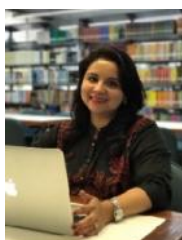

A STUDY MEASURING THE CUSTOMER BASED BRAND EQUITY USING AAKER'S MODEL FOR THE INDIGENOUS BRAND "PATANJALI'S - DANTKANTI"



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Abstract

Brand Equity is one of the most popular concepts in marketing today. Building the same requires great efforts and careful planning. This paper tries to study the applicability and practicality of CBBE (Customer Based Brand Equity) Model developed by David Aaker for the Indian Brand "Dantkanti". A Survey was conducted to study the perceptions of the consumers for the Indigenous brand "Dantkanti" which is a toothpaste offered by the Parent Brand "Patanjali". Statistical Analysis was performed to test the reliability of the scale, and the results showed Cronbach's coefficient value to be quite satisfactory. The study used 200 sample from Surat City based on 30 constructs, which were compiled from literatures four dimensions proposed by Aaker (1991) in the brand equity literature, a four factor solution that reduced the 30 constructs to four factors was chosen in this study. This study provides important insights about the understanding of Indian consumers' perceptions of overall brand equity and its dimensions. Overall, the findings indicate that Aakers model may not be applicable in the Indian Market and further research is essential to understand the dimensions of brand Equity in India.

Keywords: Customer Based Brand Equity, Aaker's Model, Brand Loyalty, Brand Awareness, Brand Perception, Brand Awareness.

Introduction

The Indian market is full with value for money Indian products in the past decades. However, not all Indian consumers can recall an Indian brand when asked. Most of the Indian brands have not yet achieved national recognition. When given a choice of

different brands, Indian consumers would often choose an international brand over Indian brand. However, there are a few Indian brands such as Patanjali which has widely achieved acceptance and recognition in the country. Patanjali is rapidly increasing and growing its market because it offers Indian made product and has herbal and safety measures and product is made in India, so it motivates consumer to buy Indian brand product rather than International products. This research was conducted to measure customer based brand equity of Patanjali with emphasis on its Toothpaste brand (Dantkanti) in Indian market.

Literature Review

In today's competitive business environment, the concept of brand equity is an important source of strategic intelligence for marketers. Understanding brand equity is a process by which the researcher identifies how overall satisfaction with a company's products and services, and loyalty to the brand relate to all specific areas affecting these key issues. Determining this relationship can uncover perhaps the most important facet of this kind of study – the drivers of overall brand identity.

Brand equity has many definitions and forms, such as favorable impressions, attitudinal dispositions, and behavioral predilections (Rangaswamy et al., 1993); brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary brand assets (Aaker, 1991); brand knowledge such as brand awareness and brand associations (Keller, 1993); loyalty and image (Shocker and Weitz, 1988); the added value endowed by the brand name (Farquhar et al., 1991); incremental utility (Kamakura and Russell, 1993); the difference between overall brand preference and multiattributed preference based on objectively measured attribute levels (Park and Srinivasan, 1994); and overall quality and choice intention (Agarwal and Rao, 1996). One important consensus among the definitions is that brand equity is the incremental value of a product due to the brand name (Srivastava and Shocker, 1991).

Collectively, brand equity consists of four dimensions: brand loyalty, brand awareness, perceived quality of brand, and brand associations, as proposed by (Aaker 1991, 1996) and (Keller, 1993). These dimensions may be used to explore the findings of marketing and consumer behavior research in relation to brand equity (see Barwise, 1993); thus, we develop a brand equity measure that capitalizes on these dimensions.

Conceptual Framework

Marketing professor David Aaker (Aaker, 1996) views brand equity as a set of five categories of brand assets and liabilities linked to a brand that add to or subtract from the value provided by a product or service to a firm and/ or to that firm's customers. These categories of brand assets are: (1) brand loyalty, (2) brand awareness, (3) perceived quality (4) brand associations, and (5) other proprietary assets such as patents, trademarks and channel relationships (Kotler 2007).

David Aaker's Brand Equity Model

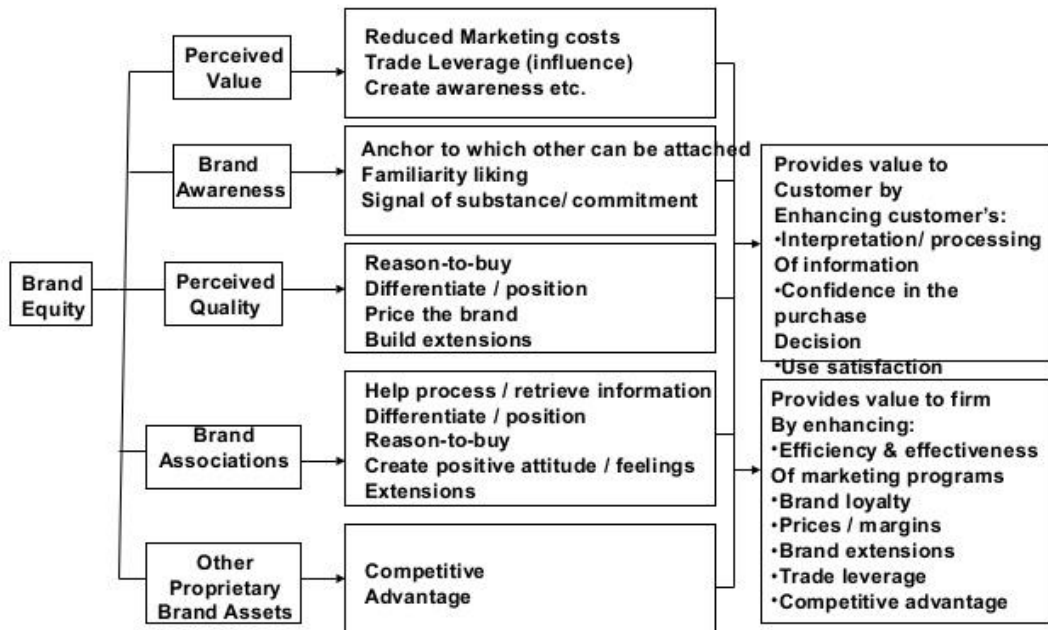


Figure 1 David Aaker's Brand Equity Model

Source :- Aaker DA. Managing Brand Equity. New York: The Free Press, 1991.

The first four dimensions represent consumer perceptions and reactions to the brand and, therefore, have been widely adopted to measure customer-based brand equity. This model depicts customer perceived brand equity is positively related to all the four dimensions such as

1. Perceived quality
2. Brand Awareness
3. Brand Association
4. Brand Loyalty

Perceived quality

According to (Zeithaml, 1988) perceived quality is the consumer's subjective evaluation of overall quality or superiority of the product (or service) as compared to competitive products (or service). It gives consumers a good reason to buy the brand and allows the brand to differentiate itself from its competitors, to charge a premium price, and to have a strong basis for brand extension (Aaker, 1991). Superior quality perceptions that differentiate the firms offering from the competitors can boost organizational performance and customer relationship performance through revenue expansion, cost reduction, customer satisfaction and customer retention (Kotler, 2007)

Brand Awareness

Brand Awareness is the strength of a brand's presence in the consumers mind. (Aaker, 1991) defines brand awareness as the ability of potential buyers to identify and recall that a brand is a member of a certain product category. According to (Keller, 1993), brand awareness is made up of brand recall and recognition. While brand recognition is the ability of consumers to correctly identify that he/she has heard of the brand before, brand recall deals with the consumer's ability to retrieve the brand from memory.

Brand Association

(Aaker, 1991) defines brand association as "anything linked in memory of a consumer to a brand". It is believed to contain the meaning of the brand for the consumers. Strong and favorable brand associations contribute towards higher brand equity. A set of associations, usually organized in some meaningful way, forms a brand image. Brand associations create value for the firm and its customers by helping to process/ retrieve information, differentiate the brand, create positive attitude or feelings, and provide a reason to buy a brand and form a basis for extensions (Aaker, 1991).

Brand Loyalty

Brand loyalty was defined by (Aaker, 1991) as "the attachment that a customer has to a brand". (Oliver, 1997) defines it as "a deeply held commitment to rebuy a preferred product or service consistently in the future". (Grover and Srinivasan, 1992) found out that loyal customers show a more favorable response to a brand than non-loyal customers. (Aakers 1996) argued that brand loyalty is the core of brand equity as it provides a barrier to entry, a basis for price premium, gives time to respond to competitors action, as well acts a safeguard against price competition. Loyal customers are less likely to switch to a competitor action, as well acts a safeguard against price competition. Loyal customers are less likely to switch to a competitor solely because of price; they also make more frequent purchases than comparable non-loyal customers (Bowen and Shoemaker, 1998). According to this model, strong brand equity means that customers have high brand awareness, maintain a favorable brand image, perceive that the brand is of high quality and are loyal to the brand.

Limitation of the Study

The limitation of the study was a small sample size of 200 respondents. Studies with larger samples drawn across the country may give more accurate and generalizable results. The study can be extended to other brands and industries as well. The study could also examine the influence of demographic variables on customer perception of brand equity.

Methodology

Questionnaire Survey method was adopted for data collection and was confined to Surat city. Questionnaires were used to survey 200 respondents based on

convenience sampling who agreed to participate in the study. Factor Analysis (using SPSS Principal Axis factoring method) applied to the captured responses corresponding to 28 attributes. To determine the underlying structure, the correlation matrix was initially examined to determine how appropriate it was for factor analysis. In Table 1 The Kaiser-Meyer-Olkin (KMO) value was 0.953, which is higher than the recommended minimum of 0.6 (Kaiser, 1974) indicating that the sample size was adequate for applying factor analysis. In addition, the value of the test statistic for sphericity (Barlett, 1954) on the basis of a Chi-squared transformation of the determinant of the correlation matrix was large. Barlett's test of sphericity was significant, supporting the factorability of the correlation matrix and the associated significance level was extremely small (0.00).

Table 1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.953
Bartlett's Test of Sphericity	Approx. Chi-Square	4205.097
	df	210
	Sig.	0

Data Analysis

For Factor extraction, Principal Axis Factoring Method was used, under the restriction that the Eigen value of each generated factor was more than one (Malhotra and Birks, 2007). The extracted factors were then rotated using Varimax rotation method. Moreover only variables with loadings of at least 0.5 (Hair et al., 2006) were included in the analysis. Three factors were extracted refer Table 2, during several steps, a total of 9 items were eliminated because they did not contribute to a simple factor structure and failed to meet a minimum criteria of having a primary factor loading of .3 or above but low factor loadings with communalities more than 0.5 were retained.

Table 2 Rotated Component Matrix

Factors and Items	No. Of Items	Loadings	Cronbach's Alpha
Factor 1			
Brand Loyalty	7		0.961
I grew fond of it after using it		0.84	
Will buy it again		0.849	
When it is available wont buy an other brand		0.936	
It would be my first choice		0.939	
Still willing to buy even after the prizes rise		0.807	
Would recommend to my friends		0.788	
Better to other brands in same product category		0.588	
Factor 2			
Perceived Quality	8		0.915
Trust the quality		0.776	
Products of Patanjali are usually of good quality		0.986	

Reliable brand		0.775	
No difficulty in finding the info from the package		0.792	
Unique compared to competing brand		0.515	
Believe it is safe to use		0.6	
Well Prized		0.612	
Recognize quickly amongst competitors		0.513	
Factor 3	6		0.943
Brand Association			
Can get same benefits as other brands		0.699	
Buy/recommend because its Indian		0.86	
Country of origin is important before choosing it		0.966	
Consideration due to brand and Ramdev Baba		0.653	

The Cronbach Alpha for the factor Brand Awareness was 0.495, which is unacceptable and therefore during the Principal axis factoring method in the pattern matrix it didn't come out as a clear factor and had to be dropped. Therefore this applies that the 4 factors suggested in the Aaker's model did not apply in the Indian context.

Conclusion

Brand awareness needs to be improved to the level that a brand occupies a unique space in the minds of the consumer and enables for quick recognition among the competing brands. A successful brand strategy for a brand in India particularly Patanjali's Dantkanti may be based on creating brand loyalty and determining its relationship with other descriptive dimensions of brand equity. Proper assessment of brand equity dimensions as applicable in the Indian context is the need of the hour. Furthermore, there is a need for improving the model in terms of adding more dimensions, which will predict brand equity to a greater extent.

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