

BRAND EQUITY AND MARKETING SUCCESS OF MAJOR SUPERMARKETS IN PORT HARCOURT

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Abstract

This study aims to review the literature relating to brand equity and marketing success of major supermarkets in Port Harcourt, Rivers State. The relationships between brand equity dimensions and brand equity, as well as the impact of brand equity on marketing success, are shown through a proposed model. The study adopted the descriptive survey research design. The population of the study consists of major supermarkets in Port Harcourt. Our choice is made through convenience which means that we contacted people that we found available. Convenience choice means that the respondents are chosen because they are available. Therefore, we sampled 100 respondents (from the 10 selected supermarkets) and they were asked to participate in a self-administered questionnaire. The 100 questionnaires were delivered, but 70 were duly filled and returned. The study revealed that there is a significant relationship between the dimensions of the independent and measures of the dependent variables. The study therefore recommends that firms should endeavor to segment their target markets and satisfy them appropriately. It also recommends that firms should offer them quality brands of products in order to outwit competitors.

Keywords: Brand equity, marketing success, brand awareness, brand association, market expansion, sales growth.

Introduction

The concept of brand equity has received much attention from marketers in both academia and practice since the 1980s. Brand equity has an important and strategic role in the gaining of competitive advantage (Atilgan et al., 2005). Many previous studies have asserted that brand strength can create differential responses in businesses (Hoeffler & Keller, 2003). Buil et al. (2013) and Naeini et al. (2015) have recently proposed a model of this relationship with

the most varied manifestations of customer response, including willingness to pay high price, brand extensions, brand preferences and purchase intention.

Furthermore, marketing success is the ability of a firm to achieve its organizational goals (Kotler, 2000; Zeithaml et al., 2006; Levy & Weitz, 2007). Successful marketing is anything that changes brand perception or product perception that leads to higher sales, profits or market share. The relationship between brand equity and marketing success has become one topic that has received much attention (Aaker, 1991; Keller, 1993, Blackston, 2000; Pappu and Quester, 2006; Ha et al., 2010; Torres & Tribo, 2011). However, no studies have examined the impact of brand equity on customer satisfaction in addition to the above manifestations of customer responses in the same research model. As such, there exists a gap in the literature of brand equity and marketing success.

Therefore, this research will synthesize the theoretical basis of brand equity, brand equity dimensions and marketing success. Based on this analysis, this study will propose a conceptual model to better understand the impact of components on brand equity while investigating the effect of brand equity on marketing success.

Statement of the Problem

Determining the products and services customers want which cannot be gotten from their competitors is a first step towards defining the marketing success of a firm (Ranko, Berislav, & Antun, 2008). Once the needs and wants of the potential and targeted customers have been established, the characteristics of those customers can be examined in an effort to identify commonalities.

It has been observed that most supermarkets experience setbacks and have been overthrown by their competitors because of their failure to expand their product offerings and to target a particular brand to a customer base. This will mean having more products in their product mix will increase profits. When developing a strategy about what potential customers will buy, firm needs to understanding of their needs and develop strategic means to satisfy them; because one satisfied customer can produce multiple customers through their testimony of the firm. This in order words may help the venture to learn about whom their customers are; the features customers need and what they will pay for, and provides an opportunity to ask them for additional suggestions. The aim of the study is to ascertain the influence of brand equity on marketing success of major supermarkets in Port Harcourt. Our study variable as a guide in the study, are brand equity (predictor variable) with its dimensions as brand awareness and brand association while marketing success (criterion variable) with its measures as market expansion and sales growth. Based on our research variables, this study is expressed in functional relationships noted below:

BE = Brand Equity

MS = Market success

BA = Brand awareness
BA = Brand Association
ME = Market Expansion
SG = Sales Growth

Literature Review

Theoretical Framework

Brand Equity Model (Aaker model)

There are different theories about how marketers can identify, measure and strengthen a company's brand, including the Aaker Brand Equity Model. It's named after David Aaker, a former professor at the University of California, Berkeley, who introduced the concept in the 1990s. This model interprets brand equity as a combination of a brand's awareness, loyalty and perceived quality. These assets can help a company increase the value of its products or services, which can have several benefits for the customer. According to the model, brand equity can:

- **Help retrieve information:** The model suggests that brand equity can help customers learn, understand and retrieve more information about a brand.
- **Influence purchasing decisions:** The Aaker model believes brand equity can increase customers' confidence in their purchasing decisions because of their familiarity with the brand.
- **Increase customer satisfaction:** According to the model, brand equity helps customers feel confident in the quality of a brand, which can increase their satisfaction with the company.

Brand Equity

Brand equity has been one of the main priorities in marketing research (Marketing Science Institute, 2002). With regard to marketing literature, brand equity has been considered from two main perspectives: that of the firm and of the consumer (Keller, 1993; Atilgan et al., 2009). Firm-based brand equity (FBBE) is defined as “the incremental cash flows which accrue to branded products over and above the cash flows which would result from the sale of unbranded products” (Simon & Sullivan, 1993).

Brand equity is a multi-dimensional and complex concept (De Chernatony, 1988). As such, it is important to understand the concept of brand equity for both researchers and practitioners. Farquhar (1989) defined brand equity as the added value endowed by the brand to the product. Similarly, Aaker (1991) provides a definition of brand equity: “a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers”. Drawing upon a cognitive psychology approach, Keller (1993) also views brand equity as the

“differential effect of brand knowledge on consumer response to the marketing of the brand”. Furthermore, there are many definitions for the concept of brand equity which are summarized in the following table. They are primarily inherited from the definition of Aaker (1991), which is cited and applied frequently by researchers (Tong and Hawley, 2009).

Table 1: Definitions of Brand Equity

Farquhar (1989)	The added value endowed by the brand to the product.
Aaker (1991)	A set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers.
Keller (1993)	The differential effect of brand knowledge on consumer response to the marketing of the brand.
Lassar et al. (1995)	The enhancement in the perceived utility and desirability a brand name confers on a product.
Yoo et al. (2000)	The difference in consumer choice between the focal-branded product and an unbranded product given the same level of product features.
Vázquez et al., (2002)	The utility that the consumer associates to the consumption and use of the brand.
Kotler and Keller (2006)	A bridge between the marketing investments in the company’s products to create the brands and the customers’ brand knowledge.
Christodoulides and De Chernatony (2010)	A set of perceptions, attitudes, knowledge, and behaviors on the part of consumers that results in increased utility and allows a brand to earn greater volume or greater margins than it could without the brand name.

Marketing Success

Companies are successful when they identify the needs of particular market segments and offer the products and services that satisfy those needs. The marketing function studies the markets that are accessible to a company and the needs of the members of those markets. A marketing success can be defined as the characteristics of goods and services that target market members will buy, publicizes their availability, sets competitive prices and makes the goods and services easy to acquire (Buil et al., 2013). Successful marketing supplies targeted consumers with goods and services they need at prices they can afford.

The first step in determining whether your marketing efforts have been effective is to define your measures of success. For some businesses, success might come in the form of an expanded product line or new and diversified distribution channels (Chieh Lu et al., 2015). For others, it might be increased sales to new customers or an increase in the average sales per customer.

Brand Awareness: Brand awareness is “the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category” (Aaker, 1991). According to Keller (1993), brand awareness refers to the ability to identify the brand easily in the customer’s mind. Thus, brand awareness includes brand recognition and brand recall (Aaker, 1991; Keller, 1993). Precisely, brand recall relates to a brand name that can be recalled correctly by customers when they see a kind of product. In contrast, brand recognition refers to the ability of a customer to distinguish a brand based on information which they have seen or heard before.

Brand Associations: Aaker (1991) defined brand associations as “anything linked in memory to a brand”. Brand associations are complicated and closely inter-connected. The concept consists of multiple ideas, episodes, instances, and facts that establish a solid network of brand knowledge (Yoo et al., 2000). It is formed by the customer’s belief in the brand created through direct experience with the product or based on available associations (Aaker, 1991). The concept of brand associations represents the functional attributes and experience provided by a particular brand. Invisible attributes such as creativity, differentiation, dynamism and prestige are also considered under the umbrella of brand associations. The combination of tangible and intangible attributes creates brand identity, in turn leading to brand associations (Aaker, 1996).

Empirical Review

Brand equity and Marketing success

From the perspective of the consumer, brand equity emphasizes the consumer’s evaluation of a particular brand name and this evaluation it’s what helps a firm to achieve success (Christodoulides et al, 2010). (Keller 1993, Shocker et al., 1994), a phenomenon denoted as consumer-based brand equity (CBBE) as the yardstick for marketing success. The conceptualizations of brand equity have been mainly derived from cognitive psychology and information economics. The perspective of the consumer is naturally perceived as more favourable than that of the firm itself, as there is little to no significance if a particular brand has no value for the customer (Cobb-Walgren et al., 1995). In this research, we limit our focus to the consumer perspective; hereafter, the concept of consumer-based brand equity will simply be referred to as “brand equity”.

Methodology

For the purpose of this study, a descriptive survey research design was adopted. The design is suitable for the study because it involves the behaviour of firms in relation to their performance. The study explored and established the existence of relationship between brand equity and marketing success. The population of the study consists of major

supermarkets in Port Harcourt. Our choice is made through convenience which means that we contacted people that we found available. Convenience choice means that the respondents are chosen because they are available (Bryman & Bell, 2005). Therefore, we sample 100 respondents (5 each from the selected supermarkets) and they were asked to participate in a self-administered questionnaire. Thus, 100 questionnaires were delivered but 70 were duly filled and returned. A five point likert-scale by (Levitt & Walton, 1975) was used to design the questionnaire. Kendall Tau-B was used for the analyses.

Table 2: Questionnaire Administered

Questionnaire	Frequency	Percent
Distributed	100	100%
Not retrieved	30	30%
Retrieved	70	70%

Presentation and Data Analyses

Results and Discussion

Decision rules

In testing the hypotheses the following rules are followed strictly to arrive at the final decisions:

- Accept the Null hypotheses (Ho) and reject the Alternate hypotheses (Ha) if the probability value (PV) > 0.05 and the correlation value < 0.5 .
- Reject the Null hypotheses (Ho) and accept the Alternate hypotheses (Ha) if the probability value (PV) < 0.05 and the correlation value ≥ 0.5 .

3.2.1 Relationships among Brand Equity Dimensions and Marketing Success

This study uses overall brand equity as a separate construct between the dimensions of brand equity and manifestations of consumer responses. It helps us understand how individual dimensions contribute to brand equity. Overall brand equity is similarly defined in relation to other brand equity definitions.

Brand Awareness is an important dimension (Tong, 2009) and the first step to creating brand equity (Buil et al., 2013a). Brand awareness can be a sign of quality and commitment, allowing consumers to become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991). Furthermore, many researches present empirical evidence for the relationship between brand awareness and brand equity (Pappu et al., 2005; Tong, 2009; Atilgan, 2009; Buil et al., 2013a; Chieh Lu et al., 2015). Thus, the following hypothesis is proposed:

H₁: Brand awareness has a positive influence on market expansion.

H₂: Brand awareness has a positive influence on sales growth.

Hypothesis one

Correlations

	Brand Awareness	Market Expansion	Sales Growth
	1	.55	.64*
Market Expansion		.070	.030
Spearman's rho	5	.5*	5
Sales Growth	.70*	.1	1
	.030		.
	48	1	5

** . Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output

Decision: From the SPSS table above, the probability value is .030 (PV < 0.05) while the correlation value is 0.70 which implies very strong positive relationships between market expansion and sales growth. Hence, we reject the null hypothesis and accept the alternative hypothesis which states that there is a significant relationship between market expansion and sales growth.

Relationships among Brand Equity Dimensions and Marketing Success

Brand Association, companies can differentiate and position their products, as well as build appropriate attitudes and beliefs about the brand (Dean, 2004). This can lead to increased brand equity (Yoo et al., 2000, Chen, 2001). According to Rio et al. (2001), brand association is an important factor in creating brand equity. Similarly, the results of studies by Pappu (2005), Tong et al. (2009), Atilgal (2009), Buil et al. (2013) have also proved the relationship between brand association and brand equity. Therefore, the following hypothesis is suggested:

H₃. Brand association has a positive influence on market expansion.

H₄. Brand association has a positive influence on sales growth.

Hypothesis Two

Correlations

	Brand Association	Market Expansion	Sales Growth
	1	.70*	.70*
Market Expansion	.	.050	.053
Spearman's rho	5	5	5
	.70*	1	1
Sales Growth	.050	.	.
	5	5	5

** . Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS Output

Decision: From the SPSS table above, the probability value is .022 ($PV < 0.05$) while the correlation value is 0.70 which implies strong positive relationships between brand association, market expansion and sales growth. Hence, we reject the null hypothesis and accept the alternative hypothesis which states that there is a significant relationship between brand association, market expansion and sales growth.

Discussions of Findings

The study was structured on an operational frame work that shows the variables with four hypotheses stated and tested. The result from the first hypotheses indicated that there exist a significant and positive correlation between the brand awareness and market expansion as there correlations from the SPSS table were showed ($r= 0.55$; $p=0.070$, $p <0.05$), this hypothesis was rejected. Based on that, it was therefore concluded that brand awareness will boost market expansion. Also, the second hypothesis examined the relationship between brand awareness and sales growth. Thus, it was tested and the results showed ($r= 0.64$; $p=0.070$; $p <0.05$) the null hypothesis was also rejected. Based on that, it was therefore concluded that brand awareness boosts sales growth.

The third hypothesis examined the relationship between brand association and market expansion. Thus, it was tested and the results showed ($r= 0.50$; $p=0.070$; $p <0.05$) the null hypothesis was also rejected. Based on that, it was therefore concluded that brand association has a strong influence market expansion.

Finally, the fourth hypothesis examined the relationship between brand association and sales growth. Thus, it was tested and the results showed ($r= 0.53$; $p=0.70$; $p <0.05$) the null hypothesis was accepted because the p-value (0.173) is greater than the standard value (0.05). Based on that, it was therefore concluded that brand association does not have any effect on sales growth.

Conclusions

Brand equity is considered to be instrumental in helping brands attain a competitive advantage. An important factor in an organization's performance regarding its financial goals is the creation and maintenance of strong brand equity. Thus, it is necessary to study how brand equity forms, and its consequences (Yoo et al., 2000). Based on literature and practical research results, the present study formed the proposed model of the relationships between brand equity dimensions, overall brand equity and customer responses.

Recommendations

Based on the findings and conclusion above, the study therefore recommends that:

1. Firms should endeavor to segment their target markets and satisfy them appropriately.
2. Firms should offer them quality brands of products in order to outwit competitors.
3. The firm should also be involved with the process of upgrading their services with the view of improving quality of service delivery to their customers

Suggestion for Further Research

This study did not cover all aspect of the current subject matter hence; some suggestions are made to other scholars who might want to further their studies on related issues. Such are: Further studies should be based on a micro level of analysis i.e. using customers of manufacturing firms as the respondents.

Further studies should endeavor to adopt other variables of both the independent and dependent variable to see if the results will vary from the current study.

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