

## **The Role of Brand Equity on the Antecedents of Brand Equity through Brand Preferences (The Case of National Bank Branches in the City of Khorram Abad)**

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**Abstract:** The purpose of this study, the role of brand equity on brand equity through brand preferences are records. The population of the investigation including clients of bank branches is the nation Khorramabad. The sample size was 386 and for sampling classified sampling method is used. Data were collected by a questionnaire.

**Key words:** Brand equity, brand attitude, brand image, Bank Mellat, coefficient

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### **INTRODUCTION**

Brand equity is “differential effect of brand knowledge on consumer response to marketing the brand” (Keller, 1993). The higher a company’s brand equity, brand priorities in the customer’s mind there will be higher (Cobb-Walgren *et al.*, 1995) and this leads to higher market share and higher profits will be (Farquhar, 1989; De Mortanges and van Riel, 2003). In recent years, students have argued that issues of brand marketing services companies essential services and the need to conduct an investigation in this regard (Berry, 2000; De Chernatony *et al.*, 2003). However, branding, creating a favorable image of the brand and build customer loyalty to the brand of the most important management objective and priorities is the service sector including banks. There is considerable interest in building powerful brand in the banks so that the banks of the brand as a quick way to identify and differentiate their services, creating a favorable image in the minds of loyal customers and making them use virgin (So and King, 2010). Because banking and financial services industry into account as one of the most important are the service sector. Therefore, high quality services to first improve brand equity and brand equity is then differentiated and preferred brand and ultimately influence consumer behavior and purchase intent elderly. The main question in this research is whether the brand equity through brand preferences on antecedents of brand equity is the bank has an effect?

### **Theoretical principles**

**Brand attitude:** As a set of mental attitudes may lead the person’s response to a motivator to be defined (Udell,

1965). The expression of a given value for a particular object or idea is called attitude. Attitude as “valuation, emotions, always favorable and unfavorable tendencies toward an object or idea” there is (Kotler and Armstrong, 1999) because these attitudes over the years that make up the customer experience, hard change .

How to evaluate a brand, a product or a service depends on the perception we have of each of them. How we think about the popularity of the brand will be an important aspect of our perception of the brand which can be the basis for selecting and buying our brand. Therefore, a company should strive to manufacture and supply products that people be consistent with the current approach and attitude is not trying to change them.

**Brand image:** Keller (1993) defines the brand image perception about the brand by brand association in the mind of the customer. Betty states that all emotions and thoughts created (directly or indirectly) to brand because brand associated with specific characteristics in the minds of customers and builds brand image associated. This image reflects the brand’s activities in order to create a brand (brand performance and visualization) in the minds of customers. Brand image, greatly influence the behavior of consumers towards the brand. So that it can be stated that the importance of brand marketing impact the organization’s ability to assess the fact that customers how to interpret the brand image and be in control of how the image is (Janonis *et al.*, 2007).

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**Brand equity:** One of the most comprehensive and the most common definition of brand equity as follows: a set of capabilities and assets attached to a brand's name and logo of the added value provided by a product for the company and its customers or the value of the fraction. The most famous definition of brand equity by Yoo and Donthu (2001) is as follows: equity includes different reaction between a customer and a product without their branded products when both have the same level of stimulus marketing and characteristics of the products. There are several models of brand equity in the research by Aaker (1991) model was used. The dimensions of this model are:

**Brand awareness:** Brand awareness is one of the key elements brand equity is often overlooked. The views by Aaker (1991), brand awareness to potential customers the ability to recognize and recall a brand that belongs to a particular product category. Keller, from brand awareness to as a measure of the ability of customers to identify the brand under different circumstances referred. From the perspective of chlorine in the process of creating awareness of the value of the brand, the brand awareness is necessary but not sufficient.

**Brand association:** Are all brand-related associations in memory. And consistent association represents the basis for purchase decisions for their loyalty to the brand and the creator of value for the company and its customers. According to Aaker, brand associations can be effective 5 ways to brand equity, assist in the processing of information, differentiation/positioning, reason to buy brand, motivation and positive feeling, open (Aaker, 1991). According to Gill, associate and feel about brands creates a value that distinguishes it from other brands. The consumer buys a product or service does not get stored in your memory. There is also awareness in the mind of the consumer and the relationship with a strong positive association is considered an advantage for them (Gil *et al.*, 2007).

**Perceived quality:** Aker perceived quality of overall quality and superior customer to understand the purpose of his product or service compared to other options

defined in your model suggests that perceived quality can be from 5 through on effective brand equity: reason to buy brand, differentiation/positioning, to pay the price of interest distribution channel members to use products with higher perceived quality, the development of the brand (Aaker, 1991). The perceived quality judgment means taking advantage of the superiority of a product according to the purpose for which the product is superior to other products on the market.

**Brand loyalty:** Loyalty is a positive attitude to a product that is caused by repeated use of it could be explained because of the mental processes. In other words, repeat-purchase optional merely a reaction but a result of mental, emotional and normative is (Jensen and Hansen, 2006). Brand loyalty plays an important role in creating long-term benefits to the organization because loyal customers do not need to have extensive promotional efforts. They would gladly pay more for benefits and the quality of their favorite brands. Customer loyalty is actually a competitive advantage for the company, because loyal customers are saving on the cost of marketing. According to experts, because the cost of attracting new customers is about 6 times the current customer retention.

## **MATERIALS AND METHODS**

This study is applied research. The research in terms of methodology, survey is solidarity. The population of the study, customers of bank branches is Khoramabade nation. In this study to develop theoretical foundations of library studies and to respond to hypotheses and explanations of the conceptual model, a questionnaire was used.

### **Hypothesis**

#### **The main hypothesis:**

- Brand equity affects antecedents of brand equity
- brand equity affects brand preferences
- Brand preferences affects antecedents of brand equity
- Brand equity through brand preferences affects on antecedents of brand equity

#### **Secondary hypothesis:**

- Brand equity through brand preferences affects on the brand attitude
- Brand equity through brand preferences affects on the brand image

Table 1: The result main hypothesis

Main hypothesis	t-values	Affects	Results
1	8.72	Brand equity affects antecedents of brand equity	Confirm
2	11.39	Brand equity affects brand preferences	Confirm
3	4.84	Brand preferences affect antecedents of brand equity	Confirm

Table 2: Examines the role of mediator brand preferences

Main hypothesis	Direct effects	Indirect effects	Total effects	Brand preferences affect antecedents of brand equity	Brand equity affects brand preferences	Result
Brand equity through brand preferences affects on antecedents of brand equity	0.62	0.64 (0.20)*	0.748	0.20	0.64	Confirm

Table 3: The result of secondary hypothesis

Secondary hypothesis	Direct effect	Indirect effect	Total effect	Brand preferences affects on the brand attitude	Brand equity affects brand preferences	Result
Brand equity through brand preferences affects on the brand attitude	0.37	0.53 (0.42)*	0.592	0.42	0.53	Confirm

Secondary hypothesis	Direct effect	Indirect effect	Total effect	Brand preferences affects on the brand image	Brand equity affects brand preferences	Result
Brand equity through brand preferences affects on the brand image	0.50	0.53 (51)*	0.77	0.51	0.53	Confirm

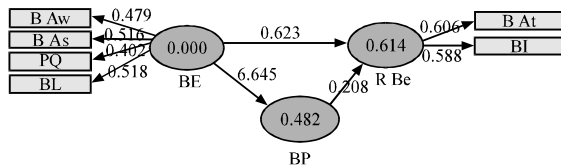


Fig 1: Standard solution

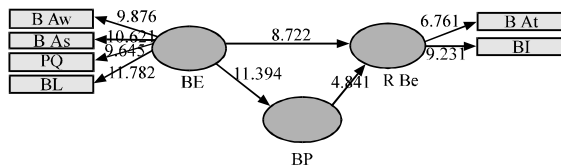


Fig 2: The t-values

## RESULTS AND DISCUSSION

**Data analysis:** In order to test hypotheses and determine relationships between variables of the conceptual model, Structural Equation Modeling (SME) have been used and statistical SmartPLS software is used for this purpose (Table 1-3, Fig. 1 and 2).

## SUGGESTIONS

According to the results of the study, it is suggested that:

- The services sector in order to create customer loyalty can pay attention to the demands of our customers and according to the needs of each individual are trying to meet the needs of her

- One way to increase customer awareness of their cultural practices, conducted a campaign to introduce the brand in a situation where little information about their customers and the delivery of services and so on. Brand familiarity and provide an appropriate response is to raise awareness
- Create a strong brand equity that creates a brighter image and more stable in the minds of consumers and ultimately led to the creation of loyal customers and brand preferences and increase profitability
- Banks can create a positive image in the minds of customers, through increasing the quality and variety of its services, the use of updated technologies to deliver services to their customers, reduce process complexity and red tape for service delivery and facility customers, increase their employees' knowledge, speed and shorten the delivery time and customer service, perceived quality protein and banks improve their services and consequently increase their brand equity. Its strong brand equity would be the preferred brand in the industry
- The results of one study can vary from industry to industry, the researchers suggested that other economic sectors and industries studied and then compare their results
- This study was conducted in the bank in the city of Khorramabad. Such studies in other public and private banks can also bring beneficial results
- The population of this study is bank customers. So, in generalizing the results to other industries should be cautious

- The model has been the research about a particular brand. For this reason, the researchers recommended that this research model on the other brands tested and the results compare with results

### CONCLUSION

The findings show that brand equity with effect coefficient 0/62 directly and the effect of 0/748 through brand preferences for antecedents of brand equity affect brand equity.

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