behaviour Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td>b. Satisfaction or Loyalty</td>
<td>d. Leadership</td>
<td>f. Brand Personality</td>
<td></td>
<td>j. Price and Distribution Indices</td>
</tr>
<tr>
<td>c. Perceived Quality</td>
<td>d. Leadership</td>
<td>g. Organisation Association</td>
<td></td>
<td></td>
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</tbody>
</table>


Summarising the various definitions of Brand Equity it can be seen that they can be classified into two categories. One set of definitions are based on the financial perspective and stress the value of a brand to the firm (Brasco, 1988; Shocker and Weitz, 1988; Mahajan, Rao and Srivastava 1990; Simon and Sullivan, 1993). The other definitions are based on the consumer perspective, which define Brand Equity as the value of a brand to the consumer (Kim and Lehmann, 1990; Aaker, 1991; Kamukara and Russel, 1993; Keller, 1993; Rangaswamy, Blurke and Oliva, 1993).

### 2.3.2 Consumer Based Brand Equity

When referring to the consumers or marketing perspective, Brand Equity is referred to as Consumer Based Brand Equity. According to MacKay, Romaniuk and Sharp (1998) this marketing approach, often stated as Consumer Based Brand Equity, refers to the added value of the Brand to the
consumers. Subscribers to this approach tend to focus on the value created by marketing activities as perceived by customers.

Martin and Brown (1990) suggested that Brand Equity comprised of five dimensions based on consumer perception which were: perceived quality, perceived value, brand image, trustworthiness, and commitment. The main conclusions of their research were: perceived quality is linked with consumer consciousness about the function of a branded product; perceived value is related to consumer perception about the obtained value and relative cost; brand image is a consumer brand concept which is built on consumer brand belief; trustworthiness refers to the same identification about practical brand performance and expected brand performance; and commitment is regarded as consumer’s attachment to a specific brand.

Aaker (1991) conceptualised Brand Equity, as a set of assets (or liabilities), namely, Brand Associations, Perceived Quality, Brand Loyalty and other proprietary assets. From the consumer perceptive, Brand Awareness, Brand Associations, Perceived Quality and Brand Loyalty are the four most important dimension of Brand Equity coined by Keller (1993) as Consumer Based Brand Equity (CBBE).

Blackstone (1995) suggested that a brand comprises of two categories, viz., an objective brand and a subjective brand based on consumer attitude. Objective brand relates to consumer brand perception, while subjective brand is associated with what the brand is in the consumers’ minds, and what kind of consumers use the brand. An objective brand is a collection of brand association, brand image, and brand personality; a subjective brand is reflected by consumer attitude, which depicts personal perception and consciousness about a brand. Blackston further suggested that the origins of Brand Equity
were brand association, brand personality, and brand significance which were an extended definition of brand awareness. He defined Brand Equity as brand value and brand meaning, where brand meaning implies brand saliency, brand associations and brand personality, and where brand value is the outcome of managing the brand meaning.

Keller (1993) defined Consumer Based Brand Equity as the differential effect of brand knowledge on consumer response to the marketing of the brand. The Consumer Based Brand Equity involves consumer’s reactions to an element of the marketing mix for the brand in comparison with their reaction to the same marketing mix element attributed to a fictitiously named or unnamed version of the product or service. Consumer Based Brand Equity occurs when the consumer is familiar with the brand and holds some favourable, strong and unique Brand Associations in memory. According to Keller (1993), Consumer Based Brand Equity consisted of two dimensions—Brand Knowledge and Brand Image. Brand knowledge is defined as consisting of two components, viz., Brand Awareness and Brand Associations.

Prior to this Srivastava and Shocker (1991) used the two multi-dimensional concepts of Brand Strength and Brand Value to explain Consumer Based Brand Equity. Brand Value is the financial outcome of the management’s ability to leverage brand strength via strategic actions to provide superior current and future profits. Brand Strength is based on perception and behaviour of customers that allow the brand to enjoy sustainable and differentiated competitive advantages.

Lasser, Mittal, and Sharma (1995) proposed five dimensions of Brand Equity based on consumer perception, viz., performance, social image, value, trustworthiness, and identification. Performance refers to the situation in
which consumers regard a brand flawless and consistently used; social image is perception stemming from brand respect of consumer communities; value is perception of brand effect compared to consumer given cost; trustworthiness is created when a consumer is confident with a company and its communicative information; and identification refers to relative feeling strength to positive brand consciousness. Lasser, Mittal, and Sharma considered Consumer Based Brand Equity as enhancement in the perceived quality and desirability that a brand name confers on a product. This perspective indicates only perceptual dimensions excluding behavioural or attitudinal dimensions like loyalty or usage intention, etc.

Cobb-Walgren, Cynthia and Donthu (1995) examined the effect of Consumer Based Brand Equity on consumer preferences and purchase intentions. For comparative purposes, researchers tested two sets of brands, one from a service category characterised by high financial and functional risk (hotels), and one from a lower risk category (household cleansers). Each set included two brands that were objectively similar, but advertisement spending over a decade was remarkably different. The study concluded that brand with higher advertising budget yielded substantially higher levels of Brand Equity, which in turn generated significantly greater preferences and purchase intentions.

Feldwick (1996) stated that Brand Equity was generated by the formation of brand value, brand strength, and brand description. Brand value refers to the concept regarding overall value of a brand as an independent asset; brand strength was the degree of consumer’s feeling on a brand; and brand description was consumer’s related association and a consumer’s belief of description which were attached to a brand.
Dublin (1998) had suggested a product-market-level measure of Brand Equity, which attempted to quantify the difference between the profit earned by the brand and the profit it would have earned, if it were sold without the brand name. Ailwadi, Lehman and Neslin (2002) modified the work of Dublin by examining the behavior of Brand Equity over time, across product categories in response to advertising and other promotional activities. Instead of the hypothetical estimation of revenue that a branded product would earn if it did not have a brand name, the revenue of a private label product was used as a benchmark. The difference in revenue between a branded good and the corresponding private label represented the value of a particular brand.

Moran (2002) noted that recognizing Brand Equity needs to consider three parts, viz., market share, relative price, and brand loyalty. Though all the parts contributed to a competitive brand, each part had a diluted effect on others.

Kim, Kim, and Jeong (2003) studying the effect of Consumer Based Brand Equity observed that strong Consumer Based Brand Equity can cause a significant increase in revenue and lack of it can damage potential sales flow. Using the sample of 513 respondents, the researchers found out that among the Brand Equity structure, brand loyalty, brand awareness, perceived quality, and brand image seemed to have the most significant impact on the performance of hotels in Korea.

2.3.3 Measurement of Consumer Based Brand Equity

Agarwal and Rao (1996) attempted to measure Consumer Based Brand Equity by comparing a selection of different Consumer Based Measures of Brand Equity. They explored the ability of consumer based measures of Brand Equity to estimate individual choice and market share, and the relationship
between these measures. The study analysed the fast moving consumer good (Chocolate bars) in a laboratory setting. The ten measures used in the study were: (1) recall (2) familiarity index (3) weighted attribute sense (4) quality of brand name (5) brand index (6) dollar metric measure (7) purchase intention (8) overall brand evaluation (9) value for money and (10) index of past purchase. The results indicated that all ten measures except brand recall were convergent and correlate highly and positively with market share. They also concluded that there is no one simple measure for Brand Equity and the industry has to use different methods as most of the measures perform consistently across the product categories and ‘constructs’ to find Brand Equity, and that managers are interested in the aggregate results of Brand Equity study rather than the individual level result.

MacKay (2001) replicated and extended the study of Agarwal and Rao (1996), using a sample of 501 respondents in New Zealand and selecting the fuel retail product category. They employed the survey methodology which consisted of expert panel, telephone and mail survey, and empirically confirmed the Agarwal and Rao study.

Earlier studies by Wentz and Martin (1989) and Kaperfer (1992) used brand earnings multiples or weights to calculate Brand Equity. The brand weights were based on historical data, such as brand share and advertising expenditures, and individual’s judgment of other factors, such as stability of product category, brand stability, and its international reputation. The Brand Equity, according to them is the product of the multiplier and the average of the past three year’s profit.

Motameni and Shahrokli (1998) defined Global Brand equity (GBE) as the product of brands net earnings and brand’s multiple which will be determined based on brand strength. The brand’s net earnings are the differential
earnings of a branded and an unbranded (generic) product. The brand multiple depends on brand strength, which in turn, on positioning, the market, competition and its past performance. They held the view that (GBE) is essential while doing business in different markets and neglecting marketing differences will result in significant over or under pricing of a brand. GBE will provide an opportunity to generate insights about the basic principles of brand building and brand management. Brand strength factors, to be specific, are Consumer Based Potency, Competitive Potency and Global Potency.

Erdem and Swait (1998) developed an information economic perspective model on the value (or equity) ascribed to brand by consumers. The proposed signaling perspective explicitly considered the imperfect and asymmetrical information structure of the market. When consumers are uncertain about product attributes, firms may use brands to inform consumers about product positions and to ensure that their product claims are credible. Brands as market signals improve consumer perceptions about brand attribute levels and increase confidence in brand’s claims. The reduced uncertainty lowers the risk perceived by consumers, thus increasing consumer’s expected utility. A brand signal is compared to a firm’s past and present marketing mix strategies and activities associated with that brand, which can serve as credible market signals. Using two product categories, juice and jeans and observing a total of 890 respondents, and employing structural equation model, the researchers concluded that brand as a signal should be credible in an asymmetric and imperfect information framework in order to have Consumer Based Brand Equity. Erden and Swait (1998) concluded Brand Equity to be the return associated with brand signaling.

Keller (1993) had advocated two basic approaches to measure Consumer Based Brand Equity. The ‘direct’ approach attempted to assess potential
sources of Consumer Based Brand Equity by measuring Brand Knowledge (i.e. Brand Awareness and Brand Image). The direct approach attempted to measure Consumer Based Brand Equity more directly by assessing the impact of Brand Knowledge on consumer response to different elements of the marketing programme. The direct Brand Knowledge measurement requires experiments in which one group of consumers responds to an element of the marketing programme when it is attributed to the brand and another group of consumers responds to that same element when it is attributed to a fictitiously named or unnamed version of the product or service. Comparing the responses of the two groups provide an estimate of the effects due to the specific knowledge about the brand that goes beyond both product or service knowledge. In ‘blind’ test, consumers evaluate a product on the basis of a description, examination or actual consumption experience either with or without brand attribution. The conjoint analysis or trade analysis (Green and Srinivasan, 1978) can be used to explore the main effects of the brand name and interaction effects between the brand name and other marketing mix elements such as price, product or service features, and promotion or channel choices. To measure Brand Associations there are many methods. Qualitative techniques include free association, whereby consumers describe what the brand means to them in an unstructured format and projective technique such as sentence completion, picture interpretation and brand personality description.

In the indirect approach, suggested by Keller (1993), Brand Awareness can be accessed through a variety of aided and unaided memory tests (Srull, 1984) that can be applied to test Brand recall and recognition. For example, Brand recognition measures may use the actual brand name or some perceptually degraded version of the brand name (Alba and Hutchinson, 1987).
Brand recall measures may use different sets of cues, such as progressively defined product category labels and ‘top of mind product/brand’ concept.

Sinha, Leszczyc, and Pappu (2000) and Sinha and Pappu (1998) parcelled out Consumer Based Brand equity into various sub-components and studied the interaction among these components. They used factorial surveys combined with Bayesian techniques to measure Consumer Based Brand Equity in four dimensions, viz., Brand Awareness, Brand Associations, Perceived Quality and Brand Loyalty. They found out that by parceling Consumer Based Brand Equity into various sub-components will be helpful for the brand managers in optimizing their marketing mix to maximize the firm’s Brand Equity.

Yoo and Donthu (2001) developed a Consumer Based Brand Equity scale which is etic in nature in which a universal measurement structure across culture is sought using multiple cultures simultaneously. The researchers developed the Brand Equity scale based on the Brand Equity dimensions proposed by Aaker (1991) and Keller (1993), viz., Brand Awareness, Perceived Quality of the brand, Brand Loyalty and Brand Associations. They went on to develop a four dimensional scale, which consisted of Brand Loyalty (3 items), Perceived Quality (2 items), Brand Awareness/Associations (5 items) grouped as multi dimensional Brand Equity (MBE) and Overall Brand Equity (OBE) (4 items). The Overall Brand Equity was developed to check convergent validity and it had a four item uni-dimensional score to measure Brand Equity using a self-administered questionnaire among 633 Koreans, 320 Korean Americans and 577 Americans and three product categories, viz., Athletic Shoes (6 brands), film for Cameras (4 brands) and Colour Television (2 brands). This way the researchers developed a Consumer Based Brand Equity scale which was emic in nature.
Vazquez, Belen and Victor (2002) developed and validated a Consumer Based Brand Equity Scale based on the value ascribed to brand by consumers. According to them, Consumer Based Brand Equity is the overall utility that the consumers associate to the use and consumption of the brand, including associations expressing both functional and symbolic utilities. They were of the view that the functional utility which satisfies the needs of the physical environment logically proceeds from the product whereas the symbolic utility which satisfies the needs of the psychological and social environment emanates essentially from the brand name. Using 1054 personal interviews followed by administering questionnaires, on the product category, Athletic Shoes, and employing confirmatory factor analysis, the researchers were able to develop a scale which exhibited strong internal consistency and a redeemable degree of validity. The results obtained indicated the existence of four basic dimensions of brand utilities: product functional utility, product symbolic utility, brand name functional utility and brand name symbolic utility.

Washburn and Plank (2002) employed slightly modified items in a different context to Yoo and Donthu (2001) scale on Consumer Based Brand Equity. They analysed and examined Consumer Based Brand Equity in the context of co-branded products. Co-branding is a strategy that attempts to capture the synergy of combining two well known and well liked brands into a third, unique branded products (Rao and Ruekert, 1994). Using a seven point scale, consisting of four MBE constructs, one measure of OBE and two constructs measuring attitude toward the brand and purchase intention, Washburn and Plank (2002) made a study of a total of 272 subjects and two product pairs (potato chips with barbecue sauce flavouring and paper towels with an antibacterial ingredient) came to the
conclusion that though Yoo and Donthu scale is a good attempt to Consumer Based Brand Equity scale development, it needs further refinement. According to them, a good scale on CBBE should measure Brand Awareness and Brand Associations separately rather than treating them together as done by Yoo and Donthu.

Netemeyer and Balaji (2004) developed measures of core/primary facets of Consumer Based Brand Equity. From the works of Aaker (1991) and Keller (1993), the researchers chose the perceived quality (PQ), perceived value for the cost (PVC), uniqueness and willingness to pay a price premium for a brand as the Brand Equity dimensions for the study. Using different brands in six product categories and employing 186 respondents, the researchers showed that PQ, PVC and brand uniqueness are potential direct antecedents of the willingness to pay a price premium for a brand, and that willingness to pay a price premium is a potential direct antecedent of brand purchase behaviour.

Punj and Hillyer (2004) identified the underlying cognitive structure of brand equity. The four cognitive ‘components’ of Consumer Based Brand Equity according to them are: global brand attitude, strength of preference, brand knowledge and brand heuristic. Using data from two independent samples of consumers for two different frequently purchased product categories – soap and toothpaste, the researchers found out that all the identified cognitive components are important determinants of Consumer Based Brand Equity. Specifically, the brand heuristic component serves as an important mediator in two ‘cognitive choice’ that link global brand attitude to brand knowledge and global brand attitude to strength of preference respectively.

Pappu, Quester and Cooksey (2006) studied the impact of country of origin of a brand on its Consumer Based Brand Equity. The dimensions used
to measure Consumer Based Brand Equity were the same as defined by Aaker (1991), viz., Brand Awareness, Brand Associations, Perceived Quality and Brand Loyalty. The researchers used a doubly multivariate design incorporated in a structured questionnaire to collect data in mail intercepts in an Australian State Capital city and the product categories were cars and television with three brands in each category. Pappu et al. (2006) found out that Consumer Based Brand Equity varied according to the country of origin and product category. The results indicated that consumers perceived substantive differences between the countries in terms of their product category–country association.

In their earlier study Pappu, Quester and Cooksey (2005) had already made improvement in the measurement of Consumer Based Brand Equity overcoming the limitation of earlier scale such as lack of distinction between the dimensions of Brand Awareness and Brand Associations, the use of non-discriminate indicators in the measurement scales, non inclusion of the brand personality measures and of student samples. Using 539 actual consumers (non-student) in an Australian State Capital city, two different categories, viz., cars and television with six brands and using systematic sampling they employed structural equation on confirmatory factor analysis and found out that Brand Awareness and Brand Associations were two distinct dimensions of Brand Equity and Consumer Based Brand Equity had a four dimensional construct. The results thus provided empirical evidence of the multi dimensionality of Consumer Based Brand Equity, a la Aaker (1991) and Keller (1993) conceptualisation of Brand Equity.
2.4 **Sources of Consumer Based Brand Equity**

The sources of Consumer Based Brand Equity as conceptualised by Aaker (1991) and Keller (1993) are: Brand Awareness, Brand Associations, Perceived Quality and Brand loyalty.

2.4.1 **Brand Awareness**

 Consumer Based Brand Equity as per Keller, 1993 is the differential effect of Brand Knowledge on consumer response to the marketing of the brand. The first dimension of Brand Knowledge is Brand Awareness. It is related to the strength of the brand node or trace in memory, as reflected by consumers’ ability to identify the brand under different conditions (Rossiter and Percy, 1987). Keller (1993) had stated that, Brand awareness consists of brand recognition and brand recall performance. Brand recognition relates to consumers’ ability to confirm prior exposure to the brand when given the brand as a cue. The brand recognition requires the consumers to correctly discriminate the brand as having seen or heard previously. Brand recall relates to consumers ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type as a cue. Brand recall requires the consumers to correctly generate the brand from memory. Keller (1993) also stated that brand awareness affected consumer decision making by influencing the formation and strength of Brand Associations in the brand image.

Prior to Keller, Aaker (1991) had defined Brand Awareness as the ability of a buyer to recognise or recall that brand as a member of a certain product category. He had also pointed out the different levels of awareness, viz.,
Recognition, Recall, Top-of-mind, Brand Dominance, Brand Knowledge and Brand Opinion. These are explained as follows:

- Recognition - (Heard of the Brand?)
- Recall - (What brands of cars can you recall?)
- Top-of-mind - (the first named brand in a recall)
- Brand Dominance - (the only brand recalled)
- Brand Knowledge - (I know what the brand stands for)
- Brand Opinion - (I have an opinion about the brand).

Measures of Brand Awareness such as recall and familiarity developed by MacKay (1998) and Agarwal and Rao (1996) are widely used in marketing research. However, the researchers were of the view that measures of awareness and especially brand recall – were not a good indicator of choice. Results of their studies showed that if the consumers know about a brand, it is not sufficient indicator of their likelihood to choose that brand and recall is irrelevant in a mature market where consumers are aware of all the main brands in the market place.

Aaker (1991) had mentioned several levels of Brand Awareness, ranging from mere recognition of the brand to dominance which refers to the condition where the brand involved is the only brand recalled by the consumer. Prior to Aaker (1991) Rossiter and Percy (1987) had defined Brand Awareness as the consumer’s ability to identify or recognise the brand. It was Keller (1993) who conceptualised Brand Awareness as consisting of both brand recognition and brand recall. Brand recall refers to the consumer’s ability to retrieve the brand from memory, for example, when the product category or the needs fulfilled by the category are mentioned. Keller (1993) argued that among these two,
brand recognition may be more important than brand recall to the extent that product decisions are made in the store.

In this study, following Keller (1993) and Yoo and Donthu (2001), Brand Awareness is conceptualised as consisting of both brand recognition and brand recall.

2.4.2 Brand Associations

In Keller’s (1993) definition of Consumer Based Brand Equity, the second dimension of Brand Knowledge is Brand Image. According to him, Brand Image is the perception about a brand as reflected by the Brand Associations held in the consumer’s memory. Brand Associations are the other informational nodes linked to brand mode in memory and contain the memory of the brand for the consumers. The firm’s ability, strength and uniqueness of Brand Association are dimensions of Brand Image that play an important role in Consumer Based Brand Equity. Keller (1993) classified different types of Brand Associations, namely, attributes, benefits and attitudes.

Attributes are those descriptive features that characterize a product or service – what a consumer thinks the product or service is or has and what is involved with its purchase or consumption. Myers and Shocker (1981) classified attributes into product related and non-product related. Product related attributes are defined as the ingredients necessary for performing the product or service requirements. The non-product related attributes are defined as external aspects of the product or service that relate to its purchase or consumption, and the four main types of non-product related attributes are: (1) Price promotion (2) Packaging or product appearance information (3) User imagery and (4) Usage imagery.
Benefits according to Keller (1993) are the personal value consumers attach to the product or service attributes—that is, what the consumers think the product or service can do for them. Park, Jaworski and MacInnis (1986) classified benefits into three: (1) functional benefits (2) experimental benefits and (3) symbolic benefits. Functional benefits are the more intrinsic advantages of the product or service consumption and usually correspond to the product–related attributes satisfying experimental needs such as sensory pleasure, variety and cognitive stimulation. Symbolic benefits are the more extrinsic advantages of the product or service consumption and satisfy underlying needs for social approval or personal expression and self esteem.

Brand attitudes are consumers’ overall evaluations of a brand (Wilke, 1986). Brand attitude is highly accessible and diagnostic, and therefore consumers rely heavily on it in decision making, instead of attempting to recall and process specific Brand Associations (Lynch, Mamorstein and Weigold, 1988). Fazio (1986) and Farquhar (1989) considered accessible brand attitude as one of the key elements in building strong brands which is referred as how quickly an individual can retrieve something stored in the memory.

According to Keller (1993) favourability, strength and uniqueness of Brand Association are cardinal dimensions in Consumer Based Brand Equity. The favourability of Brand Association is reflected in the creation of favourable brand associations that the consumers believe the brand to have, viz., attributes and benefits that will satisfy their needs and wants such that a positive overall brand attitude is formed. The strength of Brand Association depends on how the information enters consumer’s memory (encoding) and how it is maintained as part of the brand image (storage). The uniqueness of Brand Associations is the reflection of sustainable competitive advantage or
unique selling proposition, which gives consumers a compelling reason for buying that particular brand (Ries and Trout, 1979; Aaker, 1982; Wind, 1982).

Park and Srinivasan (1994) postulated that Brand Associations can contribute to Brand Equity in two different ways. First, Brand Associations related to product attributes create an attribute based component of Brand Equity that is based on the difference between subjectively perceived attribute levels and objectively measured attribute levels. Second, Brand Associations create a non-product attribute based component of brand equity, which is a part of the brand’s overall preference unrelated to product attributes.

According to Motameni and Shahrokhi (1998), Brand Association depends on value perception, organizational association and differentiation. The value perception depends on brand value which can be measured by asking customers whether the brand provides good value for money, or whether there are reasons to buy this brand over competition (Aaker, 1996). Organisation associations denote how the consumers perceive the manufacturers and differentiate how the brand is different over other competing brands in the market.

Brand Associations, according to Aaker (1991) is defined as anything linked to the memory of the brand. He argued that a Brand Association has a high level of strength, and that the link to a brand (from the association) will be stronger when it is based on many experiences or exposures to communication, and when a network of other links supports it. Further, Aaker (1991) also suggested that Brand Association could provide value to the consumers by providing a reason for consumers to buy the brand and by creating positive attitudes/feelings among consumers.
While a brand may derive associations from a range of sources, brand personality and organizational associations are the two most important types of associations, which influence Brand Equity (Aaker, 1991; 1996). Brand personality is defined in terms of the various traits or characteristics that brands can assume from the perception of consumers (Aaker, 1991; Keller, 1993). Brand personality can also be seen as the set of human characteristics associated with a brand (Aaker, 1996).

2.4.3 Perceived Quality

Perceived Quality is associated with price-premiums, price elasticities, brand usage and stock return. Aaker (1991) opined that Perceived Quality can be measured with scales such as the following:

In comparison with alternative brands, this brand

Has: high quality vs. average quality vs. inferior quality

Is the best vs. one of the best vs. one of the last vs. the worst?

Has consistent quality vs. inconsistent quality.

Motameni and Shahrokhi (1998) considered Perceived Quality as central to Brand Equity and it involved a competitor’s frame of reference. Perceived Quality can be measured with such scales as the following: In comparison with alternate brands, does this brand have: high quality, average quality or inferior quality?

Perceived Quality is described as the consumer’s judgment about a product’s overall excellence, esteem or superiority of brand relative to alternative brands (Aaker, 1991; Zeithamal, 1998). It is therefore, based on consumer’s or user’s (not manager’s or expert’s) subjective evaluation of
product quality and not on the actual qualities of the products. At the same time Perceived Quality is considered to be a core/primary facet of Consumer Based Brand Equity framework (Farquhar, 1989; Keller, 1993) as it has been associated with the willingness to pay a price premium, brand purchase intent, and brand choice. Perceived Quality is at a higher level of abstraction than any special attribute, and differs from objective quality as it is more akin to an attitudinal assessment of a brand – a global effective assessment of a brand’s performance related to other brands (Keller, 1993). Perceived Quality thus provides consumers a reason to buy by differentiating the brand from competing brands.

### 2.4.4 Brand Loyalty

Aaker (1991) explained loyalty as a core dimension of Brand Equity and defined Brand Loyalty as the attachment that a customer has to a brand. A loyal customer base represents a barrier to entry, a basis for price premium, time to respond to competitor innovations, and a bulwark against deleterious price competition. Aaker (1996) stated that the values of Brand Loyalty contain reduction of marketing costs, balance of trade leverage, and attraction of new customers and acquisition of time for responding to competitive threats. Three advantages of owning brand loyal customers were also identified by Chaudhari (1999), which were: the requirements of lesser advertising, acquisition of the greatest level of repeat purchases, and the generation of consumer’s acceptance to pay premium for the service or product.

The basic indicator of loyalty is the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits. The price premium measure is defined with respect to a
competitor or set of competitors, which must be clearly specified. The price premium can be determined by “dollar metric” where consumers are asked how much more they would be willing to pay for the brand or conjoint analysis where all choices are analyzed together to determine the importance of different dimensions.

According to Aaker (1991), there are five kinds of consumers with different levels of Brand Loyalty: consumers with no loyalty, consumers with habitual purchase, consumers with satisfaction of transfer cost, consumers with product favourability, as well as consumers with deep commitment.

Customer satisfaction is a measure of loyalty of the existing customers. The loyalty measure can be found out by asking intend-to-buy questions or by asking respondents to identify those brands that are acceptable.

Would you buy the brand on the next opportunity?

Is the brand – the only vs. one of two vs. one of three vs. one of more than three Brands – that you buy and use?

A more intense level of loyalty would be represented by questions such as:

Would you recommend the product or service to others?

Oliver (1997; 1999) defined Brand Loyalty as a deeply held commitment to buy or repatronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having potential to cause switching behaviour. Rossiter and Percy (1987) argued that Brand Loyalty is often characterised by a favourable attitude towards a brand and repeated purchase of the same brand over time.
Apart from behavioural dimension of Brand Loyalty as defined by Aaker (1991) and Oliver (1997; 1999), researchers like Chaudhari and Holbrook (2001), Yoo and Donthu (2001) have an attitudinal perspective on Brand Loyalty.

Chaudhari and Holbrook (2001) argued that attitudinal brand loyalty includes a degree of dispositional commitment in terms of some unique value associated with the brand. Yoo and Donthu (2001) defined Brand Loyalty from the attitudinal perspective as the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice.

2.4.5 Conceptual Framework of the Study

The conceptual framework of the study is primarily based on the study done by Aaker (1991) and Keller (1993) on Brand Equity and Consumer Based Brand Equity respectively. The conceptualisation of their studies on Brand Equity and Consumer Based Brand Equity were validated by Yoo and Donthu (2001).

According to Aaker (1991) and Keller (1993), the constructs of Consumer Based Brand Equity were Brand Awareness and Associations, Perceived Quality and Brand Loyalty. However, in order to measure Consumer Based Brand Equity the researcher used the scale developed by Yoo and Donthu (2001) which incorporates Overall Brand Equity dimension too. They developed the Overall Brand Equity to check convergent validity of the dimensions of Consumer Based Brand Equity, viz., Brand Awareness and Associations, Perceived Quality and Brand Loyalty.

The following figure gives the Conceptual Framework of the study:
Figure 2.1 Conceptual Framework of the Study: Consumer Based Brand Equity (CBBE)

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