Survey the effect of Perceived quality on brand equity for SAMSUNG brand From the viewpoint of Iranian consumers

* Rasool Amirusefi (Corresponding author), ** Maryam Ahrari

* MA Of Business Management, Torbat-e- Jam Branch, Islamic Azad University, Torbat-e-Jam, Iran.
Email: ra.amir62@yahoo.com
** MA Of Business Management, Torbat-e- Jam Branch, Islamic Azad University, Torbat-e-Jam, Iran.
Email: ahrari.maryam @yahoo.com

ABSTRACT: This study does with aim survey the effect of Perceived quality on brand equity for SAMSUNG brand was performed among household supplies consumers in the Isfahan City. The independent variable of this study includes Perceived quality and dependent variable is brand equity. The method of research is survey, descriptive and its aim is Functional. A method of data collection in research is the library, field. A data collection tool is the questionnaire. The Sampling method is a random sampling based on geographical areas. Reliability analysis of independent variable was conducted using Cronbach's alpha method. The research results show that independent variable of research (Perceived quality) with 95% confidence level affect in brand equity, and research hypotheses were confirmed.

[Rasool Amirusefi, Maryam Ahrari. **Survey the effect of Perceived quality on brand equity for SAMSUNG brand From the viewpoint of Iranian consumers.** *J Am Sci* 2012;8(9):873-877]. (ISSN: 1545-1003). http://www.jofamericanscience.org. 119

KEY WORDS: brand, brand equity, brand loyalty, perceived quality, brand awareness, brand association, pay a price premium

1. INTRODUCTION

In global market where many functionally similar products are available from wide range of suppliers, the brand name has become differentiating tool to offer the promise of value and quality to consumers. Building strong brand enables firms to lower their marketing cost and develop ability to charge premium price for their products. The concept of measuring value of brand come in to existence when advertising practitioners in U.S. first coined the term brand equity in early 1980s. Strong brand equity helps the firm to establish and identity themselves in the market place (Aaker, 1996) and reduces vulnerability in competitors action leading to higher margins and greater intermediary Co-operation. In measuring the overall value of a brand, researchers and practitioners have begun to examine the concept of brand equity (Baldinger et.al 1990; Keller, 1993) as right exploitation of it can bring tremendous value to producers, retailers and consumers of the brand. Historically, research has suggested that brand equity can be estimated by subtracting the utility of physical attributes of products from total utility of a brand and also helps in improving brand value by charging premium over its competitive brands. Brand equity refers to the marketing effects accrued to product with its brand name compared with those that will be accrued if the product did not have the brand name. It refers to the incremental utility or value added to a product from its brand name.

Branding is powerful means of distinction. (Pappu, et al. 2005). Brand as a Basic of today's competitive game, must be carefully define, create and manage because branding enable a producer to obtain the benefits of offering products with unique or superior quality and provides an opportunity to transfer this identifiable relationships to other products or services (Motameni and Shahrokhi, 1998).

Strong brand leads competitive advantages (Lee and Back, 2010), increase organization cash flow and accelerate liquidity (Miller and Muir, 2004), provide premium price, profitability and more loyalty for customers (Madden, et al. 2005), and also support brand extension opportunity (Yasin, et al. 2007). Building brand equity is considered an important part of brand building (Pappu, et al. 2005). Brand equity refers to the incremental utility or value which brand adds to the product (Chen and Chang, 2008). In the few last decades, brand equity concept has grown rapidly. One reason for its popularity is strategic role of that and importance in obtaining competitive advantage in strategic management decisions. Brand equity is appropriate metric for evaluating the long-run impact of marketing decision (Atilgan, et al. 2005). Appropriate management of brand equity leads more loyalty, low risk of marketing activity and marketing crisis, flexible response to price fluctuations, more business support and cooperation, effectiveness of marketing communications, licensing opportunities, additional opportunities for brand extension, more attraction for investors, more supports from investors

(Aaker, 1991; Keller, 2003; Van Auken, 2005), greater profit margins (Kim and Kim, 2005), ability to attract good employees (DelVecchico, et al. 2007), protection of potential competitors entrance during outsourcing (Lim and Tan, 2009).

2. THE IMPORTANCE OF STUDY

Entering the international brands to Iran's market despite government restrictions, competitive environment has led to some. International brands help to Increasing standards at the local level with entering their standards and latest technologies to the Iran's local market. Local brands can also pay to further customize the products and services with recognize local needs and specific characteristics Unfortunately, despite the development of brand's concepts and relevant theories in the world there is a vacuum of knowledge in brand's field In Iran.

Although many theories have been proposed in the world and is used by different companies but make locally these theories and developing theories and ideas that could be the basis of moving the brand in Iran's market rarely done. The few studies related to brand that have been in Iran, so that should not be answering real needs of Iran's market.

3. LITERATURE

Brand equity from the viewpoint of Aaker

David Aaker ,marketing professor at the University of California, Berkeley define brand equity as a set of assets and liabilities that linked with names and symbols (marks) brand and is added to or less to value that Create by a product or service of company or company's customers. This assets and liabilities that Create brand equity is different from one field to another field. The main assets are: 1-brand awareness. 2- Perceived quality. 3- Brand loyalty. 4 - Brand association.

Aaker describes the various components of brand as follows:

Brand awareness: awareness means The Rate and power of presence that brand have in the consumer's mind. Various methods that weighs brand awareness, criteria to remember brand by customer. (Aaker, 1996)

Perceived quality: Perceived quality of the brand is a kind of mental association of brand that reached to higher level and discusses the situation and how the assets Brand. (Aaker, 1996)

Brand loyalty: A loyal customer because of sees some unique value in Brand products that there is no in alternative options, may also pay more money for obtain those Brand. Second considering loyalty as an asset will lead to the creation of programs to increase loyalty and this will lead to increased Brand value. (Aaker, 1996)

Brand association: Brand association that will shape the Brand identity refers to anything that directly or indirectly is related with the brand in Customer's mind. (Aaker, 1996)

Brand loyalty is “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1999, p. 34). Rebuy or repationize can be influenced by the inelastic price changes, and positively affected by promotions and product assortment at mass merchandisers but differences between income levels are not significant (Fox, Montgomery, & Lodish, 2004). However, in a British retail store study, high income shoppers showed a significant difference between the level of loyalty – 38 percent high and 25 percent low loyalty – that was influenced by price (East, Harris, Willson, & Hammond, 1995). Moreover, brand loyalty with price elasticity is higher for brands being promoted frequently, having high market share, and targeting high income geographic market areas (Mulhern, Williams, & Leone, 1998). Higher income segments tend to be more price-deal, or coupon prone than lower income groups (Bawa & Shoemaker, 1987), and coupon redemption is greater as income increases (Levedahl, 1988). Product offerings (variety), also, have a positive influence on superstore shoppers (Brown, 2004).

Brand awareness is the “customers’ ability to recall and recognize the brand, as reflected by their ability to identify the brand under different conditions ……. linking the brand – the brand name, logo, symbol, and so forth – to certain associations in memory” (Keller, 2003, p. 76). Promotions, specifically advertising play a critical role in creating brand awareness. For example, “the brand with the higher advertising budget yielded substantially higher levels of brand equity. In turn, the brand with the higher equity in each (product) category generated significantly greater performance and purchase intentions” (Cobb-Walgren, Ruble, & Donthu, 1995, p. 25). Furthermore, effective marketing communications efforts increase “the level of confidence regarding the product’s expected performance” (Villarejo-Ramos & Sánchez-Franco, 2005, p. 442). Lower income groups have greater awareness of price than higher income levels (Rosa-D_az, 2004). In developing awareness, brand name and image are important in affecting perceptions and attitudes (Aaker, 1996) that results from appropriate marketing strategies, e.g., advertising, pricing, to a specific target market, e.g., an income group (Kotler & Keller, 2006).

Perceived quality is the "customer's judgment about a product's overall excellence or superiority ……. (that) is (1) different from objective or actual quality, (2) a higher level abstraction rather than a specific attribute of a product, (3) a global assessment that in some cases resembles attitude, and (4) a judgment usually made within a consumer's evoked set" (Zeithaml, 1988, pp. 3 and 4). Brand price and promotional expenditures have positive relationships on perceived quality that leads to customer retention, or loyalty (Kanagal, 2009). Extrinsic cues such as higher price points and greater level of advertising signals better (positive) consumers' perceived quality of the brand (Richardson, Dick, & Jain, 1994). However, price and brand name cues for perceived quality have been found to have a positive and significant relationships while no such significant relationship to store name for perceived quality (Rao & Monroe, 1989). Such cues have greater influence on lower than average income groups (Dmitrovic & Vida, 2007).

Brand association "consists of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes," (Kotler & Keller, 2006, p. 188) and "is anything 'linked' in memory to a brand" (Aaker, 1991, p. 109). This association may be emotional, e.g., safe in a Volvo, self-expressive, e.g., creative with an Apple, or social, e.g., bikers posting their pictures on the Harley Davidson Web site (Aaker, 2009) and influenced by the purchasing involvement (Slama & Tashchian, 1985). For retail stores, store image, e.g., perceptions (Porter & Claycomb, 1997), and product assortments, e.g., store/private and national brands (Kara, Rojas-Méndez, Kucukemiroglu, & Harcar, 2009), affect association. Such images and assortments create purchasing motivations of emotion, self-expressiveness, social, and involvement aspects for the retail stores. For example, "ultimate success of a brand and a retailer is determines by how closely the images of the selling organization and the (brands) meet the (association) expectations of the consumer" (Porter & Claycomb, 1997, p. 385). Furthermore, branding strategy to increase purchase involvement is related to brand association, e.g., Web picture postings by Harley bikers of their recent rides (Aaker, 2009). Research has found that the middle income group tends to be involved and associate with brands that lead to the purchase decisions (Slama & Tashchian, 1985).

4. HYPOTHESIS

H_1: Perceived quality has an effect from the viewpoint of consumer on Brand equity.

5. METHODOLOGY

Statistical society of this study includes the women household products consumer living in Isfahan City with more than 18 years of age. The method of research is survey, descriptive and its aim is Functional. A method of data collection in research is the library, field. A data collection tool is the questionnaire. The Sampling method is a random sampling based on geographical areas. Reliability analysis of independent variable was conducted using Cronbach's alpha method.

Table 1. Cronbach's alpha SAMSUNG

Reliability Statistics

Cronbach's Alpha	N of Items
.904	18

6. FINDINGS

After do the regression test the following results were obtained.

Table 2. Regression SAMSUNG

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.623[a]	.388	.385	.83707	1.855

a. Predictors: (Constant), PERCEIVEDQUALITY

b. Dependent Variable: BRANDEQUAITY

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.303	.273		-1.110	.268
	PERCEIVEDQUALITY	1.027	.092	.623	11.213	.000

a. Dependent Variable: BRANDEQUAITY

H_1: Perceived quality has an effect from the viewpoint of consumer on Brand equity.

Because for independent variable Perceived quality for SAMSUNG brand, P value<0.05, hypothesis H_3 in this brand will be accepted and this means in this brand, Perceived quality at 95% confidence level has an effect on Brand equity.

Amount 0.388 for R Square shows that the independent variables of research (Perceived quality) for SAMSUNG brand explain almost 39% changes of dependent variable (Brand equity). Amount 0.623 in R column show a good correlation between the dependent and independent variables of model. According to column coefficients B in regression coefficients Table for SAMSUNG brand The overall regression equation is as follows:

$$Y = -0.303 + 1.037X_1$$

7. RESULTS AND DISCUSSION

The research data show that independent variable of research (Perceived quality) with 95% confidence level affect on brand equity, and research hypotheses were confirmed. Also data shows that the independent variable of research (Perceived quality) for SAMSUNG brand explain almost 39% changes of dependent variable (Brand equity).

According confirmed hypothesis and determine the effect of independent variable of research (Perceived quality) on brand equity we suggest to organizations for promotion its brand equity consideration this issue especially until with improve the situation of this component improve their position of brand equity. Also suggest, according that independent variable of research (Perceived quality) for SAMSUNG brand explain almost 39% changes of dependent variable (Brand equity), organizations during planning for brand equity and branding also consider other factors that influence on brand equity.

References

1. Aaker, David. (1991). ―Managing Brand Equity: Capitalizing on the Value of a Brand Name. The Free Press, Simon and Schuster, Inc.
2. Aaker, David. (1996), ―Building Strong Brands", The Free Press, Simon and Schuster Inc.
3. Aaker, D. (2009). Beyond Functional Benefits. Marketing News, (September, 30), 23.
4. Aaker, D.A. (1996). Measuring Brand Equity across Products and Markets. California
5. Management Review, 38(3), 102-120.
6. Atilgan, E., S. Aksoy, & S. Akinci, 2005, Determinants of the brand equity: A verification approach in the beverage industry in Turkey. Marketing Intelligence & Planning, 23(3): 237-248.
7. Baldinger, Allan L (1992), ―What CEOs are saying about Brand Equity: A Call to Action for Researchers, Journal of Advertising Research, July-Aug, PP. Rc-6-12.
8. Bawa, K. & Shoemaker, R.W. (1987). The Coupon-Prone Consumer: Some Findings Based on Purchase Behavior across Product Classes. *Journal of Marketing*, 51(October), 99-110.
9. Brown, J.D. (2004). Determinants of Loyalty to Grocery Store Type. *Journal of Food Products Marketing*, 10(3), 1-11.
10. Chen, Y.S., 2009, The drivers of green brand equity; green brand image, green satisfaction and green trust.Journal of Business Ethics, 93(2): 307-319.
11. Cobb-Walgren, C.J., Ruble, C.A., & Donthu, N. (1995). Brand Equity, Brand Preference, and Purchase Intent. *Journal of Advertising*, 24(3), 25-40.
12. DelVecchio, D., C.B. Jarvis, R.R. Klink, & B.B. Dineen, 2007. Leveraging brand equity to attract human capital. Marketing Letter, 18: 149-164.
13. Dmitrovic, T. & Vida, I. (2007). Saliency of Product Origin Information in Consumer Choices. *Journal of Contemporary Management Issues*, 12(2), 1-23.
14. East, R., Harris, P., Willson, G., & Hammond, K. (1995). Correlates of First-Brand Loyalty. *Journal of Marketing Management*, 11(5), 487-497.
15. Fox, E.J., Montgomery, A.L., & Lodish, L.M. (2004). Consumer Shopping and Spending across Retail Formats. *Journal of Business*, 77(Special), S25-S60.
16. Kanagal, N. (2009). Role of Relationship Marketing in Competitive Marketing Strategy. *Journal of Management and Marketing Research*, 2(May), 1-17.
17. Keller, Kevin Lane (1993), ―Conceptualizing, Measuring, and Managing Customer-Based Brand Equity, Journal of Marketing, 57 (January):1-22.
18. Keller K.(1998), ―Strategic Brand management: building, measuring, and managing Brand Equity, New Jersey, Prentice Hall.
19. Keller, Kevin L.(2003), ―Strategic Brand Management, Building, Measuring, and Managing Brand Equity .2nd Ed. Prentice Hall, Upper Saddle River, New Jersey.
20. Kotler, P. & Keller, K.L. (2006). *Marketing Management* (12th edition). Upper Saddle River, NJ:Prentice Hall.
21. Lee, J. S., & K.J. Back, 2010. Reexamination of attendee-based brand equity. Tourism Management, 31(3): 395-401.
22. Levedahl, J.W. (1988). Coupon Redeemers: Are They Better Shoppers? *Journal of Consumer Affairs*, 22(2), 264-283.
23. Lim, W.S., & S.J. Tan, 2009. Using brand equity to counter outsourcing opportunism: A game

theoretic approach. Marketing Letter, 20: 369-383.
24. Miller, J and D. Muir, 2004. The Business of Brands, John Wiley & Sons Pub, UK
25. Mulhern, F.J., Williams, J.D., & Leone, R.P. (1998). Variability of Brand Price Elasticities across Retail Stores: Ethnic, Income, and Brand Determinants. *Journal of Retailing*, 74(3), 427-446.
26. Oliver, R.L. (1999). Whence Consumer Loyalty. *Journal of Marketing*, 63(Special Issue), 33-44.
27. Pappu, R., P.G. Quester, R.W. Cooksey, 2005. Consumer-based brand equity: improving the measurement -empirical evidence. Journal of Product & Brand Management, 14(3): 143-154.
28. Porter, S.S & Claycomb, C. (1997). The Influence of Brand Recognition on Retail Store Image. *Journal of Product & Brand Management*, 6(6), 373-387.
29. Rao, A.R. & Monroe, K.B. (1989). The Effect of Price, Brand Name, and Store Name on Buyers' Perceptions of Product Quality: An Integrative Review. *Journal of Marketing Research*, 26(August), 351-357.
30. Richardson, P.S., Dick, A.S., & Jain, A.K. (1994). Extrinsic and Intrinsic Cue Effects on Perceptions of Store Brand Quality. *Journal of Marketing*, 58(October), 28-36.
31. Rosa-D_az, I.M. (2004). Price Knowledge: Effects of Consumers' Attitudes Toward Prices, Demographics, and Socio-Cultural Characteristics. *Journal of Product & Brand Management*, 13(6), 406-428.
32. Slama, M.E. & Tashchian, A. (1985). Selected Socioeconomic and Demographic Characteristics Associated with Purchasing Involvement. *Journal of Marketing*, 49(Winter), 72-82.
33. VanAuken, B., 2005, The brand management checklist: proven tools and techniques for creating winning brands, Kogan-Page Pub, London, UK
34. Villarejo-Ramos, A.F. & Sánchez-Franco, M.J. (2005). The Impact of Marketing Communication and Price Promotion on Brand Equity. *Brand Management*, 12(6), 431 444.
35. Yasin, N., M. Nasser Noor, & O. Mohamad, 2007, Does image of country-of-origin matter to brand equity. Journal of Product & Brand Management, 16(1): 38-48.
36. Zeithaml, V.A. (1988). Consumer Perceptions of Price, Quality, and Value: A Means-End Model and Synthesis of Evidence. *Journal of Marketing*, 52(July), 2-22.

7/16/2012