

Consumer Based Brand Equity - Consumers' Attitude towards Malted Health Drink Industry in Kerala

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ABSTRACT

In the modern day world, consumerism is dominating all the aspects of our life. The life in the society follows the pattern of the consumerism where the human life is centered on consumption. We do live in a branded world. We all make product decisions every day. Our product decisions are influenced by brand values. Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. In present day, the brand not only represent the symbol of the company or product but to a larger extend define the general life of a person. What the person uses can reflect his taste of life, his status in the society, his economic background and many other things. Customers are very deeply connected to the brand. In this paper, the adopted model is the brand equity framework developed by David.A.Aaker in 1991, the managerial perspective views brand equity as consisting of five brand assets, including brand loyalty, brand awareness, perceived quality, brand associations, and other proprietary assets. Aaker's (1991) conceptualization of brand equity provides a useful platform from which brands can be practically managed.

1. Introduction

Brand equity is the combination of assets and liabilities associated it a brand that enhances or depreciate the value of brand. Companies usually try to leverage the equity of an established brand to enter other categories of product. If the brand value of a product is considerably high, the company can launch other products under the same brand to gain advantage from the brand equity of existing product (1). Brand identities primarily exist in the minds of its consumers. A brand is his or her evaluation of the performance of that brand. And if this evaluation is positive, a customer is willing to pay more for one particular brand over another similar product. This is the strength of brand equity (2). Everything relates to brand are acting as a driving force on business. Products features can easily be copied; therefore brand are considered a marketer's tool for creating product differentiation. Brands differentiate products and represent a promise of value (3).

Brand equity is important because strong brand equity enables the brand to command a premium. The reason customers are prepared to pay a premium is because of the perceived reliability, trust worthiness, as well as the positive image of superior quality that the brand commands. People buy product, but which product they buy and how they make buying decisions have a lot to do with how they feel about the brand. Brands have a personality and speak for the user. Success in brand management arises from understanding and managing brand equity correctly to produce strong attributes that will influence consumers when making their choice (4).

A basic premise of brand equity is that the power of a brand lies in the minds of consumers and what they have experienced and learned about the brand over time. Brand equity can be thought of as the "added value" endowed to a product in the thoughts, words and actions of consumers.

There are many different ways that this added value can be created for a brand. Similarly there are also many different ways the value of a brand can be manifested or exploited to the benefit of the firm (1).

2. Malted Health Drink Industry

Over the last few years, there have been clear indications of a growth of malted health drink industry. Several factors are responsible for this: chief among these is the demand for better products and an increased acceptability of malted products. This demand has contributed to the growth in consumer options in terms of variety of taste and products. Other factors include improved standard of living, increased awareness and health consciousness amongst people, and product availability at reasonable prices. There is a growing awareness that healthy eating is important and consumers are looking for options in food which are tasty, nutritionally balances and healthy. This trend is keeping with the patterns observed across international economies where the growth of middle-class has driven the uptrend in food industry in general and health beverages in particular. Malted Health drink industry is characterized by increased competition among strong Indian brands and multinational companies(12). Competition is on the basis of firm grasp of the local market, their well known brands, and hold over wide distribution network.

The rapid transformation in the life style of Indians, particularly those living in urban India has resulted in rapid increase in demand for processed food. Growth in working women's population and prevalence of nuclear families with double income are other trends causing this change in the lifestyle of Indians which is boosting the growth of processed food sector including malted milk food. Growing awareness about healthy food attracts the consumers towards the foods

which are tasty, nutritionally balanced and healthy. Top six players in malted health drink Industry are :

- Glaxo SmithKline Consumer Health Care Ltd.
- Cadbury India Ltd.
- Nestle India Ltd
- Abbott India Pvt Ltd.
- Heinz India Ltd.
- Gujarat Co-operative Milk Marketing Federation

3. Review of literature

Kevin lane Keller, (1993) the author of the article conceptualizing, measuring and managing customer based brand equity, presents a conceptual model of brand equity from the perspective of the individual consumer. The goal of this article is to present a conceptual frame work that would provide useful structure for managers developing brand strategies and researchers studying brand equity. This article introduces the concept of customer based brand equity, defined as the differential effect of brand knowledge on consumer response to the marketing of the brand (5).

Kevin Mason, (2003) in his study demonstrates the positive effects of building brand equity on consumer's perceptions of brands. Using a survey subjects' ratings for two brands of soft drinks were examined. The results indicate those consumers' perceptions are more favourable predisposed towards brands with higher brand equity. The purpose of this study is to demonstrate the positive effect of higher brand equity on consumers' ratings of products (6).

Hermanson Frida and Josephine Larsson (2005) have conducted a study on the service branding model- small service firms approach to building brand equity. The purpose of this thesis is to examine how small service firms operate to build brand equity in relation to service branding model. The growth of the service industry has lead to increased competition and branding has become a tool for gaining competitive advantages (7).

Priscilla Ukpebor and Bibiana Ipogah (2008) have conducted a study on importance of customer based brand equity on consumer perception of brand (a study of fast food restaurants). As per this study, there are three dimensions of customer based brand equity .These dimensions are brand image, brand loyalty and quality perception. Main purpose of this study is to identify which among these three dimensions of customer based brand equity appears to have least brand equity rating (8).

Evelin Hinestroza(2017) has studied the relationship between brand equity and Stock Performance. The purpose of this study was to examine if the brand equity for Nordic companies affects the stock performance.He concluded that brand equity has a positive relationship with these specific stock performance variables. Furthermore, the study also found that this relationship is an indication on how efficient the market is. Since, stock returns had a negative but significant relationship with brand equity in 2015, it indicates that the market is not fully efficient but adaptive. This means that

investors will gain returns if they adapt to current market conditions. (9).

4. Statement of the problem

Due to the changes in the socio, economic and cultural factors; the life style and food habit of the people have been changed. The rapid transformation in the lifestyle people in Kerala, particularly those living in urban area, has resulted in rapid increase in demand for processed food. An increase in working women and prevalence of nuclear families with double income are other factors which boost the growth of the readymade foods. The demand for malted health drinks is increasing day by day as it is a nutritional food which balances the diet .This increasing trend is mostly observed in educated people in urban areas. In this context the present study "Consumer Based Brand Equity - Consumers' Attitude towards Malted Health Drink Industry in Kerala" become more relevant and useful.

5. Objectives of the Study

1. To analyze the demographic and use related characteristics of consumers of malted health drinks
2. To identify the most preferred attribute considered by the consumers of malted health drinks
3. at the time of taking buying decision.
4. To assess the extent of brand awareness among the consumers of malted health drinks segment.
5. To evaluate the brand loyalty among the consumers of malted health drinks towards preferred brand.
6. To identify the major factors contributing brand equity of malted health drinks segment.

6. Hypotheses

On the basis of objectives, the researcher has put forward the following hypothesis for the study

1. There is no significant difference between employment of consumers and brand awareness in health drinks industry.
2. There is no significant difference between income level of consumers and brand awareness in health drinks industry.
3. There is no significant difference between education level of consumers and their brand loyalty.
4. There is no significant relationship between the brand preference of consumers and frequency of purchase.

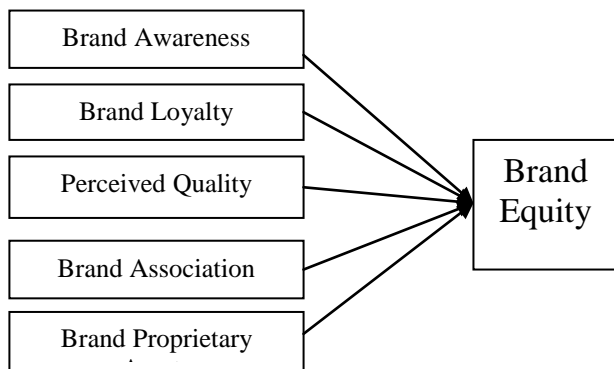
7. Research Methodology

All the consumers of malted health drinks in Kottayam district of Kerala constitute the universe of the study .For the selection of the sample unit the sample district was classified in to urban and rural area. From the urban area among four municipalities one municipality was selected for the sample frame. From the rural area four *Grama panchayath* have been selected. Multistage sampling was used for selection of the sample frame. In the first stage, the universe was divided into two areas i.e. urban and rural. In the second stage, urban area is classified into four municipalities and rural area into 74 *Grama panchayath*. In the third stage, among the four

municipalities one municipality was chosen and from 78 Grama panchayath four Grama panchayath were selected. In the last stage sampling has been done for the selection of 50 respondents from the selected municipality and 50 respondents from the selected Grama panchayath were taken as the sample unit for the study. Convenience sampling is used for the selection of sample unit.

8. Model used for the study

The proposed model depicts how the purchase decision of consumers influenced by the five factors of brand equity (brand awareness, brand loyalty, perceived quality, brand association, and propriety and brand assets) (10). These factors have been considered for the analyzing the role of brand equity in shaping consumer’s buying decision making process.



Source: The brand equity model developed by David .A. Aaker in 1991

Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and /or to that firms’ customers. David.A.Aaker demonstrated that there must be a linkage between brand equity and the name or symbol of the brand. If a brand’s name or symbol changes, some or all other assets or liabilities of the brand might be affected and even lost, although some might be shifted to a new name and symbol. David.A.Aaker explains that brand equity differs from the context to context which is usefully grouped in to five categories which are the assets attached to a brand (11). These five dimensions are:

1. Brand Awareness
2. Brand Loyalty.
3. Perceived Quality.
4. Brand association.
5. Brand Proprietary Assets.(E.g. Patents, trademarks)

1. Tools used for analysis

The primary data collected from the respondents have been analyzed by using mathematical and statistical tools such as:

1. Simple Percentage
2. Conjoint Analysis
3. Chi Square Test.
4. Linear Discriminant Analysis.
5. ANOVA

9. Limitations of the study

1. The primary data required for the study was collected from 100 respondents only and so, the results of the study have some normal errors inherent to social surveys.
2. The study was limited to Kottayam district only. Hence, the results of the study have some limitation related to the geographical coverage of the study.
3. Brand Equity is a qualitative phenomenon. It cannot be fully measured in quantitative measures. Even though researcher used Likert type of scale for measuring the response it does not depict the full extent of the response.
4. There are various extraneous variables influencing brand equity, the researcher has taken only two extraneous variables such as demographic and use related factors for the study. Other factors influencing brand equity has been ignored.

10. Analysis and Discussion

a) Ho: There is no significant difference between education level and brand loyalty.

Table No.4.3.2
ANOVA TABLE (Relationship between Brand Loyalty and Education)

Source of variation	Sum of Squares	Df	Mean Sum of Squares	F- Value	P- Value
Columns (Between)	2.648e+005	4	6.62e+004	3531	0.00
Error (Within)	656.1	35	18.75		
Total	2.655e+005	39			

Source: Primary data

Result: Here p value is less than our significance level 0.05. i.e.; as far as educational level is concerned there is a significance difference between educational level & brand loyalty. Hence we reject Ho. So the alternative hypothesis is accepted. That is education level has influence on brand loyalty.

b) Ho: There is no significant difference between Occupational status and brand awareness

Table 4.4.2
ANOVA TABLE

Source of variation	Sum of Squares	Df	Mean Sum of Squares	F- Value	P-Value
Columns (Between)	2.689e+004	4	6723	679.1	5.0571e-007
Error (Within)	49.5	5	9.9		
Total	2.694e+004	9			

Source: Primary data

Result: Here p value is less than our significance level 0.05. i.e.; as far as employment is concerned there is a significance difference between employment & brand awareness. Hence we reject Ho. So the alternative hypothesis

is accepted. That is employment has influence on brand awareness.

c) Ho: There is no significant difference between income level and brand awareness

Table No.4.5.2
ANOVA TABLE

Source of variation	Sum of Squares	Df	Mean Sum of Squares	F-Value	P-Value
Columns (Between)	6.018e+004	5	1.505e+004	257.2	5.6747e-006
Error (Within)	292.5	6	58.5		
Total	6.047e+004	9			

Source: Primary data

Result: Here p value is less than our significance level 0.05. i.e.; as far as income level is concerned there is a significance difference between income level & brand awareness. Hence we reject Ho. So the alternative hypothesis is accepted. That is income level has influence on brand awareness.

d) Ho: There is no significant relationship between the brand preference of consumers and frequency of purchase.

Table no.4.13.2
Chi-Square Tests

	Value	df	Asymptotic Significance
Pearson Chi-Square	3.9	1	.00892
Likelihood Ratio	3.9	1	.00890
Fisher's Exact Test			
N of Valid Cases	100		

Source: Primary data

Chi-Square value: 3.9

d.f: 1

Significance level: .0089

Table no.4.13.3
Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Contingency Coefficient	.74	.00892
N of Valid Cases		100	

Source: Primary data

Result: Chi-square test shows there is a relationship existing between frequency of buying and brand preference. Significance level is less than 0.05 i.e.; as far as the nature of buyer is concerned there is significant difference between the brand preferences. Also the contingency coefficient reveals the fact that the relation is significant at 5%. Hence we reject Ho. So the alternative hypothesis is accepted. i.e., frequency of purchase and consumption level of well known brands is depended.

e) Product Attributes

Table No.4.15.1
Ranking of Rating Score

Attributes	Total Score	Rank
I (Price)	274	4
II (Quality)	466	2

III (Taste)	471	1
IV (Appearance)	330	3

Source: Primary data

From the analysis it is observed that taste is the most important attribute considered by the consumer and price is the least important attribute considered by the consumer.

f) Factors Contributing Brand Equity

To identify the major Factors contributing brand equity, the researcher uses discriminate analysis among the five factors contributing brand equity.

a) Brand Awareness

Table No 4.16.1
Tests of Equality of Group Means

Variables	Wilks' Lambda	F	df1	df2	Sig.
VAR6.1	.994	.570	1	98	.452
VAR6.2	.985	1.472	1	98	.228

Source: Primary data

Result: Since the value is less than significance level at .05, it can be inferred that the influence of brand awareness on brand equity is not much of significance.

b) Brand Loyalty

Table No. 4. 16.3
Tests of Equality of Group Means

Variables	Wilks' Lambda	F	Df1	df2	Sig.
VAR7.0	1.000	.018	1	98	.894
VAR7.1	1.000	.030	1	98	.863
VAR7.2	.960	4.050	1	98	.047
VAR7.3	.950	5.203	1	98	.025
VAR7.4	.981	1.877	1	98	.174
VAR7.5	.954	4.233	1	98	.039
VAR7.6	.962	5.425	1	98	.030
VAR7.7	.992	.766	1	98	.384

Source: Primary data

Result: Variables (7.2, 7.3, 7.5, and 7.6) in brand loyalty is significant at 5 percent level of significance. So it can be concluded that brand loyalty contributes to brand equity.

c) Perceived Quality

Table No. 4. 16.5
Tests of Equality of Group Means

Variables	Wilks' Lambda	F	Df1	df2	Sig.
VAR8.0	.989	1.060	1	98	.306
VAR8.1	.995	.514	1	98	.475
VAR8.2	.998	.160	1	98	.690
VAR8.3	.970	3.036	1	98	.085

Result: Since the value is less than significance level at .05, it can be inferred that the influence of perceived quality on brand equity is not of much significance.

d) Brand Association

Table No. 4.16.7
Tests of Equality of Group Means

Variables	Wilks' Lambda	F	Df1	df2	Sig.
VAR9.0	1.000	.001	1	98	.979
VAR9.1	.995	.444	1	98	.507
VAR9.2	.999	.067	1	98	.796

Result: Variables in brand association is not significant at 5 percent level of significance. So brand association is not much of influence on brand equity

e) Brand Proprietary Assets

Table No.4.16.9
Tests of Equality of Group Means

Variables	Wilks' Lambda	F	Df1	df2	Sig.
VAR10.0	1.000	.005	1	98	.944
VAR10.1	.968	3.216	1	98	.076
VAR10.2	.998	.222	1	98	.639
VAR10.3	.970	2.988	1	98	.087

Source: Primary data

Result: Variables in brand proprietary asset is not significant at 5 percent level of significance. So brand association is not of much influence on brand equity

Overall Result: Significant variables are mostly concentrated in brand loyalty. There is not much significance can be observed in other variables. So it can be concluded that brand loyalty is the major factor contributing brand equity.

11. Findings

1. Brand awareness and occupational status shows significant relationship. i.e. occupational status has influence on brand awareness.
2. Brand awareness and income level shows significant relationship. i.e. income level has influence on brand awareness.
3. Brand loyalty and educational level shows significant relationship. i.e. educational level has influence on brand loyalty.
4. Frequency of purchase and consumption level of well known branded product is depended.
5. Variables in brand loyalty are of much significant than variables in other factors (brand awareness, perceived

quality, brand association, brand proprietary assets). So it can be concluded that brand loyalty is the major contributing factor to brand equity.

12. Suggestions

1. Unexploited rural market is a potential opportunity for malted health drink companies. So the marketers must take necessary steps to make aware of rural consumers about the importance of health drinks.
2. As per this study income level is one factor which influences the buying behaviour of malted health drinks consumers. Low income groups appear to be reluctant to buy malted health drinks because of its higher price level. So marketers of this product must try to set price in order to satisfy low income groups also.
3. As it is a nutritional product, its regular usage is good for the growth and health of children. So the marketers must conduct more campaigns and advertisements to convince the customers about its importance to make them regular buyers.
4. Mostly malted health drinks are meant for the growth and health of children, so more information about product features, quality assurance, product range etc. should be given through advertisements.
5. As per this study brand loyalty is the major factor contributing brand equity. In the minds of consumers a better known brand is considered to be the better brand. So the marketers must take adequate steps to increase the brand awareness among consumers and make them loyal to the brand.

13. Conclusion

In today's increasingly competitive market it is a difficult task for companies to create and retain a well known brand that is popular in the target segments. It requires considerable amount of efforts and expenditure to create and retain a brand. People have a high awareness about the well known brand. Majority of customers prefer to purchase a well known brand products. If a consumer has an emotional association with a specific brand, he or she will have more confidence on the brand and consequently that consumer will become loyal to that specific brand. So as to create an emotional link to the customers, brand's logo or name is an easy way to get the customers recognized a brand and differentiates the brand from other competing brands. When customers decide to buy, he or she can easily identify the product through brand name or logo. As we have found out in our survey that most of the respondents in our survey answered positively that they can easily detect and differentiate their preferred brand from other brands and brand equity is high among the educated respondents from the sample unit.

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