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Strategic Brand Management: Creating and Sustaining Brand Equity of Service Products in India

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ABSTRACT

The research is an attempt to unfold various aspects of brand equity of service products in Indian context. Study covered peculiar incidents, factors or features of products and associated services which has significant impact on creating and sustaining brand equity in customer's psyche. Some very important elements (factors) have been identified that plays a crucial role in brand building. The research provide valuable results to the corporate to look upon some overlooked events at the time of service encounter which may create a brand unforgettable or may create a forgettable brand. Thus, the study adds a new approach into 'Strategic Brand Mgt.'

INTRODUCTION

Since inception value of an organisation was calculated in terms of the tangible assets it have in the form of land and building etc. but recently world realised that the true value of a company lies outside in the customer's mind, his or her perception . In today's world perceived value play a major role. People are ready to pay higher for the brand in result they are not only paying for the product but for the brand image it holds. Nowadays the best guaranteed future earning is image, brand awareness, trust and reputation in the market which all in return justify the paid price. All this gave brand a respectable position in company's capital and further recognised as brand equity. This all further give rise to the war of dollars Euros and yen which make it an important issue for management to manage. Brand management starts with the product and service as the prime vector of perceived value, while communication is there to form structure, to orient tangible perceptions and to add intangible ones.

Jean-Noel Kapferer in his book "Strategic Brand Management: Creating and Sustaining Bra Kevin Lane Keller (2nd Edition) and Equity Long Term" (published in 1997) defined strategic brand management as a branch of brand management that totally deals with the concept and practice of managing a brand. Like TQM, strategic brand management is also a holistic approach which is long term and integrative way adopted by company in creating managing and developing itself as a brand. Strategic brand management gives companies products and services unique identities which add value, which further provides company differentiation from the competitors and gives a consistent position in the marketplace.

LITERATURE REVIEW

Creating a valuable brand is always on the desk of management talks. Companies are on their feet to escalate brand in the market. The term brand has become a valuable intangible asset which augment the strength of a product in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely" (De Chernatony and McDonald (1992)).There has been a recent change in the branding literature from the significance of image (Castleberry, S. and Ehrenberg, 1990), focussing on customers' perception of brand differentiation, to brand identity (Kapferer, 1997) which is more concerned with how managers and staff make the brands unique. Brand identity originates from the company, i.e. a company is responsible for creating a differentiated product with unique features. It is how a company seeks to identify itself. A company will often use branding strategy as a means of communicating its identity and value to consumers and other stakeholders (Nandan, 2005). Through brand identity, a company seeks to convey its individuality and distinctiveness to all its relevant publics. Kapferer (1992) has emphasised the brand-focused view of identity. It is through the development of this identity that managers and employees make a brand unique.

Brand Equity is defined in terms of marketing effects uniquely attributable to the brands for example when certain outcomes result from the marketing of a product or service because of its brand name that would not occur if the same product or service did not have the name" (Keller 1993) Initially, brand equity was conceptualized as consisting of consumers' brand associations that include brand awareness, knowledge and image (Keller, 1991, 1993). As stated earlier, brand equity is regarded as consisting of two components – brand strength and brand value (Srivastava and Shocker, 1991). According to Cathy et al (1995), the issue of the brand equity has emerged as one of the most critical areas for marketing management in the 1990s Chang et al (2009), the antecedents of brand equity are considered to be brand attitude and brand image, and the consequences of brand equity are considered to be brand preference and purchase intentions.

Because of the significant intangible value of brands, building and managing brand equity had become a priority for companies of all sizes in a wide variety of industries and markets (Lehmann, Keller, & Farley, 2008). Brands are at the heart of marketing and business strategy (Doyle, 1998). The strategic importance of branding is duly recognized in the literature by several researchers (Aaker, 1991,1992; deChernatony & McDonald, 1998; Kapferer, 1994). When included in the balance sheet by the proponents of finance brands equity is considered as the total value of a brand which is a separable asset when it is sold (Feldwick, 1996). However, value can be subtracted as well as added, as remarked by Asker's (1996: 7) definition: „Brand equity is a set of assets (and liabilities) linked to a brand's name and symbol that adds (or subtracts from) the value provided by a product or service to a firm and/or that firm's customers? . Despite overall agreement among researchers on the general notion of brand equity in terms of the differential effects attributable to the brand, disagreement persists on whether equity should be measured from the consumer or from the firm perspective, even though the two are clearly interrelated (Ailawadi et al., 2003; Keller and Lehman, 2003). Furthermore, Ailawadi et al. (2003) also remark that price premium may not always be a measure of a brand's equity, since many brands have successfully adopted a „low price? positioning (e.g. low cost airlines and supermarket discounters). Ailawadi et al. propose revenue premium (the difference in revenue between a branded good and a corresponding private label), as a more complete, stable over time, conceptually and theoretically grounded product-market measure of brand equity. Finally, various measures of financial brand equity have been proposed by academic researchers and by commercial consultancies. These measures vary from the residual approach proposed by Simon and Sullivan (1993 – see Volume 2, Part A), to the estimate of the brand equity component in the price paid for mergers and acquisitions (e.g. Mahajan et al., 1994; Rao et al., 1991), to the present value of future cash flows that accrue to a branded offering? (Bahadir et al., 2008: 49).

OBJECTIVES OF THE STUDY

1. To understand the concept & significance of 'Brand Equity' in today's business world.
2. To identify the prime factors contributing in creating brand equity.

RESEARCH METHODLOGY

The Study: The study is an exploratory in nature which is based on primary responses collected from target respondents on studied issue.

The Sample: The research is based upon one hundred responses collected from respondents who visit super markets for branded products.

The Tools: For data collection- structured questionnaire is used based on five point likert scale.

For data analysis- Factor analysis is used to identify potential factors.

RESULT ANALYSIS

Factor analysis is a statistical method to study the dimensionality of a set of variables. It is a method for investigating whether a number of variables of interest Y1, Y2, : : :, Yl, are linearly related to a smaller number of unobservable factors F1, F2, : : :, Fk . The study carried out by assuming various variables responsible for creating brand equity in the market. Taking those variables into consideration the respondents were asked their opinion on the same. Collected responses were further processed using SPSS by applying 'Factor Analysis' and reduced variables into potential factors. The process of data reduction identified four major factors that have significant contribution in creating and sustaining brand equity for service products.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.588
Bartlett's Test of Sphericity	Approx. Chi-Square	224.280
	df	91
	Sig.	.000

Rotated Component Matrix[a]

	Component			
	1	**2**	**3**	**4**
pdtknowledg	.737	-.104	.034	.084
techskills	.640	.185	-.199	.153
Artselling	.585	.418	.214	-.211
Mgrskills	.518	.123	.049	.144
Empaccount	.168	-.103	.252	.347
Emplperfor	-.036	.711	-.038	.205
Empequity	.224	.640	-.065	.248
Crm	-.051	.560	.421	-.012
Valuemoney	.397	.184	.504	-.265
awareness	-.041	.080	.737	.116
performance	.359	-.325	.645	-.072
Socialrecg	.008	.151	.578	.032
Custhandling	.141	.030	.023	.744
buysellintera	.155	.288	.156	.715

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 7 iterations.

Factor Description Chart

Employee's Skills	Factor load	Employee's Credibility	Factor load
Product Knowledge	*0.737*	*Employee's Performance*	0.711
Technical Skills	*0.640*	*Employee based equity*	0.640
Art of Selling	*0.585*	*CRM*	0.560
Managerial Skills	*0.518*	,	,
Intangible Attributes	**Factor load**	**Service Encounter**	**Factor load**
Awareness/Popularity	*0.737*	*Cust. Handling technique*	0.744
Performance	*0.645*	*Buyer-Seller Interaction*	0.715
Social Recognition	*0.578*	*Employee's accountability*	0.347
Value for Money	*0.504*	,	,

First Factor - *Employee's Skills (Factor load- 2.480):* Result revealed that employees play a vital role in selling services while keeping customers satisfied or delighted. This feature required special skills in front line executes who have direct interaction with customers. The study found if an employee is equipped with 'Technical skills, Managerial skills and Adequate product knowledge' it helps in gaining customer's trust which results into customer's confidence on brand. In selling services 'Art of selling' is an important criterion to decide whether customer would be convinced with the product or not which actually is not present in front of him/her. Selling skills enable employees to sell the products confidently and enthusiastically. Customers found happy and confident with a brand whose selling executive is smart.

Second Factor - *Employee's Credibility (Factor load- 1.911):* The study found that customers are happy with long term servicing employees rather than changing frequently. Service products viz. banking, life insurance, share trading, general insurance are employee based equity orient. In such products employee's integration play crucial role in binding customers with the brand for longer period of time. Once the employee move on to other service brand it is difficult to retain customers with older brand.

Third Factor - *Intangible Attributes (Factor load- 2.480):* This factor works upon common phenomenon that people pays for popular brands. Awareness and popularity brings additional revenue to the firm in the form of brand equity. The study reasonably proves the concept that customers love to pay more for popular brands. Service products earn popularity from brand age and its consistency in offering benefits to the customers. Customers find a brand more valuable which provide consistent service in equitable format. Customers search for value for money in all respect.

Fourth Factor - *Service Encounter (Factor load- 1.806):* Service encounter is an important event which decides future inclination of customer with purchased brand. Service encounter is an event in which buyer and seller meets with their requirements and solutions to help each other in such a cooperative manner. This interaction is crucial for the organization in order to make the customer win for future transactions. In service encounter customer seek for employee accountability for brand promises and if it get fulfilled customer feel delighted and become loyal.

CONCLUSION

One of the important strategic instruments of an enterprise is successful brand. The current research brought us with the fact that effective brand development and management includes constant endeavor of factors like employee skills, employee credibility, intangible attributes and last but not the least we have service encounter is like the merger of a possibility where buyer and seller meet with a feasible solution and a win-win situation. Appropriate and unremitting investment in the above mentioned factors provides successful strategic positioning of the enterprise. In the viewpoint of brand, reaching destination and maintaining yourself on the cliff requires equal amount of effort which in turn results to an intangible asset- customer capital.

The study concludes that the factors identified are extremely important for the organization to build a strong brand identity with sustaining brand equity. The parameters (factors) may differ industry to industry or service to service in some circumstances but the core importance will remain same and crucial. The study revealed that employee itself act as a brand ambassador to create value to the company as well as to the customers. The result brought the study at the concluding point with offering valuable outcomes to the future researchers and corporate in the form of four pillars (factors) essential to erect brand equity for service products in India.

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