

## **BRAND EQUITY PERCEPTION: A STUDY OF INDIAN COMPANIES**

*Shveta Kalra*<sup>1</sup>

Branding is one of the fundamental decisions in the marketing of products in which an organization uses a name, phrase, symbols or combination of these to recognize its products and services and to separate them from those of rivals. A brand is a name, symbol, design or mark that enhances the value of a product beyond its functional value. A brand is a unique element that identifies and differentiates the product or service of one organization from those of competitors and contributes to enhancing the value of the offerings. Brand Equity denotes the added value endowed by the brand to the product. The concept of brand equity can be studied from the customer's as well as financial perspective.

Brand Equity, according to financial perspective, can be summarized as the net incremental cash inflows that accrue to a brand. The outflows are the brand investments which include expenditure on advertising, promotion, etc.. In terms of customers' perspective, brand equity is positive associations and behavior patterns in the minds of customers. Associations include both product and corporate associations which enable a firm to obtain extra revenue from the customers. In view of the topical area of research i.e., Customer based brand equity (CBBE), the present study adapts the customer perspective to brand equity perceptions. It measures brand equity perception as the summated score of three value perception viz. emotional, functional and social value.

Dimensions/sources provide the mechanism through which brand equity perceptions endow value to a customer and constitutes the starting point for brand equity perceptions to exist. The present study investigates various dimensions for their relationship with brand equity perception viz. brand awareness, brand image, brand image consistency, brand performance, brand imagery, perceived quality, brand credibility, corporate reputation, country of origin, organizational association, brand trust, brand loyalty, brand heuristics, sense of community, intergenerational influence and ad likability. The study investigates the mediation of brand equity perception between the relation of brand performance and brand loyalty; between brand trust and brand loyalty; between brand image and brand loyalty; between sense of

---

<sup>1</sup>Assistant Professor, Satyawati College (Morning), Doctoral dissertation submitted at Department of Commerce, University of Delhi in 2015.

community and brand loyalty. The study also checked the indirect effect of (a) perceived risk reduction and information costs saved between the relation of brand credibility and brand equity perception; (b) corporate reputation between the relation of organizational associations and brand equity perception; (c) perceived quality and brand image between the relation of country of origin and brand equity perception.

A structured non-disguised questionnaire was used for the purpose of collecting the primary data. Three sets of questionnaires were developed with each one covering fast moving consumer goods (FMCG), non-FMCG and service sector. The first questionnaire covered breakfast cereals; LCD TV's and Chain restaurants. Second questionnaire included athletic shoes, air conditioners and tele-communications. Jeans, cars and online shopping sites were covered in the third questionnaire. Each category of FMCG, non-FMCG and service sector covered four brands. A total of 1462 valid responses were collected.

The study found the brand image, image consistency, brand performance, brand imagery, perceived quality, brand credibility, brand trust, brand loyalty, brand heuristics, sense of community, advertisement likability to significantly impact brand equity perception. It found that except for perceived risk reduction, all other dimensions mediates only partially.

No study is free from limitations. The present study measures brand equity in terms of customer perception only. There are several dimensions of brand equity perception which have not been explored in the present study like brand experience, brand passion, marketing communication, brand structure (brand assortment and brand variation). The impact of social media on brand equity is also not explored in the present study. Another limitation of the present study relates to generalizations of the research findings. Future, research studies can take care of the effect of social media on brand equity perception. With the help of more sophisticated analysis techniques like path analysis, future researches may investigate to find out the pattern of relationship between brand equity perception and its various dimensions.