



Determinants of Brand Equity in two Wheeler Industry: A Study with Special Reference to Hero Motocorp in Mysuru Market

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ABSTRACT

A brand's power derived from the goodwill and name recognition that it has earned over time, which translates into higher sales volume and higher profit margins against competing brands. Brand equity refers to the value of a brand. This paper tries to find the impact of select dimensions of brand equity like brand awareness, brand association, brand loyalty and perceived quality on customer's preference while purchasing a bike in Mysuru market.

Keyword: Brand equity, Brand loyalty, Brand awareness, Brand association and perceived quality.

I. INTRODUCTION

Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. The word brand is derived from the Old Norse word brand, which means to burn as brands were the means by which owners of livestock mark their animals to identify them. The American Marketing Association defines a brand as: a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and differentiate them from those of competitors (Kotler, 2003). A brand may have many other meanings depending on the role it plays, the value it has and more importantly, to whom it is related. To brand owners, a brand is mainly a differentiation device: the living memory and the future of its products (Kapferer, 1997). To brand users, a brand may create an emotional bond with them which turns the brand into an icon. In the most developed role, brands represent not only the products or services a company provides but the firm itself, the brand is the company and brands become a

synonym of the company's policy (Goodyear 1996; deChernatony and McDonald, 2003).

Brand equity refers to the value of a brand. Brand equity is a phrase, used in the marketing field, which is a set of brand assets and liability linked to a product or services to a firm having a well known brand name and symbol. It is based on the idea that brand attract customers and can produce more money from product with that particular brand name. The concept of brand equity is necessary for understanding the competitive dynamics and price structure of business market. It examines the effectiveness of marketing and brand name of a product which leads to the profit of the business. It assesses subtracting the utilization of physical characteristics of item from aggregate utility of a brand. It improves the income to the business. The advantage of the brand value is to help up the execution of the organization. Brand value is useful for the client to distinguish the significance of brand and its quality which impact the buy choice of the client.

II. REVIEW OF LITERATURE

Tanmay Chattopadhyay et al (2009) in their study examine the co-relation between factors that are not directly related to marketing mix and brand equity. The study found that primary factors like price, advertising frequency, distribution intensity, store image & secondary factors like country of origin, peer recommendation & celebrity endorsements influence the brand equity. A secondary factor alone has no impact on brand equity. Only with the combination of primary factors it will affect the brand equity.

C. Dharmaraj et al (2011) in this study analyzes the major factors that influence the brand preference and the preliminary issues related to brand choice on the purchase of a passenger car. This study found that predominant factor of brand choice for an economically sound customer is the brand performance followed by the brand awareness created by the manufacturer and dealers through marketing communication. The author identified that the major factors considered by any rational customer while purchasing a car are the quality of the car brands such as safety, comforts, technology, durability etc.

Arshian Aslam Sharif et al (2014) through their research have made an attempt to investigate the brand equity determinants of Q mobile users. The influence of each determinant was explored by using factor and multiple regression analysis. The result shows that all the determinants like perceived quality, brand strength, brand image have a considerable positive impact on brand equity whereas brand response has no effect on brand equity.

Davit Mkhitarian et al (2014) have conducted a study to identify valuation models of brand equity for automotive sector. It is an experimental study which has needed both primary & secondary data. The study found that both brand loyalty & brand preference play a vital role in creating a brand equity. The study suggests that dimensions of brand equity should have a logical base & reputation of an organization is measured by its brand equity.

A study by Ali BonyadiNaeni et al (2015) assess the creation of brand equity with its four dimensions & the influence on consumer responses in terms of purchase intent, brand extension, willingness to pay a higher price and brand preferences. The study revealed that perceived quality had an effect on creation of brand equity & brand equity had the highest effect on purchase intention.

Amir Manzoor et al (2016) have conducted a study on India automobile industry by using Aker's brand equity model. The study results show that there exists a causal relationship among four brand equity dimensions and customer purchase intentions. But among the four dimensions only perceived quality was found to have a positive direct influence on purchase behaviour while other three dimensions were very low or negative.

Naeem Akhtar et al (2016) have conducted a study on the impact of brand equity in customer preference towards skincare products. The researchers have conducted the study among 100 customers using random sampling techniques and the data analysis has been done through correlation and regression techniques. The study found that brand equity has a highest effect on purchase decision.

III. NEED OF THE STUDY

Automobile industry in India is considered to be one of the key drivers contributing to the economic development of the country. Though the two wheeler industry in India is going through healthy growth, with an expanding market and new entrants, the industry is going through a cut throat competition. When it comes to a tangible product the major challenge face by the manufacturers is the similarities in different attributes like appearance, performance and availability. Recently the most of the company managements have realised that the real value of a company lies in the mind of its potential customer and brand name has evolved as a key determinant in differentiating one product with that of their competitor. Nowadays it is very necessary to know the effect of brand loyalty, brand awareness and quality on the perception of customers and their purchase decision. In the view of the above the researcher have made an attempt to measure the brand equity of Moto crop of in Mysuru market by selecting various dimension like brand awareness, brand association, brand perceived quality, brand loyalty.

IV. RESEARCH OBJECTIVES

This study was aimed at having an understanding about the effects of various dimensions of brand equity in customer purchase intention. An attempt was also made at finding the relationship between Brand Equity and the factors affecting it which is explained below.

- To study the socio economic background of Hero motor Corp customers of Dyuthi Motors, Mysore.
- To investigate the effect of select components of Aaker brand equity model on brand equity of Hero motor Corp vehicles in Mysore Market.
- To evaluate which component of brand equity model holds maximum significance to build strong brand equity of Hero motor corps in the present market.

V. RESEARCH DESIGN AND METHODOLOGY

Both Primary and Secondary data were used for the study. Company resources and journals were studied to understand the scenario of the industry. Along with preparing Questionnaire with both open and closed questions, Personal Interviews were also conducted with the staff and customers.

The study conducted here is descriptive in nature. A sample size of 100 was considered using convenient sampling technique. Data analysis and interpretation was conducted by performing percentile analysis, correlation and regression techniques using SPSS.

VI. RESULT AND DISCUSSION

Reliability test

Replication capability of the data obtained is essential for any test to be called successful. Reliability tests check to what extent the findings of the research can be replicated, in case the research is replicated using the same methodology of research. It refers to the extent to which the measurements are free from error, thus producing consistent results. It checks for

internal consistency of the scale of measures the extent to which the items are similar. In other words, the procedures or the items assess the same skill, characteristics or quality.

Cronbach's alpha is a coefficient of internal consistency. It is an important measure of the reliability of a psychometric method. As the correlation between the item increases, Cronbach's alpha will also increase. The items having a coefficient value of 0.70 and more are considered as adequate. In this study 21 items are considered for the study with the help of SPSS 21. The overall reliability of all variables is 0.693~ .70, which means the result of all variables are reliable for further study.

Reliability Statistics

Cronbach's Alpha	N of Items
.693	21

The correlation table explains the correlation between brand equity and brand awareness, perceived quality, brand association, brand loyalty.

Correlations

		BA	BAS	PQ	BL	BE
BA	Pearson Correlation	1	.448**	.341**	.001	.007
	Sig. (2-tailed)		.000	.001	.990	.943
	N	100	100	100	100	100
BAS	Pearson Correlation	.448**	1	.196	-.227*	.379**
	Sig. (2-tailed)	.000		.051	.023	.000
	N	100	100	100	100	100
PQ	Pearson Correlation	.341**	.196	1	.319**	.254*
	Sig. (2-tailed)	.001	.051		.001	.011
	N	100	100	100	100	100
BL	Pearson Correlation	.001	-.227*	.319**	1	.828**
	Sig. (2-tailed)	.990	.023	.001		.000
	N	100	100	100	100	100
BE	Pearson Correlation	.007	.379**	.254*	.828**	1
	Sig. (2-tailed)	.943	.000	.011	.000	
	N	100	100	100	100	100

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

* . Correlation is significant at the 0.05 level (2-tailed).

From the above table it can be observed that brand loyalty and brand equity are showing a high positive correlation since the correlation value is 0.828

followed by brand association and brand equity with a weak positive correlation since the correlation value is 0.379.

VII. HYPOTHESIS TESTING

The relationship between different Brand Equity factors was tested against overall satisfaction of the customer. The factors brand awareness, brand association; perceived quality and brand loyalty were considered in study against dependent variable Brand Equity. Four hypotheses were generated based on these factors. Linear regression was used to test the hypotheses generated as part of the study. Simple linear regression model helps to predict the value of the dependent variable based on the independent variable.

- H1 : Brand Awareness has a significant effect on Brand Equity.
 H2 : Brand Association has a significant effect on Brand Equity.
 H3 : Perceived quality has a significant effect on Brand Equity.
 H4 : Brand loyalty has a significant effect on Brand Equity.

Regression Analysis

In order to test the hypotheses, several linear analyses were conducted on the variables, where the average of the items in the constructs was used. It is an important statistical test used for analysing the relationship between the dependent and the independent variable. In addition to making predictions, it is used to determine whether differences in the independent variable can help explain the differences in the dependent variable and quantify the degree to which the independent variable explains the dependent variable. This method is often used in the information research and is accepted to be a reliable first-generation method.

Hypotheses are considered to be true when standardized co-efficient (beta) are significant, i.e. the p-value should be less than 0.05 at 95% confidence level. The linear regression model established that the independent variables - Brand awareness, Brand association, Perceived quality and Brand loyalty could predict Brand Equity of the product.

Table 1: Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Brand Loyalty, Brand Association, Perceived Quality, Brand awareness	.	Enter

a. Dependent Variable: Brand Equity

b. All requested variables entered.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.829 ^a	.688	.674	1.31497

a. Predictors: (Constant), Brand Loyalty, Brand Association, Perceived Quality, Brand Awareness.

From the table -2 it can be observed that the R Square identify the effect of job satisfaction can explain the score is 0.688 and adjusted R Square score is 67.4% of the equation. 0.674. These scores tell that the variables used to

Table 3: ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	361.491	4	90.373	52.264	.000 ^b
Residual	164.269	95	1.729		
Total	525.760	99			

a. Dependent Variable: Brand Equity

b. Predictors: (Constant), Brand Loyalty, Brand Association, Perceived Quality, Brand Awareness

From the table -3 it is evident that the Regression Model is significant since $p < 0.05$.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.562	1.474		1.060	.292
Brand Awareness	.028	.060	.031	.459	.647
Brand Association	.140	.059	.275	2.359	.020
Perceived Quality	-.009	.068	-.008	-.129	.898
Brand Loyalty	.937	.073	.820	12.874	.000

a. Dependent Variable: Brand Equity

From the table -4, it can be observed that, the relationship between two variables brand association and brand loyalty with brand equity are significant since the $p < 0.05$. Whereas the relationship between the other two variables like brand awareness and perceived quality with brand equity are not significant since the $p > 0.05$. If brand awareness value increases one unit then brand equity ascends to 0.14 units. Similarly if brand loyalty increases one unit then brand equity ascends 0.937 units.

Sl. No	Research Hypothesis	Result
1	Brand awareness has a significant effect on brand equity.	Rejected
2	Brand association has a significant effect on brand equity.	Accepted
3	Perceived quality has a significant effect on brand equity.	Rejected
4	Brand loyalty has a significant effect on brand equity.	Accepted

VIII. FINDINGS

This study shows that there is a significant relationship between two variables –brand association and brand loyalty with brand equity.

It can be also identified that the most significant factor that contributing to the brand equity of Hero Motor Corp is brand loyalty since it has got a high positive correlation value $r=0.828$.

IX. CONCLUSION

Brand equity provides sustainable competitive advantages as it creates meaningful competitive barriers. During the fierce competition, it is extremely important for a company to solidly assess determinants that are not only significant in building powerful brand equity but also support them for reaching consumer loyalty and satisfaction. This study has focused on four major variables of Aaker's brand equity model like brand awareness, brand association,

perceived quality and brand loyalty to measure the brand equity of Hero MotoCorp in Mysuru market. According to this study brand loyalty as well as brand association have shown a significant relationship between brand equity and the researchers could find a weak relationship between brand awareness and perceived quality. The managers should relate this result to reframe their brand building strategies in the present market under study. They should come up with multiple brand building activities like advertising and public relations, improved service, product improvement, channel support, customer reward systems and price maintenance to improve brand awareness and perceived quality of Hero MotoCorp in the Mysuru market.

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