The Association of Brand Equity Dimension and Market Share: A Case Study of Smartphone in Thailand.

Zhang Jing, Chatchai Pitsaphol[*], Rizwan Shabbir

School of Management, Huazhong University of Science and Technology, 1037 Luoyu Road, Wuhan, 430074, P.R. China.

Tel: 86-132-6059-5687 [*]E-mail: cpitsaphol@gmail.com

Abstract

The global market situation is quite different as compared to a specific region. The most of business wants to be the leader in their industries which need to increase higher market share and competitive advantage. Especially, in the smartphone industry in Thailand should be learning the consumer value and consumer behavior. The branding is important for the consumer purchasing because the features and attributes of all smartphones resemble in the consumer market. Therefore, this study aimed to determine the factors of consumer based brand equity dimension that affect smartphone market share in Thailand. To build a market share and a strong brand must be composed of building brand loyalty, brand awareness, perceived quality and brand image. This paper analyzed the three variables of brand equity by considering Samsung and Oppo Smartphone brand because it is the leading smartphone firm in Thailand. The findings showed that brand loyalty, brand awareness and brand image was significant statistically associated and influenced on market share. As each dimension of brand equity results can increase profitability and firm's performance of the company, so the model of smartphone market share in this study could guide marketing strategies of Smartphone industry to create a competitive advantage and expand its consumer base in Thailand market. Thus, investors and marketers should consider their dimensions for building a strong Smartphone brand.

Keywords: Brand Equity, Brand loyalty, Brand Awareness, Brand Image, market share and Smartphone

1. Introduction

The world economic environment rapidly changes. The business must adjust to the changing as well as strategies for various situations and competition intensifier. Especially, in the smartphone industry in Thailand needs to develop the product and business strategies. The branding strategies become to be the importance of the marketing plan because the branding is the marketing tools to increase customer base. The smartphone manufacturers should focus on branding strategies and marketing campaigns to make a strong brand and to get consumer loyalty and higher market share in their industries. It will affect to purchase decision of the consumer. Moreover, the reputation of a strong brand represents the quality guarantee to consumers and attracts new customers and existing the old customers too. The branding will make the profits growing continuously and increasing brand equity. (Keller. 2003) In this study, we selected Samsung and Oppo Smartphone brand because Samsung and Oppo launched its Smartphone with intensive and energetic marketing campaigns in Thailand market. The research was aimed to explore the distinctive aspects of 3 brand equity dimensions which compose on brand loyalty, brand awareness, and brand image. It also analyzed the influence of these dimensions on market share. Simultaneously, this study could guide investors and managers about the crucial aspects to generate revenues and market share based on brand equity dimensions.

2. Theoretical background and research hypothesis

Today there are many products and services in the market that are highly competitive market. It is difficult for consumers to distinguish. The branding can make consumers recognize the product. As a brand name that consumers can allow to identify products that are beneficial to themselves. The brand also indicates that consumers know the quality of the product. Brand is not only benefit's consumers, but also benefit's manufacturers can protect the trademark from imitation of competitors. Brand name refers to a name, symbol, message, form or combination of these to indicate the product or service of a seller or group of sellers to differentiate from competitors. (Kotler, 1997) From consumer aspects, brand equity is the value of the business and consumer expectations of the organization, products and services, including the experience of communication and awareness of the brand (Auken, 2002). Brand equity can measure by brand personality and brand attitude that are an important and necessary for brand equity management and consumer behavior measurement such as loyalty or willingness to pay higher prices for the products that have been shown the value in the brand (Blackston, 1995). The brand consists of three sections, Brand Saliency is the perception of consumers towards the brand. The Brand Association is the characteristics of brand or image of the brand that consumers recognize it. Brand Personality is the various characteristics of the brand. Thus, manufacturers have

to create brand loyalty in mind of the consumer by building a strong brand which consists of developing the product features and makes a difference until it protects the brand and attract consumers (Randall, 1997). Prior research on customer base brand equity is measured value brand in the mind of the customer (Keller, 1993). It is a guideline for the study of brand equity from the perspective of the consumer and for study the behavior of consumers towards the brand and to create marketing programs that are associated with the brand. The knowledge is the important key to build the customer base brand equity. Because the knowledge about the brand of each customer will differ based on experience with the brand become to brand equity. The brand knowledge is the knowledge exists in the customer memory which has been described in the association network memory model. It is linked to information about the brand in the node memory and linked into the network, which shows the strength of the relationship between the various information about branding. It can be divided into two components: brand awareness and brand image which exits in the customer memory. Brand awareness consists recall and recognition and brand image can be divided based on three characteristics which are product related attributes, non-product related attributes (Keller, 1993) and benefits. Meanwhile, brand equity is measured by four dimensions (brand loyalty, perceived quality, brand awareness and brand associations) must base on psychological and reliability, availability of consumer of different cultures (Yoo & Donthu, 2001) Moreover, Kim, H. b., Kim, & WG (2005) concluded that brand loyalty, perceived quality and brand image is a key component of brand equity in the consumer mind which has a positive relationship with the firm's performance. In this study interest in only brand loyalty, brand awareness and brand image affect the market share.

Brand loyalty

Brand loyalty means the consumer satisfaction and repeat purchase of a product or service. Brand loyalty is a major factor to increase the market share because when consumers are loyal to the brand they purchase and promote that specific brand which results in higher market growth and profitability. Brand loyalty represents a commitment of the consumer to the brand which makes it as an intangible asset that reflects the company's price of the product or service (Schiffman & Kanuk, 2004). Aaker (1991) explained that brand loyalty dimension is different from the other dimensions of brand equity because of brand loyalty is linked to the usage experience. Thus, the loyalty played an important role because higher loyalty increases consumer satisfaction, feeling towards the brand and repurchase.

Brand awareness

Aaker and Keller has the meaning of brand awareness dimension that is brand recall and brand recognition in any type of product. Kohli & Leuthesser (2001) explained that brand awareness is a component of knowledge about the brand as well as the concept of Keller. In general, consumers will begin from an unknown the brand until the seller communicate to consumers about the product/service. The consumer is beginning to know and when they often hear the brand name which the consumer will can recognize and remember the first brand name (Ritson, 2003). On the other hand, Brand awareness concept of Aaker that is the buyer's ability to recognize and recall the brand of the product (Baldauf, 2003 & Yoo & Donthu, 2001). The main goal of brand management is developing and maintaining brand awareness because brand awareness affects the decisions of consumers and affect the business value. Moreover, brand awareness is linked to the brand strength in the minds of consumers, which provide firm's with a brand value that can be used in future to attract and promote products or services (Kim & Kim, 2005). The only brand name that consumers can recognize and remember will be selected to purchase based on brand recall and brand recognition.

Brand image

Brand Image is a set of brand association (Keller, 1993) which is the attitude and the perception of consumers about the brand which linking brand to be stored in the memory of consumers. The linking brand can be divided into three characteristics (Chen, 2001) as follows, Attribute describes the characteristics of the goods or services can be divided into Product-related Attribute represents the physical attribute and functional. Another characteristic is Non-product Related Attribute such as Price Information, Packaging or Products, User Imagery and Usage Imagery (Keller, 1998). Linking the benefit describe the consumers can get from using the product to be divided into Functional Benefit, Experiential Benefit and Symbolic Benefit (Chen, 2001). The linking of the attitude and the perception come from the overall assessment of the consumer to the brand that arising from the features and benefits expected to be received from a brand. So, linking the image of the brand is clearly reflected in the price value over competitors (Debra Grace & Aron O'Cass, 2002).

Thus, Brand equity is the value of the business and the expectation of consumers have to the organization, products and services, including the experience of communication and awareness of the brand (Auken, 2002). Brand equity makes the brand to generate sales and profits and can provide a stable, strong, differentiation of the brand and a competitive advantage (Keller, 2003). The value of brand equity can be split to three points of view. The first is Firm's Perspective, the second is Trade's Perspective and the third is Customer's Perspective (Farquhar, 1989) which affects to measure the financial brand equity, the economic value and sales volume. Especially, the model of the Consumer Value Model and Brand Dynamic[TM] Pyramid (Dyson, Farr, & Hollis, 1996) links between the data on consumer behavior and sale volume use to find the brand equity which will be

made to know the various factors that can lead to consumer loyalty and make the brand equity to increase market share in the future

Research hypothesis

This study aims to explore the relationship between brand loyalty, brand awareness, brand image and market share based on the concept of Aaker (1991) and Keller (2008). As shown in (figure I).

H_1: Brand loyalty is positively related to Market share.

H_2: Brand awareness is positively related to Market share.

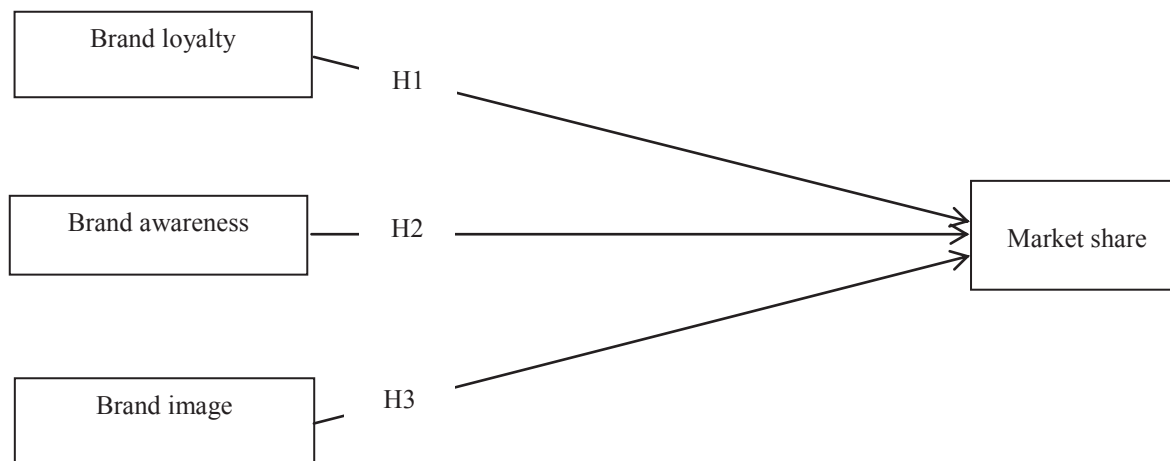H_3: Brand image is positively related to Market share.

Figure I: Proposed framework for 3 Brand equity dimension and Market share

3. Research Methodology

3.1 Data collection

The convenience sampling method was used to collect data from 100 Samsung smartphone users and 100 Oppo smartphone users in Thailand. The questionnaire was distributed to the Samsung and Oppo smartphone store located in a shopping mall in Bangkok, the capital city of Thailand because it has population density, variable occupation and variable income. The data was collected between January-February 2014 and in order to reinforce the coverage of the questionnaire, the data were conducted during three different time periods: morning, afternoon and evening (Long-Yi Lin, 2010).

The survey questionnaire consisted of two sections. The first section was designed to acquire the respondents' demographic information toward the smartphone market in Thailand. The second section was designed to measure the relationship between 3 brand equity dimensions (brand loyalty, brand awareness, brand image) and market share. A five-point Likert scale was used to measure the questionnaire (1= strongly disagree to 5=strongly agree) (Likert, 1932). Likert scale is a widely used rating scale that requires the respondents to indicate a degree of agreement or disagreement and it is easy to construct administer and understand. The questionnaire was adapted from the work of Keller (2008) and Yoo & Donthu (2001). We used statistical package for social science programs (SPSS) Ver.17 for data analysis. The correlation and regression analysis were analyzed to measure the outcome of the relationship of 3 brand equity dimension and market share. The results could be guided the smartphone manufacturers to increase the market share in Thailand.

3.2 Result

A total of 200 valid responses from 100 Samsung users and 100 Oppo users were collected for this study. Among them, 55.5% of respondents were females while 44.5% of respondents are male. The age group of 25 years to 34 years accounted for 36%. This demographic result represents that majority of respondents are young and they have knowledge about leading Smartphone brand. Moreover, we explore the education attained by respondents which showed that 38.5% of respondents have earned their bachelor degree. The occupation of respondents indicated that 32% were company employees, which is followed by students with 29.50% and the monthly income of respondents were ranging 15,001 – 20,000 Thai Baht. The summary of respondents' demographics is shown in Table I.

Table I. Description of demographics Variables		
Gender	**Percentage/Mean**	**S.D**
Male (89)	44.50 %	
Female (111)	55.50 %	
Age		
15-24 Years	30.00 %	
25-34 Years	36.00 %	
35-44 Years	26.00 %	
45-54 Years	7.00 %	
More than 55 Years	1.00 %	
Education		
Lower than bachelor degree	29.50 %	
Bachelor degree	38.50 %	
Master degree	27.00 %	
Higher than master degree	5.00%	
Occupation		
Student	29.50 %	
Housewife	2.00 %	
Company employee	32.00 %	
Government officer	25.50 %	
Owner business	11.00 %	
Income[1]	2.85	1.544
Notes: [1]Represents Respondents Family Income: 1 = 10,000 or less THB, 2 = 10,001 – 15,000 THB, 3 = 15,001 – 20,000 THB, 4 = 20,001 – 25,000 THB and 5 = 25,001 or more THB		

The mean of variables explored that brand awareness has higher mean as compared to other variables with 4.0557 followed by brand loyalty of 4.0500 and brand image by 4.0266. The result showed that respondents thought brand awareness and brand loyalty were major dimensions while evaluating the variables of a Smartphone brand in Thailand as shown in Table II

Table II: Descriptive statistics of variables		
Variables	**Mean**	**Std. Deviation**
Brand loyalty	4.0500	.41467
Brand awareness	4.0557	.39268
Brand Image	4.0266	.30467

Pearson's correlation analysis was used to test the hypothesis to find the correlation among brand equity dimensions. If one of the variables is changed, it is correlated with other variables as well. A relationship close to 1 or -1 means variable with high affinity, although it is correlated positively or negatively and when the relationship is 0 means there is no relationship between variables. From Table III, $r = 0.913$, $p = 0.000 \leq 0.05$ which has a statistical significance. It means brand loyalty is related to market share. $r = 0.904$, $p = 0.000 \leq 0.05$ which has a statistical significance. It means brand awareness is related to market share. $r = 0.902$, $p = 0.000 \leq 0.05$ which has a statistical significance. It means brand image is related to market share. $r = 0.811$, $p = 0.000 \leq 0.05$ which has a statistical significance. It means brand loyalty is related to brand awareness. $r = 0.840$, $p = 0.000 \leq 0.05$ which has a statistical significance. It means brand loyalty is related to brand image. $r = 0.822$, $p = 0.000 \leq 0.05$ which has a statistical significance. It means brand awareness is related to brand image.

Table III: Correlation analysis				
	Market share	**Brand Loyalty**	**Brand Awareness**	**Brand Image**
Market share	1.000			
Brand Loyalty	0.913**	1.000		
Brand Awareness	0.904**	0.811**	1.000	
Brand Image	0.902**	0.840**	0.822**	1.000
**Correlation is significant at the 0.01 level (2-tailed).				

Table IV: Regression Analysis				
Independent variable	**Unstandardized Coefficients B**	**Standardized Coefficients β**	***t***	**Sig.**
Constant (α)	-255.146		-40.335	0.000
Brand Loyalty awareness (BL)	22.937	0.380	10.143	0.000
Brand Awareness (BA)	23.133	0.362	10.147	0.000
Brand image (BI)	23.452	0.285	7.402	0.000
Dependent Variable: Market Share (MS)				
R	0.965			
R^2	0.931			
Adjusted R^2	0.930			
F-statistics	885.196*			
Note. *p <.05				

The multiple regression analysis was adopted to test the relationship of brand loyalty, brand awareness, brand image and market share. The results of the regression analysis were shown as Table IV. From the data shown, the correlation R = 0.965 it means the 3 factors have a high relationship with brand loyalty. In this regression, independent variables predicted the relationship with the dependent variable at 93.1 % (R Square = 0.931), ANOVA statistics (F = 885.196, p <. 05) indicated that the overall model is statistically significant and has Std. Error of the Estimate at ±6.62082. When considering the regression data of independent variable, we found that brand loyalty (B = 22.937, S.E.$_{\cdot bi}$ = 2.261, β = 0.380, t = 10.143, p = 0.000), brand awareness (B = 23.133, S.E.$_{\cdot bi}$ = 2.280, β = 0.362, t = 10.147, p = 0.000), brand image (B = 23.452, S.E.bi = 3.168, β = 0.285, t = 7.402, p = 0.000) predicted market share with a statistically significant at 0.05. We accept H_1, H_2 & H_3 which means that brand loyalty, brand awareness and brand image are positively related to market share. The structural equation model reveals the following regression equations for analyzing the market share base on 3 dimension brand equity of smartphone brand in Thailand:

Un-standardized Score   Y = -2.55.146 + 22.937(BL) + 23.133(BA) + 23.452(BI),

Standardized Score Z_r = 0.380(BL) + 0.362(BA) + 0.285(BI)

4. Discussion

The results of Pearson's correlation analysis found the relationship of brand loyalty, brand awareness and brand image (a set of brand association) have a positive related to market share with a statistical significance at p <0.05. This outcome contributes compatible finding as compared to Ahmed and Salah (2009) which studied customer-based brand equity with brand market performance (BMP), they found the customer-based brand equity constructs correlate with brand market performance except attitudinal equity constructs (value and image) were not found significantly correlated with BMP. Moreover, a result of this study is consistent with the research of Benjamin Kartono (2005) that used data from the U.S. automobile industry to study a model of a strong structural link between consumer-based brand equity and product market performance which founded that any changes in the consumer based brand equity measures may significantly affect the brand's resulting market performance.

The outcome of multiple regression analysis showed the relative levels of three dimension brand equity has influenced on market share. It means that brand loyalty was the highest influence with market share, the second was brand awareness and the third was brand image. This result was consistent with Grover and Srinivasan (1992) which the data indicated that when the leading brand promoted its products, it made a significant share from the brand's loyal customer. The follower brands could not attract the leading brand's loyal segment with

promotions. Moreover, it also supported the work of Smith and Basu(2002) which studied: The impact of market share dominance on competitive position, they found brand image has a dominance for higher market share of Thailand's imported Scotch whisky market.

5. Conclusion

From this study, we developed a model to make market share in the smartphone industry in Thailand. We concluded that brand loyalty is the most significant dimension for creating market share, followed by brand awareness and brand image. The smartphone companies should plan marketing strategies and allocate marketing investments and focusing on brand loyalty first and has the highest priority because if can make the customer be loyal, it will increase the profit and market share. It means the brand has a competitive advantage in the market. However, the The smartphone companies must produce their smartphone's with better quality and make diverse strategies for creating a brand image and consumers recognize the product depends on creating awareness to arise in the minds of consumers. Thus, the companies should investigate brand equity dimensions and consider their dimensions for building a strong smartphone brand in Thailand market. Further research should focus on other variables such as marketing mix, brand preference and brand identity because they might have a significant impact on smartphone market share in Thailand. In addition, a comparison between house brand and international smartphone brands can be investigated for exploring consumer based brand equity in Thailand.

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About the Author

Zhang Jing is a University Professor at Huazhong University of Science and Technology, Wuhan, Hubei, China. She has earned her Bachelor Degree in International Trade in 1995, Master Degree in Western Economics in 1998 and the degree of Doctor of Philosophy in Enterprise Management in 2005 from Huazhong University of Science and Technology (HUST), Wuhan, Hubei, China. She has joined the University of Toronto, Canada as a visiting scholar during 2006 to 2007. Her research interests are Marketing Strategy, Market Orientation and Marketing Research.

Chatchai Pitsaphol is enrolled as a Doctoral Degree Candidate, in the program of Business Administration (Marketing), in School of Management, Huazhong University of Science and Technology, Wuhan, Hubei, China. He has earned the degree of Bachelor of Bachelor of Arts (Communication Arts) degree in 1998 from Rajabhat Institute Nakornratchasima, Nakornratchasima, Thailand. He earned his Master of Business Administration (Innovation Management) in 2010 from Ramkhamheang University, Bangkok, Thailand. He has worked in Synchrotron Light research Institute (Public Organization), Ministry of Science and Technology, Thailand from 2003 to 2012 in the department of business development. Owing to good academic and work experience records, he awarded Chinese Government Scholarship to pursue his doctoral studies in Huazhong University of Science and Technology. His research areas are Brand Management, Marketing Strategy and Marketing Research.

Rizwan Shabbir is enrolled as Doctoral Degree candidate in the program of Business Administration (Marketing) in School of Management, Huazhong University of Science and Technology, Wuhan, Hubei, China. He has earned his MS (Economic growth, Innovation and Spatial Dynamics) in 2012 from Lund University, Sweden, MS (Marketing) in 2010 from Umea University, Sweden. He has worked as marketing manager at SabirDaud Exports, Pakistan during 2007-2009. In 2012, he also served as visiting lecturer at National Textile University, Faisalabad. His research areas are Consumer Behavior, Brand Management and Marketing Research.

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