Investigating the determinants of brand equity using Aaker model
(Case Study: products of Automobile Anti-Theft System)

MASOUD HOSSEINI SAMIAN[1]
M.A Student in International Business Management
Islamic Azad University, Abhar Branch, Abhar, Iran
MOHAMMAD JALILI
PhD, Assistant Professor
Islamic Azad University, Abhar Branch, Abhar, Iran
MUSA AHMADI
Faculty Member
Islamic Azad University, Abhar Branch, Abhar, Iran

Abstract:

Brand equity is marginal utility or added value which is created by a product like Coca-Cola in terms of its brand. The main objective of this study was to evaluate the impact of brand equity elements based on Aaker model on products of automobile anti-theft systems with Magicar and Easycar brands. The purpose of this research is applied; it is descriptive-correlation and field study in data collection. In this research, the data collected from regional customers of Magicar and Easycar products. The tests used in this study are descriptive tests to investigate the measures of dispersion of collected responses and to describe the respondents' data. Also, analytical tests are to generalize the results to the target population. In this study, inferential tests are K-S test to consider the normality of the data; the correlation and regression tests to check the effect of independent variables on dependent variable (brand equity). Moreover, paired sample test is to compare the means of brand equity dimensions in two products. The results show that the effect of perceived quality of the

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[1] Corresponding author

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brand, brand awareness, brand associations and brand loyalty on brand equity is significant in both Magicar and Easycar. Also, the average of brand equity dimensions is similar for both Magicar and Easycar.

Key words: brand equity, Aaker model, anti-theft systems, Magicar, Easycar

Introduction

Today the customer satisfaction has become the decisive factor in all public and private organizations as well as in services and industry. Due to wide-spreading feature of this subject, it is one of the basic and unavoidable principles of quality management; it is equally important criterion in organizational excellence models. Further, it is known as fundamental objective of awarding ISO degree in the latest revision of ISO standards family (2000- 9000) (Karimi Alavijeh, 2004).

The concept of brand equity is used in most models of analysis; it is considered in evaluating the customer's perspective and finding position in the market. According to first definition given by Farquhar in 1989, the brand equity is "added value" by which a particular value is given to a product. Except for the initial definitions of Farquhar, other definitions are also presented. According to Lassar & et al, the brand equity has also been studied with respect to financial and customer-centric approach. In other words, the financial means the value of brand that is for institution, from customer-centric perspective it is brand value for customers who are decision-makers in an economic activity. It is also meant to strengthen and increase the usage and quality that a brand gives to a product (Lassar & et al, 1995).

Aaker's approach in brand equity model is a research-based approach that means it doesn't seek to determine financial value for brand. This model is composed of five

elements; Aaker believes that these five elements together with form the brand equity. Aaker model consists of five main variables and eight sub-variables. The main variables are including: brand awareness, brand associations, brand perceived quality, brand loyalty, and other proprietary assets. Quality, market leadership, promotion, price, customer commitment, identity, brand value and satisfaction are sub-variables. They are related to main variables to explain the relationship between brand and desirability factors for customers (Aaker, 1996).

In this study, the main emphasis is on the impact of brand equity elements based on Aaker model on products of Automobile Anti-Theft Systems with Magicar and Easycar brands. The reason for selecting these two companies in addition to broadness of their products selling is that the products of these manufacturers are almost similar in most models. Their prices are very close to each other and thus assessing the desirability factors for customers will be done more carefully.

Accelerated and turbulent conditions for today business world has caused many enterprises, which had special place in their activity area of market, to be in a position that their competitors from around the world threaten their entity. While by growth of information technology we can hardly imagine an area for an organization's performance (Bahraini Zade & Ziaei, 2012). Management and business professionals are seeking to explain and interpret business requirements in the changing environment and to provide solutions to improve the competitive position of organizations. So, in today's world, with developing information about every movement and decision-making of the organization, its "brand" is evaluated. Hence, its positions and failures are appearing by its brand. Today, the brand is regarded as capital of many businesses; hence brand of a company is more valuable than its tangible assets. On the other hand, it is a mental and spiritual movement that should

be placed in the minds of consumers, buyers, shareholders, employees and users (Parhizgar & Ebrahimi, 2012).

Brands have social nature; those are successful that people in the community have a sense of belonging and ownership about them, consider them as their own brand and totally attempt to take advantage of them. It has been seen that people of a society have become free marketers of brands in an unconscious way or to attract the attention of others. They may introduce and advertise one or several special brands without having functional interests. The importance of understanding the influence of brands on sales of capital and commercial goods and how to choose them to the best way can double the necessity to study. This can indicate the quality and production process of products.

Regarding above, the aim of present research is to investigate the effect of brand perceived quality of Magicar alarm on its brand equity.

Method

This research is applied in aim and descriptive-correlation study in terms of data collecting.

Population and statistical sample

The statistical population included all those who are using the anti-theft systems (car alarms) of Magicar and Easycar in Tehran city that are imported by Asian car security and stable system protection companies into the country. To distribute the questionnaires the random sampling method will be used based on geographic region. In this way, the interviewers in automobile anti-theft system sales centers ask questions from people who randomly will be faced with them in Tehran at 3 regions.

In this study, the library and field methods are used to data collection: field method to collect statistical data and

library method to gather data in the field of research literature and theoretical background. For this purpose, the required information about the variables is collected from a sample group using a questionnaire. In addition, by using taking notes the necessary information on research literature and background is gathered from books, websites, digital books, journals and magazines.

The questionnaire consists of two parts: the first part included a brief description of it and how to complete the questionnaire to establish more clarity of the respondents. The second part involved questions that are related to the research variables. In the second part the questionnaire was designed as a package. The Cronbach's alpha will use to assess the reliability of the questionnaire. Also, to measure the validity, the confirmation of professors, advisors and experts will be applied. Moreover, the questionnaire has Likert scale, so that 5 options are considered for each question.

The correlation test, Durbin-Watson test, analysis of variance and regression were used to analyze the data.

Table 1. Correlation test results for brand perceived quality and brand equity (Magicar)

		brand perceived quality	brand equity
brand perceived quality	Pearson correlation	1	.810**
	Level of significance (two-tailed)		.000
	number	117	117
brand equity	Pearson correlation	.810**	1
	Level of significance (two-tailed)	.000	
	number	117	117

Table 2. Test results of Durbin-Watson for brand perceived quality and brand equity

model	regression	coefficient of determination	Adjusted coefficient of determination	Standard deviation of prediction	Durbin-Watson
1	.810a	.656	.653	.67680	2.303

Table 3. Results of ANOVA for brand perceived quality and brand equity

model		Sum of squares	df	Mean squares	F	Sign.
1	regression	100.381	1	100.381	219.141	.000a
	Error	52.677	115	.458		
	total	153.058	116			

Table 4. Regression coefficients for brand perceived quality and brand equity

model		Non- standard coefficients		standard coefficients	T	Sig.
		B	Standard error	beta		
1	brand perceived quality	.231	.213		1.085	.280
	brand equity	.920	.062	.810	148.03	.000

According to the results of correlation it can be seen that there is a high correlation between brand perceived quality and brand equity. Results of Durbin-Watson test also show that the probability of correlation between errors is low. Based on the findings of regression test and analysis of variance, the null hypothesis is rejected at 95% confidence. However, the opposite hypothesis that "there is relationship between brand perceived quality and brand equity" is approved. Consequently, it is accepted that there is relationship between brand perceived quality and brand equity that is significant and positive with respect to regression test.

Discussion and conclusion

Every day, countless purchase decisions are made by consumers; they are the central point of marketing efforts. Detailed and meticulousness studies of many large companies are on consumers' purchasing decisions in order to answer following fundamental questions: What do the consumers buy? Where do they buy? How and how much do they buy? When and why they buy? Consumers do some actions as customer

decision-making process to purchase a product or service. After identifying their needs, they gathered information and based on it, they assessed purchasing options. Ultimately, they made their decision (Divandari & et al., 2011).

Therefore, the impact on decision to buy in current world has forced the marketers to focus more on branding strategies, building and protecting the loyal customer base by offering high value to them (Keller, 2008). More intense the competition, the managers are more encountered brand adaptation challenges with customers' changed perceptions (Kim and Sugai, 2008).

It's very important to understand that creating value for consumers is not generated only by functional utilities of product or service (Lee & et al., 2009). Also, value in terms of consumer behavior does not exist in product or service because it is in minds of actual and potential consumers (Kassim & Abdullah, 2010). Thus, focus on the minds of the audience and how to generate a subjective value (Louis & Lombart, 2010) play a key role in long-term value creation. Brand strategic management and branding implementation methods are allocated a key position in the organizations strategic management process.

Branding in today's market has vital importance as a tool for creating customer loyalty, gaining profitability and sustainability of organization (Bennetta, 2005). Furthermore, this concept is a powerful tool for enterprise resource planning to develop a strategic competitive advantage. Although, to date, some benefits may be confused in practice, it is said that current focus in the company branding on main values and culture has led to excessive consideration of organization on its own brand identity. As a result, it is reduced its responsiveness to changes (Torres & Bijmolt).

Based on the results, it is suggested that manufacturers of these products by focusing on these indexes increase their brand equity. Thus, it will be followed by attracting more customers and selling more products.

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