Determining the Affecting Factors on Brand Equity from the Perspective of Consumer in the Chocolate Industry of Iran (Baraka Chocolate)

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Abstract: Studies on brands and brand equity has become important for marketing activities and marketing theory in recent years. Brand equity is one of the assetsthat retains the company's value and is also followed by customer loyalty. This study aims to determine the affecting factors on brand equity from the perspective of consumer in the chocolate industry of Iran. In this study, David Aaker brand equity model with four dimensions of brand loyalty, brand awareness, brand associations and perceived quality is used. The statistical population consists of Baraka chocolate consumers in Shahrvand chain stores as 50 individuals were selected as the sample. Results showed a significant relationship between perceived quality and brand equity. There is also a direct relation between brand loyalty and brand equity. There is a significant relationship between brand awareness with brand equity and also avery strong and significant relationship between brand associationsand the brand equity. In addition, there is no significant difference between men and women in any of the components and there areonly significant differences between different age groups in component of brand loyalty in the chocolate industry of Iran. Thus, there is no significant difference between different age groups in components of brand awareness, perceived quality, brand loyalty and brand value.

Key words: Brand equity from perspective of consumer, brand loyalty, perceived quality, brand awareness, brand association

INTRODUCTION

Focusing on marketing activities as a tool to be present in the customers' mind and creating an intellectual property as a brand name is considered as a new perspective in marketing science. Different studies show that the real value is not in the product or service but these values exist in minds of potential and current customers and it is the brand that brings the real value in the minds of consumers (Kapferer, 2008). Developing a strong brand name is one of the important priorities of organizations worldwide.

Strong brand names helpcompanies to have a proper identity in the market (Aaker, 1996). In competitive conditions of markets, obtaining a proper place in the mind of the consumer so that the consumer is loyal to the company is very important and the factors that are effective in reaching such a position in the minds of consumers is the company's brand equity (Aaker, 1991). Brand equity is the value added to products and services and may be reflected in the way of thinking, feeling and the client's respect for brand or may be emerged in prices, market share and profits that a brand provides foran organization. Brand equity is an intangible asset which has psychological and financial value for the company (Kotler, 2007). David Aaker believes brand as a symbol that is linked with a large number of assets and mental liabilities and is offered to identify and distinguish products. Aaker studied the importance of understanding the concept of brand value in 1991 and 1992. Based on his model, brand equity arises from brand loyalty, perceived quality, brand association and brand awareness. Therefore, due to the importance of the subject, in this study we studied the affecting factors on brand equity from perspective of consumer in the chocolate industry of Iran in particular Baraka products.

Literature review: A brand is a name, term, design, symbol or any other feature that identifies one seller's good or service as distinct from those of competitors. In

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summary, the brand is to identify the seller or manufacturer. In fact, brand is permanent commitment of a seller to provide a set of features, benefits and special services to buyers. In any case, until a product/service has a distinctive features, it cannot be simply brand and be strengthen in a sustainable way. These distinctions can evenhave logical, tangible or intangible functionality. Most brands guarantee a certain level of quality but a brand can be a symbol of more complex cases such as: the nature of the product, product personality, culture of using the product and personality of consumer.

Kotler has defined different meanings for brand which are provided in following (Keller, 2001) features: A brand makes certain attributes come to mind. Interests: features should be turned into tangible and emotional benefits; product characteristics such as durability can be converted into tangible benefits. Value: brand indicates the values of manufacturer. Culture: a brand may indicate the personality culture. Personality: a brand may indicate a special personality. Consumer: brand indicates the type of customer whom buys that product or uses it. The first person whom presented a model to conceptualize brand equity based on both aspects is Aaker (1991). He introduce 4 components to evaluate brand equity from perspective of consumers as follows: brand awareness, brand loyalty, perceived quality and brand associations.

Brand awareness: One of the aspects of brand equity is brand awareness and visibility of the name and symbol of the brand. Results indicate that people tend to buy familiar brands, because they are more comfortable with their names. There is a belief among them that a famous brand is possibly reliable and of high quality. Often a well-known brand names are known better than unknown names. A brand awareness is important in this regard because it should primarily be entered into a person's consideration (must be one of the brands that will be evaluated for purchase), sounknown brand usually has a little chance of being purchased (Simon and Sullivan, 1993).

Brand loyalty: Brand loyalty can be defined as the extent in which the customer has a positive attitude towards a brand, his commitment to brand and intentions to continue buying in the future. Brand loyalty is directly affected by the satisfaction or dissatisfaction from the brand that has been obtained over time and also from the quality.

Perceived quality: Perceived quality is the customer's perception of overall qualityor superiority of a product or service in relation to the customer's desire toward its substitutes. To understand the perceived quality, identifying and measuring critical dimensions would be useful but perceived quality itself is a universal construction. Brand is linked with customer's perceived quality. Perceived quality might be somewhat different in different industries. High quality directly influences purchasing decisions and loyalty and supports price and profit margin.

Brand association: The value of a brand is often based on affiliations and associations that itis linked to. Brand association is the heart of brand equity as well as a key component of competitive advantage. Chen stated following reasons for confirmation of this statement:

- The brand awareness is a necessary condition to build brand equity but it is still not enough
- Other dimensions of brand equity can increase consumer's loyalty to the brand
- Perceived quality is a kind of brand awareness. In general, these associations create brand image (Chen, 2001)

Karbasifar and Yardle (2002), in a research of evaluating of brand equity and influencing factors from perspective of consumers and using the brand equity model of David Aaker concluded that brand loyalty and brand association directlyaffects brand equity. A perceived quality and brand awareness indirectly affect brand equity through brand loyalty.

In a study by Gilaninia and Mousavian (2010) entitled as "the effect of brand loyalty on brand equity of the bank from perspective of electronic cards customers" by considering Aaker model, they assessed the impact of brand loyalty (behavioral aspect) on brand equity. And since brand loyalty can be influenced by other aspects of the model (perceived quality, brand awareness and brand association); then, those factors were studied as influencing factors on loyalty and their impact on brand equity was assessed. The results showed that loyalty, awareness and quality affect brand equity and brand awareness is one of affecting factors in customers' brand loyalty.

MATERIALS AND METHODS

Conceptual model: Due to the benefits that the Aaker model owns in this field and due to the fact that he did not carry out experimental test on this model, this model has
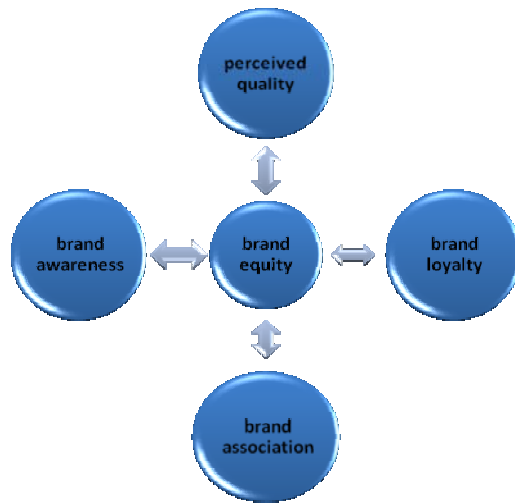
Fig. 1: Conceptual model (Aaker, 1991)

been tested and validated in various statistical populations Aaker model is a concept that seeks to identify the characteristics that shape the perception of the consumer toward the brand (Aaker, 1991). Brand equity is a multidimensional concept which includes brand loyalty, brand awareness, perceived quality, brand association. In Fig. 1, Aaker conceptual model is presented for the purpose of conceptualization. The hypotheses are based on the Aaker model (the model used in this study) as follow:

- H_1: there is a significant relationship between perceived quality and brand equity
- H_2: there is a significant relationship between brand loyalty and brand equity
- H_3: there is a significant relationship between brand awareness and brand equity
- H_4: there is a significant relationship between brand association and brand equity

The methodology of this study is survey and its objective is to determine the affecting factors in brand equity based on the Aaker model which is applicable according to objective. Using statistical analysis, significant relationships between four variables of Aaker model (brand loyalty, brand awareness, perceived quality, brand association) and equity products will be studied from the perspective of consumers.

The statistical population in this study are consumers of Baraka chocolate in Shahrvand Chain stores as 50 of them were selected for the survey by using a random sampling. In this study internet, library studies and questionnaires were used collect the required data

Table 1: Cronbach's alpha coefficientsfor research components

Indicators	Alpha	No. of items	Sample size
Perceived quality	0/835	3	50
Brand loyalty	0/888	2	50
Brand awareness	0/711	6	50
Brand association	0/701	4	50
Brand equity	0/862	2	50

and information. In addition, any measuring tool should at least have validity and reliability. The questions were designed in 5-point Likert scale.

Validity has different types (formal, content, standards and structure). In this study, validity is studied according to the formal type (based on judgments of informed people). Questionnaireis used based on the main sources of research (Chang and Chieng, 2006; Pappu *et al.*, 2005; Delgado-Ballester and Munuera-Aleman, 2005). To determine the reliability of the questionnaire in this study, Cronbach's alpha is used. This method is used for calculating the internal consistency of measurement tools such as questionnaires or tests that measure various attributes. The information are extracted from the questionnaires and will be applied in general information table.

Then all information will be analyzed by using computers and statistical software, especially SPSS Software. Since, the questionnaire was designed based on Likert scale andthe data are ranked and according to the non-parametric distribution, Spearman correlation coefficient should be used to assess the relationship between variables. In analyzing the data, one must first evaluate demographic characteristics of the respondents (including gender, age, education) and then statistical indices related to each questionnaire questions and research variables in research questionnaires, i.e., brand loyalty, brand awareness, perceived quality, brand association be calculated (Sedghiani and Ebrahimi, 2002). The obtained reliability for the questionnaire is 0/807and a more detailed description is presented in the following Table 1.

RESULTS AND DISCUSSION

Demographic information: In this study, 50 consumers of Baraka chocolate in Shahrvand chain stores were selected, including 29 men and 21 women. In addition, 19 have the educational levels less than diploma, 12 people have diploma and 14 have bachelor degree (Table 2). Of the 50 respondents, 10 were under 20 years old and 9 people over 50 years old. Number of different age groups are shown in Table 3.

Data normality: In order to test data normality, K-S test is used. If the significance level of the k-s test is greater than 0.05 as displayed in this table, the data can be assumed to

Table 2: Education

Variable/valid	Frequency	Percent	Valid (%)	Cumulative (%)
Less than diploma	19	38.0	38.0	38.0
Diploma	12	24.0	24.0	62.0
Bachelor	14	28.0	28.0	90.0
Master higher educational level	5	10.0	10.0	100.0
Total	50	100.0	100.0	

Table 3: Age

Variable/valid	Frequency	Percent	Valid (%)	Cumulative (%)
Below 20	10	20.0	20.0	20.0
21-30	10	20.0	20.0	40.0
31-40	10	20.0	20.0	60.0
41-50	11	22.0	22.0	82.0
>51	9	18.0	18.0	100.0
Total	50	100.0	100.0	

Table 4: Tests of normality

Variables	Kolmogorov-smirnov[a]		
	Statistic	df	Sig.
Awareness	0.127	50	0.054
Percieved quality	0.092	50	0.200*
Loyalty	0.131	50	0.033
Association	0.111	50	0.172
Brand equity	0.168	50	0.001

[a]Lilliefors significance correction; *this is a lower bound of the true significance

be normal with high confidence. Otherwise it cannot be said that the data distribution is normal (Table 4).

As you can see, loyalty and equity components are not normally distributed because the significance level for these two components is <0/05. As a result, non-parametric tests should be used for testing hypotheses.

Inferential statistics
First hypothesis: There is a significant relationship between perceived quality and brand equity:

- H_0: there is no significant relationship between perceived quality and brand equity
- H_1: there is a significant relationship between perceived quality and brand equity

Since, data distribution is normal, nonparametric tests were used and as we have used Likert scale in the present study and want to measure the relationship between the two components, Spearman correlation test is used. In this test as the amount of obtained sig at 0/05 level and 95% degree of confidence is 0/002 which is <0/05, it indicates a strong relationship between perceived quality and brand equity so that H_0 is rejected and H_1 which indicates the existence of a significant relationship is confirmed. Thus, there is a strong significant relationship between perceived quality and brand equity (Table 5).

Table 5: Strong significant relationship between percieved equeity and brand equeity

Brand awareness	Values
Correlation coefficient quality spearman's rho	0.435**
Sig. (2-tailed)	0.002
N	50.000

Table 6: Strong significant relationship between brand loyalty and brand equality

Brand awareness	Values
Correlation coefficient loyalty spearman's rho	0.285**
Sig. (2-tailed)	0.045
N	50.000

Table 7: Brand equity

Brand awareness	Values
Correlation coefficient awareness spearman's rho	0.574**
Sig. (2-tailed)	0.000
N	50.000

Second hypothesis: There is a significant relationship between brand loyalty and brand equity:

- H_0: there is no significant relationship between brand loyalty and brand equity
- H_1: there is a significant relationship between brand loyalty and brand equity

In this test as the amount of obtained Sig. at 0/05 level and 95% degree of confidence is 0/045 which is <0/05, it indicates a direct relationship between brand loyalty and brand equity so that H_0 is rejected and H_1 which indicates the existence of a significant relationship is confirmed. Thus, there is a strong significant relationship between brand loyalty and brand equity.

Third hypothesis: There is a significant relationship between brand awareness and brand equity (Table 6):

- H_0: there is no significant relationship between brand awareness and brand equity
- H_1: there is a significant relationship between brand awareness and brand equity

In this test as the amount of obtained Sig. at 0/05 level and 95% degree of confidence is 0/000 which is <0/05, it indicates a strong relationship between brand awareness and brand equity so that H_0 is rejected and H_1 which indicates the existence of a significant relationship is confirmed. Thus, there is a strong significant relationship between brand awareness and brand equity.

Fourth hypothesis: There is a significant relationship between brand associations and brand equity (Table 7):

Table 8: Relationship between brand association and brand equity

Brand awareness	Values
Correlation coefficient association spearman's rho	0.712**
Sig. (2-tailed)	0.000
N	50.000

Table 9: Test statistics (grouping variable: gender)

Variables	Awareness	Quality	Loyalty	Association	Equity
Mann-whitney U	258.000	303.000	279.000	285.500	216.500
Wilcoxon W	489.000	738.000	714.000	516.500	447.500
Z	-0.919	-0.300	-0.508	-0.376	-1.745
Asymp. Sig. (2-tailed)	0.358	0.976	0.611	0.707	0.081

Table 10: Test statistics (Kruskal Wallis test; grouping variable: age)

Variables	Awareness	Quality	Loyalty	Association	Equity
Chi-square	3.512	2.271	13.992	4.617	0.315
df	4.000	4.000	4.000	4.000	4.000
Asymp. Sig.	0.476	0.686	0.007	0.329	0.989

Table 11: Test statisticsa (Kruskal Wallis test; grouping variable: Education)

Variables	Awareness	Quality	Loyalty	Association	Equity
Chi-square	16.276	7.900	11.874	5.937	8.302
df	3.000	3.000	3.000	3.000	3.000
Asymp. Sig.	0.001	0.048	0.008	0.115	0.040

- H_0: there is no significant relationship between brand associations and brand equity
- H_1: there isa significant relationship between brand associations and brand equity

In this test as the amount of obtained Sig. at 0/05 level and 95% degree of confidence is 0/000 which is <0/05, it indicates a strong relationship between brand associations and brand equity so that H_0 is rejected and H_1 which indicates the existence of a significant relationship is confirmed. Thus, there is a strong significant relationship between brand associations and brand equity (Table 8).

Comparing the variables ranking means between men and women: It can be see, there is no significant difference between men and women in any of the components (according to a significance level <0/05) (Table 9).

Comparing the variables ranking means between different age groups: It can be seen that there are significant differences only in the component of brand loyalty in the chocolate industry between different age groups (due to the significant level <0/05) (Table 10).

Comparing the variables ranking means between different educational groups: As you can see above, there is no significant difference between brand associations and educational level in the chocolate industry of Iran however, there are significant differences between different educational groups and other components (according to a significance level <0/05) (Table 11).

CONCLUSION

The results of this study from 15 consumers of Baraka chocolate in Shahrvand stories, show a significant relationship between perceived quality and brand equity. There is also a direct relation between brand loyalty and brand equity. There is a significant relationship between brand awareness with brand equity and also avery strong and significant relationship between brand associations and the brand equity. It is recommended that chocolate industry can increase brand equity by focusing on these four components. Based on demographic study results showed that there is no significant difference between men and women in any of the components and there areonly significant differences between different age groups in component of brand loyalty in the chocolate industry of Iran. Thus, there is no significant difference between different age groups in components of brand awareness, perceived quality, brand loyalty and brand value. The results of this study is in consistence with Karbasifar and Yardle (2002) in related hypotheses of significant and direct relationship between brand loyalty brand equity. The results differences in other two hypotheses can be justified due to different names. The results obtained in this study is alsoin consistence with Seyyedin (2010) studies as well.

SUGGESTIONS

It is recommended to use other models than Aaker model to have better and more accurate evaluation and be compared to the results of this study. Using Aaker model in biscuits and other food industries can be the subject of future research.

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