EFFECT OF COMPONENTS OF BRAND EQUITY ON PURCHASE INTENTION OF SMARTPHONES

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ABSTRACT

The purpose of this paper is to propose and test a model for getting a more comprehensive understanding of brand equity. It aims to analyze the effects of this construct on consumer's responses using two European countries data. SEM structural equation modelling was used through which hypothesis were tested. Measurement invariance and stability of the model across the two national samples were fairly assessed by using multi-group confirmatory factor analysis. The results indicate that dimensions are inter relatable to brand equity. There is a positive link of brand awareness which impact brand associations and perceived quality. Brand loyalty is highly relatable by brand associations. At last, all of these are interlinked with brand equity linked to perceived quality, brand associations & brand loyalty. These possible findings link the positive impact of brand equity on responses of consumers. The general framework proposed is generalized across all nations. Only a few differences are observed. A few in stock of a set of product categories, brands and countries were used. The practical implications of the study provide essential implications for brand equity management. These financial metrics can be fit with consumer-based equity measures for better check of brand performance over time against competitors to increase quality standards against others. Favourable feedback results in better branding. Moreover, the proposed model using data from a sample is used to study the limited international brand equity literature in two countries. It also enlightens the brand equity literature by empirically in-depth analyzing the relationships among consumer-based brand equity dimensions and its effects on consumers' responses.

Keywords: *Brand Equity; Brand loyalty; Brand Association; Structural Equation Modelling.*

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INTRODUCTION

Smartphones have evolved significantly, and many players of smartphone manufacturing have emerged as fierce competitors to the already existing market players. In this stance, it is essential for smartphone manufacturers to maintain their brand equity to sustain in the market. This study examines the effects of components of brand equity on the purchase intention of smartphones. The market is changing dynamically thus it is vital for brands to create a good impression for consumers with top quality features and great branding which creates an impression where everyone benefits in the company. Smartphones are evolving and brands should act fast to embrace the technological change. There is no doubt that the economic conditions have turned down and the companies are in their own competition and they know well that customers satisfaction is the first priority, but marketers are focusing on developing business rather than customers satisfaction (Shafiq, 2011). Therefore, this study aims to conduct an analysis of the brand equity components which affect customer intention.

In the ever-changing consumer market, it is essential to find out some critical demand side questions such as what consumers really want, what do they think about product offerings, do they perceive the benefits to be long term, do products have any loopholes and how to tackle them effectively.

RESEARCH QUESTIONS

This study intends to answer the following research questions:

- What is the effect of Brand Awareness on consumers' purchase intention?
- What is the effect of Brand Association on consumers' purchase intention?
- What is the effect of Brand Loyalty on consumers' purchase intention?
- What is the effect of Perceived Quality on consumers' purchase intention?

OBJECTIVES OF THE STUDY

Below are the research objectives formulated for this study:

- To examine the effect of brand awareness on consumers purchase intention.
- To examine the effect of brand association on consumers purchase intention.
- To examine the effect of brand loyalty on consumers purchase intention.
- To examine the effect of perceived quality on consumers purchase intention.

LITERATURE REVIEW

Purchase Intention refers to the traits by which consumer shows their plan to make a purchase. It does have implications and has consequences on the intent of consumer while making a purchase. Behaviour is interlinked by actual behavior. The theory of planned behavior (referred to as TPB) compiled by Ajzen and Fishbein (2004) stated, the stronger the person intends to conduct a purchase more chances are it will influence actual behavior. Ajzen and Fishbein (2004), in their theory of reasoned action (TRA) the measure of the target of behavior is rightly characterized as the best predictor of TRA. This concept of purchase intention is studied by many research studies of marketing. Shah et al. (2012) showed attitude as an important trait that trigger consumer to buy a specific brand. Crosno, Freling and Skinner (2009) also studied it in details and stated purchase process is linked by the effectiveness of intention. To make customer loyal it is important to consider some characteristic of brands and to make them valuable asset of an organization. Bertoneclj and Moisescu (2010) make a powerful brand it will in return make positive purchase intent.

Brand Equity

Aaker (2013) described this concept they categorized types of brand assists as (brand loyalty, brand associations, brand awareness, and perceived quality). Furthermore, they explained that stated equality is concerned by 2 factors symbol and unique name. These have been studied by several researchers. These factors add to the significance of the brand itself. Studies by Jing et al. (2017), discussed brand equity as important aspect in mind of consumer in making purchase intention and it raises the standards. Similarly, according to Cai et al. (2014) to develop market efficiency brand equity is required. It outlines the purchaser's attitude towards product and also the rational valuation of the customers. Aaker (2009), the high brand equity product will be more purchased as compared to others. There are similarities between purchase behavior and brand equity. The brand associations, perceived quality, brand awareness, and brand loyalty are categorized as the pillars of brand equity all these have favorable impact on brand equity. According to Lin (2008), attitude towards a product primarily depends upon the rational obtained by customers. It is vital to rightly identify the important element in brand equity to target consumers to make a purchase. Consumer are influenced by cultural background of brand too. Socially acceptability of brand is also a matter of concern in eyes of consumers. Behavior is influenced by perceptions and values consumers generate about particular products and/or services that are associated with a brand.

Brand Awareness

Aaker (2009) gave some insights about a selected brand. Started with recognition as it reaches the highs and how it becomes king in industry. On the other hand, Keller (2004), described there is relation between recall and recognition Hakala et al. (2001), argued it is linked with mind awareness (TOMA) it is important to recall difference between top mind awareness and purchase intention of brand choice. It is important to make consumer feel valuable towards brand.

In a recent study, Zavattaro (2005), reported that the way consumer remember other brand are awareness of product brand awareness will result in promotion of brand and a good image in mind will result in repeated purchase. According to Lee, Lee, and Yang (1996), smartphone advertisements as also triggered awareness, the process of knowing smartphone users' information in advance the services that will be used. It is vital to target mobile audience too. It is vital to create awareness among consumers to make them valuable part of the setup it is vital to familiarize them with the product line.

Perceived Quality

Hoeffler and Keller (1998), showed that strong brand too attract preferential evaluations of features, greater perceived quality, and naturally high overall preference it is linked to brand loyalty .Quality is a vital factor and needs to be addressed as well. Past research studies have also targeted it.

The common characteristics of consumers are perceived quality, smart shopper self-perception, and perceived risk. Perceptual factors across product categories include perceived risk, perceived value for money, and perceived quality variation. perceived quality is important aspect of a brand. Price is also vital here. Quality should be maintained and price should be as low.

This research focuses in observing purchase intention on future sales of current consumer. This includes 2 perspectives one form the consumer end (NEW) and one existing consumer. Purchase intention is used to form brand choices and to study consumer behavior. (Rizwan et al., n.d.) It is used for prediction of behavior of consumers to find out is the product worthwhile (Madahi & Sukati, 2012). It is vital to predict the consumer behavior.

Brand Association

As by Aaker (2009), brand associations contribute to powerful image and is interlinked in

meaningful way (p. 109). Mulugeta perceived females have some other traits as of men with brand associations and are more loyal too. The significance is linked to brand associations and results in repeated sales too for examples is the label of Ronald McDonald can make a progressive behavior or sense towards the brand that has been recognized.

The first in line of brand associations is brand attributes, this classifies a product /service. The features can be either a product related attributes or other is non product related attributes. The first one product related attributes are which is relatable to product physical composition or a service requirement, which tends to vary in product/service category. Non-product related attributes are concerned with the external aspects which is relatable to its purchase including information of pricing, user imaginary & information related to packaging (Keller, 1993; 1998). What consumers perceive about the brand and its belief is concerned to price information and it is classified by product or service. These can be highly linked to product attributes and non-product attributes as well. The physical part and service requirements are product related attributes. While non product is linked to external aspects. (Keller, 1993; 1998). While price information is the consumers psyche about the specific product.

Brand Loyalty

Brand loyalty results in consumer confidence and also a way to make repeated purchase by Aaker (2009), brand loyalty will evaluate the current position of the brand in the market and the commitment of consumers to make sales happen Oliver (1953), it is the commitment of repurchase and the pride to use the product this turns in good image and word of mouth with less chances of substitutes. Lin (2016), identified emotional and practical dimension and told emotions plays a very important role in purchase decision. Lua et al. reported that buyer acknowledgment to know product and to have a good insight is vital for image these factors contribute towards a sale. Zavattaro et al. maintained that the task is to maintain existing product by making them a family. Keller (1998) believed that loyalty is essential part of consumer behavior to represent the brand. Brand should become identity of the consumer so that they repeat purchase at every instance. As brand loyalty increase brand can charge premium.

THEORETICAL FRAMEWORK

RESEARCH HYPOTHESES

H1: Brand Awareness has a significant impact on Purchase Intention in Karachi.

H2: Brand Association has a significant impact on Purchase Intention in Karachi.

H3: Perceived Quality has a significant impact on Purchase Intention in Karachi.

H4: Brand Loyalty has a significant impact on Purchase Intention in Karachi.

S. No.	Hypothesis	Reference
H1	Brand Awareness-----Purchase Intention	Al Koliby and Rahman 2018; Buil, Martinez, and De Chernatony, 2013; Santoso and Cahyadi, 2014; Irpan and Ruswanti 2020; Jalilvand, Samiei, and Mahdavinia, 2011; Nayeem, Islam, and Akter 2020; Schivinski and Dkabrowski, 2013; PHAN et al.2019
H2	Brand Association-----Purchase Intention	Al Koliby and Rahman 2018; Buil et al. 2013; Santoso and Cahyadi, 2014; Jalilvand et al. 2011; Nayeem et al. 2020; PHAN et al. 2019
H3	Perceived Quality----- Purchase Intention	Al Koliby and Rahman, 2018; Buil et al. 2013; Santoso and Cahyadi, 2014; Jalilvand et al. 2011; Schivinski and Dkabrowski, 2013; PHAN et al., 2019
H4	Brand Loyalty----- Purchase Intention	Al Koliby and Rahman 2018; Buil et al. 2013; Santoso and Cahyadi 2014; Jalilvand et al. 2011; Schivinski and Dkabrowski 2013

Variables

Name of variable	Role of Variable	Reference
Brand Awareness	Independent	(Al Koliby and Rahman 2018)
Brand Association	Independent	(Al Koliby and Rahman 2018)
Perceived Quality	Independent	(Al Koliby and Rahman 2018)
Brand Loyalty	Independent	(Al Koliby and Rahman 2018)
Purchase Intention	Dependent	(Al Koliby and Rahman 2018)

RESEARCH METHODOLOGY

Research Design

This is an explanatory research because before the research studies had already done on this topic but not well defined as here is a need of this research to be explore this more. Moreover, this is a quantitative research because theory is already developed before and literature on this topic already exist, so this is the qualitative research and all the variables in the framework are qualitative.

Method of Research

Research method is qualitative, and, in this research, data is collected from the secondary and the tool is questionnaire through this data is collected from respondents.

Approach of Research

Approach of this study is a deductive approach and use on rational level by getting the significant response from users whether they are married or single and also as per their age and monthly remuneration. As far as, these are also mention in open plate form for others as well. This study with respect to is subject to the time factor and keeping in view timeframe this study was conducted from chosen consumers at the given places this is the sole reason cross sectional research is conducted.

Population and Sample

Data was collected from the people of Karachi and the population was general public of Karachi who are operating and buying smart phones. Sampling unit are those individuals who recently bought a new phone or want to buy soon. Similarly, the sampling technique was non-probability sampling(Convenience)

Reliability Test

Reliability Statistics

Cronbach's Alpha	N of Items
.940	17

The value of Cronbach's alpha is .940 which is higher than .7 and Cronbach's alpha values are computed in reliability analysis to check the goodness of fit.

Data Analysis Plan

Data is analyzed through the SPSS software and through SPSS conducted statistical applications for this research.

RESULTS

Descriptive Statistics

Statistics

Age			Gender	Income	Brand
N	Valid	98	98	98	98
	Missing	0	0	0	0

The descriptive statistics show that a total of 98 respondents fill the questionnaire and answered all the demographics questions.

Frequency Table

Age

Frequency				Valid Percent	Cumulative
			Percent		Percent
Valid	18-22	38	38.8	38.8	38.8
	23-26	30	30.6	30.6	69.4
	27-31	21	21.4	21.4	90.8
	32-36	4	4.1	4.1	94.9
	37-41	4	4.1	4.1	99.0
	Above 41	1	1.0	1.0	100.0
	Total	98	100.0	100.0	

The table above shows the age % of respondents fall in which category.

Gender

Frequency				Valid	Cumulative
			Percent	Percent	Percent
Valid	Female	23	23.5	23.5	23.5
	Male	75	76.5	76.5	100.0
	Total	98	100.0	100.0	

The above table shows the % of respondent's gender.

Income

Frequency		Percent	Valid Percent	Cumulative Percent
Valid	50000-70000	12	12.2	12.2
	71000-90000	7	7.1	19.4
	91000-100000	6	6.1	25.5
	Below 50000	65	66.3	91.8
	More Than 100000	8	8.2	100.0
Total		98	100.0	

Brand

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Apple	18	18.4	18.4	18.4
	Huawei	10	10.2	10.2	28.6
	Oppo	16	16.3	16.3	44.9
	Other	20	20.4	20.4	65.3
	Samsun g	29	29.6	29.6	94.9
	Vivo	5	5.1	5.1	100.0
Total		98	100.0	100.0	

The table above shows the brand usage % of respondents.

Descriptive Statistics

N		Minimum	Maximum	Mean	Std. Deviation
PQ1	98	1	5	3.97	.968
PQ2	98	1	5	3.92	.846
PQ3	98	1	5	4.19	.713
PQ4	98	1	5	4.02	.861

BAs1	98	1	5	3.77	1.013
BAs2	98	1	5	3.72	.906
BAs3	98	1	5	3.69	.989
BL1	98	1	5	3.74	1.019
BL2	98	1	5	3.85	.889
BL3	98	1	5	3.68	.980
BAw1	98	1	5	3.96	.824
BAw2	98	1	5	3.86	.837
BAw3	98	1	5	3.76	.985
BAw4	98	1	5	3.89	.836
PI1	98	1	5	3.28	1.191
PI2	98	1	5	3.73	.914
PI3	98	1	5	3.83	.885
Valid N (list wise) 98					

The above table of analysis shows the overall range of the mean lies between 3.28 and 4.19. So highest value of mean 4.19 which was obtained for perceived quality (3) against the SD of .713 and the lowest value of mean 3.28 were obtained from Purchase Intention (1) against the SD of 1.191.

Correlations

Purchase Intention			Perceived Quality	Brand Association	Brand Loyalty	Brand Awareness
Purchase Intention	Pearson Correlation	1	.208*	-.017	.265**	.288**
	Sig. (2-tailed)		.040	.865	.008	.004
	N	98	98	98	98	98
Perceived Quality	Pearson Correlation	.208*	1	.172	.175	.595**
	Sig. (2-tailed)	.040		.090	.085	.000
	N	98	98	98	98	98
Brand Association	Pearson Correlation	-.017	.172	1	.255*	.223*

	Sig. (2-tailed)	.865	.090		.011	.027
	N	98	98	98	98	98
Brand Loyalty	Pearson Correlation	.265**	.175	.255*	1	.295**
	Sig. (2-tailed)	.008	.085	.011		.003
	N	98	98	98	98	98
Brand Awareness	Pearson Correlation	.288**	.595**	.223*	.295**	1
	Sig. (2-tailed)	.004	.000	.027	.003	
	N	98	98	98	98	98

The table of correlations above shows the relation between Dependent Variable with the Independent Variable. There is significant Correlation of PI with the PQ, BA, BL, and BAW. Correlation is significant at the 0.01 level.

Regression Analysis

Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	.370 ^a	.137	.100	1.14811

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.412	4	4.853	3.682	.008 ^b
	Residual	122.588	93	1.318		
	Total	142.000	97			

Coefficients^a

Unstandardized Coefficients		Standardized Coefficients			
Model	B	Std. Error	Beta	t	Sig.

1	(Constant)	-2.543	.703		-3.619	.000
	Perceived Quality	.049	.092	.064	.536	.593
	Brand Association	-.144	.109	-.133	-1.319	.190
	Brand Loyalty	.211	.097	.225	2.182	.032
	Brand Awareness	.141	.082	.213	1.719	.089

a. Dependent Variable: Purchase Intention

Regression Equation:

$$Y = a + bx + e$$

Purchase Intention (Y) = -2.543 + .049 * Perceived Quality + -.144 * Brand Association + .211 * Brand Loyalty + .141 * Brand Awareness.

Hypothesis Assessment Summary

Hypothesis	Statement	Sig Value	Decision
H₁	Brand Awareness has a significant impact on Purchase Intention in Karachi	0.089	Null Accepted
H₂	Brand Association has a significant impact Purchase Intention in Karachi.	0.190	Null Accepted
H₃	Perceived Quality has a significant impact Purchase Intention in Karachi.	0.593	Null Accepted
H₄	Brand Loyalty has a significant impact Purchase Intention in Karachi.	0.032	Null Rejected

DISCUSSION

The purpose of this study was to examine the relationship between components of brand equity towards the purchase intention of consumers in Karachi. All of my hypothesis stated that there is an impact of brand association, brand awareness, perceived quality on consumers purchase intentions except brand loyalty's impact. Therefore, brand awareness, brand association or perceived quality have a positive impact on consumers purchase intention.

CONCLUSION

This study is carried out to acknowledge the influence of components of brand equity on consumers purchase intention so the conclusion is drawn out that marketers are trying to further influence the consumers purchase intention and they should do more work on brand equity as the can make the loyal customers. Because brand equity components (brand awareness, brand association, brand loyalty, perceived quality) positively impact the consumers purchase intention.

RECOMMENDATIONS

If any researcher wants to further explore the Impact of brand equity components on consumers purchase intention towards smart phones in future, then the researchers must increase the geographic and take more sample size in order to get more outcomes. Furthermore, marketers must focus on brand equity components in order to make more consumers.

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