

SURVEYING THE EFFECTIVE FACTORS ON THE BRAND EQUITY

(CASE STUDY OF THE PRODUCTS OF HUAWEI'S BRAND)

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Abstract

Brand equity, about different universal brands, is measured by reputable institutes every year, but the most important subject is the value of the brand of each company in costumers' perspective. Because, the stability of a company in the long term will be made by the relationship of the company with its customers, and the opinion of costumers about the company. This survey is done with the aim of surveying the effective factors on the brand equity about the Huawei's brand in Iran. The results represent that four factors: brand awareness, brand association, brand loyalty, and perceived quality have influenced on brand equity about Huawei's brand in Iran.

Keywords: brand awareness, brand association, brand loyalty, perceived quality, brand equity

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Introduction

Recently, one of the most important researching topics in marketing discussions has been the topic of brand equity. According to Aaker's definition, the brand equity is "assets (or liabilities) related to the brand that is joint with the commercial name or logo, and increases (or decreases) the value of the services or products of that brand" (Aaker, 1996). Brand equity also includes many advantages, for example it enables organizations to receive more for their productions, or works with lower marketing costs compared to their competitors, and it makes companies competent to maintain their market shares in the competition (Buil et al, 2008).

Surveying the effective factors on the brand equity is so important because having a powerful brand (high equity) can help to form the costumers' trust in purchasing (Chen, 2008). In addition, with the existence of loyalty in consumers about a high equity brand, the company can proceed the wider actions in the market. For example, the company can put its brand on its new products with the inferior risk, or it can allocate minor promotion costs for introducing its products to the market (Dottyetal, 2002).

Another issue that current research is trying to represent is that in the last few years in cell phone and tablet world's market many different brands have been made and introduced to the market, and this phenomenon makes an intense competition in this area. Hence in the current situation, one of the factors that can help companies to sell more and improve their activities, is working and focusing on their products' brand merely.

Research literature and hypotheses development

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International Journal of Management, IT and Engineering

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Brand and Brand equity

A brand is a name, a word, a sign, a mark, a design, or a logo that is used for identifying or distinguishing of one or some producers from their rivals. and brand equity is the value of assets, wealth, and perceptions related to the product, service or allocated idea that be promoted by the producer (Yadin, 2002). Also there is a set of associations and behaviors in the segments of customers, channel members, and parent company that empowers the brand to have more income. And this makes a stable, distinguished, and powerful advantage for the brand against the competitors (Gordon,2002).

Brand association and Brand equity

Brand association is anything that is related to the memory. According to Aaker, brand association influences on brand equity through helping for analyzing the information, positioning, making motivation, and building a positive sense (Aaker, 1991).

H1: Brand association has a direct, meaningful effect on the brand equity.

Brand awareness and Brand equity

This factor is the joint element between the models of brand equity from Aaker and Keller that refers to the easiness of remembering of a brand by the customers (Aaker, 1991).The role of brand awareness in brand equity is related to reached awareness level. At higher levels of awareness, the likelihood of consideration of a brand, and the effect of the brand on the customers' purchasing decisions, both are higher. Because the signals, and particular powerful associations of the brand can be recalled (Benetta & Rundle, 2001).

H2: Brand awareness has a direct, meaningful effect on the brand equity.

Perceived quality and Brand equity

Perceived quality is defined as the Perception of the customer from the general or the superior quality of the product or service in comparison of other options. In fact, perceived quality is not the real quality of a product, it is a customer's imagination evaluation of a product. According to Aaker's opinion, making interest in distribution channel's members and customers about using the higher perceived quality product impacts on the brand equity (Aaker, 1991).

H3: Perceived quality has a direct, meaningful effect on the brand equity.

Brand loyalty and Brand equity

Brand loyalty can be explained as the measure of positive attitude that customers have about a brand, and their commitment and tendency to continue to purchase the brand in the future. In fact, brand loyalty makes a commitment to repurchase. In addition, Gil represents that the loyalty increases the brand equity directly, and it has an effect on the brand equity beside other factors. (Gil et al, 2007).

H4: Customers' loyalty to the brand has a direct, meaningful effect on the brand equity.

Research Framework

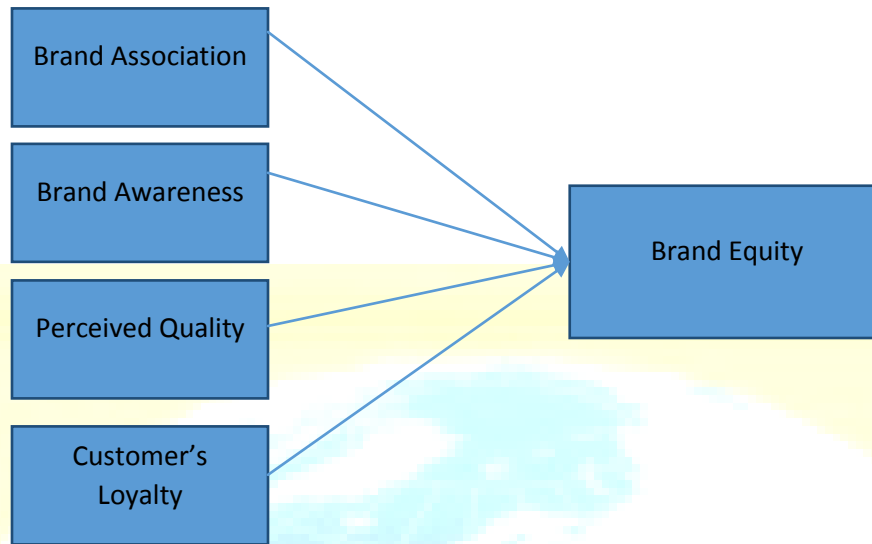


Figure 1
(Atilgan, et al, 2005)

Research Methodology

Descriptive researches describe and interpret the existing facts, and they focus on the present relations and situations. Generally, they consider the present, however, they survey the past events that are related to the present conditions (Best, 1999).

This research is a descriptive, **practical** survey. The statistic society of the current survey is all of the Huawei buyers in Iran. So, according to this assumption, that the society number is myriad, and regarding to Morgan's table, the sample's abundance includes 384 Huawei's brand customers. Thus, 420 questionnaires were released and distributed, and 392 responds were returned, collected, and analyzed.

Measures

For data collecting in this research, the questionnaire were made following the former studies of Atilgan (2005) and Gooetal(2009). Furthermore, the validity of the questionnaire has been approved by last surveys and experts' opinions. Subsequently, Cronbach's Alpha is used for surveying the Stability. The amount of Cronbach's Alpha was 86%, and it was more than 70%, so the reliability of the measurement instrument was approved.

In the current survey, descriptive and inferential statistic methods, for testing the hypothesis and data analyzing have been used, by using SPSS and LISREL software.

Results

Descriptive statistic results depict that among 393 participants, 73.5% were male and 36.5% were female. Out of the total sample, 86% responders had bachelor or less degree, and approximately 66% had less than 40 years old.

In the current survey, before implementation of path analyzes, confirmatory factor analysis (CFA) and exploratory factor analysis (EFA) have been used.

Ultimately, for surveying the research's hypotheses, path analyzes is used, so the structural model of the research in meaningful mode can be seen in the chart below.

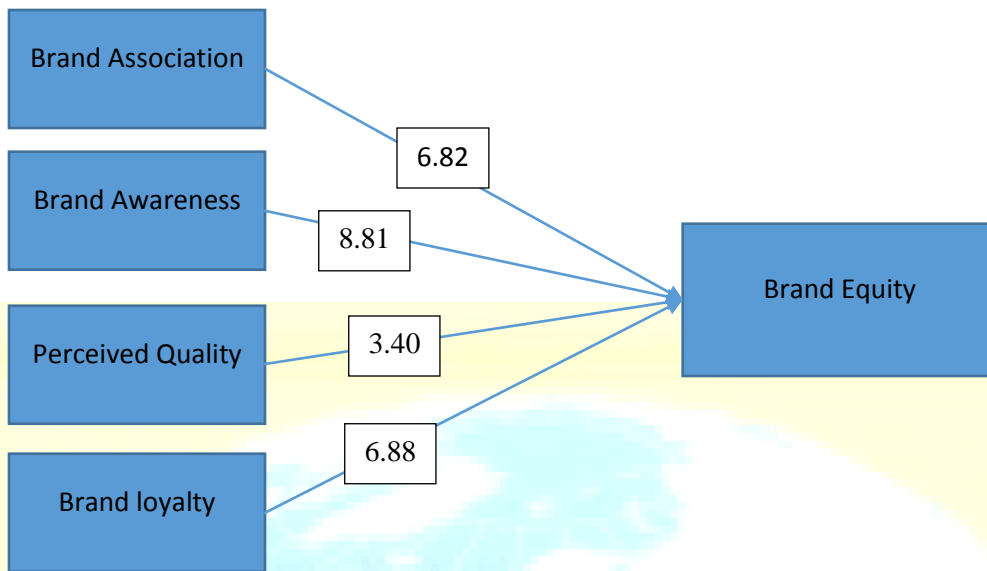


Figure 2: Structural Model in the Standard Mode

According to the chart, the first hypothesis is approved, because the meaningful number is more than 1.96 ($6.82 > 1.96$), hence the Brand Association has a direct, meaningful effect on Brand Equity.

The second hypothesis is approved, because the meaningful number is more than 1.96 ($8.81 > 1.96$). Thus the Brand Awareness has a direct, meaningful influence on the Brand Equity.

The third hypothesis is approved, because the meaningful number is more than 1.96 ($3.40 > 1.96$), hence the Perceived quality has a direct, meaningful effect on Brand Equity.

The fourth hypothesis is approved, by the meaningful number, because it is more than 1.96 ($6.88 > 1.96$). Hence the Brand Loyalty has a direct, meaningful effect on Brand Equity.

The research results are depicted in the table below in the summary.

Hypothesis	The correlation coefficient	Meaningful level	Result
1	0.35	6.86	Approved
2	0.45	8.81	Approved
3	0.11	3.40	Approved
4	0.21	6.88	Approved

Figure 3: results summary

LISREL software represented some adequate indexes about fitting model indexes; therefore the general fitting index of the model can be tested by using them. The amount of these indexes in current research is more than the average, therefore this model is acceptable according to this index.

Index	Amount
X^2	253.08
Df	109
RMSEA	0.058
GFI	0.92
AGFI	0.91
NFI	0.9
X^2/df	2.36

Table 2: fitting model indexes

Conclusion and discussion

According to the results of the first hypothesis, brand association will increase the brand equity, hence regarding to Aaker's opinion (1991), it would be better for the

company to enhance the brand association on any customers with some different ways for increasing the brand equity.

According to the second assumption, if the awareness of customers about the brand increases, the brand equity will be improved. So, it could be better for the company to increase its brand awareness in many ways, as like as using more advertisement, more effective usage of the salespersons in its agencies, or using the social networks. Thus, through these activities the brand equity will be enhanced.

According to the third hypothesis, an enhancement in the perceived quality makes the growth of brand equity. Therefore, we recommend it would be better for Huawei Company to try to increase the quality, whether in its products or in its customer services, especially in the domain of the physical distribution places, to increase its brand equity.

Ultimately, in accordance with the fourth hypothesis, if the customers be loyal about the brand, the brand equity will increase. In other words, in the society of this survey, the brand equity will be improved by the growth of customer brand loyalty. The current results, as like as former results in last researches, emphasizes on the importance of the role of brand loyalty for the creation and promotion of the brand equity. So, it is critical that Huawei mobiles' marketers attend to build loyalty among their customers, because loyal consumers make more customers for the company through many ways like word of mouth advertisement method.

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Appendix one

Questionnaire

Brand awareness

I can recognize Huawei's brand among competing brands.

Some characteristics of Huawei's brand come to my mind quickly.

I know what Huawei's brand looks like.

Brand Loyalty

I would not buy other brands, if Huawei is available at the store.

Huawei would be my first choice.

I consider myself to be loyal to Huawei's brand.

Brand association

I have not difficulty in imagining Huawei's brand in my mind.

I can quickly recall the logo of Huawei.

Perceived quality

Huawei is of high quality.

The likely quality of Huawei is extremely high.

I can aware of Huawei.

Huawei must be of very good quality.

Brand equity

It makes sense to buy Huawei instead of any other brand, even if they are the same.

If there is another brand as good as Huawei, I prefer to buy Huawei.

If another brand is not different from Huawei in any way it seems smarter to purchase Huawei.