

## A STUDY ON CUSTOMER BASED BRAND EQUITY OF MEN APPAREL BRANDS IN MANGALORE

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### ABSTRACT

Branding is one of the most effective competitive tools and it is a challenging task for the marketer to nurture a brand into a strong, profitable brand. By developing a powerful brand, corporate can establish 'brand equity' and the equity assists firms in variety of ways to manage competition and to maintain market share Brands are widely recognized as corporate assets but have been historically evaluated based on non financial attributes like awareness, recognition and perceived value. Brand association and awareness, perceived quality and brand loyalty are major components of consumer based brand equity. With this background, the present study investigates customer based brand equity for men apparel brands in Mangalore city. The study is carried out with the help of structured questionnaire. By using the suitable statistical techniques analysis is made. The present study concludes that in men apparel market brand loyalty, brand association and awareness exert significant impact on consumer based brand equity.

Keywords: Brand equity, Brand association, Brand awareness, Brand loyalty, Men apparel

## Introduction:

The Indian apparel industry also has a vast existence in the economic life of the country. It plays a critical role in the economic development of the country with its contribution to industrial output, export earnings of the country and the generation of employment. The Apparel and Textile industry is India's second largest industry after IT Industry. At present, it is amongst the fastest growing industry segment and is also the second largest foreign exchange earner for the country. The apparel industry accounts for 26% of all Indian exports. The Indian government has targeted the apparel and textiles industry segments to reach \$50 billion by the year 2015. The apparel industry in India has substantially diversified on the basis of fashion, climate, region, culture and fiscal factors. Indian textile is witnessing great growth and development in the industrial sector in India as well as abroad. Apparel sector in totality contributes to the country's GDP after agriculture. The men's apparel industry consists of men's active wear, essentials, formal wear, outer wear, and casual wear.

## Review of Literature:

**Aaker** (1996), in his paper, "*Measuring Brand Equity across Products and Markets*" has categorised brand equity in to five dimensions: brand awareness, brand association, perceived quality, brand loyalty and other proprietary brand assets like trademark, patents and channel relationships. Keller and Kevin (1993), in their paper, "*Conceptualizing, Measuring, Managing Customer Based brand equity*" discussed that the consumer brand equity is part of the brand value chain in which marketing program affects consumer mind set about the brand, which in turn affects brand performance in the market, providing value to the shareholder and consumers.

**Yoo et. al** (2001), in their paper, "*Developing and validating a multidimensional consumer based brand equity scale*" developed and validated measures of consumer based brand equity by taking in to account three components of brand equity: brand awareness, brand association, perceived quality and brand loyalty. **Tong et. al** (2009), in their paper, "*Measuring customer based brand equity: empirical evidence from the sportswear market in China*", examined the applications of a customer based brand equity model in the Chinese sportswear market by employing structural equation modelling. The findings concluded that brand association, brand loyalty and awareness are influential dimensions of brand equity. **Ailawadi et al**, (2003) in their study "*Revenue Premium as an outcome measure of brand equity*" considered brand equity as an indispensable element in assessing the strength of brand. Broadly, there are three approaches of measuring brand equity which are highlighted in their study. **Agarwal et al** (1996), in their study "An empirical comparison of consumer based measures of brand equity" discussed that brand equity is the difference between overall brand preference and multi-attributed preference based on objectively measured attribute levels and overall quality and choice intentions. Like this, a number of studies were carried out focussing on different dimensions of Branding.

**Statement of the Problem and Need for the Study:**

Brand equity is a multidimensional concept and a complex phenomenon. Brand association and awareness, perceived quality and brand loyalty are major components of consumer based brand equity. Although the literature identifies several dimensions of brand equity from other industries, existing research on brand equity in apparel industry is still spare. Despite the growing importance of the branded apparel products, the topic of how an apparel firm builds brand equity there appears to be under –researched. By retesting the popularly adopted brand equity dimensions, this study aims to test and operationalize the customer-based brand equity components.

**Objectives of the Study:**

- To examine the practicality and applications of a customer based brand equity model in Mangalore City
- To investigate the causal relationship among the four dimensions of brand equity and overall brand equity in men's wear industry and

**Scope and Methodology of the study:**

This study aims to empirically test and operationalise the customer based brand equity components and how they interact within the context of men apparel brands in Mangalore City.

Descriptive research methodology is used for the study. Male customers who used readymade clothing have been chosen as respondents purposively (non-random sampling method). Mangalore city, with the sample size of 200 respondents was considered for the analysis. The survey questionnaire has components for measuring overall consumer based brand equity and its components for apparel brands. Likert's scale was used from point scale of 1-5 (Strongly Agree to strongly disagree).

**Sources of Data Collection**

The present paper has used relevant books, journals, research papers, online sources, and reports of competition commission of India. The Questionnaire which was used for the survey has constituted the Primary source of data collection.

**Hypotheses of the Study:**

**H1:** Brand association and awareness have significant positive impact on consumer based brand equity

**H2:** Perceived quality of brand has significant positive impact on consumer based brand equity

**H3:** Brand loyalty has significant positive impact on consumer based brand equity

#### Statistical tools and techniques:

The present study used different statistical tools and techniques for the analysis and interpretation of data such as factor analysis and multiple regression analysis using SPSS 17.

#### Analysis and interpretations:

The distribution of demographic variables of the sample indicated that the respondents tended to be young, educated and with moderate to high incomes. The study was undertaken in two steps for men apparel brands. The first step involved establishing reliability and validity of items measuring consumer based brand equity and its components by confirmatory factor analysis. In the second step, hypothesis of relationships constructs were tested. The reliability was assessed and validity of the measurement scales by confirmatory factor analysis. The result of confirmatory factor analysis is shown as below:

**Table-1: Descriptive and Confirmatory Factor Analysis result**

	Branded apparels		
Measurement Item	Factor Loading	Mean(Standard Deviation)	CR <sup>2</sup>
<b>Brand Association and Awareness</b>			0.68
Recognition of brand against other brands	0.72	4.15 (1.32)	
Awareness of the brand	0.5	4.62 (1.18)	
Recalling the brand/logo	0.69	4.38 (1.34)	
<b>Quality Perception</b>			0.8
Reliable	0.75	4.50 (1.12)	
Durable	0.86	4.58 (1.14)	
High in Quality	0.67	4.74 (1.17)	
<b>Brand Loyalty</b>			0.74

Loyal to the brand	0.71	3.37 (1.44)	
Brand as first choice in the competing group	0.79	3.54 (1.44)	
Not buy any other brand if this is not available	0.59	3.00 (1.34)	
<b>Brand Equity</b>			0.75
Buy this brand instead of any other brand even if they are same in quality	0.84	3.45 (1.40)	
Even if another brand has the same features as this brand, I would still buy this brand	0.72	3.44 (1.29)	
If there is a brand as good as this brand, I still prefer buying my particular brand	0.52	3.32 (1.30)	

Source: Survey Results

Table-1 represents factor loadings, reliabilities and composite reliabilities of our service quality measurement scales for samples. As indicated requirement for construction reliability have met i.e. the composite reliability, or CR for each item's reliability exceeds 0.30. Support for convergent reliability is found in highly significant loadings estimated for each individual item. (Anderson and Gerbing 1988). As shown in table 1, all factor loadings range from 0.50 to 0.80, thus exceeding 0.50, which is commonly considered as meaningful in factor analysis and statistically significant ( $p < 0.001$ ). Therefore all four displayed convergent validity of the model. The correlation coefficient between any two constructs was significantly below unity which is indicative of sufficient validity between the two factors. Thus the result of the measurement model ensured the reliability and validity of measures constructs for the brands.

**Table-2: Multiple regression analysis for men apparel brands:**

Variable	Brands
Brand Association and Awareness	0.17
Perceived Quality	0.062 <sup>ns</sup>
Brand Loyalty	0.65

**Hypothesis Testing:**

After establishing reliability and validity, we tested hypotheses proposed in the study. This involved conducting multiple regression analysis for the brands with consumer brand equity as

dependent variable and brand association, awareness and brand loyalty, perceived quality as independent variables. Table 2 shows result of regression for brands. Findings of multiple regressions reveals that brand association and brand awareness and loyalty affect consumer based brand equity for the brands. Thus this supports H1. Table-2 also indicates that effect of brand loyalty on brand equity was higher for the brands. Thus this supports H3. For H2 the results in table-2 do not support the hypothesised effect of perceived quality on brand equity for brands. This leads to rejection of H2, i.e. perceived quality has no significant positive impact on consumer based brand equity in men apparel brands.

### Limitations of the Study:

- This paper is limited to the men apparel brands in Mangalore City only. Thus, future research needs to be done if the results are to be expanded into other regional markets in light of significant regional gaps in consumer attitudes and behaviours.
- No performance measurements have been conducted in this study due to the inability to gather the required financial data.

### Major findings of the Study:

- 80% of respondents were under 30 years of age, 58% had a graduate degree, 87% were single and 30% reported household annual income of more than 30000.
- Brand association and brand awareness and loyalty affect consumer based brand equity for the men apparel brands.
- Effect of brand loyalty on brand equity was higher for the apparel brands. Perceived quality has no significant positive impact on consumer based brand equity in men apparel brands.
- Different brand equity dimensions contribute to overall equity in different ways and that an order exists among the four dimensions.

### Suggestions:

- The managers should concentrate their efforts primarily on brand loyalty and brand image, which have high importance in the construct of brand equity.
- The inter relations among the four dimensions of brand equity, especially the relationship of perceived quality and brand awareness to brand association and brand loyalty have to be considered by the managers.

**Conclusion:**

The measurement of customer based brand equity do not completely confirm with Aaker's framework. The result provides valuable insight into what companies should focus upon sustaining and catering the desired brand. The strongest impact of brand loyalty on consumer based brand equity signals the significant role for developing brand loyalty for brand equity. Non significant impact of perceived quality on brand equity indicates that customers are more guided by brand perception and its image. The study reveals that in men apparel market brand loyalty, brand association and awareness exert significant impact on customer based brand equity. Apparel companies should focus on the existing brand image of the companies.

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