IMPACT OF BRAND EQUITY ON CONSUMER PURCHASE DECISION OF DAIRY PRODUCTS

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Abstract

The purpose of the research study is to examine the impact of brand equity on purchase decision of dairy products in milk city Anand. There are four elements in the brand equity model which are brand awareness, perceived quality, brand association, and brand loyalty. A total of 200 dairy product consumer participated in this study. In order to test the hypotheses, correlation coefficient was applied to identify the relationship between brand equity elements and consumer purchase decision. The results suggest a remarkable relationship between brand equity and purchase decision. Hence brand equity is significantly associated with consumer purchase decision of dairy products.

Keywords: brand equity, brand awareness, perceived quality, brand association

I. INTRODUCTION

Brand equity is the additional value on products and services, which may be replicated in the way consumers, think, sense, and act with regard to the brand. Brand equity refers to the incremental utility or value added to a product from its brand name. Brand equity is an instrument to measure the competitive strength of Brands (Farquhar, 1989). According Aaker (1991) Brand equity contains of four dimensions: Brand Associations, Brand Awareness, Brand Loyalty, and Perceived Quality. These dimensions are basis of measuring brand equity. Brand

equity is significant at purchasing time as it influences customers and compete with the competitor's attractions.

II.   LITERATURE REVIEW

The present research employs brand equity based on Aaker's (1991) model. Aaker built his model on four dimensions.

Brand Awareness
Brand awareness refers to the strength of a brand's presence in consumers' minds and is an important component of brand equity (Aaker, 1991; Keller, 1993).Aaker (1991) defines brand awareness as "the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category".

Brand Association
A brand association is "anything linked in memory to a brand" (Aaker, 1991, p. 109). Further, Aaker (1991) suggested that brand associations could provide value to the consumer by providing a reason for consumers to buy the brand, and by creating positive attitudes/feelings among consumers. In this respect, high brand equity implies that consumers have strong positive associations with respect to the brand.

Perceived Quality
Perceived quality is another important dimension of brand equity (Aaker, 1991). It is defined as the customer's perception of the overall quality or superiority of a product or service (Aaker, 1991; Keller Perceived quality is not the actual quality of the product but the consumer's subjective evaluation of the product (Zeithaml, 1988, p.3). It is found that perceived quality is extreme prominence in determining brand loyalty as well as repeat purchase same brand products .Brand loyalty is a key constituent of brand equity"

Brand Loyalty
Brand loyalty is a major component of brand equity. Aaker (1991, p. 39) defines Brand Loyalty as a situation which replicates how likely a customer will be to shift to another brand, especially when that brand makes a alteration, either in price or in product features etc." From an attitudinal perspective, brand loyalty was defined as "the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice" (Yoo and Donthu, 2001,p. 3).

The Relationship between Brand Equity and Purchase Decision
Although empirical evidence indicated that brand equity can affect purchase decision in various contexts (Ashil and Sinha, 2004; Chang and Liu, 2009), the number of studies which apply Aaker's brand equity model to measure the effect of its dimensions on purchase decision.
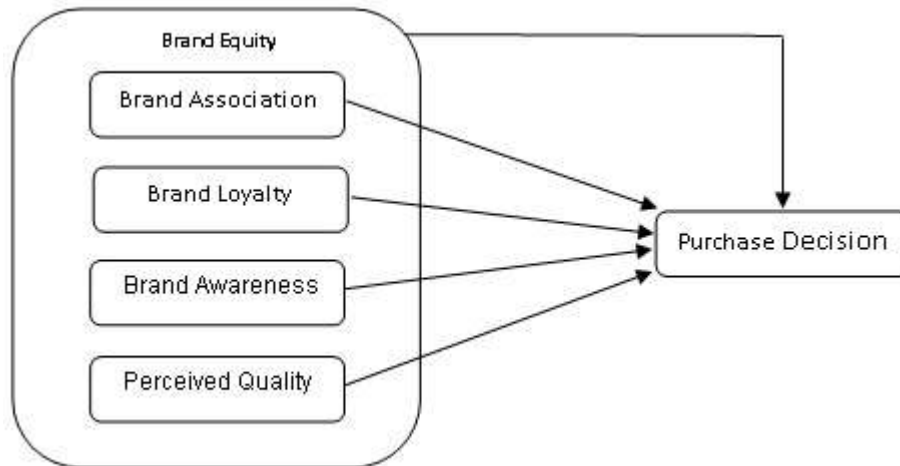
Figure 1: Conceptual model of study

Significance of Study

Strong brand equity allows companies to retain customers better, service their needs more effectively, and increase profits. Brand equity can be amplified by effectively executing and managing an ongoing association marketing exertion by offering value to the buyer, and attending to their requirements.

III.   RESEARCH METHODOLOGY

Objectives of the study
- To study Impact of Brand Equity on consumer Purchase decision of Dairy products.
- To study demographic profile of buyers of milk products.
- To draw out managerial implications of the findings of the study.

A questionnaire was developed to test the four formulated hypotheses. The hypothesis of this study was to assess brand equity components: brand awareness, perceived product quality, brand association, and brand loyalty affects the consumer purchase decision of dairy products. The target respondents are buyers who buy dairy products. Convenience sampling was used to collect data from 200 consumers who bought dairy products from Anand city.

Variables
1. Independent variable was brand equity that comprised:1) Brand awareness 2) Perceived Quality 3) Brand association, and 4) Brand loyalty
2. Dependent variable was purchase decision.

IV.   OBSERVATION RECORDED, RESULT AND INTERPRETATION

This section represent demographic characteristics of respondents. Sample consist of more male respondents (68.5 %) as compared to female respondents (31.5%). Respondents span the range of age category from below 20 to above 50, Respondents were equally distributed in different age group. Out of 200 respondents 17 were below 20 years whose percentage is 8.5, 56 respondents were between the age group of 20 to 30 years, 63 respondents were between the age group of 30-40, 48 respondents were between the age group off of 40-50 and 16 respondents were above 50 years of age.

Among 200 respondents,   82.5 % (165) of the respondents were married, and 17.5 % (35) of the respondents were single.Out of 200 respondents majority of respondents (96.5%) were comes from urban area and remaining (3.5%) were come from rural area.For occupation, 26 percent were in salaried, 21.5 percent were self-employed, 29.5 percent were house wife, 18.5 percent were students and 4 percent were in other.

The data revealed that majority (66.5 %) of the respondents belonged to nuclear family while 33.50 % belonged to Joint Family. With regard to family size, majority of respondents 54.5 % were belong to 1-3, 31% respondents were belonged to 4-6 while reaming respondents 14.5 5 were belonged to above 6 family size.

Hypothesis development
To study the impact of various dimensions of Brand equity on purchase decision, the following hypotheses were framed.

Brand Awareness:
H0a: There is no significant positive impact of Brand Awareness on Purchase decision.
H1a: There is a significant positive impact of Brand Awareness on Purchase decision.

Brand Association:
H0b: There is no significant positive impact of Brand Association on Purchase decision.
H1b: There is a significant positive impact of Brand association on Purchase decision.

Brand Loyalty:
H0c: There is no significant positive impact of Brand Loyalty on Purchase decision.
H1c: There is a significant positive impact of Brand Loyalty on Purchase decision.

Perceived quality:
H0d: There is no significant positive impact of perceived quality on Purchase decision.
H1d: There is a significant positive impact of perceived quality on Purchase decision.

Table 4.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.752[a]	.566	.557	.28731

a. Predictors: (Constant), AVGPQ, AVGBA, AVGBL, AVGBAS

Model Summary provides an overview of the results. In the present regression analysis, the measure of strength of association is given by the coefficient of determination denoted by R^2. From Table, it can be seen that the R^2 value is 0.566, which shows 56.6 % of variance in purchase decision is explained by various components of brand equity. The last column of the same table standard error of estimation‖ provides a measure of how accurately the regression equation predicts values of dependent variable. The smaller the value of standard error of estimation is, better one can predict that the independent variables account for the variance in the dependent variable.

Table 4.2 ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.979	4	5.245	63.539	.000[a]
	Residual	16.096	195	.083		
	Total	37.076	199			

a. Predictors: (Constant), AVGPQ, AVGBA, AVGBL, AVGBAS

b. Dependent Variable: AVGPD

The table labeled ANOVA in the SPSS output provides the results of a test of significance for R and R square using the F-statistic. Table represents the ANOVA Summary as well as model fit. From it, it can be demonstrated that the model is found to be statistically significant (p = 0.000 < 0.05), thus, confirming the fitness of the proposed research model.

Table 4.3 Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.122	.259		-.470	.639		
	AVGBA	.289	.041	.355	7.098	.000	.889	1.124
	AVGBAS	.049	.072	.041	.679	.498	.599	1.668
	AVGBL	.320	.061	.321	5.276	.000	.600	1.666
	AVGPQ	.373	.058	.335	6.458	.000	.827	1.210

a. Dependent Variable: AVGPD

For examining impact of various components of brand equity on purchase decision, standardized beta coefficient is referred. The higher the beta value, the higher will be the impact on dependent variable. On the basis of Table, it can be inferred that out of four components, brand awareness having more impact on purchase decision. The other components in order of its influence are as follows: quality and brand loyalty.

Hypothesis	Remarks	Decision about Hypothesis
H0a	S	Null H0a rejected while Alt. H1b accepted
H0b	NS	Null H0b accepted while Alt. H1b rejected
H0c	S	Null H0c rejected while Alt. H1c accepted
H0d	S	Null H0d rejected while Alt. H1d accepted

V.   CONCLUSION

Our purpose of this study was to examine the relationship between brand equity and Consumer purchase decision. Dimensions of brand equity have a direct impact on purchase decisions except brand association to the purchase decision of Dairy Products. Brand awareness having more impact on purchase decision. Dimensions of Brand Equity in order to its influence on purchase decision are as follows: 1) Brand Awareness 2) Quality and 3) Brand loyalty. Brand Association has no impact on purchase decision. Dimensions of brand equity have positive impact on purchase decision, which is associated with more willingness to continue buying same brand products in future.

VI.   LIMITATION OF STUDY:

Firstly, the primary data were collected from the Anand city. Anand is known as the Milk Capital of India. It became famous for Amul dairy and its milk revolution. So that samples selected from the city cannot be considered as a proper representation of the population of the country. Moreover, possible biases occur while respondents replied the questionnaires. The majority of the questions in the questionnaire were developed by using the 5-point rating scale. Though, from the result of the collected data, there were a number of respondents who gave all neutral replies, either all strongly agree or all strongly disagree. This shown that the respondents were not honest in answering the questionnaires, thus, the result of the study may not reflect the reality.

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