Does Advertising influences on EnhancingCustomer Based Brand Equity?

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Abstract. The author examine the link between favourability of advertising and Customer Based Brand Equity and propose that this relationship depends on the specific advertising positioning strategy employed by an advertiser. Multiple regression analysis is used to analyze the influences of Advertising on brand equity outcomes. Analyzing the data collected through a questionnaire based survey among a representative sample of consumers of Guwahati market, the paper comparatively investigates the potential positive correlations between Customer Based Brand Equity (CBBE) and impact of advertisingondurables. The results imply that favourability of advertising effectiveness has a positive influence on Customer Based Brand Equity.

Keywords: Customer Based Brand Equity, Favourability of Advertising, Durables

1. Introduction

The success of a marketing program is reflected in the creation of favorable brand associationsthat is, consumers believe that the brand has attributes and benefits that satisfy their needs and wants such that a positive overall brand attitude is formed. A consumer is exposed to thousand of advertisement every day. But only a few of them touch the minds of the consumer. Advertising plays a vital role for recognition and recall of a brand through different media.Advertising is a form of marketing communication which is used to encourage, persuade, or manipulate a customer to take or continue to take some action. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering.Advertisers often seek to generate increased consumption of their products or services through "branding", which involves associating a product name or image with certain qualities in the minds of consumers.Advertising plays an important role in establishing a favourable brand image. In the absence of other information about a new brand people may use the amount of advertising as a signal of quality. Brand oriented advertising strengthens brand image, causes greater awareness, differentiates product and builds Brand Equity [1]. In this article the factor "Favourability of advertisement" is concerned with the setting of Advertising objectives where one would like to see the impact of Advertising on building Brand Equity of the product or services as suggested by Agarwal[2]. Differentiating advertising often claims that the sponsoring brand contains a unique set of attributes, which gains it a Premium perception in the marketplace and it is a vital measure of Brand Equity [3]. Carol J. Simon and Mary W. Sullivan [4] in their study demonstrated that, advertising can affect Brand Equity through brand associations.But some researcher argues that much of today's advertising fails to differentiate brands. Advertisements associating brands simply might provide consumers with more comparative information for choosing among products positioned as equivalent offerings, thereby increasing price sensitivity [5].

Despite extensive research, agreement on the definition of customer-based brand equity varies from researcher to researcher [6].Brand Equity is a consumer's subjective evaluation of a brand. According to Keller [1], the main sources for Brand Equity are Brand Awareness and Brand Image. Brand Equity creates value for the consumer as well as for the company. The term Brand Equity used in this study is referred to as Customer-Based Brand Equity as defined by Keller in his brand building blocks(Brand Salience, Brand performance, Brand Imagery, Brand Judgement, Brand Feelings and Brand Loyalty) [7].

In this article, an attempt has been made to empirically test the interrelationship between the favourability of Advertisement and its influence on CBBE. Hence the hypothesis stated for this study is:

H_1: Favourability of Advertising has a positive influence on Customer Based Brand Equity.

2. Methodology

Research design: This work is a combination of descriptive and causal research.

Sampling frame: In order to make the research manageable the universe of the proposed study is on consumers within the Guwahati city for Durables market. It is expected that the variables influencing the brand equity of these consumers will be similar to those influencing consumers elsewhere in India as the floating customers are also considered.The scope of this research is limited to the established products(Durables-white goods segment), because advertisement of such products are known to the customers and different attributes of Brand Equity are also likely to be well developed.

Sampling technique: Since a specific geographical area has been selected initially the method of stratified sampling is used and then judgment sampling is done for primary data collection. Stratification is done on the basis of Occupation, Income, gender and Age.The respondent considered for this study is, of age group of above 18 years who can either influence in the buying behavior or can purchase a durable by their own.

Sample size: The sample size has been determined both by qualitative approach and quantitative approach. Statistically the sample size (which is arrived at 170) is not definable as there are lots of variables. In the qualitative approach, for more important decisions, more information is necessary for which a large sample size is required. So, the sample size selected for this study is 250. The current research has been undertaken with a variety of brands to allow a broader generalization in Durables sector. Based on the market share of different Durable products (White goods) for both Global and Indian brands in the Guwahati city, the brands LG and Godrej have been selected for the study (mainly refrigerator and washing machine).

3. Theoretical Perspective

In order to understand a connection between the credibility of advertising on Customer Based Brand Equity as a basis of theoretical foundation of thisstudy, the hypothesis aims in understanding consumers' responses to advertising and whether it has got any impact on Customer Based Brand Equity.

The dependent variable considered for this study as "favourabilityof advertisement" is being measured by averaging the value of the following statements in a seven point rating scale.

- Advertisement of this brand is very attractive.
- I purchased the brand by seeing the advertisement.
- I get information about the brand from the advertisement
- The advertisement of this brand gives me pleasant feelings

The alpha coefficients for "favorability of advertisement" for LG and Godrej are .792 and .73 respectively, indicating a high degree of internal consistency.

The independent variable strength of Customer based Brand Equity is being measured by five independent matric variables Brand Performance, Brand Imagery, Brand Judgement, Brand Feelings and Brand Loyalty in a seven point rating scale.

The following attributes for Durables are measured with the help of following statements in a seven point rating scale:

Table 1: Favourability of Advertising, Brand Performance, Brand Imagery Brand Judgment, Feelings and Loyalty for L.G. and Godrej:

Favourability of Advertising	L.G. (mean score)	Godrej(mean score)
Advertisement of this brand is very attractive.	5.24	4.78
I purchased the brand by seeing the advertisement.	4.30	4.17
I get information about the brand from the advertisement	5.14	4.84
The advertisement of this brand gives me pleasant feelings	4.35	4.09

	L.G. (mean score)	Godrej(mean score)
Brand Performance(Intrinsic attributes)		
How convenient to use this product?	5.196	5.03
How Durable is this brand?	5.08	5.18
How stylish do you find this brand?	5.30	4.87
How efficient is this brand's after sales service?	4.82	4.64
To what extent this brand's provide offer?	4.67	4.65
How efficient is this brand regarding electricity consumption?	4.66	4.15
Brand Imagery(Extrinsic Attributes)	**L.G.(mean score)**	**Godrej(mean score)**
How convenient this product to purchase?	5.21	5.01
How attractive do you find the advertisement of this product?	5.18	4.89
How the warranty service of this product is?	5.04	4.8
How easy to install this product?	4.46	4.34
This product have very Good slogan.	4.41	4.1
The packaging of this product is very attractive	4.76	4.61
Attributes for Brand Judgment	**L.G.(mean score)**	**Godrej(mean score)**
Quality: What is your assessment of the product quality of this brand?	3.74	3.69
Credibility: How much do you trust this brand?	3.86	3.8
Consideration: How likely would you be to recommend this brand to others?	3.66	3.52
Superiority: How unique is this brand?	3.38	3.46
Attributes for Brand feelings	**L.G.(mean score)**	**Godrej(mean score)**
Does this brand give you a feeling of warmth?	3.87	3.76
Does this brand give you a feeling of excitement?	3.65	3.53
Does this brand give you a feeling of security?	3.56	3.54
Attributes for Brand Loyalty	**L.G.(mean score)**	**Godrej(mean score)**
I will buy this brand next time I buy.	3.42	3.33
I intend to keep purchasing this brand.	3.36	3.26
I am committed to this brand	3.12	3.09
I am wiling to pay high price for this brand	2.73	2.72

The alpha coefficients for Favourability of advertisement, Brand Performance, Brand Imagery Brand Judgment, Feelings and Loyalty for L.G. and Godrej are shown in the following table, which indicates a high degree of internal consistency.

Table 2: Cronbach's alpha value for LG and Godrej

Cronbach's Alpha value for L.G.	Attributes	Cronbach's Alpha value for Godrej
0.792	Favourability of advertisement	0.73
0.816	Brand Performance	0.792
0.733	Brand Imagery	0.817
0.707	Brand Judgment	0.864
0.808	Brand Feelings	0.804
0.861	Brand Loyalty	0.792

Multiple regression analysis has been carried out in order to test Hypothesis. By performing multiple regression analysis for Durables, it has been found that the value of R is positive for both the brands and lies between 0.2 to 0.5 indicating a moderate level of correlation existing between Customer Based Brand Equity and favourability of advertising. The beta co efficient for all the variables "Favourability of advertisement" is significant (p<0.000) for all the brands with a value of Beta being 0.848 for L.G., 0.417 for Godrej.

Table 3: Multiple Regression Analysis table for Advertising Impact

Brand Durable	R	R^2	Beta	t(sig)	F(sig)
L.G.	0.324	0.105	0.848	5.388(000)	29.033(000)
			Beta	t(sig)	Significance
Performance			0.095	7.89	.003
Imagery			0.234	5.45	.000
Judgement			0.324	4.69	.003
Feelings			0.215	9.13	.021
Loyalty			0.317	8.14	.000
Brand Durable	R	R^2	Beta	t(sig)	F(sig)
Godrej	0.417	0.174	0.417	7.231(000)	52.282(000)
			Beta	t(sig)	Significance
Performance			0.16	7.22	.000
Imagery			0.244	8.65	.003
Judgement			0.316	7.45	.000
Feelings			0.207	9.45	.001
Loyalty			0.325	9.24	.000

The values of R for Durables are: L.G. (0.324) and Godrej (0.417), which indicates moderate level of correlation among the variables.

4. Findings

The study analyses the impact of Advertising on Customer Based Brand Equity. The correlation coefficients between favourability of advertisement and strength of Customer Based Brand Equity are significant for both the brands satisfying the hypothesis.The beta co efficient for all the variables "Favourability of advertisement" is significant (p<0.000) for both the brands with a value of Beta being 0.848 for L.G., 0.417 for Godrejsupporting Aaker's statement that differentiating advertising claims that sponsoring brand contains a unique set of attributes, which gains it a vital measure of brand equity. Similarly it also supports, Simon and Sullivan's [4] study that advertising can affect Brand Equity through brand associations.

5. References

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