



AENSI Journals

## Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: <http://www.aensiweb.com/AEB/>

### Identifying mixed effect of marketing on brand Equity

Matin Rezaei Baloochi

M.A., Department of business management, Islamic Azad university of Rasht, Rasht, Iran.

#### ARTICLE INFO

##### Article history:

Received 15 June 2014

Received in revised form

8 July 2014

Accepted 4 September 2014

Available online 20 September 2014

##### Keywords:

brand special value, industrial brand, dimensions of brand special value, marketing combined, company's mental image

#### ABSTRACT

This paper is considering the relations between combined attempts of marketing, company's mental image, three dimensions of brand especial value and total value of brand special value. In this model 3 different aspects of business markets (service after sale as one of key parameters of attempts combined with marketing, mental image of the company as a mediator of combined attempts of marketing to the dimensions of brand especial value and personal sale as one of main elements of promotion) have been considered. The main problem of the research is identifying and considering research model in order to find the how is combined effects of marketing on brand special value in Iran's market? And managers by controlling combined elements of marketing can achieve maximum value of especial brand and finally constant profitability of the company. This model has been considered in software part of information technology in Iran. For testing hypothesis structural equation model with 470 samples has been used. The result of this test that all attempts combined with marketing have positive effects on total value of brand special value (an agent of market performance) through 3 dimensions of brand especial value.

© 2014 AENSI Publisher All rights reserved.

**To Cite This Article:** Matin Rezaei Baloochi, Identifying mixed effect of marketing on brand Equity. *Adv. Environ. Biol.*, 8(11), 1052-1057, 2014

### INTRODUCTION

A strong brand can be counted as the valuable asset of a business institute. Because it causes an organization achieve more side profits, better cooperation channels and also other advantages [16]. Therefore brand special value since 1980 changed to an important concept in marketing. Brand special value is a concept of creating additional favorability and more value added for a brand through name of its brand [6,11]. Maybe it can be said that Acker has presented the most comprehensive definition of brand especial value. Acker says a product has more value while it is brand than it is not brand and this much value is called brand especial value. Brand special value can create value both for a company and a customer [1]. In this direction a company can increase its competitive situation and financial performance increase through brand. Claire states that customers who associate special brand with positive special value, means that when that brand is named it responds marketing activities more [6,13].

Brand special value is distinguished by a set of dimensions. According to the research done by Acker in 1991, these dimensions are: awareness about brand 2-brand association 3-preceived quality 4-brand loyalty 5-brand other special assets (the right of brand's invention and monopoly). Claire emphasizes importance of brand knowledge that is combination of awareness and association of brand for creating strong brand,[6].

Consideration of studies shows that limited number of studies done in 90s has been done for considering hypothesis of brand special value in business markets. These studies concentrate on relations between brand special value and marketing combined attempts (eg price and promotion) or variables of market performance (eg.profitability and sale volume). They don't consider key variables that include [1] characteristics of brand special value in the field of business marketing, [2] marketing combined value and [3] market performance. Totally it doesn't seem any study show all structural relation between these three variables. In contrast, any study chooses some variables related to studying product market and only considers relations between chosen variables.

Among these studies, only Han & Sung in 2008, consider general structure of relations between dimensions of brand special value, their record and consequences. However it considers different nature of industrial brands that causes concern about the way of effect of company's mental image, services after sale on development of

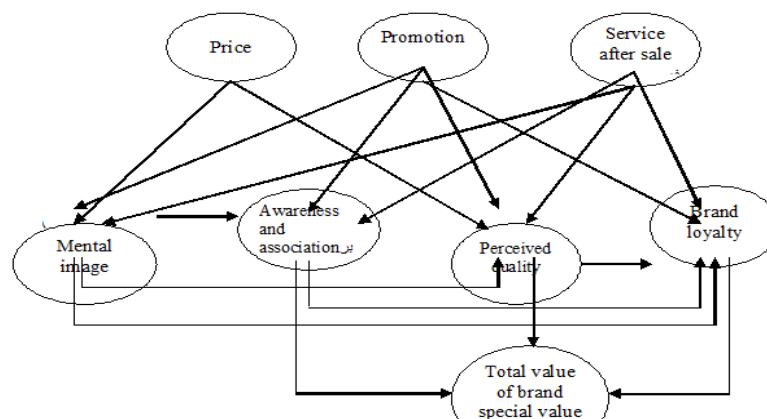
**Corresponding Author:** Matin Rezaei Baloochi, M.A., Department of business management, Islamic Azad university of Rasht, Rasht, Iran.  
E-mail: [Rezaei.matin@yahoo.com](mailto:Rezaei.matin@yahoo.com)

brand special value. Studies of Kim & Hyun in 2010 pay attention to all details and has considered different natures of industrial brands in his studies. Other studies concentrated on relationship between dimensions of brand special value and results [2,4,15] or their records [12,17] except Van Riel in 2005 other studies haven't considered differentiated nature of industrial brand like the way of effect of company's mental image, services after sale and personal sale on brand special value.

Therefore we decide by using Model of Kim & Hyun in 2010 to consider deficiencies in each research. This structural model has high importance in managerial aspect: because it helps companies to perceive that marketing attempts causes to understand brand special value and helps empowerment of market power and it increases financial efficiency. This model in software of information technology has been considered. Brand special value is an important factor for affecting chosen behavior of buyer and companies marketing activities in software industrial markets of information technology. Regarding what Hato stated in 1997 buyers prefer known software brands to less known brands for 3 main reasons: Firstly, they are not familiar with classifying product due to its complexity. Secondly, software of information technology needs a lot of supporting services. Thirdly, software failure causes fundamental problems for company and buyer. Also Webster and Claire in 2004 mentioned that I.B M, Intel, Siemens, sicko have high performance in business markets and their brand high special value helps their performance. Regarding the importance of brand special value in software section of information technology, less research has been done about finding processes affecting development of brand special value. Srivastava and Mokerji in 2004 interviewed with experts in IT software companies and showed that mental image of the company and after sale services is an important factor of brand special value. Therefore IT software section can be a field to be able to process model significantly.

### 2-Theoretical framework of the research:

In those research that is taken from research models of Kim and Hiven in 2010, studies of Acker's in 1996, Vio and Donso in 2001 and Yu et al in 2000 have been used and variables of services after sale, promotion and price and performance of channel as combined parameters of marketing and brand especial value records have been considered and total value of brand special value is as the result of dimension of brand special value and as an agent of market performance. Also mental image of companies is a mediator between marketing combined attempts and dimensions of brand special value that reflects different industrial brands. By using hierarchical effects theory [9], the model shows directions of brand awareness and association to perceived quality, awareness to brand loyalty and perceived quality to brand loyalty. In the model, mental image of a company is a record of brand special value and also a conclusion of marketing combined attempts. In the model it is identified that marketing combined attempts affects company's mental image. This model considers services after sale as a basic parameter of marketing combined attempts and conceptualizes promotion according to business market concepts. Finally 3 dimensions of brand special value, affects total value of brand special value that is a representative of market performance. Finally by considering 3 parameters of marketing combined elements of Kim and Hion model, we use model of shape 1 for the current research.



**Fig. 1:** Conceptual Framework of Research

Regarding above models, hypothesis of the research are as below:

First hypothesis: price has positive effects on brand perceived quality.

Second hypothesis: promotion has positive effects on awareness of brand and association.

Third hypothesis: promotion has positive effects on perceived quality

Fourth hypothesis: after sale service has positive effect on brand loyalty

Fifth hypothesis: after sale service has positive effect on awareness of brand and association.

Sixth hypothesis: after sale service has positive effect on perceived quality.

- Seventh hypothesis: after sale service has positive effect loyalty of brand.  
 Eighth hypothesis: price has positive effects on company's mental image.  
 Ninth hypothesis: promotion has positive effects on company's mental image.  
 Tenth hypothesis: after sale services has positive effect on company's mental image.  
 Eleventh hypothesis: good mental image has positive effects on awareness of brand and brand association.  
 Twelfth hypothesis: good mental image has positive effect on perceived quality.  
 Thirteenth hypothesis: good mental image has positive effect of brand loyalty.  
 Fourteenth hypothesis: awareness of brand and association of brand has positive effect on perceived quality.  
 Fifteenth hypothesis: awareness of brand and brand association has positive effect on brand loyalty.  
 Sixteenth hypothesis: perceived quality has positive effect on brand loyalty.  
 Seventeenth hypothesis: awareness of brand and brand association has positive effect on total value of special value.  
 Eighteenth hypothesis: perceived quality has positive effect on total value of brand special value.

### 3- Research methodology:

This research is applied regarding the goal and regarding data collection and analysis it is descriptive and case study.

In data analysis structural equation model has been used. Structural equation model is a technique of generalized and powerful multivariable analysis from multivariable regression that gives the possibility to a researcher to test a set of regression equation simultaneously.

In current research statistical society includes all people who use IT software of studying companies. Statistical society of the research is estimated 10000 people that are users of two companies producing IT software (colleagues of system and rivers). Sampling method in this research was available improbable method. Researchers regarding time limitation and not accessing to high number of studying people used this method. Also it was supposed to take unlimited statistical society and Cochran formula was used for determining sample number. Method of doing research was in this way that firstly 25 questionnaires were distributed for measuring

$$\frac{(1.96)^2 \cdot (0.54)^2}{(0.05)^2} \cong 448$$

Alpha and also determining standard deviation of final dependent variable that the result is as below:

Therefore it was distinguished that at least 448 people is required for sample volume that a researcher distributed 700 questionnaires for being certain about collecting the mentioned number that finally 439 questionnaire we collected (return rate was about 70 percent that is proper). From collected questionnaire 23 ones were not complete and were put aside at the process of analysis and 470 questionnaires were used at final analysis. In this research a standard questionnaire has been used for collecting information and used responsive spectrum was 5 item likert from completely agree to completely disagree. Variable of price were measured with 2 questions, promotion with 6 questions, after sale service with 3 question, brand awareness and brand association with 3 questions, perceived quality with 4 questions, total value of brand special value with 3 question and mental image of company were measured with 5 questions.

Regarding that in this research standard questionnaire has been used so applied questionnaire as and a tool of data collection of this research has proper validity and in fact its validity has been obtained through content. In this research for assessing reliability coefficient of the questionnaire internal compatibility method and cronbach alpha method that is acceptable regarding reliability. Structural equation model is consist of two steps: one is factor analysis that is a confirmation which determines how observed variables are connected to latent factor and secondly structural model shows relationship between latent variables.

### 4-Result of testing research hypothesis:

According to the table 2 that is obtained from output of lisrel software, we tested hypothesis of the research. Regression coefficient significance test gives ration of considered coefficient on standard deviation related to statistics that follows t distribution. Parameters that their t is not significant can be omitted from the model.

If the amount of t statistic is between -1.96 and +1.96 the aimed relation is not confirmed and if it is out of this range the aimed relation is acceptable and hypothesis is confirmed. In this research 6 hypotheses out of 19 hypotheses don't have significant direction coefficient and 13 hypotheses have significant direction coefficient.

In this research we tested theoretical model by model suitability model. Chi-square value of this model with freedom degree of 355 equals 1218.73 and at significance level of  $p=0.0$  is significant statistically. Suitability indices of the model based on table 2 is:

**Table 2:** indices of research main model

Indices	RMSEA	$\frac{\chi^2}{d_f}$	GFI	AGFI	CFI	NFI	NNFI
Amount	0.064	3.43	0.85	0.85	0.91	0.89	0.89
Proper mode	$0.08 \leq \leq 0$	$3 >$	$0.8 <$	$0.8 <$	$0.8 <$	$0.8 <$	$0.8 <$

Regarding obtained indices it can be said that measuring the model is located in proper situation.

**Table 2:** statistical estimation and result of testing hypothesis

Hypothesis	Direct effect of latent variables on each other	Standardized estimates	t-value	Conclusion
1	Price on perceived quality	0.24	4.37	Confirmed
2	Promotion on brand awareness and association	0.03	1.07	Rejected
3	Promotion on perceived quality	0.00	0.03	Rejected
4	Promotion on brand loyalty	0/07	2.32	Confirmed
5	After sale service on brand awareness and association	0.79	16.47	Confirmed
6	After sale service on perceived quality	0.65	6.94	Confirmed
7	After sale service on brand loyalty	0.40	4.50	Rejected
8	Price on company's mental image	0.17	2.18	Confirmed
9	Promotion on company's mental image	0.05	1.18	Rejected
10	After sale service on company's mental image	0.62	7.49	Confirmed
11	Company's mental image on company's awareness and association	0.16	4.38	Confirmed
12	Company's mental image on perceived quality	0.12	3.21	Confirmed
13	Company's mental image on brand loyalty	0.25	6.04	Confirmed
14	Brand awareness and association on brand loyalty	-0.02	-0.32	Rejected
15	Perceived quality on brand loyalty	0.32	5.33	confirmed
16	brand awareness and association on total value of brand special value	0.38	6.88	confirmed
17	Perceived quality on total value of brand special value	0.16	2.54	confirmed
18	Brand loyalty on total value of brand special value	0.41	5.73	confirmed

Result of the research is as below:

#### 4-1) relation between marketing combined attempts and dimensions of brand special value:

Hypotesis2 and 3 and 7 are not acceptable because their t statistic is defined out of range and is not significant statistically. Hypothesis of 1, 4, 5 and 6 have significance statistic and are acceptable. Price has positive relation with perceived quality. Other various studies have presented documents for confirming this relationship that consumers use price as an important external factor at evaluating product quality. A brand with high price has often seen as brands with higher quality and is less damaged against competitors price decrease. Van Reil et al showed that price has positive effect on perceived quality and on the one side by affecting customer's satisfaction it is effective on their loyalty whereas In this research we didn't find direct effect between price and loyalty of brand but we see that it affects brand loyalty through perceived quality indirectly. Promotion has positive effect on brand loyalty. VanReil et al claimed that at industrial marketing, advertising activities like brochure, personal sale and websites are often mentioned as record of brand especial value. Exhibition, business sign, conferences, direct email advertisement, press subjects, word of mouth advertising and technical consulers are considered as information references especially at markets having high technology. Personal sale is often emphasized as an important communicative media in business markets. It is reasonable that personal sale is a mean for presenting proper information with different needs and loyalty of a brand is often obtained directly and through contact with sellers at business markets. Services after sale has positive effects on awareness and brand association and brand perceived quality. Performance of IT software is severely dependent on services after sale. Thus it is natural that services after sale are often important at structure of perceived quality. However its relationship is weak with brand loyalty. As it was mentioned above, loyalty is constant under relations between buyer and seller and services after sale can'taffect change of this relation.

#### 4-2) Relations between marketing combined attempts and company's mental image:

Hypothesis 9 is not acceptable regarding amount of t statistic. Hypothesis 8 and 10 has significant statistics and after sale service has positive effect on company's mental image. As it is observed price has the least importance on process of brand judgment and determining what price is proper for this brand is not simple. However through company's mental image it can affect dimensions of brand special value. Van Reil et al in their consideration showed that there is positive relation between promotion and services after sale with company's mental image but in this study we didn't find significant relationship between promotion and company's mental image that can be related to weak function of promotion at business markets of statistical society.

#### 4-3) Relations between company's mental image and dimension of brand especial value:

Hypothesis 11, 12 and 13 have been accepted and amount of their t value locates at the range of significant statistic. Company's mental image has positive effect on awareness of brand and brand association and it seems that company's mental image plays more important function than consumable marketing at creating brand special value, at industrial marketing. Modambi et al in 1997 introduced company's mental image as an important records of brand special value at business markets. Totally as it is predicted, company's mental image plays a mediator function at the process of development of especial value of business sign. Van reil et al showed that mental image of the company has positive effect on brand loyalty. Good Mental image certain customers and industrial buyers that it increases perceived quality of brand. Company's fame affects intention of buying and also expected quality in a market. Good mental image also is effective against competitors. Totally good mental image has high importance while a customer needs to evaluate a supplier or new product. It decrease threat and make reasonable the process of selection. Company's mental image is a key for related association at industrial buyers mind.

#### 4-4) Relations between dimensions of especial brand and total value of especial brand:

Hypothesis 14 and 15 are rejected and hypothesis of 16, 17, 18 and 19 are confirmed. Relations between perceived quality and brand loyalty as it was predicted are significant. Awareness and association of company's brand don't affect perceived quality of the product and brand loyalty. In previous study positive and significant relation between three dimensions of brand especial value is seen whereas in current study only relation between perceived quality with brand loyalty is confirmed and there wasn't a relationship between brand awareness with perceived quality and brand loyalty against relationship prediction that can be identified that in statistical society of current research customers have limited outlook than other brands and it can't encompasses their view toward current brand.

Although services after sale didn't affect loyalty directly but affects brand loyalty through perceived quality indirectly.

Price and services after sale has positive effect on company's mental image. In contrast company's mental image has positive effect on perceived quality and then perceived quality has positive effect on brand loyalty. Totally company's mental image and perceived quality of key variables are at the process of marketing combined attempts that leads to brand loyalty.

As it was predicted based on previous studies, relationship of total value of brand special value with 3 dimensions of brand special value is positive and significant. It is noticeable that awareness of companies brand has strong effect on total value of brand special value whereas it is not in relationship with two other dimensions of brand special value. Perceived quality has significant positive effect on total value of brand special value in directly and also indirectly through loyalty.

Regarding the result, final model of research is mentioned in figure 2.

#### Conclusion:

Regarding the result, three findings are noticeable. Firstly company's mental image has axial role at the process of brand special value. Previous researches showed that company's mental image in business markets helps consumable markets more than brand special value. Companies should try to improve their company's mental image by paying attention to the combined marketing affecting their company's mental image. In estimated model, price and services after sale affects brand special value directly or indirectly through company's mental image. Secondly technical supporter provides good opportunity for creating close relation with customers that affects mental image of customers of the company and forces a customer to be a customer.

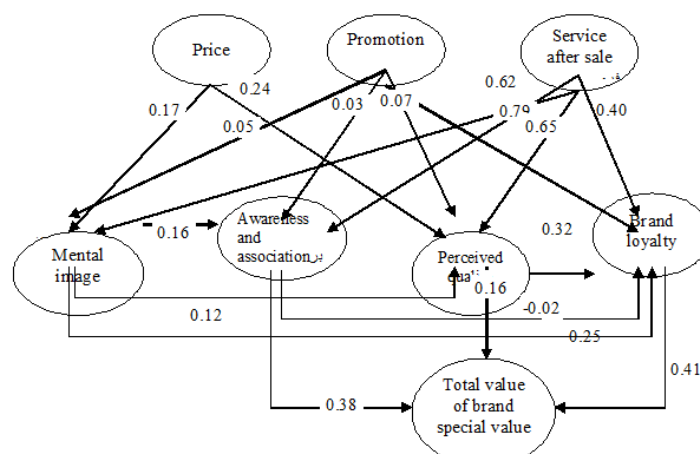


Fig. 2: result of structural equation model

Thirdly, dimensions of brand value affects total value of brand special value that is an agent of market performance. It is regarded that brand loyalty has strong effect on total value of brand special value through being affected by perceived quality. Therefore companies should try to enhance market power by concentrating on effective parameters and inverse their financial performance.

For comprehensiveness of future research, researchers can seem two cases. Firstly research can be done at the level of companies with more customer volume. Secondly, variable of channel can be added to the first level model and beside variables of price, promotion and services after sale in future research and finally variable of satisfaction can be used before loyalty variable in the research.

## REFERENCES

- [1] Aaker, D.A., 1991. *Managing Brand Equity*. New York: Free Press.
- [2] Baldauf, A., S.K. Cravens and G. Binder, 2003. "Performance Consequences of Brand Equity Management Evidence from Organization in the Value Chain", *Journal of Product & Brand Management*, 12(4): 220-236.
- [3] Davis, D.F., S.L. Golicic, A.J. Marquardt, 2008. Branding a B2B service: Does a brand differentiate a logistics service provider? *Industrial Marketing Management*, 37(2): 218-227.
- [4] Kamakura, W.A. and G.J. Russell, 1993. Measuring brand value with scanner data. *International Journal of Research in Marketing*, 10(1): 9-21.
- [5] Keller, K.L., 2008. *Strategic brand management: building, measuring, and managing brand equity*, 3rd ed. New Jersey: Pearson Education International.
- [6] Kim, J.H and Y.J. Hyun, 2010. A model to investigate the influence of marketing-mix efforts and corporate image on brand equity in the IT software sector, 40(3): 424-438.
- [7] Lavidge, R.J., and G.A. Steiner, 1961. A model for predictive measurements of advertising effectiveness. *Journal of Marketing*, 24(6): 59-62.
- [8] Ojasalo, J., S. Natti and R. Olkkonen, 2008. Brand building in software SMEs: An empirical study. *Journal of Product and Brand Management*, 17(2): 92-107.
- [9] Park, C.S. and V. Srinivasan, 1994. A survey-based method for measuring and understanding brand equity and its extendibility. *Journal of Marketing Research*, 31: 271-288.
- [10] Roberts, J., and B. Merrilees, 2007. Multiple roles of brands in business-to-business services. *Journal of Business and Industrial Marketing*, 22(6): 410-417.
- [11] Severt, K.S. and R. Palakurthi, 2008. Applying Customer Equity to the Convention Industry", *International Journal of Contemporary Hospitality Management*, 20(6): 631-646.
- [12] Slattery, H. and R. Shaw and R.W. Shaw, 2003. Brand Value in the Context of Australian Football League Clubs", *Conference Proceedings Adelaide*.
- [13] Taylor, S.A., G.L. Hunter and D.L. Lindberg, 2007. Understanding (customer-based) brand equity in financial services. *Journal of Services Marketing*, 21(4): 241-252.
- [14] Tran, QHM., 2006. Retailers' perceptions of product brand equity: an empirical study of Vietnamese independent grocers", DBA thesis, Southern Cross University, Lismore, NSW. Copyright QHM Tran.
- [15] Van Riel, A.C.R., C. Pahud de Mortanges, S. Streukens, 2005. Marketing antecedents of industrial brand equity: An empirical investigation in specialty chemicals. *Industrial Marketing Management*, 34(8): 841-847.
- [16] Yoo, B., N. Donthu, 2001. Developing and validating a multidimensional consumerbased brand equity scale. *Journal of Business Research*, 52(1): 1-14.
- [17] Yoo, B., N. Donthu, 2002. Testing cross-cultural invariance of the brand equity creation process. *Journal of Product and Brand Management*, 11(6): 380-398.