

**Brand equity as innovative marketing strategy**

**Noor Ayesha**

Asst. Professor, Department of commerce, GFGC, Madhugiri

**Dr. Shobha.C**

Asst. Professor, Dept.of commerce & management, University College of Arts, Tumakuru

**Abstract**

*In this competitive era, the marketer should be more focus on brand equity to capture the market and retain the consumers. The most popular and potentially important marketing concepts of brand equity arise in 1980's. The concept of brand equity stresses the importance of the role of the brand in marketing strategies. The objective of the paper is to study the concept of brand equity, its dimensions and suggesting the marketer how to build brand equity in the current market scenario. The paper is based on secondary data. The paper covers brand awareness, brand association, perceived quality, brand loyalty, and other non proprietary brand assets. The paper suggests to the marketer that as brand awareness is one of the important dimensions of brand equity. Hence, the marketer must try to keep good brand awareness by way of effective and memorable advertisements. Positive brand association helps the marketer to gain goodwill, and obstructs the competitor's entry into the market. Marketer should maintain both product- based quality as well as manufacturing quality to capture market. Brand loyalty helps the marketer in retaining existing customers. So we can conclude that the brand equity is the important weapon in the hand of marketer as new innovative marketing strategy to capture market not only by way of retaining the existing customers but also attracting the new customers.*

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**Key words:** Brand Association, Brand Equity, Brand Loyalty, Innovative, Perceived Quality

**Introduction**

With the opening up of the Indian economy, marketers are facing lots of new challenges and opportunities. The Indian market is emerging as a competitive and dynamic area where rapid changes are taking place. The Indian market is passing a period of upheavals. The winds of liberalization in the market have brought about changes that would have been unimaginable a decade ago. As barriers come down, new players both from India as well as from abroad are entering in different products. Presently there are many national as well as international manufacturers in current market. They are fighting an intense battle to get a foot hold; whereas the existing players are putting in all their counter strategies in this battle for survival. The battle is on across all the products like consumer durable, consumer non-durable or the service industry – though the degree or nature of battle may vary individually for each segment.

In this competitive era, the marketer should be more focus on brand equity to capture the market and retain the consumers. The most popular and potentially important marketing concepts of brand equity arise in 1980's. The concept of brand equity stresses the importance of the role of the brand in marketing strategies. The emergence of brand equity however has brought both good news and bad news to the marketers. The good news is that it has raised the importance of the brand in marketing strategy, which therefore has been relatively neglected, and provided focus for managerial interest and research activity. The bad news is that the concept has been defined in a number of different ways for a frustration with the term.

Through it all, no common viewpoint has emerged as to how brand equity should be conceptualized and measured. Brand equity is the willingness of someone to continue to purchase your brand or not. Thus, the measure of brand equity is strongly linked to loyalty and measures segments on a continuum from entrenched users of the brand to convertible users.

Brand equity includes brand strength and brand value. Brand strength is the set of associations and behaviours on the part of a brands customers, channel members, and parent corporation that permits the band to enjoy sustainable and differentiated competitive advantages. Brand value is the financial outcome of management's ability to leverage brand strength through tactical and strategic actions in providing current and future profits and lower risks.

**Review of Literature**

Arunkumar G. (2014)<sup>1</sup> in his article entitled "Brand Equity and Customer Satisfaction – A Study of LG Television in Mysore District" states that Brand equity is a term most of the people are

familiar and even use from time to time. Brand equity is the extra value of the brand in the marketplace. The objective of this research article is to determine the impact of brand equity of LG television on customer satisfaction by considering the various dimensions like brand awareness, brand loyalty, brand association, and perceived quality. The sample size of 115 respondents was considered in this study on the basis of convenience sampling technique in Mysore city. The data were collected with the help of questionnaire. The data collected was analysed using SPSS application and the statistical technique used was Anova. The results show that all the dimensions of brand equity have a significant association with customer satisfaction.

Shadi RazaviSatvati, Mahnaz Rabie & KarimRasoli (2016)<sup>2</sup>in their article entitled “Studying the Relationship between Brand Equity and Consumer Behaviour” states that in today's competitive world, where the consumer is faced with a large range of products made in different countries, companies should further seek to identify the factors which influence of customers towards products to encourage them to select and purchase the product. In the model proposed in this study, the relationship between brand equity and the dimensions of consumer behaviour including the willingness of the customers to pay for extra cost, brand preference and purchase intention is investigated. The research method used is a descriptive correlation. Structural equations and descriptive and inferential statistics and factor analysis were used in this study to analyze the data. The study finds that the relations between the brand and consumer are one of the most important structures that have important roles in profitability and obtaining competitive advantage by companies. Hence marketing researchers to focus on this issue.

Smisha K (2017)<sup>3</sup>, in her thesis entitled “Influence of Brand Equity on the Purchase Intention towards Domestic and Foreign Brands of Cosmetics” she states that the brand has a significant influence on intention to purchase cosmetic products. Multinational companies are investing more in understanding brand equity. They appoint special research team for analyzing the brand equity. Branded products have high demand in the market. There are several factors which influence the brand equity. Brand awareness, brand image, brand knowledge etc. will determine brand equity. But most of the domestic companies are not aware of these aspects.

### **Research Gap**

In review of literature brand equity are deeply analysed from various perspectives. It is obvious that all the studies have attempted to examine brand equity of various product categories with many dimensions. The analysis also ascertained that no serious attempts have been made by the researchers in explaining how the brand equity as the innovative marketing strategy for the marketer to capture the market in the new marketing scenario. This was identified as the research gap through the review of literature. Hence, it is justified to study brand equity as the innovative marketing strategy in the context of brand image, brand association, brand awareness, brand loyalty for the marketer in this competitive era.

### **Objective of the Paper**

To study the concept of brand equity.

To understand the dimension of brand equity as new innovative marketing concept.

To suggest the marketer in building brand equity.

### **Methodology of the Study**

The scope of the paper is limited to the study of brand equity concept, its dimension and also providing some suggestion to marketer in building brand equity as the innovative marketing concept. The *secondary data* has been used in this paper. For this purpose, various magazines, journals, theses and internet have been used as it is a conceptual paper. Thus, the focus is to know more about the concept of brand equity and its dimensions. Therefore only qualitative data have been used. The descriptive type of research is used in this paper. As this paper is focus on the brand equity as an innovative marketing strategy for marketers. As this paper is based only on the secondary data so only qualitative analysis has been used. No quantitative data was used.

### **Brand Equity**

David Aaker defines brand equity as “a set of brand assets and liabilities linked to a brand, its name and symbol add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers” the brand equity in this definition can take the form of an asset or a liability. An asset is something which enhances the value, while liability which decreases the value.

They are all embodied in the brand name or symbol. In other words, the equity is the value differential that is created when a brand name or symbol is added to a product.

### **Brand Awareness**

Brand awareness refers to the extent to which customers are in the position to recall or *recognise* a brand. Brand awareness is a key consideration in consumer behaviour, brand management, advertising management and strategy development. The consumer's ability to recognise or recall a brand is central point to purchasing decision-making. Purchasing cannot proceed unless a consumer is first aware about the product category and a brand within that category. Awareness need not be mean that the consumer must be able to recall a specific brand name, but he or she must be able to recall sufficient distinguishing features for purchasing to proceed.

### **Types of Brand Awareness**

❖ **Brand Recall:** It is the ability of the consumers to correctly expel a brand name from memory when prompted by a product category.

❖ **Brand Recognition:** It is the ability of customer to correctly differentiate the products those from competitors' products.

### **Brand Association**

Brand association is anything which is deeply seated in customer's mind about the brand. Brand should be associated with something positive of the product or service so that the customers relate your brand to being positive. Brand associations are the attributes of brand which come in the consumers mind when the brand is talked about. It is associated with the implicit and explicit meanings which a consumer relates/associates with a specific brand name. Brand association as the degree to which a specific product/service is recognized within its product/service class/category. While selecting a brand name, it is essential that the marketer should choose name which reinforce an important attribute or benefit association that forms its product positioning.

For instance: Ring tune of Nokia, "Lux" associated with Film Stars, signature tune Ting-ting-ta-ding with Britannia, Blue colour with Pepsi, etc. Associations are not the "reasons-to-buy" but provide acquaintance and differentiation that's not replicable.

### **Perceived Quality**

Perceived quality can be defined as the customer's perception towards the overall quality and superiority of a product or service with respect to its intended purpose, relative to alternatives. Perceived quality is the first impression about the quality. Perceived quality is intangible in nature, overall feeling about a brand. However, it usually will be based on characteristics of the products to which the brand is attached such as reliability, performance and durability.

### **Brand loyalty**

It is the positive feelings about a brand. It is the dedication to purchase the same product or service repeatedly now and in the future from the same brand, regardless of a competitor's actions or changes in the environment. Brands can have the power to attract the consumers and make them feel emotionally attached. The important factor of building brand loyalty is developing a relationship or connection between the consumer and the brand. Whenever there is an existence of emotional relationship between the consumer and the brand this leads to a strong bond and a competitive advantage for that particular brand. Loyalty consists of both attitudinal and behavioural components. Brand loyalty relates to the customers willingness to purchase product or service from the brand at any reasonable price. Behavioural loyalty is the re-purchasing. Both behavioural and attitudinal components are important

### **Other Proprietary Brand Assets**

It includes patents, trade mark, and other channel relationship.

### **Value of Brand Equity to Marketer**

Brand equity plays an important role in enhancing value for the marketer. The effectiveness and efficiency of marketer is increased by brand equity assets. The expenditure related with a brand to achieve a goal generally tends to be less than an unbranded product aiming to achieve the same goal. For instance, retaining a customer is less costly than retention of customer when a product is unbranded; it may partially happen due to lack of brand loyalty and preference. Similarly, launching of a new product with extension may be much easier and less costly. Brand equity dimensions allow

a marketer to have greater customer loyalty. The customers can exhibit commitment and preference to a brand only. **A large number of loyal customers in the business reduce the expenditures that need to be incurred in maintaining a customer base.**

Fewer customers would need to be replaced. Accordingly, the expenditure would be lesser. Brand equity allows a firm to change premium. That is, a customer can willingly support a brand in spite of greater sacrifice that needs to be made. In fact, **brands with having premium pricing are the ones which enjoy strong equity in the market.**

Brand equity provides great opportunities for growth. In fact, most firms now rely on brand extensions to achieve growth rather than launch new brands. Brand equity makes growth easier for the firms. It is how the value is added. Brand equity is a good source of achieving of leverage in distribution channels. **It is easier for the marketer to get access in the distribution chain when the brand has equity.** Trade partners' exhibit scepticism in dealing with a brand without equity because of the uncertainties it brings along with it. Brand equity is an implicit assurance of success. Therefore, **channels always welcome brands with equity and give access to point of purchase displays, shelf space, etc. Channel cooperation is achieved easily when the brand enjoys equity.**

### Conclusion

So we can conclude that the brand equity is the important weapon in the hand of marketer as new innovative marketing strategy to capture market not only by way of retaining the existing customers but also getting the new customers by providing good quality and services.

### Suggestions to Marketer to Build Brand Equity

- a. As brand awareness is one of the important dimensions of brand equity so the marketer must try to keep good brand awareness by way of **effective and memorable advertisements.**
- b. **The brand equity helps marketer in conversion of consumers.** The process of moving the consumers from brand awareness and a positive brand attitude through to the actual sale is known as conversion. *While advertising is an excellent tool for marketer in creating brand awareness and brand attitude*, it usually requires support from other elements in the marketing program to convert attitudes into actual sales. Other promotional activities, like telemarketing, are vastly superior to advertising in terms of generating sales. Hence, the advertising message might attempt to drive consumers to direct sales call centres as part of an integrated communications strategy. Many different marketing techniques can be used to convert interest into sales including special price offers, special promotional offers, attractive trade-in terms or guarantees.
- c. The marketer should developed Positive brand associations of product which the brand depicts is durable, marketable and desirable. The customers must be motivated that the brand possesses the features and attributes satisfying their needs. This will lead to customers having a positive opinion about the product. **Positive brand association helps the marketer to gain goodwill, and obstructs the competitor's entry into the market.**
- d. As perceived quality is important dimension of brand equity. The quality can be,  
Product-based quality: the nature and quantity of ingredients, features, or services included  
Manufacturing quality: conformance to specification, the zero defect goal.
- e. **The marketer should maintain both product- based quality as well as manufacturing quality to retain customer in current competitive market.**
- f. **The marketer can use creative marketing strategies, like loyalty or rewards programs, trials of the product, brand ambassadors, and incentives like free samples to build brand loyalty.**
- g. Brand loyalty will surely increase profit over time as firms do not have to spend as much time and money on maintaining relationships or marketing to existing consumers. In this case, the customer even ready to pay more for the product, so the marketer can get benefit out of brand loyalty. "Getting customer is easy but retain customer is difficult" in the new marketing era, hence **brand loyalty helps to marketer in retaining existing customers.**

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