

INFLUENCE OF DEMOGRAPHIC VARIABLES ON CUSTOMER-BASED BRAND EQUITY (CBBE)

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ABSTRACT

This paper identifies the influence of demographic variables on six brand building blocks of customer based brand equity pyramid. Customer based brand equity is a differential effect that brand knowledge has on consumer response to the marketing of the brand. Customer based brand equity pyramid will occur only if right brand building blocks are put in right place. This CBBE model is tested with an FMCG product and the result shows that some of the demographic variables have influence on few blocks in the customer based brand equity pyramid.

Introduction

Brands provide important benefits to both consumers and firms. Whenever a marketer creates a new logo or symbol for a new product, he/she has created a brand. A brand is something that resides in the minds of consumers. The key to branding is that consumers perceive differences among brands. Although brands may be important as ever to consumers, brand management may be more critical than ever.

Understanding the needs and wants of the consumers and creating products and services to satisfy the customers is the heart of successful marketing. Brand equity is probably the most popular topic on debate in issues related to marketing. In the beginning of 90's four issues were identified as the strategic challenges for the marketers and researchers. They were measuring brand equity, measuring marketing effectiveness, a better new product process and measuring customer satisfaction. In fact all these issues looks to appear to be different from one another. It is not true. The issue is really one that is brand equity. Brand equity can be measured based on the cost, price and consumers as suggested by Moorthi YLR (2004).

Review of Literature

Customer Based Brand Equity (CBBE) can be measured in three ways. They are brand knowledge, attribute rating and blind test. This research paper

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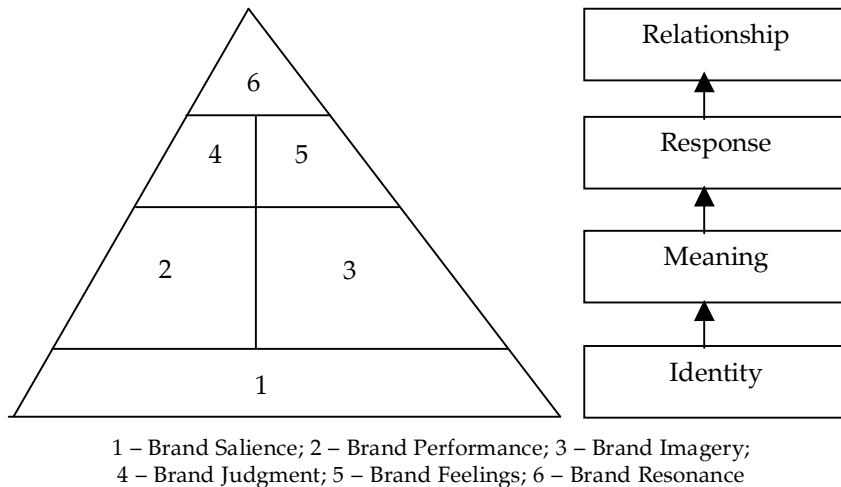
identifies the brand knowledge as the major issues through which the consumer based brand equity is measured. CBBE is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand (Kamakura and Russel, 1991). They found that brand equity is conceptualized from the perspective of individual customer and customer based brand equity occurs when the consumer is familiar with the brand and holds some strong favourable, unique associations in the memory. A positive customer based brand equity focus only when, consumers may accept new brand extension; less sensitive to price increases and willing to buy a new brand through a new distribution channel. On the other side a brand is said to have a negative CBBE, if they react less favourably to the marketing activity when it is fictitiously named. The differential response of the consumers makes up the brand equity in terms of perceptions, preferences, and behaviour related to the marketing of that particular brand. According to CBBE model, brand knowledge is the key to creating brand equity because it creates the differential that drives brand equity.

Consumer *brand knowledge* can be defined in terms of the personal meaning about a *brand* stored in consumer memory, that is, all descriptive and evaluative *brand*-related information. Consumer *brand knowledge* relates to the cognitive representation of the *brand* (Peter and Olson 2001). Researchers have studied consumer *brand knowledge* for decades, with different areas receiving greater emphasis depending on the dominant research paradigm and thrust of the time (Olson 1978; Bettman 1979; Mitchell 1982; Johnson and Russo 1984).

Aaker (1997) uncovered five basic dimensions that appear to capture the perceptual space of *brands*. The Zaltman Metaphor Elicitation Technique (ZMET) has used a series of research methods to tap into consumers' visual and other sensory images for *brands* (Zaltman and Higie Coulter 1995). Finally, Fournier (1998) has extended the metaphor of interpersonal relationships into the *brand* domain to conceptualize the relationships that consumers form with *brands*.

Brand knowledge can be characterized in terms of two components: brand awareness and brand image. In certain cases like low involvement decision settings brand awareness alone is sufficient where consumers select their choices from familiar brands. In other cases the strength, favourability and uniqueness of the brand association play a critical role. According to CBBE model strong brands can be built up through six brand building blocks with customers. The six brand building blocks can be assembled in terms of CBBE pyramid as suggested by Keller (2004) is illustrated in the following figure.

Customer Based Brand Equity Pyramid*



Brand salience relates to how often and easily the brand is evoked under various purchase or consumption situations, Brand Performance explains to how the product or service meets customer’s functional needs, Brand imagery deals with the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customers’ psychological or social needs, Brand judgments focus on customers’ own personal opinions and evaluations, Brand feelings reflects customers’ emotional responses and reaction with respect to brands and Brand resonance identifies the nature of the relationship that customers have with the brand and the extent to which customers feel that they are “in sync” with the brand.

Marketers must build brand equity by creating the right brand knowledge structures with right consumers. Lassar et al (1995) developed a five-item scale to measure customer based brand equity, which constitute of performance, social image, value, trustworthiness and attachment. They identified that price and promotion is the two critical factors for the development of customer based brand equity. Dyson et al (1996) found that in every conceptualization of brand equity, brand attitude plays a significant role in the representation of brand equity.

Punj and Hillyer (2004) identified that cognitive components are important determinants of CBBE. Specifically, the brand heuristic component

* Source: Strategic Brand Management, Keller (2004), pp. 76.

serves as an important mediator in two “cognitive chains” that link global brand attitude to brand knowledge and global brand attitude to strength of preference, respectively. Brand heuristics can be defined as decision rules or heuristics used by the consumers that favour brands with high global brand attitude i.e. brand equity. They developed a model for cognitive components of customer based brand equity that derived for related preference, choice and consumption variables. Since several researchers discussed the development of customer based brand equity and their interactions, the influence of demographic characters of the customers on customer based brand equity is not yet studied and this research provides a way to find out it. Also, the research on CBBE in Indian context is very less which makes the researcher to select this new concept for the study.

The main objective of our study is:

- To find out the influence of demographic variables on various dimensions of customer based brand equity (CBBE).

Methodology

The questionnaire to measure the brand building blocks used in this research was developed by Keller (2004). In this questionnaire, various dimensions of brand knowledge namely, brand salience, brand performance, brand imagery, brand judgment, brand feelings and brand resonance were measured using five point Likert scale where 1 denotes strongly disagree and 5 denotes strongly agree. In addition to these dimensions, consumers’ demographic characters like age, gender, income, occupation and location were also collected. Pretest-1 was conducted among 25 students to find out the fast moving consumer goods product they use regularly.

The result showed that toothpaste is referred by most of the respondents. In order to find the preferred brand in toothpaste category, pretest-2 was conducted and the result reveals that Colgate is the most preferred brand by the consumers. After identifying the brand, pilot study was done among 43 University students to find the difficulties in filling the questionnaire and accordingly the corrections were carried out in the main study. For the main study data were collected from the distance learning postgraduate students of a reputed university in Tamil Nadu. Ninety-eight students were randomly selected in which 53 respondents were male and 45 were female.

Analysis and Discussions

Table 1 indicated that there is a significance difference among the respondents towards the brand salience dimension based on age group ($p < 0.001$). It is further noticed that respondents’ belonging to above 40 years

differ in their opinions from the remaining respondents. The reason could be that they might have got ample opportunities to read and watch various medias featuring the toothpaste brands of their interest besides this age group is believed to study various toothpaste brands available in the market before making their buying decision. Hence this age group has exhibited high brand salience.

Table 1
Relationship between Demographic Variables and Brand Salience (ANOVA)

<i>Demographic Variable</i>		<i>Brand Salience</i>			
		<i>Mean</i>	<i>N</i>	<i>F</i>	<i>Sig.</i>
Age	Below 30 years	3.12	39	4.729	<0.001*
	31 – 40 years	2.98	35		
	Above 40 years	3.83	24		

* Significant at 1% level.

Other demographic variables (Gender, Occupation, Income and Location) have no significant association with brand salience.

Table 2
Relationship between Demographic Variables and Brand Performance (ANOVA)

<i>Demographic Variable</i>		<i>Brand Performance</i>			
		<i>Mean</i>	<i>N</i>	<i>F</i>	<i>Sig.</i>
Gender	Male	3.86	53	2.419	0.027**
	Female	3.49	45		
Income	Less than Rs. 10,000	3.09	39	4.873	<0.001*
	Rs. 10000 – Rs. 20000	4.20	36		
	Above Rs. 20000	3.61	23		

* Significant at 1% level; ** - Significant at 5% level.

Other demographic variables (Age, Occupation and Location) have no significant association with brand performance.

From table 2, it is understood that there is a significance difference among the respondents towards the brand performance dimension based on gender and income. It is noticed that male respondents (mean = 3.86) differ in their opinions from the female respondents for the reason that they may prefer Colgate toothpaste only for style and design of the product package. Besides they are not price conscious. Further it is inferred that the respondents belonging to income category between Rs. 10000 and Rs. 20000 differ in their opinion from the remaining respondents for the reason that they prefer Colgate toothpaste for its reliability and product performance. Hence the male respondents and this income group rated high about brand performance.

Table 3
Relationship between Demographic Variables and Brand Imagery
(ANOVA)

Demographic Variable		Brand Imagery			
		Mean	N	F	Sig.
Age	Below 30 years	3.59	39	3.886	0.017**
	31 – 40 years	3.98	35		
	Above 40 years	3.01	24		

** Significant at 5% level

Other demographic variables (Gender, Occupation, Income and Location) have no significant association with brand imagery

Table 3 indicates that consumers of different age group differ significantly ($F = 3.886$) in their reaction towards brand imagery dimension. It is concluded that respondents belonging to the age group of 31 – 40 years differ in their opinion from the remaining respondents. The reason could be that their purchase and usage situations might vary while buying Colgate toothpaste. Besides this age group may even patronage an extended product under the same brand name. That is why this age group has exhibited high brand imagery preference.

Table 4
Relationship between Demographic Variables and Brand Judgments
(ANOVA)

Demographic Variable		Brand Judgments			
		Mean	N	F	Sig.
Location	Urban	3.98	57	1.923	0.043**
	Rural	3.16	41		
Occupation	Business	2.99	34	2.197	0.012**
	Private Employed	3.83	47		
	Unemployed	2.81	17		

** Significant at 5% level.

Other demographic variables (Gender, Age, and Income) have no significant association with brand judgments.

The demographic variables of location and occupation have shown greater significant impact on brand judgments (table 4). It is further concluded that respondents belonging to urban location differ in their opinion from the rural respondents. The reason could be that they believe in Colgate toothpaste credibility and quality aspects, since it is recommended by their family dentists in most of the cases. Further the respondents belonging to privately employed category differ in their opinion from other respondents for the reason that they are much influenced by their friends and

peers. Table 4 shows the values are significant which confirms that urban and rural consumers are not same in their opinions and people with different occupation also not similar in their judgments.

Table 5
Relationship between Demographic Variables and Brand Feelings
(ANOVA)

<i>Demographic Variable</i>		<i>Brand Feelings</i>			
		<i>Mean</i>	<i>N</i>	<i>F</i>	<i>Sig.</i>
Occupation	Business	3.17	34	4.009	<0.001*
	Private Employed	3.29	47		
	Unemployed	2.98	17		

* Significant at 1% level.

Other demographic variables (Gender, Age, Income and Location) have no significant association with brand feelings.

Among the six demographic variables chosen for the study, only occupation found to have significant effect on brand feelings. The F value (F = 4.009; p<0.001) confirms this and it is obvious that people who are employed are influenced by social approval, feeling of comfort and self respect.

Table 6
Relationship between Demographic Variables and Brand Resonance
(ANOVA)

<i>Demographic Variable</i>		<i>Brand Resonance</i>			
		<i>Mean</i>	<i>N</i>	<i>F</i>	<i>Sig.</i>
Age	Below 30 years	3.85	39	3.180	<0.001*
	31 – 40 years	3.49	35		
	Above 40 years	4.11	24		
Income	Less than Rs. 10,000	3.79	39	2.906	0.033**
	Rs. 10000 – Rs. 20000	3.81	36		
	Above Rs. 20000	4.01	23		

* Significant at 1% level; **Significant at 5% level.

Other demographic variables (Gender, Occupation and Location) have no significant association with brand resonance.

Table 6 clearly explains that there is a significant difference among the respondents towards brand resonance dimension based on age and income. It is noticed that the respondents who belong to the category above 40 years difference in their opinion from the remaining respondents. The reason could be that they are loyal and attached toward the Colgate toothpaste. It is believed that they use this brand for many years and satisfied with the

product. Moreover, the readiness to take risk by trying new brands might have also come down due to age factor. Respondents who belong to income category of above Rs. 20,000 differ in their opinion for the reason that they are not price conscious and exhibited brand switching behaviour. Hence the respondents who belong to this age and income category exhibited high brand resonance.

Limitations and Direction for Future Research

As with any survey, our study also has limitations. Enough care must be given while applying these results, because the data were collected in one place with sample of 98. In this research opinions were collected only from the post graduate distance learning students and generalizing the outcome to undergraduate students requires further research. Future research can vary the results of the studies through collecting information from on-campus programmes. Since only one FMCG product (toothpaste) was used in the present study, it is suggested to examine the customer based brand equity of respondents for durable products and services among various segments.

Suggestion and Implications

Findings of our study reveals that consumers' demographic variables like age, gender, occupation, income and location play an important role in building the CBBE pyramid. Brand Salience is much influenced by the age of the respondents where marketers should device strategies so that location of the consumers may also influence this particular dimension. In the present study, Brand Performance is influenced by gender and income of the respondents, but respondents' occupation and age may also influence this dimension. Our study reveals that Brand Imagery is influenced by respondents' age alone but gender of the respondents may also influence this dimension. Location and occupation of the respondents influence Brand Judgments in our study. However, income of the respondents may also influence brand judgment. Brand Feelings is much influenced by the only factor occupation of the respondents whereas location of the respondents may influence Brand Resonance dimension other than age and income of the respondents which is revealed from our study. So, marketers should build right kind of brand knowledge structure so that the six brand building blocks build the customer based brand equity pyramid so that all the demographic variables may influence all the blocks of CBBE pyramid.

Conclusion

Building a strong brand with great equity provides several benefits to the organizations. Companies interested in building strong brands can focus

their attention on customer based brand equity model for obtaining better results. This study leads to the conclusion that all demographic variables do not influence all the dimensions of customer based brand equity, but few influences each dimensions. Hence marketers continuing in challenging to overcome the blocks in building a strong brand need to ensure that customer should have the right type of experiences so that the desired thoughts, feelings, images, perceptions and attitudes can be linked to the brand and ultimately customer based brand equity is successfully established.

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