



# A Study of Factors Impacting Customer Based Brand Equity in Mobile Handset Market in Indore, India

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## Abstract

*In a competitive and brand conscious market like India, building brand equity of mobile phones may be a difficult task. The businesses have to assess the previous experiences and future aspirations of customers to possess these brands. In this context, our study tries to analyze the link between brand equity dimensions, overall brand equity and consumer satisfaction. The study was intended to draw the elements of brand equity affecting decision of Mobile Handset brand and affirming it through factor analysis. The information was gathered from a sample size of 196 respondents through online information accumulation instruments. The findings highlighted that the custom segments of brand equity to be specific brand association, brand image, brand loyalty, brand awareness and in addition fresher parts of brand experience and store image are contributing altogether to Brand Equity.*

**Keywords:** Brand Equity, Brand Association, Brand Image, Brand Loyalty, Brand Awareness, Brand Experience, Store Image.

## Introduction

The idea of brand equity was initially presented in writings about marketing in the 1980's. Later it turned into a critical idea from both academicians and professionals<sup>1-4</sup>. The arrangement of brand equity is subject to the view of customers towards a brand, which may rely on upon different variables.

The oldest generic brand, in continuous use in India since the Vedic period (ca. 1100 B.C.E to 500 B.C.E), is the herbal paste known as Chyawanprash, expended for its implied medical advantages and ascribed to a venerated seer named Chyawan. Historically Branding was used to mark live stock. Chinese, Indian, Greek pottery bore brand marks conveying information about maker, quality etc<sup>5</sup>.

The reasons and methodologies of branding have developed the twentieth century. By and by, we locate the early brand encounters significant in tending to three basic inquiries. To start with, how would you manufacture a solid brand? Second, how would you support that brand after some time? Third, by what means would you be able to grow a business by utilizing your brand? The motivation behind these methodologies stem from the way that a Brand is significant for an organization<sup>6</sup>.

Brand equity is the additional worth enriched by the brand name it is the distinction between general brand inclination and multi-ascribed inclination taking into account impartially measured trait levels<sup>7</sup> and general quality and decision expectation<sup>8</sup>.

Brand equity is imperative to advertisers of purchaser merchandise and administrations. Brand equity encourages in

the adequacy of brand augmentations and brand presentations. This is on the grounds that customers who trust and show loyalty toward a brand will attempt to embrace brand expansions<sup>9</sup>.

Keller<sup>10</sup> defined Customer-based brand equity (CBBE) as “the differential effect of brand knowledge on consumer response to the marketing of the brand.” In other words a brand is said to have a brand equity when a consumer reacts in a positively or negatively to a brand element of the marketing mix when compared to a named or unnamed element of other product or service.

**Literature Review:** Brand equity is one of the most important topics to understand as they add value to any organization<sup>11</sup>. There have been different definitions given by various researchers bifurcating brand equity into two basic concepts i.e., first concentrating on the financial value of a brand and the second contributing to the understand of brand in relation to customers<sup>12</sup>, is based on consumer knowledge, familiarity, and associations with respect to the brand<sup>13</sup>.

Keller<sup>10</sup> emphasis on a positive customer based brand equity because they will probably lead to higher revenues, profits and at the same time chances of reducing cost. Positive Brand equity can also help in charging premium price, direct customers to newer distribution platforms, effective marketing communication with licensing and brand extension opportunities. Yoo<sup>14</sup> defined it on the basis of “consumer choice, which was based on the difference between branded and unbranded product.”

The deductions from customer-based research highlight that measuring customers' brand perceptions present an accurate reflection of brand performance in the marketplace due to strong, positive customer-based brand equity leading to a significant influence on the financial performance of the firms<sup>15</sup>. Buyer basic leadership depends on the quality delivered by an item/brand, and this drove researchers to recommend brand equity as the additional worth invested on items and administrations on the premise of value, piece of the pie, or productivity. Yasin et al<sup>16</sup> related the estimation of a brand regarding brand equity to the item's position in the brain of purchasers.

Brand equity is a multidimensional idea and an intricate wonder. Aaker<sup>1,17</sup> created a group of five categories i.e., "perceived quality, brand loyalty, brand awareness, brand association and other proprietary (patents, trademarks, channel relationships)." Keller<sup>18</sup> segregated the five categories into two components, namely "awareness and association."

**Need and Importance of the Study:** From the various literature reviews it was found that enormous numbers of studies are available in the area of brand and brand equity but limited researches regarding customer based brand equity and most of them focus on the relationship between brand equity and firm performance using brand awareness and image as moderating effect.

**Table-1**

Listed below are few dimensions on which brand equity has been identified upon

Sr. No	Dimension of Brand Equity
1	Brand Awareness, Perceived Quality, Brand Loyalty, Brand Image <sup>9,10,19</sup>
2	Brand Association <sup>20</sup>
3	Brand Association and Brand Awareness <sup>3</sup>
4	Perceived quality, Brand loyalty, Brand awareness, Brand association, and Other proprietary brand assets <sup>17</sup>

We have chosen an innovative way to carry out a research to analyze the importance of the dimensions of brand equity namely brand association, brand image, brand loyalty, brand awareness and other proprietary brand assets which were studied as independent aspects of brand equity.

**Objective of the Study:** The primary objective of the study was to identify the factors of Brand Equity with respect to Mobile Handset.

## Methodology

**Scale Development:** The scale was adopted from the study conducted by Ahmad and Sherwani<sup>21</sup> which was conducted towards study of Brand Equity of Mobile phone. The scale contained seven builds and experimental investigation of Yoo et al.<sup>14</sup> which tried the Aaker's<sup>1</sup> applied brand equity model. The things were brand awareness, saw quality, brand association, and brand loyalty. A 5-point likert scale was used for the research.

**Sample and Data Collection:** The target population of this study was the population living in Indore and online survey was employed to collect data on consumer perceptions. The sample size was calculated with help of sample size calculator software (Raosoft) in which the confidence level was fixed at 95% and a sample size of 196 potential respondents was derived and in order to choose the potential respondents in this survey, convenience sampling technique has been adopted. Out of 196 questionnaires distributed; 185 questionnaires were received with complete response. The rest of the questionnaires (185) have been used (95 percent) for data analysis using SPSS software (version 20).

## Results and Discussion

**Demographic Profile:** The demographic statistics is provided in Table-2. Respondents of this survey consist of 67 percent male and 33 percent female. Out of total respondents between the age of 18-25 years old group has the highest respondents (65.4 percent) the other age groups of 25-35 years old and 35-45 years old had a equal representation of (17.3 percent) respectively in the survey. The respondents' highest education levels were majority in Post graduation (58.9 percent), followed by Graduation (32.4 percent) and Doctoral (8.6 percent). Majority of the respondents are students (65.4 percent) followed by service (34.6 percent). The income group of Rs 3 lakhs or less had a higher response rate (75.1 percent). Majority of the respondents are unmarried (82.7 percent). Through the questionnaire we also tried to ascertain the brand the respondents were currently using. It was found that Samsung (42.2%) was the highest used handset brand among the respondents followed by Apple (25.4%) and closely followed by Micromax (17.3%) and Xiaomi (8.6%) and Yuforia (6.5%) making up the final numbers.

**Reliability:** Reliability test can be utilized as a measure that flags the consistency and strength of the instrument utilized as a part of the study when rehashed estimations are made. A surely understood methodology of Cronbach's Alpha was utilized to quantify the consistency and dependability of the instrument utilized as a part of the review. The internal consistency of the extracted components was measured, resulting in Cronbachs for the scale was .882 and the factors were found to be 0.875, 0.909, 0.786, .0839, 0.808, .0713. The values are acceptable as they were found to be greater than the recommended value of 0.70. The summary is provided in Table-3.

**Table-2**  
**Demographic Profile**

Variable	Category	Frequency	Percent
Gender	Male	124	67
	Female	61	33
Age	>18 but <=25years	121	65.4
	>25 but <=35 years	32	17.3
	>35 years but <=45 years	32	17.3
Education	Graduate	60	32.4
	Post Graduate	109	58.9
	Doctoral	16	8.6
Occupation	Student	121	65.4
	Service	64	34.6
Income	<=Rs 3 lakhs	139	75.1
	>Rs 3 but <= Rs 6 Lakhs	16	8.6
	>Rs. 6 lakhs but <= Rs 9 lakhs	30	16.7
Marital Status	Unmarried	153	82.7
	Married	32	17.3
Brand in Use	Samsung	78	42.2
	Micromax	32	17.3
	Apple	47	25.4
	Xiaomi	16	8.6
	Yuphoria	12	6.5

**Table-3**  
**Reliability Analysis**

Dimension	Cronbach's Alpha ( $\alpha$ )	
Cumulative	-	0.882
Brand Association	0.875	-
Brand Image	0.909	-
Brand Loyalty	0.786	-
Brand Awareness	0.839	-
Brand Experience	0.808	-
Store Image	0.713	-

**Factorial Analysis:** Table-4 shows the outcome of factor analysis which was done separately for each of the dimensions brand association, brand image, brand loyalty, brand awareness, brand experience and store image. The estimation of Kaiser-Mayer-Olkin (KMO) was 0.841 which was over the suggested esteem (0.5) which implies that the example size is sufficiently huge to lead component investigation. The measurable test for Bartlett trial of sphericity was critical.

**Table-4**  
**Factor Loadings and Eigen Value**

Rotated Component Matrix <sup>a</sup>				
Factor	Item	Mean	Factor Loading	Eigen Value
<b>Brand Association</b>	I associate this brand with a good feelings	3.83	0.883	3.53
	I associate my preferred brand with excellence	3.8	0.875	
	Even if another brand has same features as my brand, I would still prefer to buy my brand	3.83	0.769	
	I trust my preferred brand	3.73	0.704	
	Even if another brand has the same price as my brand, I would still buy my preferred brand	4.03	0.683	
<b>Brand Image</b>	I have a clear image of the type of person who would use my brand	4.03	0.837	3.21
	This is the only brand I recall, when needed to make a purchase decision	4.06	0.83	
	My Mobile Handset brand has a personality of its own	3.86	0.814	
	There is a reason to buy my brand over others	4.06	0.798	
<b>Brand Loyalty</b>	I will not buy other Mobile Handset brand, if my brand is available for purchase	4.1	0.711	2.664
	I consider myself to be loyal to this Mobile Handset brand	4.11	0.676	
	The likelihood that my brand would be functional is very high	3.88	0.655	
	Compared to other brands that have similar features, I am willing to pay a higher price for my preferred brand	3.47	0.644	
	The likelihood that my preferred brand is reliable is very high	3.9	0.604	
<b>Brand Awareness</b>	I can recognize my brand among competing brands	3.84	0.845	2.152
	I am aware of my brand of Mobile Handset	4.05	0.761	
	Certain characteristics of my brand are easy to recollect	3.97	0.696	
<b>Brand Experience</b>	In general, I am satisfied with the service at this brand's store	2.26	0.891	1.796
	Based on all experiences with this brand's store, I am are very satisfied	2.01	0.845	
<b>Store Image</b>	Compared to other brands, this brand's store confirms to my expectation	2.33	0.879	1.672
	I am satisfied with price/quality ratio offered at the brand's store	2.45	0.793	

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 6 iterations.

The factors derived from the factor analysis do confirm the contribution of brand association, brand image, brand loyalty, brand awareness do contribute to Brand Equity and at the same time two new dimensions were derived from the analysis of brand experience and store image whereas proprietary brand assets was not derived.

## Conclusion

The discoveries affirm that each of the four measurements of brand equity proposed by Aaker<sup>1,17</sup> contribute to the overall brand equity. This research on basis of respondents that there is an added concentration by customers in the market who give importance to brand experience<sup>17</sup> and store image<sup>22,23</sup>. Thus our factorial analysis and model findings highlight the application of the traditional brand equity proponents as well as newer clearer dimensions related to brand equity.

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