The Relationship of Brand Equity Dimensions: A Case Study of Samsung Brand in Thailand.

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Abstract
The marketing situation with a specific region is quite different as compared to global markets. To gain higher market share and competitiveness firms has been learning the consumers need and values. Therefore, this study induced the factors of consumer based brand equity that influence consumer-brand relationship in Thailand. For developing a strong base for consumer-brand relationship, marketing strategies must be composed of building brand awareness, perceived quality and brand image. Such relationship with brand could be developed by designing stronger brand loyal customers. This paper analyzed the variables of brand equity by considering Samsung Smartphone brand because it is the leading smart-phone firm in Thailand. The findings showed that brand awareness, perceived quality and brand image was significant statistically associated but only brand awareness was not influenced on brand loyalty. As each dimension of brand equity results can increase profitability and firm’s performance of the company, so the model of brand loyalty in this study could guide marketing strategies of Smartphone industry to create a competitive advantage and expand its consumer base in Thailand market. Thus, investors and marketers should consider their dimensions for building a strong Smartphone brand.

Keywords: Brand Equity, Brand Awareness, Perceived Quality, Brand Image and Smartphone

1. Introduction
In Smartphone Industry, brand equity strategies are one of the most important marketing tools to increase customer base because manufacturers differentiate them based on brand equity. The competitiveness of Smartphone market in Thailand is contending fiercely because the features and attributes of all Smartphones resemble in the consumer market. Therefore, it is very difficult for consumers to distinguish between products due to the variety and accessibility. To capture higher market share and consumer loyalty, the manufacturers should focus on branding strategies and marketing campaigns of the product to get success in their industries. Especially Smartphone manufacturers, those are introducing their products in Thailand market have to compete with international brand like iPhone, Samsung and national brand such as G-net, I-mobile. In such a situation, consumer loyalty played a vital role in generating revenues and increasing brand equity. In this study, we selected Samsung Smartphone brand because Samsung launched its Smartphone’s with intensive and energetic marketing campaigns in Thailand market. The research was aimed to explore the distinctive aspects of brand equity, which compose on brand awareness, brand image, perceived quality and country of origin. It also analyzed the influence of these dimensions on brand loyalty of Samsung Smartphone. Simultaneously, from investment perspective in Thailand this study could guide investors and managers about the crucial aspects to generate revenues based on brand equity dimensions.

2. Theoretical background and research hypothesis
From consumer aspects, brand equity is the value of the business and expectations of consumers to the organization, products and services, including the experience of communication and awareness of the brand (Auken, 2002). Brand equity management can be measured by brand loyalty or willingness to pay higher prices (Blackston, 1995). Thus, manufacturers have to create brand loyalty in mind of the consumer by building a strong brand which consists of developing the product features and makes a difference until it protects the brand and attract consumers (Randall, 1997). Prior research on consumer perspective, such as Aaker (1991) concluded that brand equity could be measured by five dimensions which consist of brand awareness, brand association, perceived quality, brand assets and brand loyalty. On the contrary, Keller (1993) had presented the concept of (CBBE) customer base brand equity that measured value of the brand from consumer perceptions. It is a guideline for analyzing the behavior of consumers towards the brand and to create marketing programs that are associated with the brand.

The brand knowledge is the important key to build customer base brand equity and can be divided into two components: brand awareness and brand image which exits in the customer memory. Meanwhile, brand awareness consists recall and recognition. Brand image can be divided based on three characteristics which are
product related attributes, non-product related attributes and benefits (Chen, 2001). The product-related attribute represents the physical and functional attributes. On the contrary, non-product related attribute are mentioned as marketing mix which includes price information, packaging or product, user imagery and usage imagery (Keller, 1993). The benefit characteristic specifies the outcome of consumer after using or purchasing that product or service. Benefits are further divided into functional, experiential and symbolic benefits. The linking of the attitude describes the overall assessment of the consumer to the brand arising from a link on the features and benefits expected to be received from a brand.

Based on psychological and reliability availability to consumer of different culture, brand equity is measured by means of four dimensions which are brand loyalty, perceived quality, brand awareness and brand associations. Yoo & Donthu, (2001) concluded that in different cultures, brand equity-related marketing strategies need to focus more on different dimensions of brand equity for the greater loyal customer base. Moreover, Kim, H. b., Kim, & WG (2005) concluded that brand loyalty, perceived quality and brand image is a key component of brand equity in the consumer mind which has a positive relationship with the firm’s performance. In the restaurant industry, brand image and brand loyalty are a key factor in building brand equity and in the hotel industry, perceived quality, brand loyalty and brand image are a key factor for brand equity. Thus, each dimension has its own characteristics which affect the behavior of the consumers. In a manufacturing industry, Taylor, Celuch & Goodwin (2004) conducted a study on the importance of brand equity to brand loyalty. The result suggested that brand equity, reliability and trust are the first important factors before the behavior and attitude of customer loyalty.

2.1 Brand awareness

In general, the consumers began from an unknown brand until sales-representatives communicate to consumers about the product/service which result in knowing and when they often hear the brand name. Thus, consumer began to recognize and remember the first brand name. Aaker and Keller have mentioned brand awareness into two parts: brand recall and brand recognition. The brand awareness is a component of knowledge about the brand as well as the concept of Keller (Kohli & Leuthesser, 2001). On the other hand, (Baldauf, 2003 & Yoo & Donthu, 2001) described brand awareness concept of Aaker that is the buyer's ability to recognize and recall the brand of the product. The main goal of the brand management strategy is to develop and maintain brand awareness because it influences the decisions of consumers and affect the business value. Thus, by using this approach, consumers should be able to recognize the brand and the brand is considering the purchase. The selection of brand consists on the remembering and recognizing the brand name. Moreover, brand awareness is linked to the brand strength in the minds of consumers, which provide firm’s with a brand value that can be used in future to attract and promote products or services (Kim & Kim, 2005). Based on previous research, we extract top of mind, unaided brand recall and brand recognition variables because they measure brand awareness from a consumer perspective. These measures predict the behavioral aspect of the consumer based on brand recall and brand recognition.

2.2 Brand image

Keller (1993) described brand image is a set of brand association. Brand association is the image of the brand come from the perception of consumers about the brand that links in the memory of consumers. The association has come from all forms and it affects the features of the product. Positive brand image is created by marketing programs that are associated with strength of brand association, favorability of brand association and uniqueness of brand association. According to Chen (2001) association with the brand can be divided into three aspects. Firstly, attributes association described the characteristics of the goods or services and these attributes can be divided into the product related and the non-product related. The product related represents the physical features and functions and features. The non-product related represents the price, packaging, user imagery and usage imagery. Secondly, benefits association described the consumer can get benefits from the using of goods. It can be divided to the functional, experiential benefits and symbolic benefits. Thirdly, attitudes association described the overall assessment of the consumers towards the brand as a result of a link on the attributes and benefits that would expect from the brand. Thus, brand association means the many things that are associated with the memory of the brand which would have increased from frequency of brand awareness (Yoo & Donthu, 2001). So, linking the image of the brand is clearly reflected in the increased value priced over competitors (Debra Grace & Aron O’Cass, 2002). Based on previous research, consumer perception about brand image was predicted by product-related attributes, benefits and attitudes of consumers towards that product or service.

2.3 Perceived quality

Lassar, Mittal, & Sharma (1995) defined perceived quality as the overall performance of the product. The perceived quality is the ability to perceive the features of the product which build consumer satisfaction and used as the criteria for decision making process to purchase products or services. The perceived quality comes from the decision of the consumer about the brand in terms of physical characteristics of the product such as no errors, have a permanent and no defects. Moreover, the brand name is created to reflect familiarity with the product quality and associated with the value, utility and confidence in the quality. According to Baldauf, Cravens, &
Binder (2003) perceived quality is evaluated about the product for varied individual consumers that according to their satisfaction. The perceived quality is used as a key factor by many firms to create their competitive advantage in their relative industry. So, Keller (1993) concluded some features on which perceived quality can be measured which consists of performances, conformance quality, reliability, durability, serviceability and style and design.

2.4 Brand loyalty

In general, brand loyalty means the repeat purchase of a product or service based on consumer satisfaction. Brand loyalty is a major factor in increasing the market share of a firm because when consumers are loyal to the brand they purchase and promote that specific brand which results in higher market growth and profitability. As Schiffman & Kanuk (2004) defined that brand loyalty represents a commitment of the consumer to the brand which makes it as an intangible asset that reflects the company's price of the product or service. With respect to brand equity, loyalty played an important role because higher loyalty increases consumer satisfaction, feeling towards the brand and repurchase. Meanwhile, Aaker (1991) explained that brand loyalty dimension is different from the other dimensions of brand equity because of brand loyalty is linked to the usage experience.

2.5 Country of origin

More than thirty years, different researchers are studying the relationship of (COO) country-of-origin and the perception of products. Nagashima (1970) defined the concept of COO as “the picture, the reputation and the stereotype that businessmen and consumers attach to the products of a specific country. This image is created by variables such as representative products, national characteristics, economic and political background, history, and traditions”. The importer and consumers believe that the products which are produced by developed countries are of better quality and earn more consumer trust due to the COO image (Srikatanyoo and Gnoth, 2002). This showed that country-of-origin has a power and influence to change the evaluation of products and brands. Especially, country of origin image influences brand equity, either directly or indirectly. A study conducted by Norjaya Mohd Yasin et al., (2007) investigate the relationship between brand’s country-of-origin image and brand equity in three product categories which are television, refrigerator and air-conditioner. They concluded that the brand’s COO image has a positive and certain impact on different dimension of consumer based brand equity. Moreover, Arash Shahin et al., (2012) found that brand country-of-origin has a direct and significant effect on perceived quality, brand loyalty, brand association and brand awareness. With respect to the country image, both micro and macro images of the brand’s country-of-origin are positively associated with brand equity (Ravi Pappu et al., 2007).

2.6 Research hypothesis

This study aims to explore the relationship between brand awareness, brand image, perceived quality and brand loyalty with the influence of COO country-of-origin based on the concept of Aaker (1991) and Keller (2008). As shown in (figure I).

\[ H_1: \text{Brand awareness is positively related to Brand loyalty.} \]

\[ H_2: \text{Brand image is positively related to Brand loyalty.} \]

\[ H_3: \text{Perceived quality is positively related to Brand loyalty.} \]

\[ H_4: \text{Brand awareness has increased influence on Brand loyalty by using weighted least squares criterion by country of origin.} \]

\[ H_5: \text{Brand image has increased influence on Brand loyalty by using weighted least squares criterion by country of origin.} \]

\[ H_6: \text{Perceived quality has increased influence on Brand loyalty by using weighted least squares criterion by country of origin.} \]

![Figure 1: Proposed framework for Brand loyalty](image-url)
3. Research Methodology

3.1 Data collection

The convenience sampling method was used to collect data from 200 Samsung Smartphones users in Thailand. The questionnaire was distributed to the Samsung Smartphone store located in a shopping mall in Bangkok, the capital city of Thailand because it has population density, variable occupation and variable income. The data was collected between January-February 2014 and in order to reinforce the coverage of the questionnaire, the data were conducted during three different time periods: morning, afternoon and evening (Long-Yi Lin, 2010).

The survey questionnaire consisted of two sections. The first section was designed to acquire the respondents’ demographic information toward the Smartphones market in Thailand. The second section was designed to measure the relationship between brand awareness, brand image, perceived quality, country-of-origin and brand loyalty. A five-point Likert scale was used to measure the questionnaire (1= strongly disagree to 5=strongly agree) (Likert, 1932). Likert scale is a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement and it is easy to construct administer and understand. The questionnaire was adapted from the work of Keller (2008) and Yoo & Donthu (2001). We used statistical package for social science programs (SPSS) Ver.17 for data analysis. The bivariate correlation and regression analysis were analyzed to measure the outcome of brand loyalty in Thailand. The results could be implied for investigating the brand loyalty of Smartphones manufacturers in Thailand and determine the value of different brand equity dimensions while designing a marketing strategy based on country-of-origin of the brand.

3.2 Result

A total of 200 valid responses was collected for this study. Among them, 51% of respondents were females while 49% of respondents are male with an age group of 25 years to 34 years and this age group accounted for 33%. This demographic result represents that majority of respondents are young and they have knowledge about leading Smartphone brand. Moreover, we explore the education attained by respondents which showed that 46% of respondents have earned their bachelor degree. The occupation of respondents indicated that 30% were company employees, which is followed by students with 28.50% and the monthly income of respondents were ranging 15,001 – 20,000 Thai Baht. The summary of respondents’ demographics is shown in Table I.

<table>
<thead>
<tr>
<th>Table I. Description of demographics Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
</tr>
<tr>
<td>Male (115)</td>
</tr>
<tr>
<td>Female (85)</td>
</tr>
<tr>
<td><strong>Age</strong></td>
</tr>
<tr>
<td>15-24 Years</td>
</tr>
<tr>
<td>25-34 Years</td>
</tr>
<tr>
<td>35-44 Years</td>
</tr>
<tr>
<td>45-54 Years</td>
</tr>
<tr>
<td>More than 55 Years</td>
</tr>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td>Lower than bachelor degree</td>
</tr>
<tr>
<td>Bachelor degree</td>
</tr>
<tr>
<td>Master degree</td>
</tr>
<tr>
<td>Higher than master degree</td>
</tr>
<tr>
<td><strong>Occupation</strong></td>
</tr>
<tr>
<td>Student</td>
</tr>
<tr>
<td>Housewife</td>
</tr>
<tr>
<td>Company employee</td>
</tr>
<tr>
<td>Government officer</td>
</tr>
<tr>
<td>Owner business</td>
</tr>
<tr>
<td><strong>Income</strong></td>
</tr>
</tbody>
</table>

Notes: 1Represents Respondents Family Income: 1 = 10,000 or less THB, 2 = 10,001 – 15,000 THB, 3 = 15,001 – 20,000 THB, 4 = 20,001 – 25,000 THB and 5 = 25,001 or more THB
The mean of variables explored that brand awareness has higher mean as compared to other variables with 3.5486 followed by brand image of 3.4372 and country of origin by 3.23. The result showed that respondents thought country of origin and brand awareness were major dimensions while evaluating the variables of a Smartphone brand in Thailand as shown in Table II

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness</td>
<td>3.5486</td>
<td>.48934</td>
</tr>
<tr>
<td>Brand Image</td>
<td>3.4372</td>
<td>.54715</td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>2.9850</td>
<td>.88828</td>
</tr>
<tr>
<td>Perceived quality</td>
<td>3.3186</td>
<td>.52204</td>
</tr>
<tr>
<td>Country of origin</td>
<td>3.2333</td>
<td>.98449</td>
</tr>
</tbody>
</table>

Pearson's correlation analysis was employed to test the hypothesis to find the correlation among brand equity dimensions. If one of the variables is changed, it is correlated with other variables as well. A relationship close to 1 or -1 means variable with high affinity, although it is correlated positively or negatively and when the relationship is 0 means there is no relationship between variables. From Table III, \( r = 0.429, p = 0.000 \leq 0.05 \) which has a statistical significance. It means brand awareness is positively related to brand loyalty that supported \( H_1 \). \( r = 0.831, p = 0.000 \leq 0.05 \) which has a statistical significance. It means brand image is positively related to brand loyalty that supported \( H_2 \). \( r = 0.765, p = 0.000 \leq 0.05 \) which has a statistical significance. This means perceived quality is positively related to brand loyalty that supported \( H_3 \).

The multiple regression analysis was adopted to test the influence of brand awareness, brand image and perceived quality with brand loyalty. The effect of brand loyalty on different brand equity dimension are explored by using two conditions, firstly, weighted least square criterion by country of origin, which determined a positive relationship among independent variables other than brand awareness. Secondly, we used weighted least square criterion without using country of origin the outcome explained similar results but the coefficients showed higher significant. Thus, brand awareness showed an insignificant relationship with brand loyalty. The results of the regression analysis were shown as Table IV. From the data shown, the correlation \( R = 0.848 \) if the correlation test with weighted least squares criterion by country of origin \( R = 0.851 \). It means when used weighted least squares, the 3 factors have increased a relationship with brand loyalty. In this regression, the independent variables predicted the relationship with the dependent variable at 72.00% (\( R^2 = 0.720 \)) but if tested with weighted least squares increased predictability at 72.3%, ANOVA statistics (\( F = 167.900, p < .05 \)) which indicate that the overall model fit is statistically significant and has Std. Error of the Estimate at \( \pm 0.47372 \).

When considering the regression data of independent variable, we found that only brand awareness (\( B = 0.051, S.E_{bi} = 0.079, \beta = 0.028, t = 0.646, p = 0.519 \)) doesn’t have influence on brand loyalty with a statistical significance at 0.05. It rejected \( H_4 \). Besides that, brand image (\( B = 0.962, S.E_{bi} = 0.108, \beta = 0.592, t = 8.874, p = 0.000 \)), brand image tested by weighted least squares (\( B = 0.974, S.E_{bi} = 0.107, \beta = 0.604, t = 9.065, p = 0.000 \)) and perceived quality (\( B = 0.479, S.E_{bi} = 0.107, \beta = 0.282, t = 4.484, p = 0.000 \)), perceived quality tested by weighted least squares (\( B = 0.448, S.E_{bi} = 0.108, \beta = 0.260, t = 4.168, p = 0.000 \)) predicted brand loyalty with a statistically significant at 0.05. This showed that brand image and perceived quality have an influence on brand loyalty and also the influence was increased by using weighted least squares criterion by country of origin too. We accept \( H_5 \) & \( H_6 \). The structural equation model reveals the following weighted least squares regression equations for analyzing the brand loyalty of Samsung Smartphone brand in Thailand:

\[
Y = -2.112 + 0.076(\text{BA}) + 0.974(\text{BI}) + 0.448(\text{PQ})
\]
4. Discussion

The results of Pearson's correlation analysis found the relationship of brand awareness, perceived quality and brand image (a set of brand association) has a positive related to brand loyalty with a statistical significance at p <0.05. This outcome contributes compatible, finding as compared to Ahmed and Salah (2009) which studied customer-based brand equity with brand market performance; they found that knowledge equity (in term of awareness) and attitudinal equity (in term of perceived quality) positively affect behavioral loyalty, but opposing the result of Jungmi Oh and Susan S. Fiorito (2002) that concluded brand awareness had a negative relationship with the brand loyal customer group when purchasing jackets of Korean women's clothing. Moreover, the results are similar to the study of Arthur Cheng-Hsui Chen (2001) which found the perceived quality and brand associations influence user satisfaction, which result to brand loyalty too. The findings of this study also found the relative levels of three dimension brand equity has influenced on brand loyalty. It means that brand image (a set of brand association) was the highest correlation with brand loyalty, the second was perceived quality and the third was brand awareness. As a result of this study is consistent with the research of Ravi Shekhar Kumar, (2013) that studied the nature and antecedents of brand equity and its dimensions which found the relationships between brand equity dimensions were brand association leading to perceived quality.

The outcome of multiple regression analysis showed that brand image was highest influence on brand loyalty followed by perceived quality. If we used weighted least squares criterion by country of origin, the influence of both variables showed higher significance on brand loyalty. This result was consistent with Norjaya Mohd Yasin, et al., (2007) found that brand’s country-of-origin image directly or indirectly influences brand equity and it is consistent with the research of Hong, et al., (2011) which found that perceived quality has a stronger impact to brand loyalty for the banks than the discount stores. Moreover, it also supported the work of Ike-Elechi Ogba and Zhenzhen Tan (2009) which found that brand image has an influence on customer loyalty and it impact the customer commitment to market offering within the Chinese mobile phone market. On the other hand only brand awareness has no influence on brand loyalty with a statistical significance at 0.05 which was inconsistent with Mustafa Tepeci (1999) which concluded that customer highest awareness of the product will increase brand loyalty of consumers.

5. Conclusion

From this study, we developed a prototype to create brand loyalty in the Smartphone industry in Thailand. We concluded that brand image is the most important dimension for creating brand loyalty followed by perceived quality. The manufacturers and marketing managers should allocate marketing investments by focusing on brand image because it will strengthen brand perception. In addition, the perceived quality should also provide stronger consumer base if managers promote the country of origin through marketing campaigns. However, the manufacturers must produce their Smartphone’s with better quality and make diverse strategies for creating brand image in the mind of the consumer. Thus, manufacturers and marketers should investigate brand equity dimensions in Smartphone brand and consider their dimensions for building a strong Smartphone brand in Thailand market. Further research should focus on other variables such as advertising, price and brand.
preference because they might have a significant impact on brand loyalty. In addition, a comparison between national and international Smartphone brands can be investigated for exploring consumer based brand equity in Thailand.

References


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