

Determination of Customer based Brand Equity and Its Impact on Loyalty for Apparel Brands among Young Students of Chennai City



V. Devendranath Reddy, S. Fabiyola Kavitha

Abstract: There is a fastidious saying that "Customer is a king". Mahatma Gandhiji has also quoted that "Customer is the most important visitor on our premises". Marketers and firms had understood that desire of the customers is very important for their brands. Customer passion is the drive of any brands. Brand equity refers the brand value.

Methodology: Undoubtedly brands are the asset of the company. Customer based brand equity is to determine the customer attitude towards a brand. CBBE model was proposed by Aaker(1991) and K.L Keller(1992). Based on the model, the researcher has proposed a questionnaire construct which is administered to the young student's community of Chennai city regarding the apparel brands which they patronize in their everyday life. 273 samples were collected from the young college students of Chennai. 10 samples were taken for pilot study to check the validity of the questionnaire and the responses.

Research Gap: Earlier studies have proved that Brand Awareness, Brand Associations, Perceived quality and Brand loyalty are the dimensions of brand equity. In this study the researcher has slightly made an alteration by adding additional constructs namely Brand relevance and Brand differentiation (Brand Asset Valuator Model of brand equity) and attempted to prove all the 5 dimensions are having impact on brand loyalty. Author proved, perceived quality is the mediation construct to achieve the brand loyalty (outcome) using Structural equation modelling.

Findings: Findings proved that Brand Awareness, Brand Associations, Perceived quality, Brand relevance and brand differentiation is having an impact on loyalty among young students of Chennai city.

Keywords: CBBE, Branding, BAV, Apparel, Brand Equity.

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* Correspondence Author

V. Devendranath Reddy*, Research scholar-BIHER, Bharath Institute of Higher Education and Research Selaiyur, Chennai, Tamil Nadu 600073

S. Fabiyola Kavitha, Assistant Professor-BIHER, Guide, Bharath Institute of Higher Education and Research Selaiyur, Chennai, Tamil Nadu 600073

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I. INTRODUCTION

What is Brand Equity?

Brand Equity is a set of assets and liability linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers- David Aaker (1991).

In order to construct a strong brand, the company should read the minds of the customer; about how do they feel about your product.

Brand Equity best describes about the value of the brand. Brand equity is all about the customer perceived knowledge about the brand awareness, brand association, perceived quality. Brand equity helps the firm to steer the company during stiff competition. This model was constructed by

Aaker (1991). A researcher has concluded that brands are the invaluable assets of the company. Brand equity will increase the profit and financial positions of the company. Brand equity may be earned through effective advertisements, celebrity endorsements. Brand equity is decisive, however it is very knotty to numerically quantify.

Constructs Used In The Study Based On Aaker (1991) And Baw Model

BRAND AWARENESS	Familiarity of the brand among the customers which depicts the strength of the brand and fewer associations.
BRAND ASSOCIATION	The degree to which brand creates positive feelings which is thoughtfully placed in the minds of the customers
PERCEIVED QUALITY	It illustrate about the quality of the product which can be measured using price, brand extension and availability through different sales channels.
BRAND LOYALTY	The extent to which how customers are loyal towards the brand. Loyal customers represent a constant revenue for the companies.

BRAND RELEVANCE	This determine the personal aptness of a brand to the customers
BRAND DIFFERENTIATION	Exceptionality of the brand which makes to stay special from the competitor brand

II. REVIEW OF LITERATURE

Using David Aaker's conceptual model of brand equity, the researcher investigated the existing relationship among the 4 constructs of brand equity in the sportswear industry of china from Beijing and Shanghai the researcher collected 304 samples. The Author explored that brand association and brand loyalty are dominant dimensions of brand equity. No or low support was found for the perceived quality and brand awareness. (Xio tong(2009)

The Author explored that, constructs of brand equity is having an effect on financial performance of the hotels. Empirical research was conducted in 12 luxury hotels. The results indicated that brand loyalty, perceived quality and brand image are the important constructs of brand equity. Using correlation analysis the author proved the effect of brand equity and finance performance of the hotels.(Kim,2003)

Customer-based brand equity happen when the customer is proverbial with the brand and holds some constructive, sturdy, and exceptional brand associations in their conceptual memory (Kevin Lane Keller,1993)

The antecedents of destination brand loyalty were examined from travellers of Australia. Results revealed that destination brand awareness, brand image, and brand value are absolutely linked to brand loyalty while Australia is considered to be brand which is promoted among the tourists. Though, destination brand quality was not radically related. The Author also revealed that Australia is a persuasive tourism destination brand for those who visited earlier.(Bianchi, C,2010)

The author examined the Customer based brand equity among college students of United States by collected 419 samples. Brand awareness, perceived value, brand

uniqueness and brand associations are the predictors of fashion loyalty towards the branded apparels.(Jin Su,2018)

The author aimed to explore the four dimensions of brand equity among branded LCD televisions. For the purpose 160 samples was collected Indore city. Among the construct Brand association alone is not significant in the consumer electronics market.(Sainy 2011).

III. RESEARCH DESIGN

The questionnaire construct was developed using 31 variables comprised of Brand awareness, Brand association, perceived quality, brand loyalty, brand relevance and brand differentiation. The questionnaire was framed based on Aaker(1991) and Brand Asset Valuator (BAV) model using five point Likert scale. The questionnaire was administered to young students of Chennai city who patronize branded apparels from speciality stores and retail chains. 273 samples were collected and data analysis was carried out using IBM SPSS 20.0 and IBM SPSS AMOS 20.0. Multiple regression, Pearson Correlation and Structural Equation modelling were the tools used.

IV. HYPOTHESIS FRAMED

H1 –There is a direct relationship between Brand loyalty and Brand awareness

H2- There is a direct relationship between Brand loyalty and Brand Association

H3- There is a direct relationship between Brand loyalty and Perceived Quality

H4- There is a direct relationship between Brand loyalty and Brand Relevance

H5- There is a direct relationship between Brand loyalty and Brand Differentiation.

V. RESEARCH QUESTIONS

Do Brand equity in apparels is having an effect on brand loyalty among the young students community of Chennai city?

Does Brand differentiation will lead the apparel brands as unique?

Table. 1 Reliability Statistics

FACTORS	CRONBACHE'S COEFFICIENT	ALPHA	NO OF ITEMS
BRAND AWARENESS	0.731	03	
BRAND ASSOCIATION	0.902	12	
PERCEIVED QUALITY	0.656	05	
BRAND LOYALTY	0.835	04	
BRAND RELEVANCE	0.804	04	
BRAND DIFFERENTIATION	0.638	03	
TOTAL 31			

The Cronbach alpha coefficient ensures the internal consistency of the data set. The alpha value is computed for each factor. Normally the reliability above 0.5 will be acceptable and the data set is closely related as a group.

Here the calculated alpha value is ranging between 0.6 to 0.9. (See table 1)

VI. MULTIPLE REGRESSION

Table. 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.757 ^a	.573	.565	.50093

a. Predictors: (Constant), BRAND DIFFERENTIATION, PERCEIVED QUALITY, BRAND RELEVANCE, BRAND ASSOCIATION, BRAND AWARENESS
b. Dependent Variable: BRAND LOYALTY

The R square value obtained is 0.573 which shows 57% of the variance (Brand loyalty) can be explained from 5

constructs which is depicted as a predictor variable in the study. (See table 2)

Table. 3 Coefficients –Brand Equity Vs Brand Loyalty

Coefficients	Model	Unstandardized Coefficients		Standardized Coefficients t	Sig.
		B	Std. Error		
1	(Constant)	.543	.195	2.789	.006
	BRAND AWARENESS	.023	.161	.145	.885
	BRAND ASSOCIATION	.380	.090	4.204	.000
	PERCEIVED QUALITY	.440	.073	6.030	.000
	BRAND RELEVANCE	.140	.158	.886	.376
	BRAND DIFFERENTIATION	-.095	.076	-1.248	.213
	a. Dependent Variable: BRAND LOYALTY				

Brand Loyalty = 0.543 + (0.023*Brand Awareness) + (0.380*Brand Association) + (0.440*Perceived Quality) + (0.140* Brand Relevance) + (-0.095*Brand Differentiation).

Brand Association is the significant predictor of brand loyalty (sig 0.000, beta coefficient 0.374), Perceived quality is the significant predictor of brand loyalty (sig 0.000, beta coefficient 0.366). All the other constructs are insignificant.

Table. 4 Pearson Correlation

	BRAND AWARENESS	BRAND ASSOCIATION	PERCEIVED QUALITY	BRAND LOYALTY	BRAND RELEVANCE	BRAND DIFFERENTIATION
BRAND AWARENESS	1					
BRAND ASSOCIATION	.797 ^{**}	1				
PERCEIVED QUALITY	.667 ^{**}	.723 ^{**}	1			
BRAND LOYALTY	.640 ^{**}	.695 ^{**}	.697 ^{**}	1		
BRAND RELEVANCE	.970 ^{**}	.780 ^{**}	.686 ^{**}	.646 ^{**}	1	
BRAND DIFFERENTIATION	.749 ^{**}	.836 ^{**}	.613 ^{**}	.570 ^{**}	.732 ^{**}	1

**. Correlation is significant at the 0.01 level (2-tailed).

The Hypothesis H1 is supported, the r value for Brand loyalty and Brand awareness is 0.640, which is significant, and the r value is 0.695 between brand loyalty and brand association which supports H2. Perceived quality and brand

loyalty is having r value of 0.697 which supports H3, Brand relevance is having r value of 0.646 which support



H4. 0.570 is the r value for Brand differentiation when correlated with brand loyalty which supports H5. All the

five proposed hypothesis supports the research objectives. (See table 4).

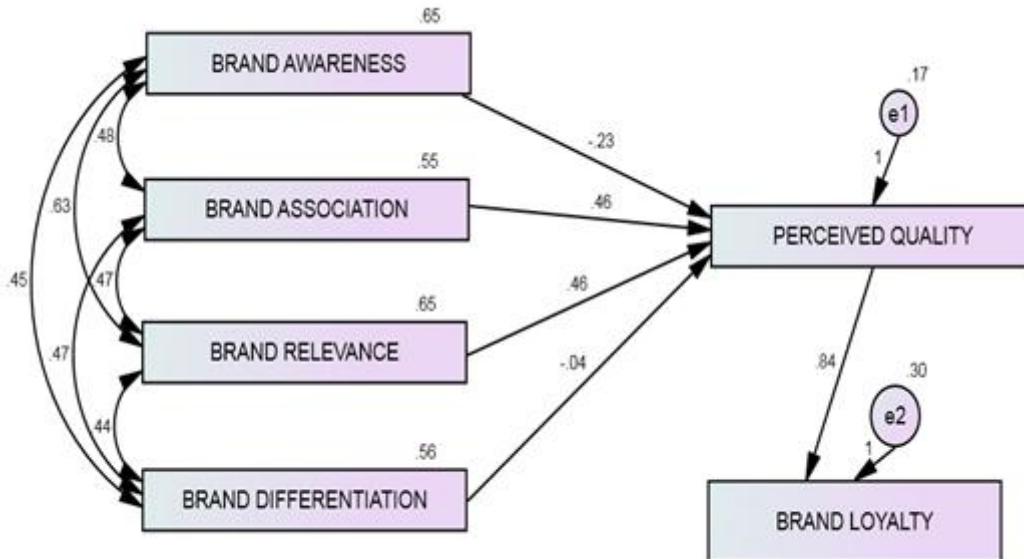


Fig. 1 Structural Equation Modelling Model Fit Index

Chi Square 50.700
 p=0.000
 GFI=0.946
 AGFI=0.818
 RMSEA=0.038

Table. 5 Regression Weights

			Estimate	S.E.	C.R.	P
PERCEIVEDQUALITY	<---	BRANDAWARENESS	-.235	.133	-1.765	.078
PERCEIVEDQUALITY	<---	BRANDASSOCIATION	.460	.070	6.589	***
PERCEIVEDQUALITY	<---	BRANDRELEVANCE	.461	.128	3.594	***
PERCEIVEDQUALITY	<---	BRANDDIFFERENTIATION	-.040	.063	-.629	.529
BRANDLOYALTY	<---	PERCEIVEDQUALITY	.839	.052	16.032	***

The Structural path was derived from text output option of AMOS 20.0. The regression weigh score estimation shows the significance of the study which supports or rejects the proposition of the study. The C.R value obtained is 6.589 which is greater than 1.96 for Perceived quality and Brand association, where the p value is 0.000. (*** depicts the significance). The C.R value is 16.032 for brand loyalty and perceived quality. Structural path between the other constructs are insignificant.(See table 5)

VII. FINDINGS, IMPLICATION AND CONCLUSION

The researcher has found all the constructs of brand equity is having an association with brand loyalty since the r value and the p value obtained has not exceeded the limit.

However while regressed the brand loyalty with the brand equity model, Perceived quality and Brand association are found to be the significant predictor of brand loyalty, while other constructs remains insignificant. The same was evidenced while looking into the estimates of structural path of SEM model. Brand managers and marketers deep

involvement in promoting the brand have to be acknowledged at this stage, because brand association is one of the major predictor of brand loyalty. Brand association will come through eye catching advertisements, word of mouth, sensitive price of the brand (may be economical or attractive),celebrity endorsement, product quality ,displays in point of purchase. Apparel is the one which provides the identity for the person. In India branded apparels are very illustrious today, as tailored fit through traditional shops are vanished or getting vanished. Generally speaking, India's fashion is branded hereafter. Branding may be developed through the brand association components which are listed in the implications part. As per our nation, apparel industry is one of the fastest growing industries and in 2026 it will reach new heights as per the statistics. Increased consumption basket, increased disposable income, dressing sense of youth community is the additional support for the apparel brands. As per the study, brand differentiation is not the significant predictor of brand loyalty.

When the researcher deeply thinks the answer is little complicated. Brand differentiation will lead to buy a brand again and again. It should be a prophet of brand loyalty anyway. That may be limitations for the study. A personal survey may be conducted by the company itself to perceive even more from the young apparel lovers. However branding is the intangible asset of any company.

VIII. SCOPE FOR FURTHER RESEARCH

Brand Equity may be linked with Service quality of the branded retail apparel stores and financial performance of the firms. Few more additional constructs may be linked with brand equity and cross sectional research may be carried out with different age groups. Brand equity may be studies among the rural young population and a unique strategy may be devised to develop a consumer based brand equity for rural parts of the nation.

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