Brand Awareness Impact on Brand Association and Loyalty for Customers and Non-customers

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Abstract

Brand is the most valuable long-term asset for the firms. To manage the brand strategically is important and challenging. Some studies have investigated the relationship among variables such as the brand awareness, association and loyalty for the customers. The purpose of this research is to investigate and compare the relationship of these variables for customers and non-customers. For that, empirical data is collected from the mobile phone users. The results show that there is a significant statistical relationship between these variables. Moreover, the brand awareness significantly has the positive effects on the brand association and brand loyalty for customers as well as non-customers.

Key words: Brand Awareness, Brand Association, Brand loyalty.

Introduction

In a competitive market, building brand equity is a challenging task for companies. The organizations with limited resources must prioritize and allocate resources for important elements of brand equity. On the customer side, the consciousness to buy a product from the familiar brand is increasing. In order to maintain the trust and association of customer towards the brand, the timely awareness of the brand have become a good tool. Whenever the customer buys the products, the first thing that comes in their mind is brand name. When customer buys some of the products from the same brand, it shows that the brand has higher awareness (Macdonald and Sharp, 2000) than its peer brands in the market. Therefore, the brand awareness has two effects. One, it encourages the purchasing of a particular brand product. Two, it increases brand association and loyalty in the market. Brand loyalty defines the highest state of desire to buy a product. The customers and non-customers reach at this state through the process of brand association. Brand awareness by using the popular methods related to marketing establishes an association with the customers. This association and familiarity later counted as the brand loyalty. Once the loyalty is established among the customers and the brand, it makes customer very selective and subjective about the brand. So the key element these days to establish a business is the loyalty, which is an emerging issue for the sell. Further, the cost of attracting new customers is greater than maintaining a loyal customer (Hsin, K. C., Huery, R. Y. and Ya, 2009). Therefore, this study investigates the relationship between three variables, brand awareness, association and loyalty for

the customers and non-customers. Moreover, the impact of brand awareness on the brand association and loyalty for customers and non-customers of mobile phone users is also discussed.

Literature

In consumer markets, brands are the primary point of difference between the competitors, therefore brands are very critical for success of companies and business. Brands are most valuable long-term corporate assets. It is important for companies to manage brands strategically. Strategic management of brands should have a multidisciplinary focus. It is also important to understand constructs and concepts of branding(Lisa Wood, 2000). Marketing literature defines the relationship between brands and customers through the term brand equity. Brand equity has long term focus and importance in brand management, because Brand equity also adds value to products and company as brands. According to feldwick (1996), brand equity is a total value of a brand, when product is sold. It measures the strength of consumer's attachment and shows association and attachment of consumers with brand. Simply brand equity is an assumed relationship of description, strength and value (Lisa Wood, 2000).

The concept of brand equity which emerged in 1990 is not precisely defined; it can be defined in different ways. Brand equity is discussed for the marketing effects on the brand. The marketing of products and services results in different outcomes for a brand. Brand equity has of five dimensions; these elements include brand awareness, brand association, perceived quality, brand loyalty and other proprietary assets (Aker, 1991). Brand awareness is ability of the buyers to recognize and recall a brand. It creates link between the buyer and the brand; it involves a continuous process of uncertainty to strong belief about a brand. Recognition is confirmation about a brand, when buyers are given a cue of brands and recall is a buyer's ability to retrieve the brandas brand awareness involves recognition and recall. Brand association is a mental link of buyer to a brand. Brand association not only exists but it also has a level of strength. Recall and recognition also increases the association for a brand. Association have many forms, it is also a level of abstraction. Brand association as further three types these are attitude, attributes and benefits. Brand loyalty is favorable attitude towards a brand. This is a buyer's belief that only this brand can satisfy his need in a best and affordable way. There are two approaches to brand loyalty; one is behavioral approach which says consistent repurchase of brand, so loyalty is measured by sequence of purchase. The second approach is cognitive approach which says that behavior alone does not represent loyalty but loyalty is commitment to a brand (Aker, 1991, Pekkatuominen, n,a) .

According to Keller (1993) says that the differential effect of brand knowledge is brand equity, which consists of brand awareness and image in consumers mind. Whereas Rust et al.(2004) says it is customers subjective and intangible assessment of a brand. Brand equity is also defined in terms of its marketing effects, that is different outcomes result from marketing of products and have different identifications because of brand elements. So Brand equity is dependent on broad set of interrelated and dependent elements like awareness, association and loyalty. Many researchers have concluded that brand awareness, brand association and brand loyalty have positive and significant relationship with each other. Many researchers have also discussed that higher brand awareness is the higher brand association and higher brand loyalty. Brand higher awareness develops good brand image and association with brand. Higher brand association develops higher brand trust so higher brand trust and image develops higher brand loyalty. Higher brand loyalty increases purchase

intention of that brand's product (Grewal, Krishnan, Baker and Borin 1998, Monore, 1990; Dodds and Grewal, 1991; Wall, Liefeld, &Heslop, 1991; Lo, 2002; Lin, 2006, Kan,2002;Aaker and Keller 1990). According to Peng (2006), brand has great effect the on brand association and loyalty. Therefore, while a business develops a new product or a new brand at these stages; it need more brand awareness in order to create loyalty and association for a brand; because brand awareness is positively associated with brand association and brand loyalty.

Conceptual Model and Hypothesis

On the basis of literature related to brand awareness, association and loyalty this conceptual model is designed, which shows graphically relationship between these three variables. This model is tested for both customers and non-customers of mobile phone.
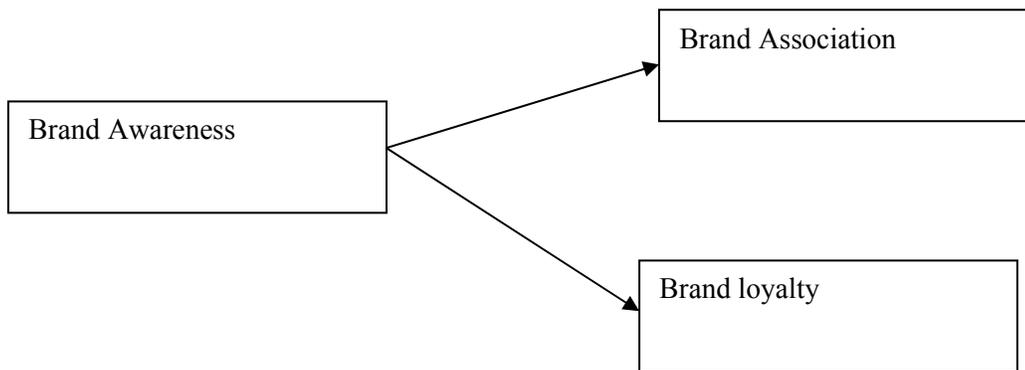
Hypothesis:

H1: Brand awareness positively effects on brand association and brand loyalty for customers.

H2: Brand awareness positively effects on brand association and brand loyalty for non- customers.

Methodology

This study is cross sectional and follows deductive approach. Data are collected from customers and non-customers, a sample size of 234 from each customers and no-customers for the brand of mobile phone. Convenience and judgment sampling techniques are used for data collection. Questionnaires were adopted with minor changes and self-administered for data collection.

Data Analysis

Variability and Sample adequacy

Variability and sample adequacy is important for any study which is based on sample, to ensure variability and sample adequacy KMO (Kaiser –Meyer-Olkin) and Bartlett's sphericity tests are performed. A KMO value 0.900 is the best value and below the 0.500 value is unacceptable, as this value shows that data are not suitable

for factor analysis (Kaiser 19974). Bartlett's tests can be used to know identity matrix. Bartlett's test value is significant at .000 levels. The results of these tests show sample adequacy as KMO value is .724>.500; and variability as signicant at .000. KMO and Bartlett's test results are given below:

KMO	Measure of Sampling Adequacy	.724
BST	Approx. Chi-Square	3682.586
	Df	2134
	Sig.	.000

Descriptive Statistics and Correlation

An identity matrix is one that has all diagonals 1, which show that all variables are correlated. The following table shows mean, standard deviation, and correlations for the variables. The table shows correlations between the variables of the study i.e. brand awareness, brand association, and brand loyalty as significant.

	M	SD	1	2	3	4	5	6	7
1. Gender	1.41	.492	1						
2. Age	2.51	1.101	-.172**	1					
3. Education	2.39	.805	-0.067	.382**	1				
4. Marital status	1.95	.942	-.102*	.467**	.286**	1			
5. BA	3.65	.989	-0.029	0.077	0.015	.115*	1		
6. BAS	3.86	.606	-0.013	0.015	0.066	-0.029	.243**	1	
7. BL	3.83	.957	-0.076	0.081	0.007	.097*	.722**	.327**	1

BA=Brand Awareness, BAS=Brand Association, BL=Brand Loyalty
** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

Testing Hypothesis

In order to test the hypotheses, a multiple regression model was run for customers and non-customers separately. In order to control the effect of demographic factors, gender, age, education, and marital status were also entered in the equation. For customers, brand association had a significant positive effect on brand association (β=.263, p<.001). This model explained a variance of 19%. The effect of brand awareness on brand loyalty was also highly significant (β=.802, p<.001). Brand awareness explains a variance of 65% in brand loyalty.

For non-customers, effect of brand awareness on brand association and brand loyalty was assessed while statistically controlling for the demographic factors. Brand awareness had positive significant (β=.179, p<.001) on brand association. Similarly, brand awareness had also positive and significant effect on brand loyalty (β=.668, p<.001). Further, brand awareness explained a variance of 46.1% in brand loyalty of non-customers.

	Customers		Non- Customers	
	Brand association	Brand loyalty	Brand association	Brand loyalty
Gender	-.231	-.143	.081	-.006
Age	.022	.016	.039	.001
Education	.096	-.003	.091	-.028
Marital Status	-.020	.001	-.082	-.016
Brand Awareness	.263***	.802***	.179**	.668***
R-square	.190	.650	.249	.461

*** Correlation is significant at the 0.05 level.
* Correlation is significant at the 0.01 level.

Conclusion

Brand awareness is one of the key elements for customers and companies. It is an advertisement that may attract customers and provides a way to interact with the brand name. The variables such as brand awareness, association and loyalty are very useful while considering the brand equity. This research finds the strong correlation between these three variables for customers as well as non-customers. The scope of the work in this research is limited to the mobile phone users. According to the obtained results, the brand awareness increases the brand association and loyalty. In other words, strong brand awareness implies to strong brand association. The brand association means higher brand loyalty for customers and non-customers. Further, the study finds that the brand awareness for non-customers is same as for customers, however there is a slight difference in the strength of relationship. The results are also in line with the literature on brand awareness.

Therefore, the companies must pay attention and create brand awareness among customers and non-customers through different mediums. Advertisement of the brand should be considered as medium and also the focus in future rather than only working on loyalty. Brand awareness also effects on the test and perception of a product.

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