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Brand Equity- A Battle of Brand Associations

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ABSTRACT

One of the major objectives of marketing research is to assess the strength of a brand. It is imperative to acknowledge that brand equity is an inseparable part of marketing and essential to the companies to create core-competencies and build strong brand experience that will impact the consumer decision making process. The aim of this paper is to study the relationship between brand equity and brand association. To highlight this relationship, a sum of 332 questionnaires were gathered. The result indicates a mediating relationship between brand equity and brand association. This paper compares the brand associations of three passenger car brands i.e. Maruti Suzuki, Hyundai and FIAT.

Keywords: brand, brand association, brand equity

I. INTRODUCTION

More and more organizations have come to the realization that one of their most valuable assets is the Brand name associated with their products and services. In our increasingly complex world, all of us, as consumers and as business managers, face a wide variety of choices with less time to make them. Thus the development of a strong brand helps in simplifying the decision making. Brands serve as signals of the position of products and companies in the market, allowing consumers to analyze and make a choice. Despite the formal definition, the purpose of Branding is essentially to build the product's image. This image will influence the perceived worth of the product and will increase the brand's value to the customer. Once consumers become accustomed to a certain brand, they do not readily accept substitutes(Davis, 2000)[1]. Organizations seek ways to exploit this human trait thereby leading to the popularity of branding. Branding means more than establishing the name for a company or for a product line. It is a long-term state of mind, which requires the management of the company's strategy, the coordination of its objectives and resources. A brand is not just a simple participant in a market; it creates and manages the market through a vision of what the product category should be. The brand becomes the magnet required by the production with the intent to attract consumers.

The power of a brand lies in what customers have learnt, felt, seen, and heard about the brand as a result of their experiences overtime. The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, and opinions become linked to the brand.

In the past decade, researchers have focused a tremendous amount of attention on the brand equity construct, which refers to the incremental utility or value added to a product by its brand name. Brand Equity consists of elements such as the brand associations, market fundamentals and marketing assets that distinguish one brand from another and that influence a customer's perceptions of or knowledge about a brand. When brand elements are favorable in customer's mind, brand equity is considered to be positive. When they are not favorable, the brand equity is negative.

II. BRAND EQUITY

Brands vary in the amount of power and value they have in the market. A powerful brand has high brand equity. Brand Equity is the positive differential effect that knowing the brand name has on consumer response to the product or service. The measure of a brand's equity is the extent to which consumers are willing to pay more for the brand. Brand Equity has been described as 'the unique set of brand assets and liabilities linked to a brand' (Aaker, 1991)[2]. The intangible assets of brands create the basis of brand equity. These assets include 1) brand loyalty, 2) brand awareness, 3) perceived quality, 4) brand association, and 5) other proprietary assets such as patents, trademarks and channel relationships. If managed well, these assets add value to the product or service and create additional customer satisfaction, which, in turn, provide a number of benefits to the firm.

The creation of a brand implies communicating a certain brand image in such a way that all the firm's target groups link such a brand with a set of associations. Brand equity research in marketing, as exemplified by Aaker's conceptualization and Keller's framework, is rooted in cognitive psychology and focuses on consumer cognitive processes. Thus, this view of brand equity proposes that:

- the brand creates value for both the consumer and the firm;
- the brand provides value to the firm by generating value for the consumers; and
- Consumers' brand associations are a key element in brand equity formation and management.

Brand equity is created over a long period of time by using, investing, and employing various tools like advertising, public relations (PR), sponsorships, events, social causes etc. around the product that's marketed(Luxmi Vulpala, 2006)[3]. Once the brand equity has been created it is also important to carefully manage and overtime grow the equity of the brand employing the same tools mentioned above. If not dealt with carefully, there is a chance the brand equity is deteriorated over time.

III. BRAND IMAGE

Brand image refers to the unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a mirror reflection of the brand personality or product being. Brand image are network elements stored in long-term memory. The core of the network is a brand name, which is linked to a number of other knowledge elements or associations. (Riezebos, 2003)[4]. It has three components i.e. *content, favorability and strength*. Favorability and strength can be combined into a term called reputation whereas content of a brand image means the associations a brand name may generate. Thus, brand image is formed by the combined effect of brand associations. Particularly in today's market, consumers tend to view a brand's image as an integral part of the product or service they are purchasing. They are not only buying the actual product or service, but the status, prestige and perceived benefits associated with the brand.

Every brand tries to create an image that will take its company and products forward and for this, marketers spend huge amount time, money and creative ideas.For example, *Colgate* is a brand name known in every Indian household. The brand has been able to create an image that defines trust, hope and belief. The mindset of customers is set that using *Colgate* toothpaste will take care of their teeth and using the product will result in better health and oral care. Thus, when in the market, the consumer will mostly buy Colgate, as the brand Colgate has been synonymous with trust.

IV. BRAND ASSOCIATIONS

Brand associations are defined as the brand's assets and liabilities which are linked to the memory of the consumer (Aaker, 1991)[5]. They are also defined as 'informational nodes linked to the brand node in memory and [they] contain the meaning of the brand for consumers' (Keller, 1993)[6].

(Keller 1993)[7] classifies brand associations into three major categories: *attributes, benefits and attitudes.* Attributes are those descriptive features that characterize a brand, such as what a consumer thinks the brand is or has and what is involved with its purchase or consumption. Benefits are the personal value consumers attach to the brand attributes, that is, what consumers think the brand can do for them. Brand attitudes are consumers' overall evaluations of a brand. Whether carefully and strategically considered or by default, all brands hold associated meanings in the market place. Well considered brands establish a competitive brand proposition with layers of meaning to both differentiate themselves from their competitors and to connect with their audience. These brand reinforce their meaning through all of their actions or brand touch points.

V. THE RELATIONSHIP BETWEEN BRAND ASSOCIATION ANDBRAND EQUITY

The characteristics of the brand equity and brand association are two very important elements, which help brand managers to develop the brand relationship with their customers. Brand association is an integral part of brand equity. Strong, favorable and unique brand associations are essential to drive customer behavior thereby enhancing the equity of the brand.

Certain associations are brought to mind when a consumer thinks of a company, and marketing strategies and products are all designed to reinforce these brand associations. Brand associations help to build value around a brand. Combined with brand awareness these associations make up brand equity – if consumers are aware of the brand and have strong, positive associations, your brand has equity with consumers. As a result, the relationship between brand association and brand equity are interacted, which helps brand managers to improve the relationship between the brand and customers.

VI. COMPARISON OFBRAND ASSOCIATIONS- BRAND WORD CLOUDS

For the present study three automobile brands were chosen in the passenger car segment in the Indian automobile industry. These three brands are Maruti Suzuki India Limited, Hyundai Motors India Limited, and Fiat Group

Automobiles India Private Limited. Out of these three brands, two brands with supposedly high Brand Equity were chosen i.e. Maruti Suzuki and Hyundai and one brand with very low Brand equity was chosen i.e. Fiat India to facilitate objective analysis. The above sample was chosen on the basis of ratings provided by J.D. Power Asia Pacific Report, 2014 and 2015.

A sample set of 350 respondents was chosen through random sampling method. These 350 respondents include people who already own a car or are planning to purchase one soon. To choose these 350 respondents, the dealership showrooms of the above mentioned three brands situated in Delhi were visited. The people visiting the dealers of Maruti Suzuki, Hyundai Motors India and Fiat India were chosen at random for the purpose of data collection.

In order to understand what comes to consumers mind when they think of the sample brands, the respondents were asked to write down the word with which they associate the three brands i.e. Maruti Suzuki, Hyundai Motors and Fiat. It was an open ended question so as to get unbiased responses and respondents were free to write anything that comes to their mind when they hear the name of these brands.

The responses so obtained were analyzed using **Word Cloud**. Word clouds are visual representations of word frequency that gives greater prominence to words that appear more frequently in a source text.The more frequent the word is used, the larger and bolder it is displayed.

Word clouds of Maruti Suzuki, Hyundai Motors and Fiat are presented as follows:

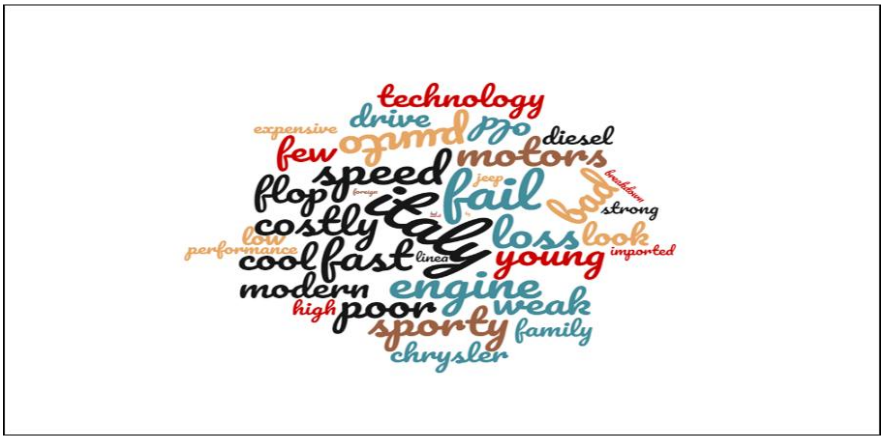
Word Cloud of Maruti Suzuki

The words **'trust' 'price'** and **'economy'** appear in huge letters, demonstrating their frequency in the responses, along with the words 'swift', 'mileage', maintenance', and 'family'. Words like India and family reflect people's feelings that they consider Maruti to be an Indian brand offering cars suitable for families. Word Swift was also mentioned by a lot of respondents indicating the popularity of its car Swift. With the help of this word cloud it can be interpreted that people mostly associate brand Maruti Suzuki with these words. Overall it can be seen that all words associated with the brand are mostly positive thereby indicating brand's good image and strong brand equity.

Word Cloud of Hyundai

With the help of this word cloud, it can be interpreted that people mostly associate brand Hyundai with words like **'fancy', 'grand', 'technology', 'stylish', 'modern'** and **'shahrukh'**. Interestingly, frequent response of the word shahrukh indicates that the advertisement which highlights celebrity Shahrukh Khan endorsing Hyundai has a good recall among people. Hyundai is also associated with positive words thereby implying that people have a good image in their minds and the brand enjoys high equity in the market.

Word Cloud of Fiat



The word cloud of Fiat shows that people mostly associate the brand with words like **'italy', 'fail', 'engine', 'loss', 'costly', 'speed'** and **'sporty'**. Fiat cars are perceived to be expensive and sporty with powerful engine. However, the overall perception is not positive. People believe that the brand has been floundering for years in India. The frequent response of word 'Italy' reflects that people consider it to be a foreign brand and lack the emotional bond so shared with brand Maruti. Moreover, the brand is believed to be incurring losses and a failure in the Indian market. Such perception has adversely affected the brand image of Fiat, thereby weakening its brand equity.

These word clouds show that brand associations have a huge impact on brand image and brand equity. Positive brand associations lead to good brand image, positive word of mouth, repeat purchases and high brand loyalty. Failure to achieve positive brand associations adversely impacts the brand's image and equity. Such brand struggle to survive in the market.

CONCLUSION

During the process of brand development, the main goal is to create a unique value specific to that brand. This unique value is more of an abstract nature, and includes the image, associations, perception, status, and quality concepts. The brand gets stronger with the value attached to it and establishes not only a competitive place in the market but also a permanent position in the minds of consumers.

Uncovering these associations allow brands to maximize the positive aspects and develop strategies to deal with any negative ones. It can let the brand know its competitive advantage, and what makes a customer chose it over the competition.

In a marketplace cluttered by clones and homogeneous products and services, it is important to create a brand image that differentiates itself from competitors and suggests reliability, dependability, and high quality with an emphasis on excellent service. This is the key to ensuring customer satisfaction and loyalty, which in turn translates into a larger market share for the company concerned.

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