

The Effect of Brand Equity Dimensions on Current and Future Purchase Behavior of Customer (An Approach Towards First Familiar Brand)

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Abstract: In recent era, there is a research gap in proposing a comprehensive model containing perceptual and cognitive variables simultaneously, suggesting how they are correlated and indicating how they are interacted in the path of a brand goal to achieve current and future purchases. In each business, its empowerment in attracting and maintaining customers is a critical issue. Customer attraction is for purchasing a product or brand and for maintaining and being loyal customers to purchase in the future. Loyal customers tend to more purchase, higher payment, higher trust to the organization, recommend the products or services to others and have more positive attitude which, in turn, help to business survival and profitability.

Key words: Brand equity, current purchase behavior of customer, future purchase behavior of customer, customers of high speed Internet in, Tehran Province

INTRODUCTION

In recent era, construction of a strong brand in market is a major objective of organizations because a strong brand has a lot of advantages such as lower vulnerability against marketing activities of rivals, more marginal profit and suitable opportunities for brand development. In addition, one of the most valuable assets of each company is its brand. The more valuable brand in customers' mind, the more advantages for companies earned from the customers. In two recent decades, brand equity has been addressed in both businessmen's and marketing scholar's perspectives, since marketers can gain competitive advantages through strong brand. Competitive advantage of companies that have valuable brand includes flexibility against promotional pressures of rivals, opportunities for development of a successful brand and establishing some barriers for rival entrance to the market. One of the reasons of addressing brand equity is the strategic role and importance of the issue in strategic management decisions. When brand equity is studied in a logical and correct manner, it can be considered as a fit measure of evaluating long term effects of marketing decisions (Song *et al.*, 2006). Brand equity creates value for the company and customer. Further, brand equity determines brand development capability. Brand equity leads to product differentiation and competitive advantage. Identifying the effect of brand equity dimensions enables marketing managers to

develop effective marketing programs. Lack of strong brand, its competitiveness compared to rivals and lack of awareness of consumer behavior would lead to company resources waste in an attempt to achieve marketing and advertisement objectives (Rafipor, 2007). There are several reasons to do this study. Firstly, marketing literature and academic research from the perspectives of theoretical and practical have not addressed the role of brand equity in consumer behavior in Iran. Thus, according to the importance of the concept, it is necessary that Iranian universities address the issue in an attempt to use its results by marketers, researchers and industry for the improvement of companies and products brand equity. Additionally, according to the wide competitive environment among various brands in the area of high speed internet, Iranian companies, particularly Iran telecommunication company with familiar brand of Aval, need to recognize the effect of concepts related to brand to survive in the market. Therefore, since this research has not been conducted in Iran, it is original in terms of context. According to the literature review, the researchers attempted to investigate the effect of brand equity on current and future purchase of customers in an empirical research. This research tries to provide a comprehensive perspective about influential factors on brand recognition and brand relations on current and future purchase of Internet services provided by Iran Telecommunication company with familiar brand of Aval.

Literatural review

Brand awareness: In general, awareness, understanding and cognitive/affective reactions are associated to the circumstances. Awareness does not necessarily refer to the understanding of a concept. Awareness is the focus on internal states such as intrinsic feeling and or extrinsic events such as emotional understanding of events. Brand awareness is the ability of consumer to associate brand along with product category. Brand awareness is an incomplete level of brand knowledge that at least includes identifying and reminding brand (Kim *et al.*, 2008). Brand awareness and/or brand familiarity are two synonym words. When customer knows some brand directly or indirectly, in fact, they are familiar with brands. When a product with a given brand is purchased and customers use it, brand awareness would increase. Increasing brand awareness leads to a better deconstruction in the mind of individuals and they can make decisions about the superiority of brands. When consumers are familiar with brand, they tend to gain quick evaluations without external search as they are familiar with the brand. To purchase a product, customers search for information that is a step in the process of consumer decision making. This search is external and internal. Internal information search contains brand awareness and external information search contains color, price, brand, product physical characteristics and so on. Internal information refers to recycling knowledge from the memory such as past experience of brand which is called as brand awareness. Further, internal information search includes prior encounter with an advertisement that is remained in the mind of customer. External information search is originated from resources such as family members, friends and neighbors (Carroll and Ahuvia, 2006).

Brand image: One of main principles of marketing is that brand image is an important factor of purchase behavior. Brand image is defined as rational or emotional perceptions of customers towards a given brand and is the first observation of customer brand in the area of marketing. Brand image contains symbolic and operational believes about brand. The basis of participatory and associational network theory is brand image of a mental map that is compromised from a network of concepts and communicates through linkages with related attachments of the brand to each other. Marketing researchers suggested that brand image is a critical component of brand equity. The man key of research related to brand image is the recognition or development of strong images and their modification through consequent brand communications. Feelings and images along with a brand have considerable influence on brand recognition and

recall. Accordingly, consumers not only buy a product, but also they buy images such as power, wealth, philosophy and importantly, identity and its attachments. Brand image can be modified and improved by brand communications such as packaging, advertisement, promotion, customer services, word of mouth and other experimental aspects of brand.

Brand trust: Brand trust can be defined as “perceived security by consumer in his/her interactions with brand that is based on the perceptions that brand is trustable and can meet interests and welfare of consumers”. This definition is consistent with construct of prior research. Firstly, brand trust includes an individual trust towards value commitment provided by the brand, then, he/she tend to put itself in the risk position. Secondly, the issue is defined by assurance and security feelings (Chaudhuri and Halbrook, 2001).

Brand satisfaction: Research on brand satisfaction and building theoretical models and measurement methods has focused on modeling repeated purchase decisions. Standard satisfaction model has been developed based on expectations and disconfirmation of expectations proposed by Oliver and has a significant role in related literature. He used the consistency theory to confirm the satisfaction in which acted as a mediator of attitudes before being exposure to a brand and its outcomes. As a result, Oliver’s model is a cognitive model that measures believes about outcomes and/or expectations based on a statistical approach. Oliver in line with his previous works in 1980 developed a wide version of the model and provided a more extended definition of satisfaction as an evaluation of inherent surprising of brand purchase and consumption event. Integrating time dimension in satisfaction, Oliver suggested such behavior as repeated brand purchase in a way that “claims are not the reasons of satisfaction or dissatisfaction” because they are happened a long time after diminishing surprise. Applying major principles of the model, Oliver defined the z its satisfaction towards brand, a gap between brand expectations and brand perceptions would be established.

Brand attachment: According to Bouli theory, brand attachment is an emotional task between an individual and a certain product with variable interest and the attachments is accompanied by stronger feelings and interactions, influences, love and hate. Tendency to establishment of severe emotional attachment to brands is a major need of human beings (Albert and Valette-Florence, 2010) and it starts from interest and

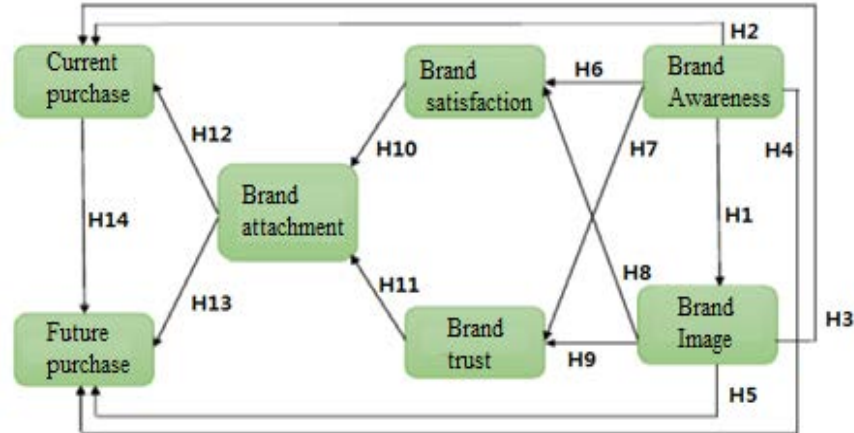


Fig. 1: Conceptual model of research

attachment of children to their mothers. During the maturity period, they would continue with romantic and emotional relationships and friendship relationships. Various behaviors indicate existing attachments and severe interests. The more personal interest towards a brand, the more willing to keeping the product. When people experience stress in external environment, they often seeks for a protection and physical/psychological settlement. Further, when individuals experience a fact and/or danger or they are threatened by separation from product attachment, it leads to anxiety. Emotional feelings of individuals indicate the commitment to the relationship with person. This commitment is a degree in which a person views a long term relationship and he/she is willing to keep the relationship with different things. Brand attachment provides a structured theory about factors that creates strong relationship and strict brand. Scholars have defined the structure of brand attachment and differentiated it from other structures. They believed that brand attachment is critical for establishing variables implying on the brand equity (Sarkar and Sreejesh, 2014).

Purchase behavior of customers: When customers make a purchase decision, they begin to information collection. It is probably that tendency to purchase product is happened. In fact, people think that would buy the product. Brand awareness, information search and prior purchase experience, would increase tendency towards purchasing product and it may lead to repurchasing the product. Brand awareness, usually, increases purchase intention. Assurance is another factor affecting purchase intention that is in contrast with perceived risk. Assurance plays an important role in predicting purchase intention. Brand assurance is positively associated purchase intention. People often try to remind previous

purchased brand. The more satisfaction with the product, the more trust towards brand (Hosseini and Kolowr, 2008).

Current purchase behavior: Researchers of consumer behavior field have stated about current purchase that people usually make their purchase decisions after searching and comparing various brands in the market.

Future purchase behavior: Researchers of consumer behavior field have stated about future purchase that future purchase is occurred when a brand purchase is satisfactory, a pleasant experience is achieved and customers repeat brand purchase and future purchases.

Conceptual model: In social sciences, models include symbols and signs, that is, the characteristics of experimental phenomenon (including components and their associations) are logically stated through related concepts. Thus, the model reflects the reality and the certain aspects of real world associated with the problem are imagined. Major relationships among the mentioned aspects are clear and finally, the possibility of experimental test of theory based on the nature of the relationships is provided. After model testing, a better understanding of some parts of real world is gained. In sum, it can be noted that model constitutes form concepts, hypotheses and indices facilitating work selection and information collection (Khaki, 2010). Therefore, according to the above argumentation, hypotheses have been developed based on marketing experts' views and theoretical background. Hence, following conceptual model has been presented. According to the Fig. 1, the research hypotheses can be proposed:

- H₁: Brand awareness affects brand image
- H₂: Brand awareness affects current brand purchase
- H₃: Brand image affects current brand purchase
- H₄: Brand awareness affects future brand purchase
- H₅: Brand image affects future brand purchase
- H₆: Brand awareness affects satisfaction with brand
- H₇: Brand awareness affects brand trust
- H₈: Brand image affects satisfaction with brand
- H₉: Brand image affects brand trust
- H₁₀: Brand satisfaction affects brand attachment
- H₁₁: Brand trust affects brand attachment
- H₁₂: Brand attachment affects current brand purchase
- H₁₃: Brand attachment affects future brand purchase
- H₁₄: Current brand purchase affects future brand purchase

MATERIALS AND METHODS

This research is a descriptive one with co-relational method and is applicable. It is sectional in terms of time period, is quantitative in terms data gathering and is restricted to seven-regional telecommunication in Tehran in terms of place scale. Instrument is a self-administrated questionnaire that was distributed at the site. To determine validity of instrument, experts' views were utilized. Reliability of instrument was also assessed by Cronbach's alpha. The alpha coefficient was calculated as 0.887 for the instrument. Statistical population is the customers of high speed internet with familiar brand of Aval in seven telecommunication regions in Tehran Province. According to above mentioned, population was estimated at 4500 customers. Hence, as the population was too large, then, Kergsi and Morgan's Table was employed and sample was determined 385 customers. Sample was selected by simple random sampling approach. Data was gathered through questionnaire with surveying students at the site. To analyze data, descriptive statistics (frequency, percent and mean) and Pearson correlation test were used. Data analysis was conducted by SPSS Software.

RESULTS AND DISCUSSION

In order to analyze data and hypotheses testing, descriptive statistics including demographic characteristics and interpretive statistics including Pearson correlation test were used. Table 1 summarizes the profile of respondents.

Hypotheses testing: To examine research hypotheses, Pearson correlation was used. Table 2 shows the results of Pearson test. Pearson coefficient for all hypotheses was positive and significant at the 99% confidence interval.

Table 1: Demographic characteristics of respondents

Factors	Levels	Percent
Gender	Male	51.4
	Female	48.6
Age	26-35	31.7
	36-45	14.8
	46-55	5.2
	Above 55	3.9
Experience of using services	Below 1 year	37.7
	1-2 years	29.9
	3-4 years	17.1
	Above 4 years	15.3

Table 2: Results of Pearson correlation test

Hypothesis	Pearson coefficient	Sig.	N	Results
Brand awareness affects brand image	0.938	0.000	385	Supported
Brand awareness affects current brand purchase	0.930	0.000	385	Supported
Brand image affects current brand purchase	0.938	0.000	385	Supported
Brand awareness affects future brand purchase	0.899	0.000	385	Supported
Brand image affects future brand purchase	0.939	0.000	385	Supported
Brand awareness affects satisfaction with brand	0.625	0.000	385	Supported
Brand awareness affects brand trust	0.942	0.000	385	Supported
Brand image affects satisfaction with brand	0.604	0.000	385	Supported
Brand image affects brand trust	0.956	0.000	385	Supported
Brand satisfaction affects brand attachment	0.581	0.000	385	Supported
Brand trust affects brand attachment	0.960	0.000	385	Supported
Brand attachment affects current brand purchase	0.938	0.000	385	Supported
Brand attachment affects future brand purchase	0.902	0.000	385	Supported
Current brand purchase affects future brand purchase	0.955	0.000	385	Supported

CONCLUSION

Current study investigates the effect of brand equity dimensions on current and future purchase behavior of customers (with a first familiar brand approach). In this regards, the required data to analyze this proposition was gathered by a self-administrated questionnaire from statistical population (customers of high speed Internet). To determine validity, a group of experts was used and the reliability was confirmed by Cronbach's alpha that estimated at 0.887. Data was analyzed using SPSS 16. Data analysis through Pearson correlation indicated that the relationship between brand equity and current and future purchase of customers. In addition, multiple regression analysis showed that among dimensions of brand equity, brand attachment has the most

influence on current purchase of customers and brand trust has the most influence on future purchase of customers.

IMPLICATIONS

Firstly, telecommunication companies should attend to the customers' behaviors as an influential factor on brand equity alongside other factors such as quality, customer relationship, relationship marketing and advertising.

Secondly, many customers use telecommunication services because of organizational ties. Hence, the company can consider the issue regarding purchase behavior of customers. Further, affecting on perceptions is a good strategy to maintain loyal customers in long term.

Thirdly, word of mouth has a considerable influence on customer loyalty. Telecommunication company can hold events, advertising campaigns and establishing more organizational ties in an attempt to increase word of mouth and higher level of loyalty to the organization. Fourthly, factors such as loyalty, marketing mix and word of mouth have direct influence on brand equity. Telecommunication company can follow prior suggestions to improve brand equity.

Fifthly, the most direct effect on customer purchase behavior was related to word of mouth, followed by brand equity dimensions, perceptions, internal reaction, age and gender. Creation of word of mouth can lead to more purchase through organizational ties, holding events and advertising campaigns in a direct and indirect way. Word of mouth is the most important factor affecting short-term purchase behavior. In fact, the factor plays a significant role in purchase

behavior through loyalty. Additionally, to increase long term purchase behavior should affect perceptions and satisfaction level of customers through marketing mix and favorable communications.

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