

2nd World Conference On Business, Economics And Management - WCBEM2013

An examination of the relationship between Services Marketing Mix and Brand Equity Dimensions

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Abstract

In today's competitive world, brands are tools for promoting adding values to products and also are one of the most valuable assets of an enterprise. Brand aid create value for customers and organizations, and illustrate reasons why of paying more for purchasing goods or services. This survey research with emphasis on Aaker and Joachimsthaler (2000), investigates the effects of services marketing mix (including: price, product, place, advertising, physical evidence, process and people) on four dimensions of brand equity dimensions (including: perceived quality, brand loyalty, brand awareness and brand association). The research method is based on descriptive and correlation. Also required data has been gathered via a probabilistic approach from chain stores in Tehran city by a valid questionnaire. Using appropriate statistical tests data has been analyzed and then test results has been presented for concluding remarks. Results of this research paper demonstrated the strong positive and meaningful relationship between brand equity dimensions and services marketing mix in chain stores.

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Selection and peer review under responsibility of Organizing Committee of BEM 2013.

Keywords: services marketing mix, brand equity, chain stores, and customers;

1. Introduction

Brand equity create added value or favourableness that one product create it by means of brands name (Aaker, 2004). The name of a brand increases strategic and economic value for their owners (Gil, Andrs and Salinas, 2007). In today's complicated world consumers face so many choices for choosing and purchasing goods and services and also decreasing time of purchasing and complication of decision making. Regarding to this issue, brand's name capability can easily simplify customer decision making and reduce risks and also it define expectation and promote customer satisfaction (Farquhar, 1989). Brand can create value for firms and customers and illustrate reasons for paying more by customers in the case of top brands. Brand play the main role for adding value similar to assets technology and raw material in each and every enterprises regarding to this issue that was mentioned, firms can also take advantage from specific value for name of brands as method for achieving stable competitive advantages (Fledwick, 1996). On the other hand services marketing mix is mentioned as a valuable tool for recognizing customers of each market sectors. In this research take advantage from seven main factor of marketing mix

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(including: price, product, place, advertising, physical evidence, process and people). The main objective of this research is to investigate relationship between dimensions of brand equity and service marketing mix in chain stores.

2. Theoretical Background

2.1. Brand Equity

Scholars have various comprehensions for brand equity. Some of them define brand equity as added value, loyalty to brand, recognition of brand, brand awareness, perceived quality, added utility, attitude fluctuation caused by brand recognition and so on. (Aaker and Joachimsthaler, 2000). Some of scholars restrict use of brand equity into evaluation of mental implications whereas some others consider it as attitude implications. on the other hand in marketing literature brand equity categorize into two parts; first, the category consist of customer attitude (e.g. brand awareness, perceived quality and so on) and those which consist of customers attitude (e.g. loyalty to brand and so on) (shams, 2007). Aaker consider brand equity as collection of traits and credits linked to brand that is led to promotion or demotion of created value by product. He divide these traits into five groups consist of, loyalty, brand awareness, realized quality and other traits (e.g. registered sign, concession and so on).

Many of scholars illustrate that brand equity encompasses factors like brand awareness, customer’s loyalty to brand, perceived quality, registered sign and so on. The rest of factors depend on capability of brand for separating its own from other competitors. However the root of each and every activity that was mentioned before is amount of customer recognition from brand. On the other hand this issue cause various responses to marketing activities about brand (Keller, 1993; Lassar& et al., 1995). Some other scholars regard to brand from financial aspect and also regard to brand equity in framework of pure financial value (Upshaw, 1995). In table 1 offer some the most selected definitions for brand equity.

Table 1. Most cited definitions for Brand Equity

Researchers	Year	Definitions
Aaker	1991	A set of assets and capitals that related to brand and increase or decrease the value of goods and services which brand offer.
Edrem & et al.	2006	A concept that refer to this idea that, the value of products for customer increases in a condition that firm with passing time related to some special elements that is formed extract of brand.
Farquhar	1989	The added value that a specified brand dedicate to product
Keller	1993	Marketing effects that related to brand specifically
Yoo & Donthu	2001	Various responses of consumer to brand compared with fake goods during both of marketing motivator have the same traits
Kamakura & Russell	1993	The further benefit related to brand could not be achieved with practical traits

According to view point of Aaker and Joachimsthaler (2000), brand equity consist of four main dimensions that present research also was fulfilled base on this viewpoint. Figure 1 demonstrates these dimensions correctly.

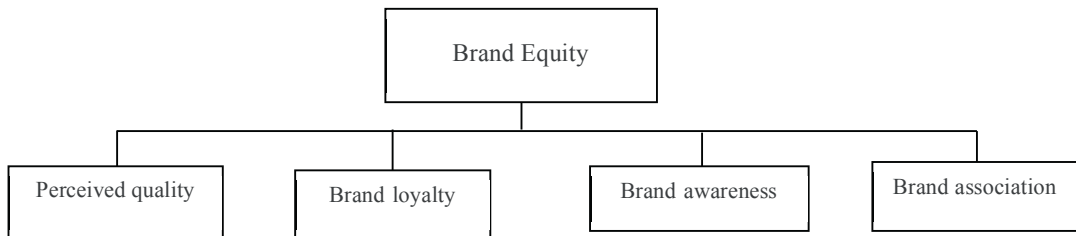


Figure 1. Dimensions of brand equity: (Aaker and Joachimsthaler, 2000)

2.2. Marketing Mix

Marketing mix is the essential factor of decision making and evaluations related to markets of financial firms so that marketing mix or marketing strategy is combination of essential elements for planning and fulfilling whole of marketing operation process. From the other aspect marketing mix elements are manageable also they are related to each other mutually. Making decision about one of them affect other elements directly and if marketing mix elements combine each other effectively so that either cooperate consumer needs or environment needs at the whole of market, it can cause creation of efficient marketing system (Ketabi, 2005). Marketing mix is collection of controllable tools of marketing which firms are collocated until they response to target market. Marketing mix encompasses whole of works which firms can fulfill to promote demand for their products (Dargi, 2005). The definition of marketing mix in order to find a decent place in target market is defined as present the right product, in convenient location, with a worthy price and at a right time. In fact marketing mix illustrates firm's movement orientation using some construable variables in a condition, which many uncontrollable factors are exist. In other words decision making variable of marketing in shape of marketing mix models prepare a framework, which firms by means of them develop planning for marketing activities. In this way two applied category for using marketing mix are imagined; one of them making decision about how presenting products is and the other one measurement and evaluation of present marketing strategy in order to realization cases that were mentioned, each one of elements related to marketing mix in addition adaption with each other should be coordinated with various needs of target market. Hence marketing mix is define as a result of attempts and activities of management for innovative combination of inter-related activities of marketing which satisfy the need of customer in the best procedure parallel to maximization of benefits.

At the first time concept of marketing mix was presented by Borden in 1964, but the most ordinary variables in marketing mix configuration consist of product, price, promotion and place, were presented by McCarthy. from McCarthy period until now, did not occur any special event in definition of marketing and other variety of aspects is organized around his definition. Regarding to this issue, despite many useful points that this definition has, from the viewpoint of being completed definition, it is always been doubted and faces with many shortages to the extent many of critics denied it. In this regard, in order to offset of comprehensiveness in McCarthy's model, Borden with adding 8p's to proposed model, introduces 12 variables as effective ones in marketing decision making variables; in the same way, Frey (1961), divided marketing variables into two category; proposed variables (consist of products, services, packing, price and brand) and processing variables (encompasses: advertising, purchasing promotion, personal purchasing, public relations, distribution networks, marketing research and expanding new products). Bitner and Boom (1981), also proposed a model in which in addition to price, products, place and promotion, some cases consist of cooperation, process and physical evidence are also were mentioned. Rafiq and Ahmed (1995), with typology in service district, introduced 7P model as base of decision making in service industries. In present research paper, marketing mix service encompasses: price, place, product, advertising, process, people and physical evidence is regarded.

3. Research Methodology

The purpose of present research is applied and methodology is descriptive survey research; moreover, for analysing data's and information used correlation method. Statistical population in present survey consists of ten chain stores namely Etkā in Tehran city. In this research the probabilistic method was used for sampling and amount of samples calculated by Morgan table equal 385. Data gathering tool in present research is questionnaire and related question in context of marketing was extracted from Chen and Green (2009) and standard questionnaire of Moghimi (2010).

4. Research Findings

Correlation analysis is a statistical tool for determining intensity and type of relationship between two variables. In this regard, correlation ratio is one of practical criteria in determining correlation between two variables. Pearson correlation ratio is a parametric method and is applied for normal distribution data's. This correlation ratio is calculated base on the main data's. Since amount of data's that used in this survey are numerous, it has been used Pearson correlation ratio. The concept of meaningful correlation ratio is if earned correlation ratio between two variable either randomly or actually table 2 in summery demonstrate correlation ratio's among research variables.

Table 2. Pearson correlation coefficients between all of the variables

Perceived Quality	1											
Brand Loyalty	0.405	1										
Brand Awareness	0.411	0.514	1									
Brand Association	0.384	0.476	0.671	1								
Price	0.388	0.522	0.538	0.634	1							
Product	0.408	0.474	0.520	0.669	0.628	1						
Advertising	0.416	0.469	0.744	0.649	0.583	0.627	1					
Place	0.237	0.290	0.479	0.385	0.586	0.544	0.516	1				
Physical Evidence	0.733	0.419	0.560	0.522	0.556	0.529	0.529	0.320	1			
Process	0.408	0.509	0.562	0.371	0.508	0.617	0.618	0.445	0.556	1		
People	0.416	0.522	0.762	0.680	0.462	0.450	0.541	0.591	0.568	0.745	1	
Brand equity	0.344	0.410	0.658	0.547	0.661	0.537	0.493	0.327	0.455	0.622	0.477	1
	Perceived Quality	Brand Loyalty	Brand awareness	Brand Association	Price	Product	Advertising	Place	Physical Evidence	Process	People	Brand equity

Sig = 0.000

5. Conclusion

As it has been indicated in table 2, amount of correlation among the most of research variables are positive and meaningful. Results calculated by correlation analysis among research variables demonstrate positive and meaningful relationship between perceived quality and brand equity ($r=0.34$) also there is a direct and positive relationship between loyalty to brand and brand equity ($r=0.41$) further, relationship between brand awareness and

brand equity is $r=0.65$. moreover between brand association and brand equity, correlation ratio is $r=0.54$ so it was positive and meaningful too.

These results totally illustrate that however perceived quality and loyalty to brand and also brand association and also brand awareness in viewpoint of customer increase; brand equity is also increases too. Besides, there is a positive and direct relationship among seven mix factors and brand equity and furthermore whatever improves variables such as price, product, advertising, place, physical evidence, process and people. So brand equity will be promoted too. The results of Pearson correlation sampling demonstrated that ratio's between the rest of factors such as price and brand equity is $r=0.66$, product and brand equity is $r=0.52$, advertising and brand equity is $r=0.49$, place and brand equity is $r=0.32$, physical evidence and brand equity is $r=0.45$, process and brand equity is $r=0.62$, people and brand equity is $r=0.47$ and moreover, they have been shown a meaningful and direct relationship among factors that were mentioned before.

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