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MITHIBAI COLLEGE OF ARTS, CHAUHAN INSTITUTE OF SCIENCE &
AMRUTBEN JIVANLAL COLLEGE OF COMMERCE AND ECONOMICS
(Autonomous)
NAAC Reaccredited 'A' Grade, CGPA : 3.57 (February 2016)
Granted under Star College Scheme of DBT and FIST-DST, Government of India
BEST COLLEGE (2016-17), University of Mumbai

A study on

Impact of consumer based brand equity on financial performance

SUBMITTED BY

Ishika Choudhary
(TYBAF – Roll No. 09)

Bachelor of Commerce
(Accounting and Finance)
Semester V

Academic year 2020-21

PROJECT GUIDE:
CA Lovina Samapriya

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Bachelor of Commerce
(Accounting and Finance)
Semester V

Submitted
In Partial Fulfilment of the requirements
for the award of degree of
Bachelor of Commerce (Accounting and Finance)

By:
Ishika Choudhary
Roll No: 09

DECLARATION

I, Ishika Choudhary, a student of T.Y.B.A.F. Semester V (2020- 2021) hereby declare that I have completed the research project on **Impact of consumer based brand equity on financial performance.**

The information submitted is true and original to the best of my knowledge.

(Signature of Student)

Ishika Choudhary

Roll No: 09

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CERTIFICATE

This is to certify that Ms. Ishika Choudhary Roll No 09 of Third Year BAF, Semester V (2020-2021) has successfully completed the project on

Impact of consumer based brand equity on financial performance

under the guidance of **CA Lovina Samapriya**

Internal Examiner
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Seal of the college

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CHAPTER 1: INTRODUCTION

At the beginning of the XXI century, the economic environment changes are more rapid and intensive than they have ever been before. The individuals’ and organizations' constant need to keep up with the changes, and be ahead of competition caused a drastic change in views and understanding of the values and goals that companies represent to their Managing Board.

Fixed assets comprised the most significant share of most companies’ assets and their acquisition was the primary goal in the business. However today investing in the intangible assets represents the basis for making profit and successful positioning of companies in the market.

Changes that occurred in the last years and the current state of the global industry indicate the growing significance of intangible assets in companies’ property. Issue of intangible investments are current and important, especially in the era of developed information technologies, which is primarily characterized by the speed of quantitative and qualitative changes.

Valid accounting standards regulating investments into intangible assets need to be brought up to date by new financial and non-financial indicators with the aim of showing more realistic financial reports.

One such intangible asset of a firm is **Brand equity**.

The performance of a firm is intuitively expected be improved as a result of stronger Brand and higher brand equity. However 'brand equity’ is defined in many different ways and there is no generally accepted standard way of measuring it.In This Study A Consumer Based perspective is adopted in examining the brand equity concept. Consumer Based Brand equity approaches adopt a cognitive psychological point of view in assessing the Brand and the value created by it.Consumer based brand equity helps marketers in many ways as discussed below however it is difficult task to relate it with Financial performance. Consequently there are few empirical studies available in the existing literature that link Consumer Based Brand Equity and actual financial performance of firms creating a research gap in this important field.

- Place and role of brand in contemporary market conditions

Companies that, in contemporary market conditions, tend their business operating not to be a short-term project that needs to build a strong and successful brand. Brand is one of the key factors of a successful business operating, and creation and development of a strong brand should be imperative in every company's operation. We can see different definitions of brand in the professional literature but basic understanding of this phenomenon is in its definition as a psychological, emotional category. Namely, brand represents consumer, i.e. byer and branded product relationship. That is a relation created in the consumer's consciousness and it determines their behaviour in various ways, and affects their buying decision.

Basic, primary factor of brand success at the market are its **consumers**, or things that what they know, feel and think about a certain product. Brand categorization is nothing but differentiating a brand according to its geographical distribution, type of company's activity, life cycle, values, length and division in other various grounds. Brand characteristics or features, i.e. what customers connect the brand name with, determine its successfulness and direction of its development in a certain business area of a company's operation.

In the last decade, brands have become the main instrument in the **market domination and making profit**. Brand is a product perception in a consumer's consciousness; it is created through experiences consumers have with the product. Brand is defined in various ways. David Aacker's definition of a brand is: ‘’Brand is a name, a term, a design, a symbol, or some other characteristics that identifies the good, or a service of a salesperson, differentiating them thus from the other salespersons’’.

Brand represents a name, a term, a mark, a symbol, an association, a trading mark or design, and it is used for identification or differentiation of products.

In the 1980's some of the strongest producers in the world began to stagger. Corporations were too big: they owned too much, hired too many people, and were overwhelmed from too many 'sides'. The production process itself: running the factory, responsibility for thousands of workers with full working hours and full time employment, began to seem less like a shortest path to success, and more like something unreliable. At the same time, new kinds of corporations appeared as a rival to the traditional big producers, looking for its place in marketing. Those were Nike and Microsoft, and later Tommy Hilfiger and Intel. These pioneers bravely held the opinion that their actual job is not production, but marketing, and this **formula turned out to be extremely profitable.**

Brands have major functions for the company, too. Firstly, they simplify handling products and their monitoring. Brands help organize supply data bookkeeping data. Through brand, a company can legally protect unique features or aspects of a product.

Brand name can be protected by registered trademarks; producing processes can be protected by patents; packing can be protected by authors' rights and design. Cited laws to intellectual property enable companies to freely invest in brands and make profit from the just as valuable assets.

Brands can represent synonyms for a certain quality level, so that satisfied customers can choose that product again.

- **Financial brand evaluation**

All participants at the market tend to create a prestigious brand and loyal customers but there are many more of those whose efforts to reach these goals ended unsuccessfully. Brand is used in order to identify products and services, as well as producers and sellers. Purchase of famous brands brings along lower risk of wrong purchase, but it also establishes specific emotional relations to the brand, 'connection' with other people using the same brand, etc. What arises from that is that 'extra value' that consumer gains by purchasing a certain brand is a consequence of an entire line of benefits that a brand offers to a consumer. On the other hand, it is evident that companies themselves have major benefits; therefore, more successful companies are the ones that have stronger and more famous brands in their portfolio.

1. Impact from the aspect of value creation for consumers which is considered through the brand impact on increased total created and delivered value consumers gain by purchasing certain products and services. This point of view implies analysis to what extent brands increase value to consumers and have impact on purchase size growth or they enable price growth considering that they increase total sum of created and delivered value.

2. Impact from the aspect of economic value creation for companies. Brand has a significant impact on companies' performances that are measured in companies' non material values (goodwill). Companies that have the highest market value are certainly the ones with strong and recognizable brands. Volume of sales and economic value are directly connected with consumers, bearing in mind that volume of sales is a result of the number of consumers and size of purchase. Profit estimation is largely, besides from know-how, licenses ownership, exclusivities for certain markets, etc. connected to the brand size.

Transferring from industrial into information, or knowledge based society, is largely changing the basis of companies' future growth and development. A huge number of companies realise that knowledge is the most significant source of social and economic development, and most powerful weapon for gaining competitive advantage. In these circumstances, a question of adequate way of brand evaluation as part of intangible assets arises. Reasons for intangible assets evaluation are commercial, accounting, tax, etc. needs, such as selling a company, managers, acquisitions, purchase, selling or auctioning off separable assets such as brand, patents, property rights, databases or technology, tax liability calculations, strategy alliances creation, research and development managing, collateral financing, etc. Adequate evaluation of brand value will enhance external financial reports through which it will lower differences between company's bookkeeping and market value. Besides, companies will have data of real value of their assets which will improve additional capital drawing and have positive influence on potential investors. Managing needs within a company impose a need for brand value estimation, because brand and other intangible assets management requires more attention and more complex approach, as opposed to fixed assets management. Adequate intangible assets management provides feedback to the management for making business decisions and business enhancement altogether.

From company's point of view, main reasons for intangible assets evaluation are:

- evaluation can help company formulate business strategies in proper manner and enhance competitive advantages
- application of contemporary evaluation methods can bring to development of key performances indicators which will ensure fulfilment of developed strategy
- using nonfinancial means of intangible assets will contribute to establishing necessary stimulation systems and compensations of the employees
- purpose of intangible assets evaluation is also seeing effectiveness and efficacy of a company to create additional values and attract valuable and necessary resources by using those assets, such as financial capital, competent employees, profitable consumers, etc.

In relation with brand value establishment, a huge number of methods for brand value calculation have been developed in recent years, and all methods can be divided into two groups:

1. Brand value according to the research on consumer's attitude: Consumer Based Brand Equity (CBBE)

2. Brand value according to the financial-market indicators analysis

The main focus of this research is going to be on the basis of understanding the value created by brands as an effect of consumer behaviour towards certain aspects of a company like brand loyalty, brand association, brand awareness etc.

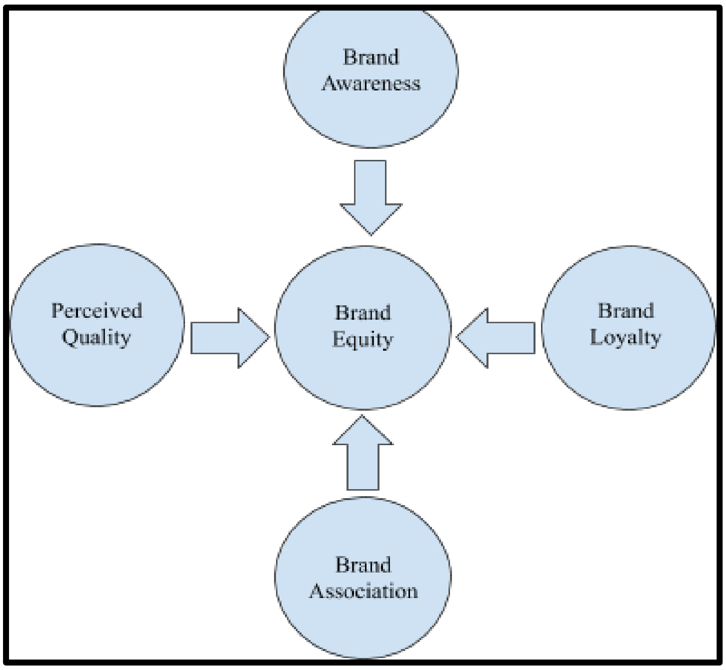


Figure 1: The four elements of brand equity

THEORETICAL BACKGROUND

- **Brand and Brand Equity**

Brand concept became popular in the 1980s and branding research continues to be an important field of marketing.

The“brand”in the previous century was a concept attached to a product; however currently it is more an individual form that is separate from (tangible/intangible) products.

Without a brand, a product is just a commodity that only has functionality and is very easy to imitate or copy. With a brand, a product receives an identity, which is a promise that expectations of the customer will be met. Thus a brand is a strong tool and has a significant communicative and informative role both for the customers and the managers.

Brand equity which is in essence an added value, a benefit for firms and consumers that is created by the brand, has been the focus of both marketing professionals and academics since the early 1990s. Different definitions for brand equity have been proposed so the methodologies developed for measuring brand equity are numerous. The brand equity approaches in the literature can be categorized in three different groups; financially oriented models, behaviourally oriented models and composite models.

The first wave of models that emerged during the 1980s were financially oriented and helped to assign a monetary value to brands, a necessity for increasing leverage in acquisitions and mergers that were becoming increasingly widespread. This financial brand equity is also named brand value as it attaches a monetary value to the brand. Nevertheless these models have not satisfied the needs of marketing professionals. Clearly defining brand equity from a consumer perspective, identifying its components and also providing related measures were critical features marketing professionals needed. Accordingly brand equity from a cognitive psychological point of view is adopted and CBBE concepts and different assessment models that address marketers' needs were developed. The third wave of models, the commercial composite models are predominantly promoted by marketing and advertising agencies that take into account both CBBE and financial results. These composite models can put a price tag on brands and help in taking into account the customer point of view so they became popular in application as well.

- **Consumer Based Brand Equity**

Depending on the point of view of the researcher, consumer based brand equity (CBBE) can be defined diversely to incorporate distinct dimensions. For instance it can be defined as brand equity as 'the value added by the brand to the product'. Another common definition can be given as "incremental utility or value added to a product by its brand name"

Some other popular definitions worth mentioning are: "the difference between overall brand preference and multi-attributed preference based on objectively measured attribute levels" by Park and Srinivasan (1994); "incremental cash flows that accrue to the firm due to its investments in brands" (Simon and Sullivan, 1993); brand loyalty and image (Shocker and Weitz, 1988); '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 firm's customers' by

Aaker (1991); and finally 'the differential effect of brand knowledge on consumer response to the marketing of the brand' (Keller, 1993).

Among these various definitions one of the best-known (and one of the most cited studies) in CBBE is that of David A. Aaker. Aaker (1991) has adopted a multi-dimensional approach in knowing, distinguishing and differentiating products and brands that consists of mental assets and liabilities. Aaker's approach proposes a model that has five different dimensions that affect the consumer based brand equity. These dimensions are; "brand loyalty", "brand awareness", "perceived quality", "brand associations" and "other brand assets". Many scholars used the CBBE approach and dimensions offered by Aaker in their studies such as Motameni and Shahrokhi (1998); Prasad and Dev (2000); Yoo and Donthu (2001), Pappu et al. (2005) and Buil et al. (2008). In this study, CBBE and its components are assessed and measured based on Aaker's popular approach

- **Brand Awareness**

Brand awareness is one of the major determinants of CBBE in existing literature.

Brand awareness is identified as the ability of a potential buyer to recognize or recall that a brand is a member of a certain category and offers a brand awareness pyramid that categorizes different awareness levels starting from bottom up; unaware of brand, brand recognition, brand recall and top of mind. Similar approaches are found elsewhere in literature and brand awareness is typically measured by recall or recognition. Recognition helps a brand to distinguish from others and provides an opportunity to be evaluated by consumers (Howard, 1998 p.30). Moreover awareness is a prerequisite that needs to be present in consumers' minds to develop brand associations.

- . **Brand Associations**

Brand associations consist of all brand-related thoughts, feelings, perceptions, smells, colours, music, images, experiences, beliefs and attitudes. Thus a brand association can be anything linked in memory to a brand. Associations have been categorized in different ways by researchers but a dichotomous approach dividing them into product based associations and organization based associations is widespread. Product specifications are the primary basis for product-related attribute associations and determine a consumer’s fundamental understanding of what product means. Product associations include functional attribute associations and non-functional associations. Functional attributes can be considered as tangible features of a branded product. While evaluating a brand, consumers link performance of functional attributes of a product to its brand. This component of brand associations is named as the ‘value dimension’, which is one of the three underlying factors of associations in his approach. Non-functional attributes on the other hand include all symbolic and intangible attributes that meet consumers’ needs for self-expression, self-esteem, social status indication. Organizational associations, the third dimension of associations are not related to any product but include corporate capability associations (related to company’s ability and know-how in delivering its intended outputs), and corporate social responsibility associations

- **Brand Loyalty**

Brand loyalty is a core dimension of brand equity and is defined as the attachment that a customer has to a brand. Loyalty can be observed as behavioural or attitudinal loyalty. Behavioural loyalty is linked to consumer behaviour in the marketplace that can be indicated by the number of repeated purchases or commitment to repeatedly buy the brand as a primary choice even if there are marketing efforts promoting other brands. Attitudinal loyalty on the other hand focuses on consumers’ preference of a brand, and refers to consumers’ psychological attachment level and also attitudinal advocacy towards the brand. In this study an attitudinal loyalty approach is chosen and measurement is carried out.

A previous study on brand loyalty through individual ownership implies that investors are like consumers when it comes to loyalty. As stated above, brand equity is relatable to both investors and consumers. The mentioned study claims that investors are also brand loyal, but only to brands of companies in which they are stock owners. The brand loyalty among investors is based on the potential growth, management and products of a company. Thus, investors who consistently use certain products tend to have a stronger brand loyalty towards companies in which they are stock owners. As mentioned brand loyalty has a positive effect on a consumer’s purchasing decision. Studies indicate that purchasing habits of loyal consumers’ increase when their preferred brand is advertised extensively. The advertisements could be through coupons or price reductions. However, this type of advertising does not signify brand loyalty; instead the authors consider it to be a reward. If companies want to keep consumers as well investors, it is important that psychological commitments are secured. This means that brand loyalty should be established by not providing any rewards but instead by strengthening the relationship between companies, investors and consumers.

- **Perceived Quality**

Perceived quality relates to consumers’ overall perception on a product’s quality. The overall perception may be based on a product’s specific characteristics and also on brand experiences through close acquaintances. The term was considered as a consumer’s subjective judgement of a brand. According to research, marketing departments are unable to sell products if they fail to meet consumers' perceived quality. When it comes to investors, the authors specify that a positive perceived quality increases brand preference and purchasing decisions. However, the study implies that there might be factors, like occupation and monthly income that prove otherwise. As a result this can lead investors to have a varied perception of quality. Thus, companies should implement different marketing strategies that can be applied to this specific element. Moreover, a higher perceived brand quality also motivates companies to improve a product or create market barriers. Perceived quality may impact how consumers and investors judge a brand. A brand’s previous reputation can affect their perceptions on a product’s quality in the future. Even if the quality has been improved, there might be a chance that they will perceive the brand negatively. This indicates that it is important for companies to correctly manage their brand. Companies should be careful when managing their brand since good brand management often leads to higher profit margins, increase in brand loyalty and to a strong competitive advantage. A strong brand equity is consequently beneficial for investors and shareholders because of its linkage to both shareholder value and investment decisions.

- ## Benefits of Brand Equity

Brand equity and its constituents can be seen as important assets for brand owners as they provide various benefits to marketers. The benefits of brand equity for the firms have been highlighted in the literature as follows; easier differentiation and positioning, increased efficiency and effectiveness of marketing and advertising programs, enjoying higher prices hence higher profit margins, good trade leverage over suppliers and distributors, ability to implement brand extensions and create competitive advantage . It was also seen in different contexts that higher brand equity lead to higher purchase intentions. It was indicated in a study on brand value chain that investments in marketing programs advertising can alter the consumers' brand awareness, associations, and attitudes towards the product/brands. These in turn lead to attachment and finally an intention to purchase. It is expected that in the long run, these positive transformations can lead to improved firm performance. All these aforementioned benefits of consumer based brand equity are expected to affect the success of the companies. Increasing performance and positioning itself in a better place should help the companies in improving their financial performance. This performance can be calculated using various indicators that focus on different aspects of the financial performance. Higher awareness and loyalty should provide a larger consumer finding the financial resources they require more easily, hence lead to higher financial leverage.

In summary, brand equity consists of four elements that are not only important for consumers but also for investors. These elements are significant in terms of competitive advantage and for obtaining higher returns. It has been proven that companies with strong brand equities manage to generate positive returns Therefore; companies are obligated to take these elements into consideration to create shareholder value and higher returns for investors

CHAPTER 2: RESEARCH METHODOLOGY

Research methodology is the specific procedures or techniques used to identify, select, process, and analyse information about a topic.

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of data.

The research design of any research study includes a set of questions that need to be answered providing an overview of the study to be conducted.

A research design should include the following:

- Objectives of Research
- Hypothesis
- Scope of the study
- Limitations of the study
- Sources of collection of data
- Sample size of respondents
- Methods of data processing

In this project the research has been done collecting primary data as well as secondary data. The research project has been done for a period of 2 months with case studies of different companies over the recent years.

OBJECTIVES OF THE STUDY

Research objectives describe what we expect to achieve by a project. Before conducting a research it is important to clearly define what the purpose for which the study is conducted.

The following are the main objectives of this study:

1. To analyse the consumers' buying behaviour on selected products/services

2. To study the factors influencing the purchase decision of consumers with regard to certain products.

3. To analyse the key dimensions of brand equity in influencing purchase decisions.

4. To study the relationship between various dimensions of customer based brand equity.

5. To determine the relation between brand equity and the financial position of a company on the basis of primary and secondary research.

6. To undertake a comparative analysis between the primary research and secondary research and financial performance of selected companies.

SIGNIFICANCE OF THE STUDY

From the marketer's point of view the brand is a value, the brand name of the product marketed by them should attain very good market share. From the customers point of view a brand which comprises benefits in the sense of utility and service. A brand is said to have equity when the **customers prefer to buy a branded one instead of unbranded commodity**. When a customer who is able to recall the brand name and its attributes for the long period where the brand is having an equity. From that point of view of brand equity, it is the extension of brand loyalty and brand knowledge.

The present market scenario explores that the branded commodities are more valued than unbranded commodities in both consumer durables and nondurables. The customers are more eager in using branded commodities than unbranded commodities because by using the brand they are getting some kind of satisfaction in quality as well as service aspects, this leads to an increase in the market share of the brand. In this critical situation the marketers are supposed to create a value of their brand. But here some questions are raised, what is that value? How can I create value? What are the parameters for creating value to a particular brand? How will it impact the financial position. This study is conducted for identifying various elements and parameters for knowing the value that is customer based brand equity of certain goods and services among the customers belonging to different regions.

STATEMENT OF THE PROBLEM

The customer based method is most appropriate and convenient for studying brand equity because it is directly linked with the customer behaviour and their attitude.

The purpose of branding is to familiarize a brand among customers by creating brand knowledge. Moreover the branded commodities are always having superior impact among the customers because in one way a brand is a symbol of quality and reputation. It is obvious to the marketers to establish brand knowledge among customers. The brand knowledge comprises various factors and elements which are related to product attributes and associations. Brand equity is an analytical concept depending upon brand loyalty, brand awareness and brand knowledge. It also has an empirical relationship with perceived quality and performance of a brand. The study mainly concentrates on customer based brand equity and the awareness of customers.

Brand equity has a parallel and coplanar relationship with a period of time. The customers when they use any fast moving consumer goods are meticulous in ascertaining the characteristic features of the product as well as the brand image. They have a certain amount of unintended effects of advertisement, promotional and marketing mix strategies of the manufacturers. During the process of post purchase behaviour, the customers are highly incidental to experience the product and the total outcome of its utility and performance. The optimistic residuals of post purchase behaviour are the point of inception of brand loyalty. It is being accelerated and breaded in the psychological domain of customers of products and services to acquire its maximum momentum. The output of the psychological momentum unleashed in the context of brand loyalty is perfectly distributed in various dimensions like performance, awareness, knowledge and utility of the product.

SCOPE OF THE STUDY

Brand equity can be studied from several perspectives. The mostly accepted methods for studying brand equity are financial approach, brand extension approach and customer based approach. Each perspective could suggest different parameters and methods to evaluate brand equity. The concept of customer based brand equity has been applied in several product categories in previous researches and produced various kinds of output.

This study mainly restricts its scope to selected products and services offered by different brands.

It is conducted by taking into consideration products/services such as Shoes, Chocolates, Soaps, Fast food chains, Mobile Phone companies and other beverages.

The present study is mainly confined to analyse the impact of consumer behaviour and different dimensions of brand equity like brand image, brand awareness, brand association, perceived quality and brand loyalty in consumer durable product market. The study does not cover other brand equity property assets such as trade mark, patent, logo, symbols.

SAMPLE

A sample is defined as a smaller set of data that a researcher chooses or selects from a larger population by using a predefined selection method. These elements are known as sample points, sampling units, or observations. Creating a sample is an efficient method of conducting research. In most cases, it is impossible or costly and time-consuming to research the whole population. Hence, examining the sample provides insights that the researcher can apply to the entire population.

For the purpose of this study the type of sampling used was 'Convenience sampling.'

Convenience sampling, stands for the convenience or ease of a researcher accessing a respondent. There is no scientific method of deriving this sample. Researchers have nearly no authority over selecting the sample elements, and it's purely done on the basis of proximity and not representativeness. The respondents chosen were from different cities and information was collected to understand the various perceptions of consumers of different products/services with regard to the various elements of consumer based brand equity.

The sample size includes both male and female respondents belonging to different age groups.

The total sample size consisted of 90 respondents.

DATA COLLECTION

1. Primary Data

Primary data is **data that is collected by a researcher from first-hand sources**, using methods like surveys, interviews, or experiments. It is collected with the research project in mind, directly from primary sources. The data collected through a primary source is completely raw and thus assures originality and authenticity. Even though the process of collecting primary data is time consuming it is considered as one of the most reliable sources due to the availability of first-hand information.

The primary data can be collected using any of the following methods:

- Interview method
- Survey method
- Observation method
- Experimentation method

For the purpose of this study I have used the **Survey Method.** The Survey method is the technique of gathering data by asking questions to people who are thought to have desired information. A formal list of questionnaires is prepared which would be useful to provide the desired information required for the smooth conduct of the study.

The survey for this research was created using an online platform namely Google forms and was sent to the respondents which could be filled at their own time and convenience.

The form consisted of 22 questions and was divided into two major subdivisions namely demographic details (first 5 questions) and elements of brand equity (brand awareness, loyalty, perceived quality, brand image) for the remaining 17 questions.

The first part is useful in ascertaining the place, gender, occupation, age of the respondents however; there was no specific age group that was targeted for the study. The second part gives complete details about various goods and services, their brand names, purchase outlets and various reasons for brand switching etc. This section ascertains the frequency of brands used by the customers and certain ranking questions to identify the reasons for selecting the product and brand switching. It deals with the various elements of brand equity like brand awareness, brand knowledge, perceived quality, brand association and purchase decision.

5 questions were short answer types where the respondents had to put in the name of desired brands. A 3 point scaling technique was also involved for certain questions ranging from extremely familiar to not familiar at all. While others were closed questions (Yes, No, Maybe). The respondents were also given multiple choice questions where they had to select any one option according to their preference. The responses were collected in a span of 5 days.

2. Secondary Data

Secondary data refers to that data which has already been collected by some other person. The data is readily available from various internal and external sources such as websites, journals, books, newspapers, magazines, financial statements, purchase & sales books etc. Secondary data is easy to collect as it is already available but reliability of such data is an important concern.

Secondary data was used to give a brief introduction about the history, elements of brand equity, past research on similar topics and definitions related to the topic. Secondary data was kept as a base to carry out the research work.

Research work of other researchers was analyzed to write the review of literature. For designing a questionnaire the existing questionnaire was reviewed so as to formulate a questionnaire for this study.The case studies and articles published by different newspapers and websites acted as the base for a comparative study between the objective of the research and the answers revealed through the questionnaire. Secondary data was collected from the following sources.

- Articles in newspapers (The Economic Times, Business Standard)
- Data available through various websites(The Economic Times, The Medium etc.)

TECHNIQUES AND TOOLS

The statistical analysis gives meaning to the meaningless numbers. The results and inferences are precise only if proper statistical tools are used.

The primary data collected from the respondents was computerised and programmed in to get logically consistent inferences. The data was tabulated keeping in view the objectives of the study. The following statistical tools are applied for the present study:

- Percentage analysis was used to express the demographic profile of the respondents
- Diagrammatic representations such as pie charts, bar graphs etc. were used to indicate the brand details of the consumers and the product/service they use.

LIMITATIONS OF THE STUDY

- This study is limited to respondents of a few cities and results may differ if conducted in other regions.

- There are other variables besides Consumer behaviour and brand equity which affect Consumer durables.

- Analysis is based on the primary data collected through questionnaire and interpretation of case studies of the companies. The accuracy of the findings entirely depends on the correctness of such data.

- The present study is mainly focused on products/services such as chocolates, mobile phones, soft drinks, shoes and fast food. Every product has a unique nature. Durable products are hard, non-durable products are soft and service products are intangible in nature, it might be inappropriate to draw the generalization for all the products. Hence, the present study can't be applicable to other durable goods, non- durable goods, and services.

- Brand equity is an intangible asset to a company therefore the measurement and evaluation of the same can only be done from a theoretical aspect and it is difficult to express in monetary terms.

- The study was restricted to only 90 respondents as it was not feasible to collect data from a larger sample size due to the shortage of time.

CHAPTER 3: REVIEW OF LITERATURE

1.**Anisimora, T.A., (2007)**

"The effects of corporate brand attributes on attitudinal and behavioural consumer loyalty", The Journal of Consumer Marketing cited the positive ramifications of customer loyalty toward a brand by stating that such loyalty reduces a firm's cost of serving customers, reduces consumers‟ price sensitivity, and increases their favourable word of mouth, all of which increase a firm's financial performance.

2.**Paswan et al., (2007)**46 revealed that consumers who do manage to get their preferred service brand tend to be satisfied with the features of the obtained brand and exhibit higher levels of brand loyalty towards that brand. In comparison, consumers who end up with a service brand that is not their first choice seen to have lower levels of satisfaction with and loyalty towards the obtained brand.

3. **Davis, S.M., (2000)**, "Does brand asset management strategy matter?", Brand asset management: Driving profitable growth through your brands, JosseyBass, San Francisco, CA, Davis (2000)41 mentioned that through development and implementation of brand management strategies some forms have the potential to steadily increase their sales by 30-50 per cent.

4. **Allen Broyles, Robert, H. Ross, "Donna Davis and T.Leingfitul (2011)**, "Customer's Comparative loyalty to retail and manufacture brand", Journal of Product and Brand Management Allen et al., (2011)38 identified that customers‟ loyalty to retail brand(s) has greater influence on their purchase behaviour than manufacturers brand(s). They also revealed that attitude towards store brands directly influences one's propensity to switch to retail brands, and moderates relationships between loyalty to manufacturer/retail brands and one's propensity to switch to retail brand(s).

5. **Mininni, T., (2007), "Packaging that works for the Planet", Brand Week**, 48(1), pp.1-2 Mininni (2007)40 indicated that retail brands are being offered as part of the total retail shopping experience environments. He further noted that the added bonus of establishing unique positioning and increased profitability has whetted retailers appetite for more private Label brand development.

6. **Keller, K.L., (2003)**, Strategic brand management: Building, Measuring and Managing Brand Equity, Prentice-Hall, Upper-Saddle River, RJ. Keller (2003)39 discussed that retailers are often quite successful in promoting their own store brands for the purpose of increasing the loyalty of their customers and to generate higher margins and profits.

7.**Nazlialimen and Guldemcerit (2009)** in their study have presented interesting outcomes regarding the perceptions of university students from different departments. The fashion brands aiming young consumers should consider brand knowledge, brand image and brand awareness impacts on their target segments. In a globalized world where local preferences are also playing an important role, brands act effectively in the development of the market demand. Brand knowledge is a key to evaluate in reaching the consumers and this research has proved the importance of empirical studies in this respect.

8. **Arvind Sabay and Nivedita Sharma (2010**), "Brand Relationship and Switching behaviour for highly used products in young customers",
Arvind Sabay and Sharma (2010)33 found that the younger age group loves their brands and is more passionate about them while the older group develops strong brand relationships. But is relatively more rational about their relationship with the brands profitable to various factors like maternity, financial constraints, independence and increased responsibility.

9.**Jose, M., Blovemer, and Hans P.P.Kasper (2001)**, "The impact of satisfaction on brand loyalty: Using on classifying satisfaction and brand loyalty", Journal of Consumer Satisfaction, Dissatisfaction and Complaining Behaviour.
Jose and Hans (2001)18 identified the linkage between customer satisfaction and brand loyalty. The manifest satisfaction is positively related to brand loyalty. It is

stronger than the positive relation between latest satisfaction and brand loyalty. The manifest satisfaction is the outcome of explicit evaluation whereas the latent is the outcome of implicit evaluation.

10. **Radhika Chadha (2002)**, “Of shopping habits and brand loyalty”, Business Line, Thursday, October 10th, p.8. Radhika (2002)16 found the linkage between the shopping habits and brand loyalty in FMCGs market. The changing composition of consideration set, and the changing contexts against which the decisions are being made, could keep the relative position of the brands within the set, making a subtle but proposed impact on the final branded loyalty

11. **Kandasamy C :** Study on the impact of consumer behaviour and brand equity on durable products with special reference to Bangalore district.
The strong brand equity has become a very significant factor that influences consumers behaviour of a brand Success in brand management ascends from understanding and managing brand equity appropriately to produce strong attributes that will influence consumers behaviour when making their choices This thesis emphasizes on the investigation of the impact of consumer behaviour and brand equity dimensions on purchase of durable products based on customer survey Research objectives of the thesis is to analyse the consumer buying behaviour on selected durable products demographic factors influencing purchase decision of consumers with regard to durable products to analyze the key dimensions of brand equity in influencing purchase decisions study the relationship between various dimensions of customer based brand equity and draw out managerial implications of the findings of the study It focuses on consumer behavior and brand equity dimensions of customer based brand equity on consumers behaviour of a brand This is based on the assumption that all these dimensions of brand equity will influence on consumers behaviour toward durable products brand.

12. **Lhotakova M and Olsanova K. (2013)** found that competitiveness in the national as well as international markets; brands have increasing importance in consumer decision making process. Brands help consumers to choose products that

satisfy their needs, fit their emotions and help them demonstrate their place in the society. Current financial crises proved that strong brands can do well even in bad times. Global brands ranked at the top of the most valued world´s brands put a lot of efforts in development of the right positioning, keeping it up-to-date and consistent across all brand´s activities.

13.**Ameneh Parsa et al. (2013)** have observed that, brand equity of customer's perspective is a value that subjective estimates make for a brand and if the estimate of customer is higher than the value of a brand, the company in the shadow of this value could earn more benefits from consumers. They also discussed that except the promotion of selected elements of marketing, they are effective in customer based brand equity dimensions. From dimensions of brand equity, respectively loyalty to the brand, brand image, perceived quality of brand, awareness of brand, have a significant positive effect on brand equity. Repeat a brand, have a positive and non-significant effect in brand equity.

14. **William Leeet al. (2012)** have advocated what extent that gender serves as moderating variable in the context of consumer-based brand equity model. This study indicated the baseline model was typically invariant across gender, except for the casual relationships between brand awareness and brand image, thus indicates gender serves as a moderating variable partially. Males have evaluated lower mean scores as compared females, but higher value of causal effects in male models. They concluded that brand managers have to employ a diverse set of brand awareness strategies across gender for the purpose of enhancing their restaurants brand image. They should assign greater efforts of brand exposure programs among female community, such as advertising, event sponsorship, creative packaging, road shows, samples, contests, sweepstakes, and publicity.

15. **Yi-min Chen et al. (2011)** have examined the sources of industrial brand equity in international B2B marketing with a particular interest in investigating the effects of perceived product quality, perceived service quality, brand awareness, brand loyalty and Country of Origin (COO). To examine the effects of COO could clarify the variations in international buyers' evaluations of industrial brand equity in the newly-industrialized economies, like Taiwan. The acceptance of advanced

technology and equipment, an essential question was whether exclusive and innovative fastener products from Taiwan have generated the country-of-origin effects in international Business to Business (B2B) buyers' minds. They found that the country-of-origin of fasteners has not yet become a vital precursor of industrial brand equity in the case of the fastener industry in Taiwan.

16. **Hadi Moradi and Azim Zarei (2011)** have assessed the relations among brand equity, purchase intention, and brand preference from view point of Iranian young consumers. Furthermore, secondary aim of that study was examining the moderate role of country of origin image. To achieve those, a structural framework was designed and relations among its constructs. The study showed that the brand equity positively influenced consumer's brand preference, purchase intention, and unsupported moderating role of country of origin image.

17. **P. Natarajan et al. (2011)** have studied an empirical outcome of the determinants of brand equity with special reference to Indian car industry. Brands have become increasingly important components of culture and the economy, now being described as "cultural accessories and personal philosophies". To study the problem effectively, car industry is chosen taking into the account the emergence of many new brands of the car product in the recent past. They found that brand preference and brand loyalty plays an important role in creating brand equity. These components of brand equity must be coherent in their actions so that consistent image the firm is realized and valued by customers.

18. **Tripurasundari and Natarajan (2011)** explained that brand positioning is brand perception which can be gathered from multiple routes including customer experiences, marketing communication efforts and word of mouth. The perception of the brand is critical as is apparent from the huge amount of money being spent by organization on brand development and measurement. Still very little is known about the relationship between brand perception and customer behavior including customer loyalty.

They conducted empirically by testing two hypotheses about the relationship between brand perception and brand loyalty. The first part of the study shows very little evidence that any one brand attribute is more relevant or related to brand loyalty than other brand attributes. The second part observes that higher number of attribute association with brand leads to higher brand loyalty.

19. **Upshaw (1995)** defined brand equity as the total accumulated value of brand in both tangible and intangible assets as well as contributions to the corporate parent. However, Upshaw has divided brand equity into two broad aspects. Brand valuation is the first one which relates to the bearing value of the brand including its financial worth of the company. Brand identity is another aspect which refers to how the brand is viewed by its current and potential purchasers since it is the bonding of brand positioning and personality.

20.**Baldinger and Rubinson (1996)** study revealed that, studying brand equity solely from the perspective of either the firm or the consumer may be inadequate. While assessing brand equity from the perspective of the firm can provide a measure of the financial value of the brand to the firm, it neglects the fundamental basis of the brand equity concept, which suggests that the equity of a brand is not merely a dollar-metric value but also an intangible asset residing in the minds of consumers.

21.**Aperia and Back (2004)** in their study stated that brand equity is the brand's capital describing the incremental utility or value of the brand. They mainly focus on two aspects which are the marketing aspect and the financial aspect. For the marketing aspect, brand equity aims to build and direct the brands assets by maintaining existing and attracting new customers. For the financial aspect, brand equity becomes valuable when it comes to the brand buying and selling process. However, the differentiation of the company or product itself can lead to the competitive advantage based on non-price competition.

22. **Ruta and Juozas (2010)** in their study revealed consumer-based brand equity is more difficult to evaluate because of its intangibility and subjectivity, high expenditures on time and money as well as the lack of accessible and applicable methodologies. Consumer-based brand equity attributes can be sorted in two sections: attributes important for a consumer, as brand awareness, brand image and associations, product quality, product price, and attributes important for a company,

as loyalty for a brand. The latter attribute is treated as a combination of repeated purchases and differential price level. Attributes of both sections form actual consumer based brand equity.

23. **Ashutosh and Rajiv (2011)** revealed that strong brand equity allows the companies to retain customers better, service their needs more effectively, and increase profits. Brand equity can be increased by successfully implementing and managing an on-going relationship marketing effort by offering value to the customer, and listening to their needs. Brand equity factors influencing customer purchase decision criterion has been discussed. The study concluded that brand managers efforts should be focused on customer loyalty, trustworthiness, brand advocacy, brand distinction and innovative features in managing brand equity. Right marketing mix should be focused to exploit brand equity in terms of the purchase decisions and repetitive sales of the products. Further, it can be concluded that it was not only the marketer's name which created a brand image in the mind of the customer but the dealer's name also influenced the brand image attributes.

24. **Shanmugasundaram (1990)** studied about soft drink preference in Vellore town of north Arcot district in Tamil Nadu. The study revealed that, the most preferred soft drink among respondents as Gold Spot 26 percentage, followed by Limca percentage 24.80. It was found that taste was the main factor for preference of particular brand and among the media; television played a vital role in influencing consumers to go for a particular brand. Because of convenience in carrying, tetra pack was the most preferred one.

25.**Ali (2011)** in his study explained branding is a stabilizing activity, necessary in a turbulent environment to support the application of destabilizing activities. it also concluded that Substitution capability of main product of one brand with mean of Perceived proportion of main product of one brand with mean of 2.04, marketing budget item with mean of 2.99 and, perceived quality of main product of one brand with mean of 3.10 were first to fourth priority respectively.

26. **Copley (2004)** stated that there is a clear distinction between brand image and brand identity. Brand identity is the way in which the organization presents itself to

consumers as opposed to image, which is the perception of the brand by the consumers. Identity has to be created through the use of brand elements to capture the essence of the brand and experienced through everything the brand says and does by means of marketing communication programmes. Brand identity should be managed, planned and measured

27.**Shanmugasundaram (1990)** studied soft drink preference in Vellore town of north Arcot district in Tamil Nadu. The study revealed that the most preferred soft drink among respondents was Gold Spot 26 percentage, followed by Limca percentage 24.80. It was found that taste was the main factor for preference of particular brand and among the media; television played a vital role in influencing consumers to go for particular brands. Because of convenience in carrying, the tetra pack was the most preferred one.

28. **Veena (1996) s**tudied brand switching and brand loyalty of processed fruit and vegetable products in Karnataka state by using Markov Chain Analysis. The result of the study revealed that Maggi, Sil and Kissan were having market retention of 74.20 percentage 55.78 and percentage 48.74 percentage, respectively for jam products. The equilibrium shares determined in order to predict future market position among the different brands showed that in the long run, shares of Kissan, Rex. Other brands were likely to decline, mainly on account of increased market shares of Gala, Sil and Maggi.

29. **Parasuraman, et al (1996)** revealed that perceived product quality is perhaps one of the most important constructs in marketing. In recent years, perceived quality has been the subject of considerable interest by both practitioners and researchers, mainly in services marketing. Work that integrates the role of perceived product quality within the context of other marketing variables like product involvement, consumer satisfaction and purchase intentions have received less attention. Moreover, the relationships between these consumers and goods are analysed but services have not been studied extensively in marketing.

30. **Keller (1993)** distinguished between brand association and secondary associations. The latter are associations that are linked to a brand association but not directly related to the product or service. He adds that “because the brand becomes identified with this other entity, consumers may infer that the brand shares associations with that entity, thus producing indirect or secondary links for the brand. Secondary associations may arise from primary attributes associations related to the company, the country of origin, the distribution channels, a celebrity or an event.

CHAPTER 4: DATA ANALYSIS AND INTERPRETATION

Data interpretation refers to the implementation of processes through which data is reviewed for the purpose of arriving at an informed conclusion. The interpretation of data assigns a meaning to the information analysed and determines its signification and implications.

The importance of data interpretation is evident and this is why it needs to be done properly. Data is very likely to arrive from multiple sources and has a tendency to enter the analysis process with haphazard ordering. Data analysis tends to be extremely subjective. That is to say, the nature and goal of interpretation will vary from business to business, likely correlating to the type of data being analysed.

While there are several different types of processes that are implemented based on individual data nature, the two broadest and most common categories are "**quantitative analysis**" and "**qualitative analysis**".

Qualitative Data Interpretation:

Qualitative data analysis can be summed up in one word – categorical. With qualitative analysis, data is not described through numerical values or patterns, but through the use of descriptive context (i.e., text).

Quantitative analysis:

Quantitative analysis refers to a set of processes by which numerical data is analysed.

More often than not, it involves the use of statistical modelling such as standard deviation, mean and median.

For the purpose of this study a combination of quantitative and qualitative analysis were used.

Under quantitative analysis graphs, charts and other methods were used to understand the different elements of brand equity that affect the buying behaviour of consumers and results in improved financial performance of the selected brands.

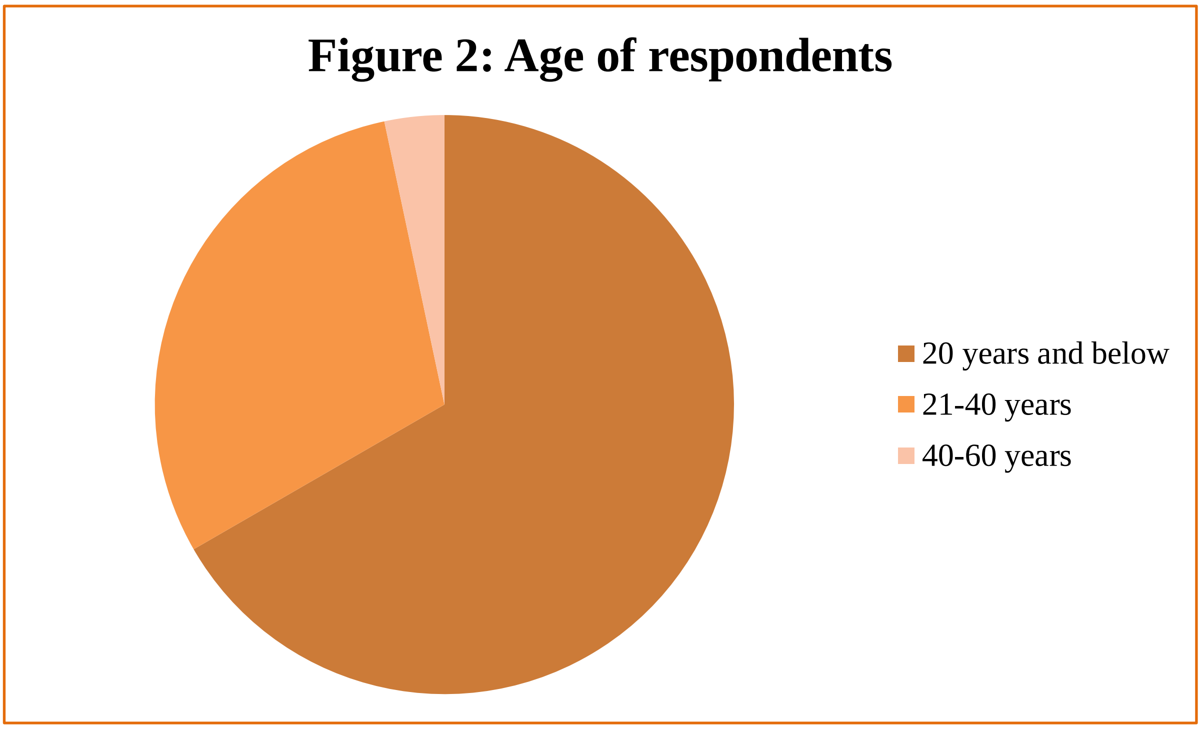
Whereas under qualitative study the brands chosen by the respondents were analysed to study their brand equity by means of their respective case studies or reports issued by different platforms such as newspapers, websites etc.

A comparative analysis was done between the results obtained by both quantitative and qualitative analysis to arrive at the desired results.

The data analysis has the following contents. The first section is a frequencies and percentages analysis used to describe socio demographic characters of sampled respondents. The second section analyses the first & second opinion regarding consumer behaviour and brand equity of philosophy relating to overall consumer buying behaviour and brand preference among respondents with their demographic variables. The third section studies the brand equity relating to personal profile factors. The fourth section brings out the impact of brand equity on consumer durable products.

1. Table showing the AGE of the respondents:
   The distribution of age of consumers of durable goods was analysed and the results are presented as follows

Age Group	No. of Respondents	Percentage
20 years and below	60	66.67
21-40 years	27	30
40-60 years	3	3.33
Total	90	100

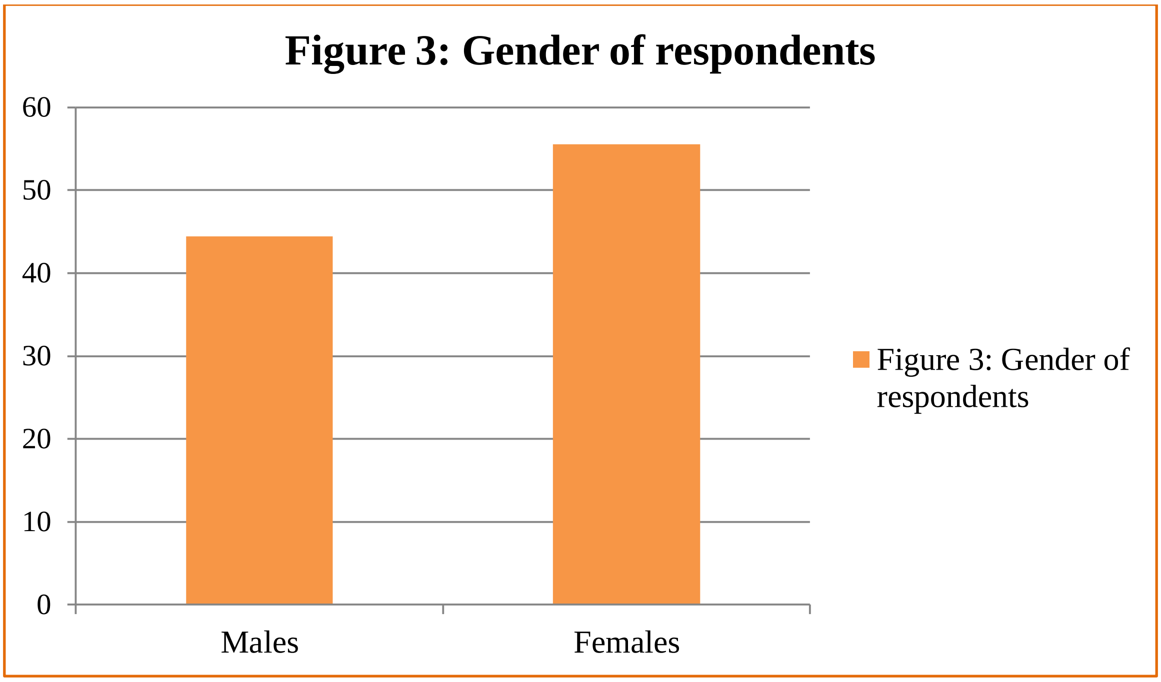


Age is one of the significant factors influencing brand choice and purchase decision. A maximum of 66.6% of the respondents are in the age group of 20 years and below and minimum of 3.33 % of the respondents belongs to the age group of 40-60 years. It shows that the brand equity of goods/services is depending on the 20 to 40 years aged group people as per the data.

2. Table showing GENDER of the respondents

Gender is an important variable in a given Indian market situation which is variably affected by any market or customer behaviour. Hence the variable gender was investigated for this study. The distribution of gender of consumers of durable goods was analysed and the results are presented in the below table.

Gender	**No. of respondents**	**Percentage**
Males	40	44.44
Females	50	55.56
Total	90	100



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The results show that about 44.44 per cent of the consumers of durable goods are males and the rest of 55.56 per cent of the consumers of durable goods are females. The difference between the percentages of the two genders doesn't make a difference for this research as they were chosen by convenience and the availability of the respondents.

3. Occupation of consumers:

Person's occupations do have a bearing on his or her personality and so also the ways of looking at the problem before him. The quality of life is also determined by an individual's occupation and the incomes he derives from it. Occupation of an individual also socialized him or her in a particular fashion which in turn reflects his or her pattern of behaviours and his/her level of understanding of particular phenomenon. The distribution of occupation of consumers of durable goods was analysed and the results are presented in

Occupation	No. of respondents	Percentage
Salaried	15	16.67
Student	67	74.44
Professional	6	6.67
Homemaker	2	2.22
Total	90	100

Figure 4: Occupation of respondents

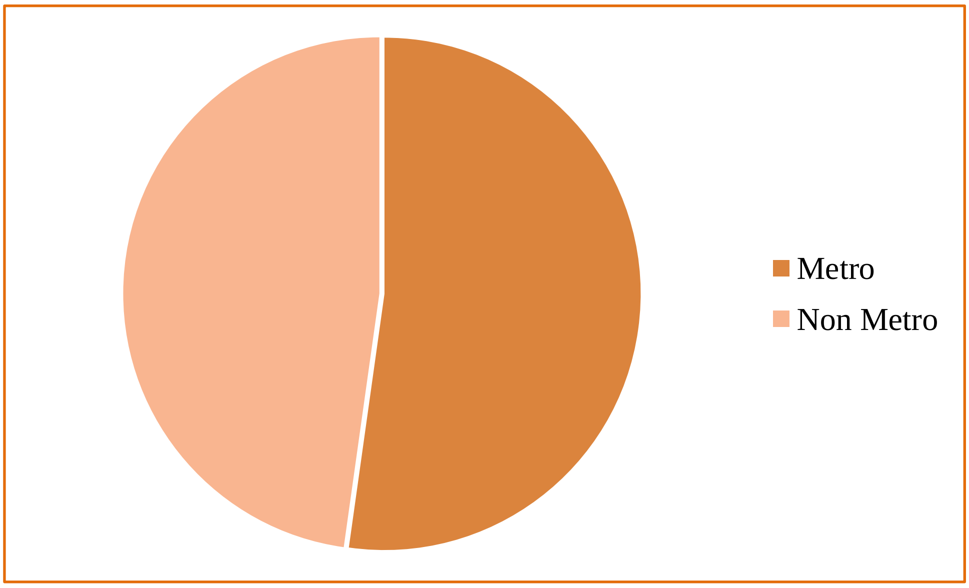
From the results, it is apparent that 74.44 per cent of the consumers of the mentioned goods/services are students followed by salaried (16.67 per cent), professional (6.67 per cent) and homemaker (2.2 per cent).

4. Place of residence:

Place of resident's plays an important role in shaping pattern of an individual which in turn is likely to have bearing on the responses about a problem posed to him. Therefore in this study it is attempted to investigate the place of residents as variable

Place of residence	**No. of respondents**	**Percentage**
Metro	47	52
Non Metro	43	48
Total	90	100

Figure 5: Location distribution of the respondents



From the results, it is apparent that 52 per cent of the consumers of the goods/services reside in metro areas followed by non-metro (48 per cent).

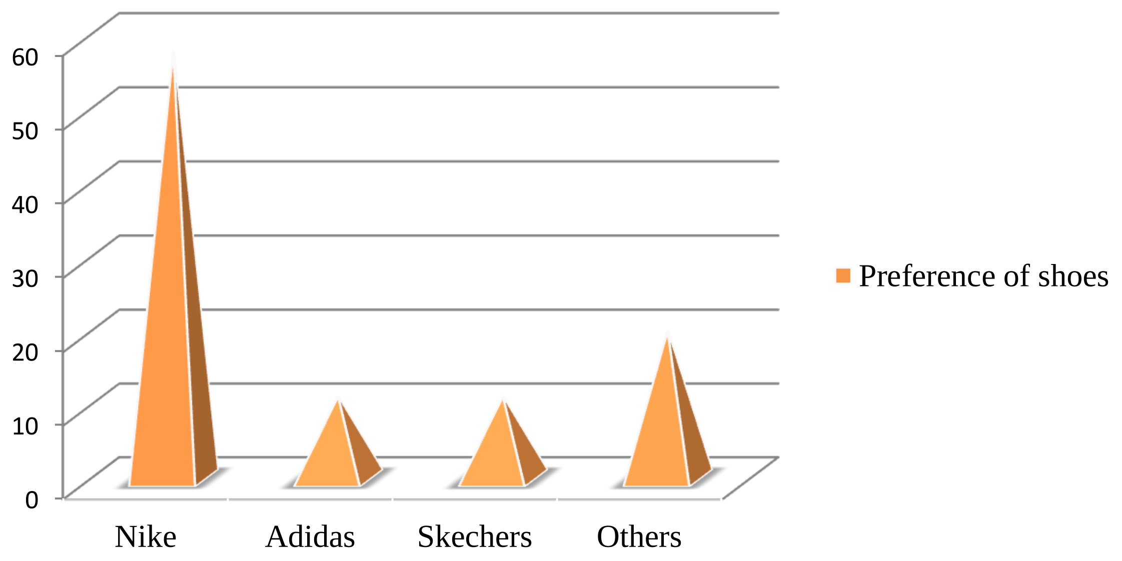
Brand Preference

5. When you think of SHOES which brand comes to your mind?

This is the first question directed towards understanding consumer based brand equity. The above question is used to find out the first brand that creates an image in the minds of the consumers when they think of shoes as a result of it being the most preferred brand in the designated category.

Shoe brand	No. of respondents	Percentages
Nike	52	57.78
Adidas	10	11.11
Skechers	10	11.11
Others	18	20
Total	90	100

Figure 6: Preference of shoes

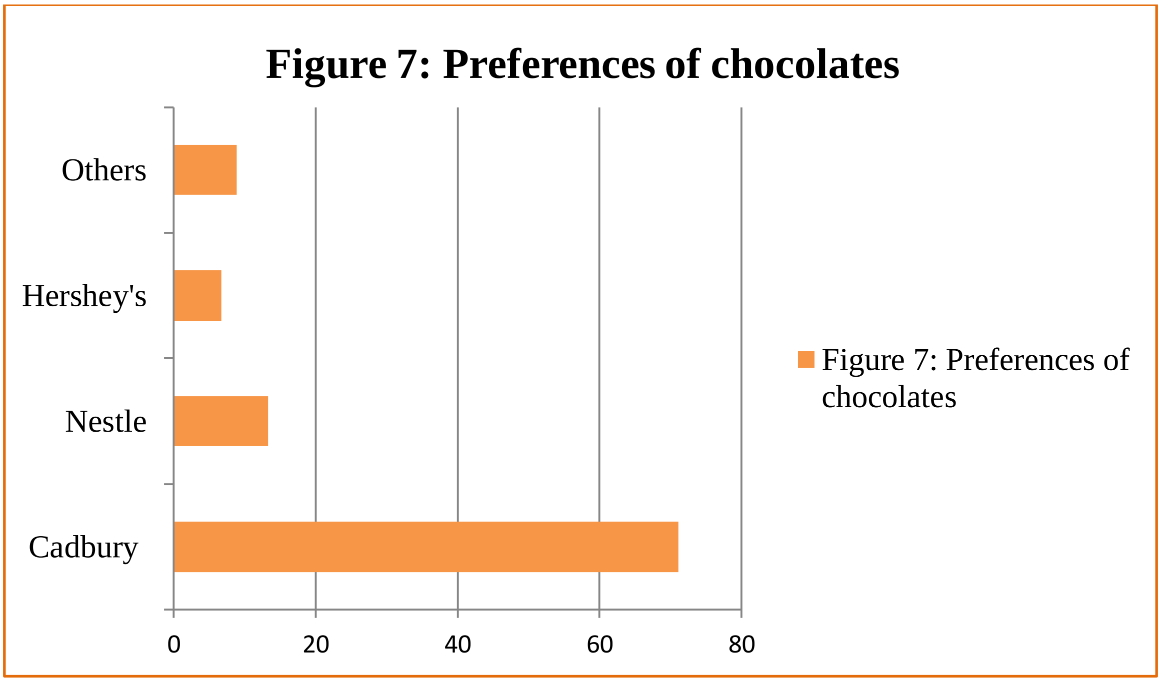


As per the above data it can be understood that 57.78 per cent of the total respondents have the brand Nike in their mind when they think of shoes followed by Adidas (11.11 per cent), Sketchers (11.11 per cent) and Others (20 per cent).It gives an idea about the company with the biggest market share among the respondents is of Nike.

6. When you think of CHOCOLATES which brand comes to your mind?

This question is directed towards understanding the most preferred brand of chocolates by the consumers. The chocolate brand with the highest percentage is the one which is most preferred by the selected group of respondents.

Chocolate Brand	No. of respondents	Percentage
Cadbury	64	71.11
Nestle	12	13.33
Hershey's	6	6.67
Others	8	8.88
Total	90	100



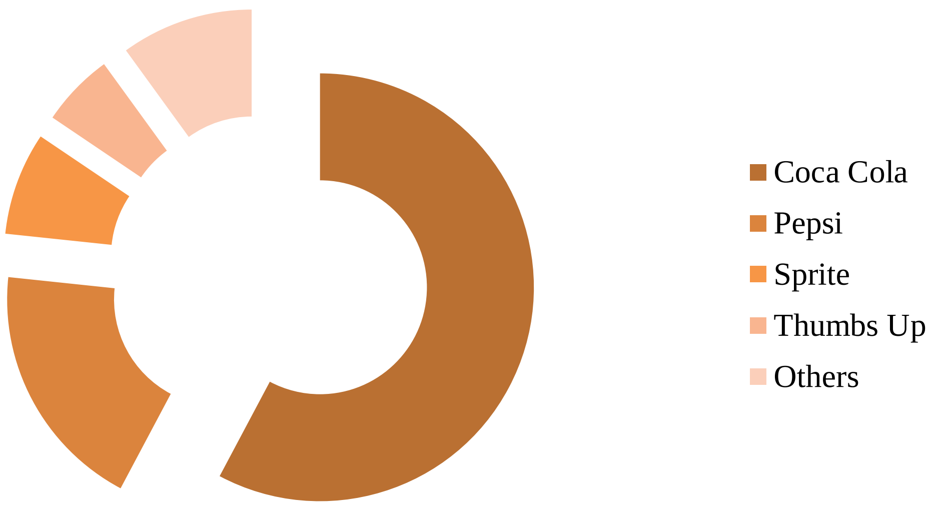
As per the above data it can be understood that 71.11 per cent of the total respondents have the brand Cadbury in their mind when they think of chocolates followed by Nestle (13.33 per cent), Hershey's (6.67 per cent) and Others (20 per cent).It gives an idea about the company with the biggest market share among the respondents is of Cadbury.

7. When you think of SOFT DRINKS which brand comes to your mind?

This question is directed towards understanding the most preferred brand of soft drinks by the consumers. The chocolate brand with the highest percentage is the one which is most preferred by the selected group of respondents.

Soft drink	No. of respondents	Percentage
Coca cola	52	57.78
Pepsi	17	18.89
Sprite	7	7.78
Thumbs Up	5	5.56
Others	9	10
Total	90	100

Figure 8: Preference of soft drinks

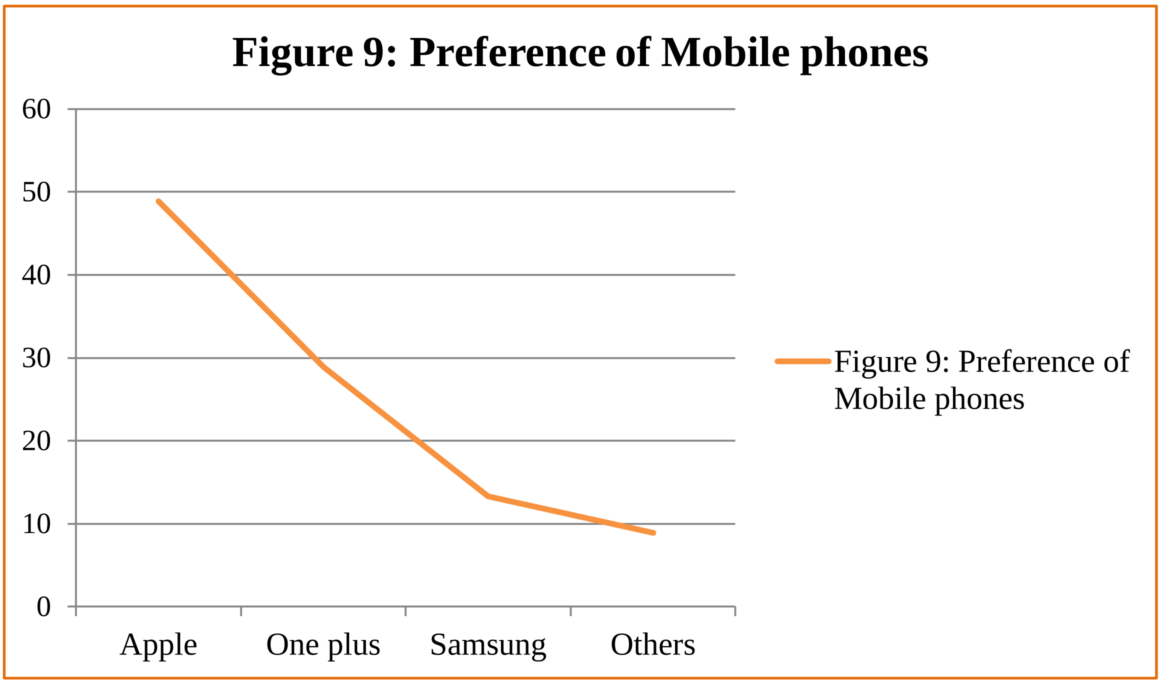


As per the above data it can be understood that 57.78 per cent of the total respondents have the brand Coca cola in their mind when they think of soft drinks followed by Pepsi (18.89 per cent), Sprite (7.78 per cent) and Thumbs Up (5.56 per cent), Others (10 per cent).It gives an idea about the company with the biggest market share among the respondents is Coca Cola as it has the highest brand preference.

8. When you think of MOBILE PHONES which brand comes to your mind?

This question is directed towards understanding the most preferred brand of mobile phones by the consumers. The mobile phones brand with the highest percentage is the one which is most preferred by the selected group of respondents.

Mobile Phone	**No. of respondents**	**Percentage**
Apple	44	48.88
One Plus	26	28.88
Samsung	12	13.33
Others	8	8.88
Total	90	100



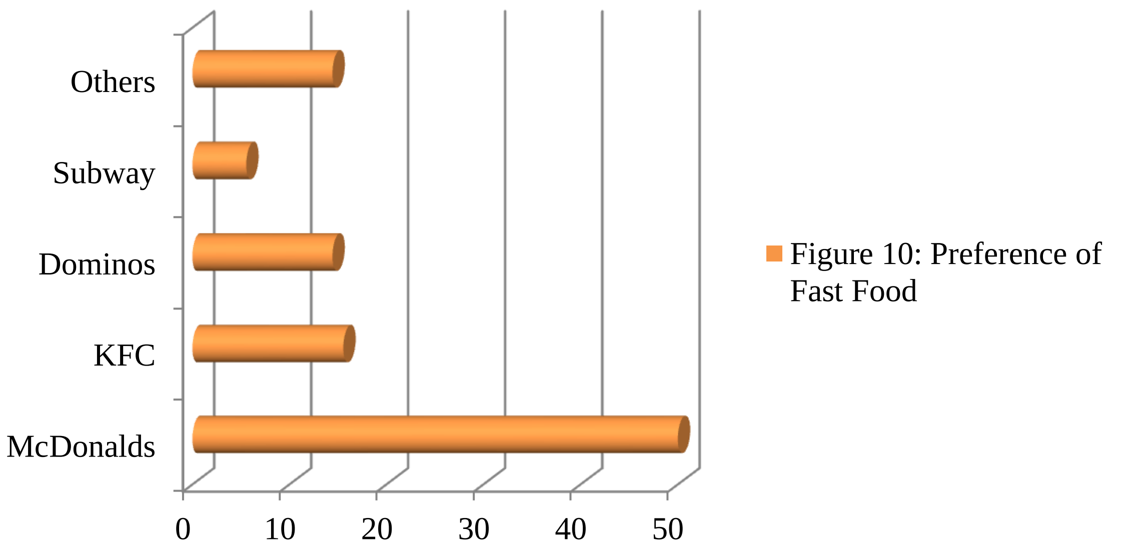
As per the above data it can be understood that 48.88per cent of the total respondents have the brand Apple in their minds when they think of mobile phones followed by One Plus (28.88 per cent), Samsung (13.33 per cent) and others (8.88 per cent).It gives an idea about the company with the biggest market share among the respondents is Apple as it has the highest brand preference.

9. When you think of FAST FOOD which brand comes to your mind?

This question is directed towards understanding the most preferred brand of mobile phones by the consumers. The fast food brand with the highest percentage is the one which is most preferred by the selected group of respondents.

Fast food	No. of respondents	Percentage
McDonald's	45	50
KFC	14	15.56
Dominos	13	14.44
Subway	5	5.55
Others	13	14.44
Total	90	100

Figure 10: Preference of Fast Food



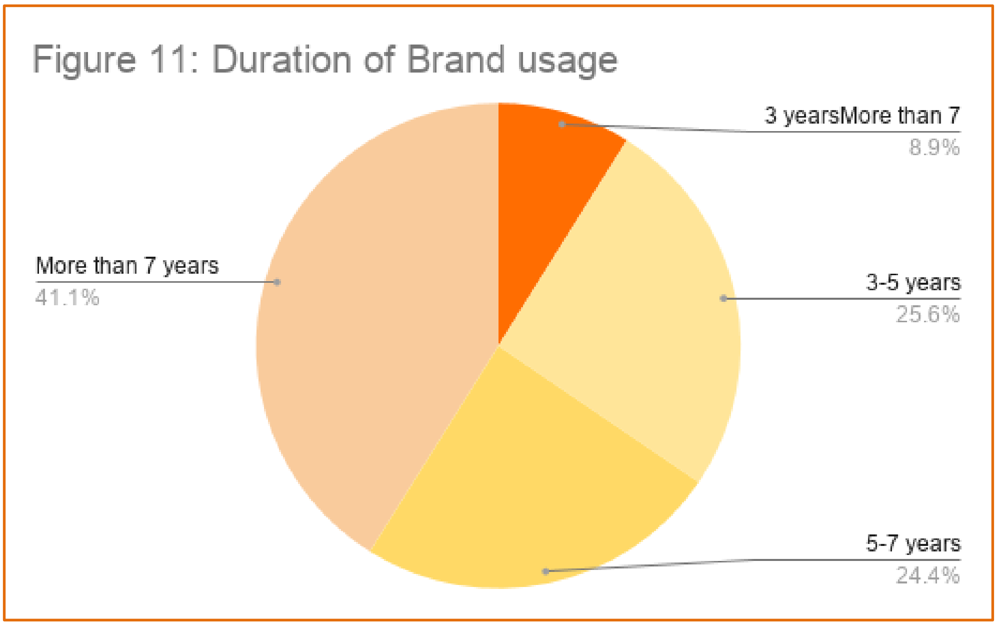
As per the above data it can be understood that 50 per cent of the total respondents have the brand McDonalds in their minds when they think of mobile phones followed by KFC (15.56 per cent), Dominos (14.44 per cent), Subway (5.55 per cent) and others (14.44 per cent).It gives an idea about the company with the biggest market share among the respondents is McDonalds as it has the highest brand preference.

Brand Loyalty

10. How long have you been using the brands mentioned in the above question?

This question aims at identifying the number of years since when the respondents have been using the brands of shoes, chocolates, mobile phones, fast food. The objective of this question was to identify the brand loyalty element of brand equity. The longer the duration the more loyal the consumer is towards the particular brand.

Duration	Percentage
3 years	8.9
3-5 years	25.6
5-7 years	24.4
More than 7 years	41.1

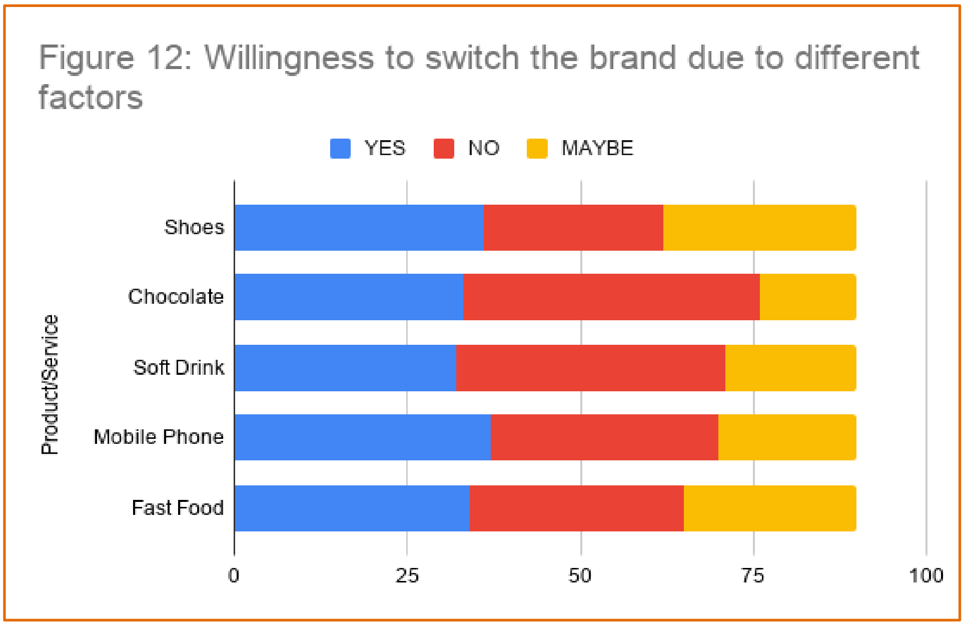


It can be observed from the above graph and table that majority of the respondents have been using the selected brands for more than 7 years with 41.1 per cent of the total followed by 3-5 years(25.6 per cent), 5-7 years (24.4 per cent) and 3 years (8.9 per cent).It can be understood that the brand loyalty of the products is on the higher side as a large percentage of the respondents have been consistent with the brands they use over the past years.

11. Out of the brands chosen above will you be willing to switch the brand due to change in price, availability etc.?

This question aims at identifying whether the respondents are willing to replace the brands they are currently using with other brands due to change in its availability, price, quality and various other factors. The objective of this question was to identify the brand loyalty element of brand equity. If the consumer is not willing to constantly switch the brands then they are said to be loyal to that particular brand.

Product/Service	YES	NO	MAYBE
Shoes	36	26	28
Chocolate	33	43	14
Soft Drink	32	39	19
Mobile Phone	37	33	20
Fast Food	34	31	25



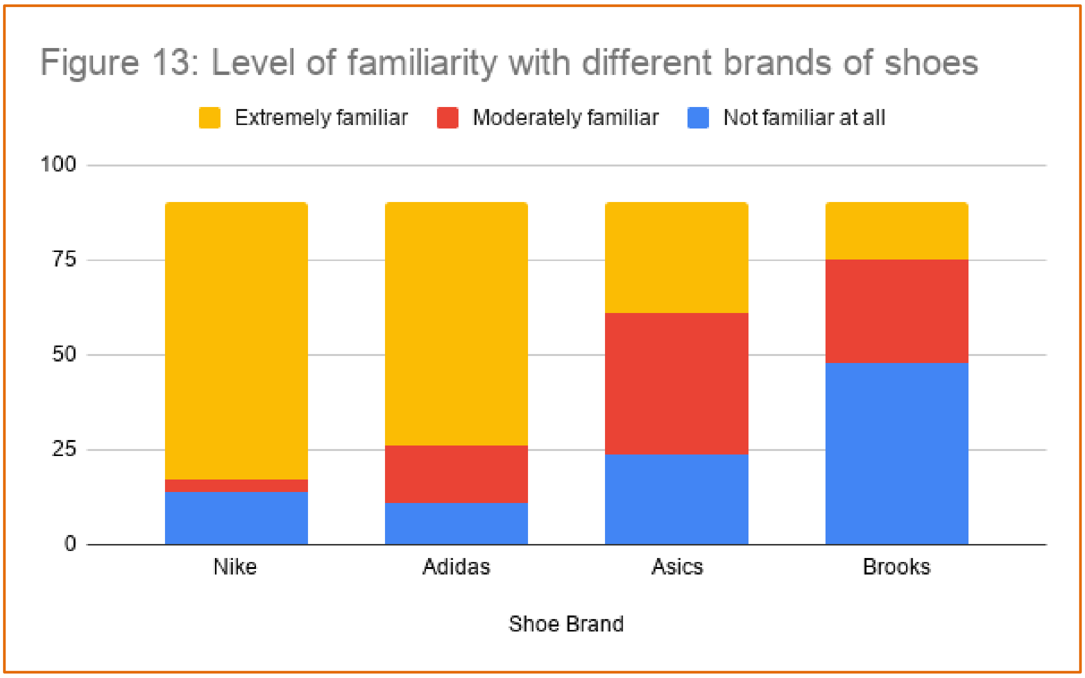
From the above data it can be observed that there was a mixed response among the respondents regarding the willingness to switch the brands they are currently using. For shoes, mobile phones and fast food more number of people are willing to switch the brands. However, for chocolates and soft drinks lesser number of people are inclined towards adapting a new brand. The brand loyalty of consumers for shoes, mobile phones and fast food is on the lower side compared to products such as chocolates and soft drinks.

Brand Awareness

12. How familiar are you on a scale of 1-3 with the following brands of shoes? (3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)

This question was asked in order to understand the brand awareness element of brand equity. The level of familiarity with a particular brand indicates the degree of brand awareness.

Shoe Brand	Not Familiar at all	Moderately Familiar	Extremely Familiar
Nike	14	3	73
Adidas	11	15	64
Asics	24	37	29
Brooks	48	27	15

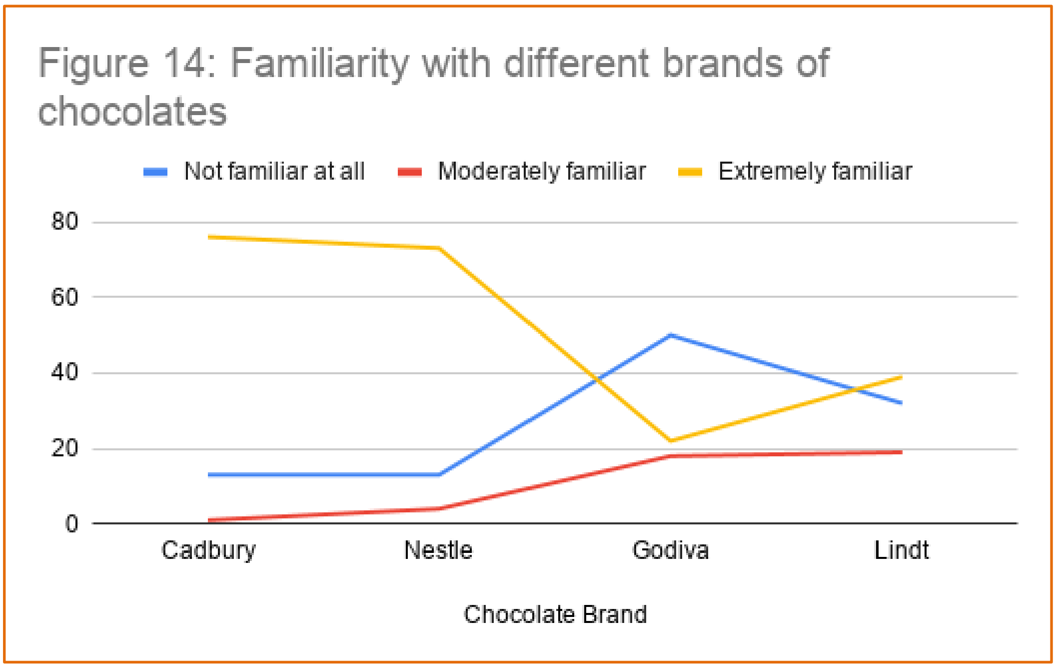


From the bar graph above it can be analysed that the brand with the maximum level of familiarity is Nike followed by Adidas, Asics and Brooks. This means that Nike has the highest degree of awareness among the consumers of shoes fulfilling the brand awareness element.

13. How familiar are you on a scale of 1-3 with the following brands of chocolates? (3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)

This question was asked in order to understand the brand awareness element of brand equity. The level of familiarity with a particular brand indicates the degree of brand awareness.

Chocolate Brand	**Not familiar at all**	**Moderately familiar**	**Extremely familiar**
Cadbury	13	1	76
Nestle	13	4	73
Godiva	50	18	22
Lindt	32	19	39



From the line graph above it can be analysed that the brand with the maximum level of familiarity is Cadbury followed by Nestle, Lindt and Godiva. This means that Cadbury has the highest degree of awareness among the consumers of chocolates fulfilling the brand awareness element

14. How familiar are you on a scale of 1-3 with the following brands of soft drinks? (3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)

This question was asked in order to understand the brand awareness element of brand equity. The level of familiarity with a particular brand indicates the degree of brand awareness.

Soft Drink Brand	Not familiar at all	Moderately familiar	Extremely familiar
Coca cola	12	1	77
Dr. Pepper	53	23	14
Pepsi	12	6	72
Slice	13	16	71

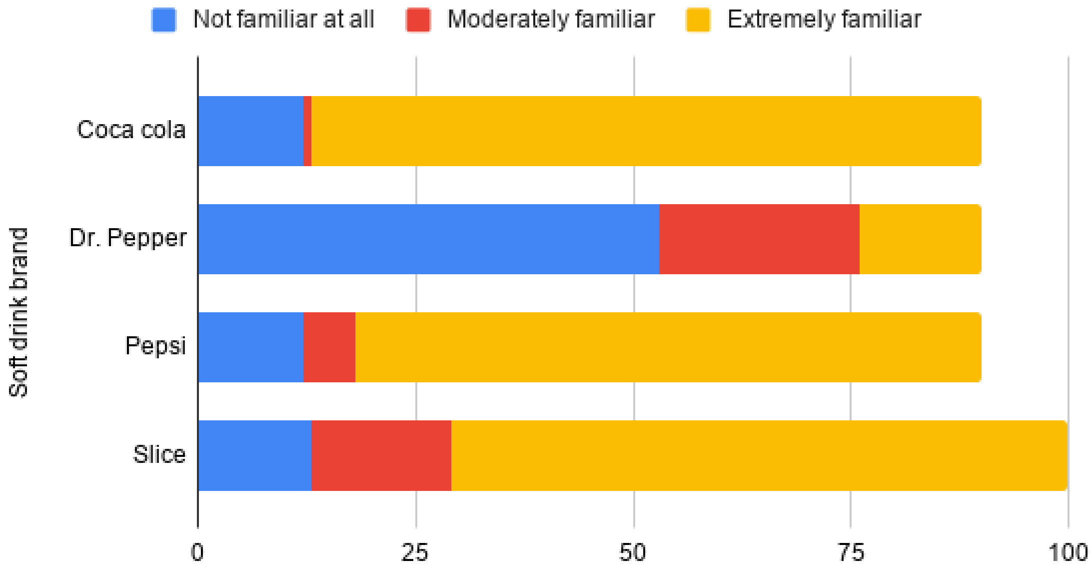


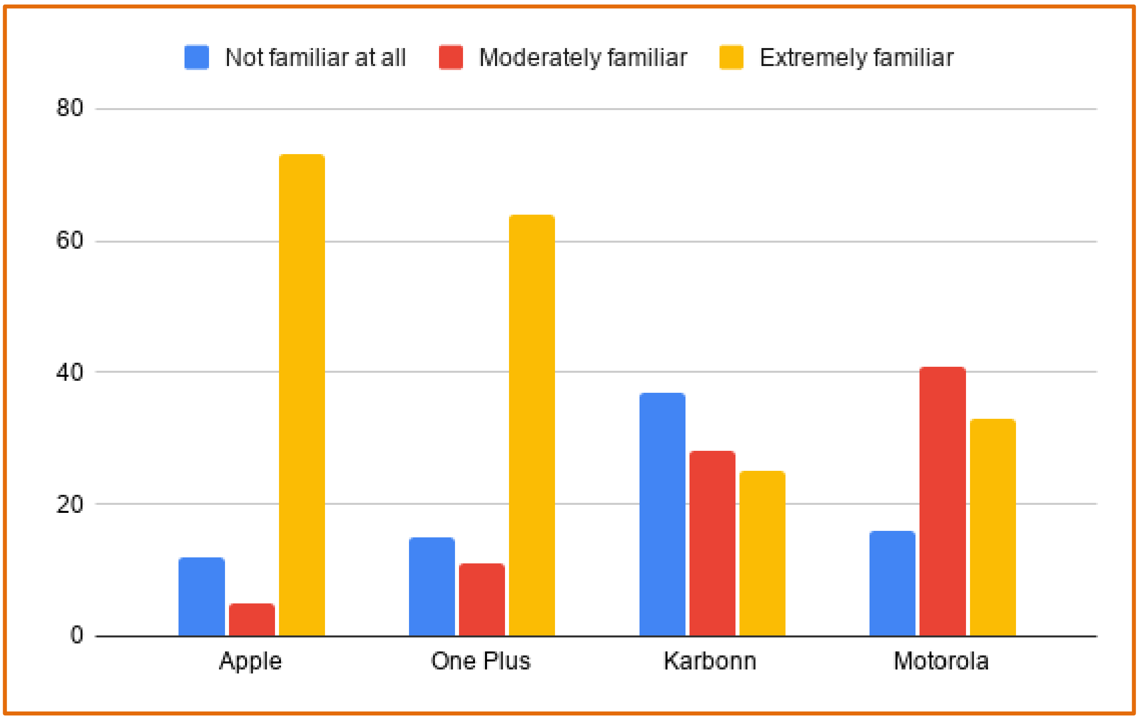
Figure 15:Familiarity with different brands of soft drinks"

From the bar graph above it can be analysed that the brand with the maximum level of familiarity is Coca Cola followed by Pepsi, Slice and Dr. Pepper. This means that Coca cola has the highest degree of awareness among the consumers of soft drinks fulfilling the brand awareness element.

15. How familiar are you on a scale of 1-3 with the following brands of mobile phones?(3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)

This question was asked in order to understand the brand awareness element of brand equity. The level of familiarity with a particular brand indicates the degree of brand awareness.

Mobile phone brands	Not familiar at all	Moderately familiar	Extremely familiar
Apple	12	5	73
One Plus	15	11	64
Karbonn	37	28	25
Motorola	16	41	33

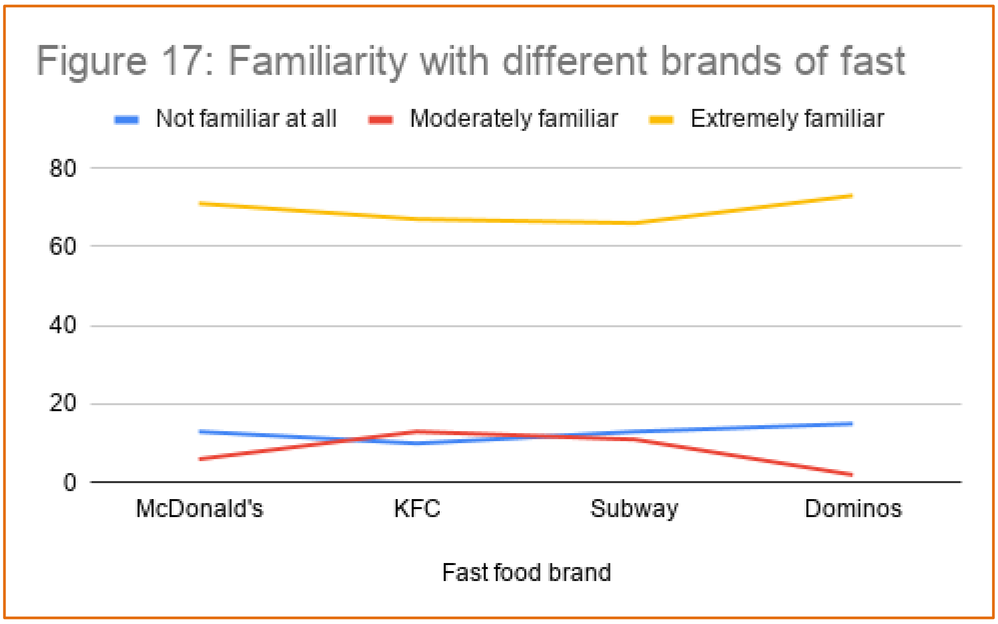


From the bar graph above it can be analysed that the brand with the maximum level of familiarity is Apple followed by One Plus, Motorola and Karbonn. This means that Apple has the highest degree of awareness among the consumers of soft drinks fulfilling the brand awareness element.

16. How familiar are you on a scale of 1-3 with the following brands of fast food?(3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)

This question was asked in order to understand the brand awareness element of brand equity. The level of familiarity with a particular brand indicates the degree of brand awareness.

Fast food brand	**Not familiar at all**	**Moderately familiar**	**Extremely familiar**
McDonald's	13	6	71
KFC	10	13	67
Subway	13	11	66
Dominos	15	2	73



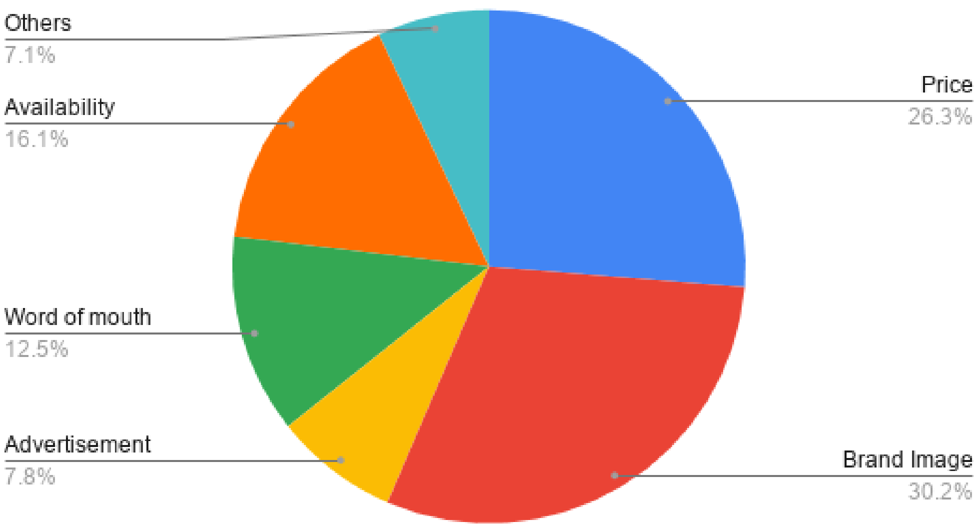
From the line graph above it can be analysed that there are two brands with the maximum level of familiarity namely McDonalds and Dominos followed by KFC and Subway. A vast variation was not observed in the degree of familiarity among the different brands of fast food. However it can be said that the awareness regarding McDonald's and Dominos is the highest.

17. Which of the following factors influence your purchasing decisions?

The objective behind asking this question was to find out whether brand image plays an important role in the buying decision of the respondents or not. A series of factors were provided and the respondents were made to select which factor influences them the most and makes them inclined towards purchasing a specific product.

Factors	No. of respondents
Price	67
Brand Image	77
Advertisement	20
Word of mouth	32
Availability	41
Others	18

Figure 18: Factors influencing purchase decision



It can be observed from the above graph and table that majority of the respondents have selected ‘Brand Image’ with 30.2 per cent of the total as an important factor that influences their buying decision followed by price of the product/service (26.3 per cent) provided.

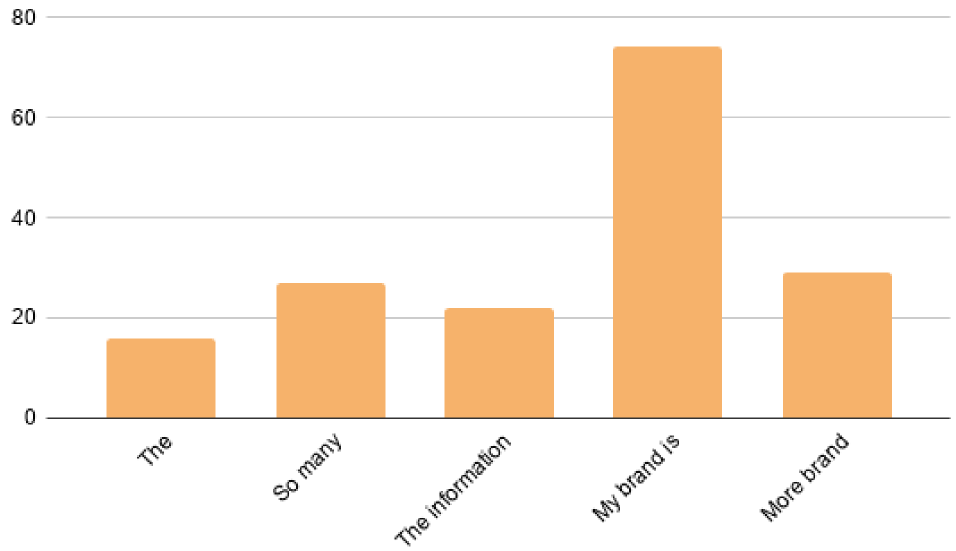
It can be understood that the brand image of the product plays a major role thus helping in the progression of sales.

Brand Association

18. With regard to the brands preferred choose the particulars with which you associate the most?

This question was asked in order to understand the brand association element of brand equity. The brand association element of brand equity includes the brand remembrance and memory related to the product/service. It states the reasons which lead to repetitive sales and regular purchase from a specific brand.

Figure 19: Brand association	
The advertisements and other promotional activities of the brands I use very much attracts and impress me	16
So many memorable things are associated with the brands I use	27
The information provided by the manufactures of the product are consistent and relevant	22
My brand is associated with my personal comfort and usage	74
More brand association is due to the utility of the brand	29



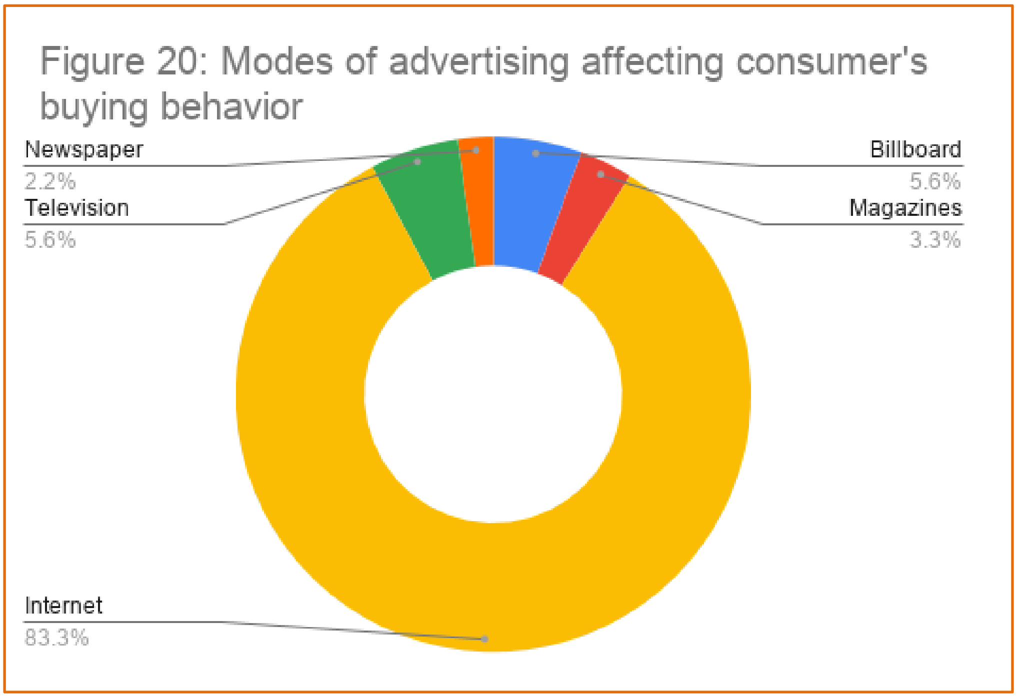
The factor with which the respondents associate the most is personal comfort and usage with 74 respondents opting for the same.

19. Which of these modes of advertising affect your buying behaviour?

Mode of advertising is the source of promotion of a particular brand. It is the link which brings the consumers and the brand together. Advertising plays an important role in influencing the buying decision of a consumer. Therefore, it was important to find out the mode of advertising as a part of brand equity.

Figure 20: Modes of advertising affect consumer's buying behaviour

Mode	No. of respondents
Billboard	5
Magazines	3
Internet	75
Television	5
Newspaper	2



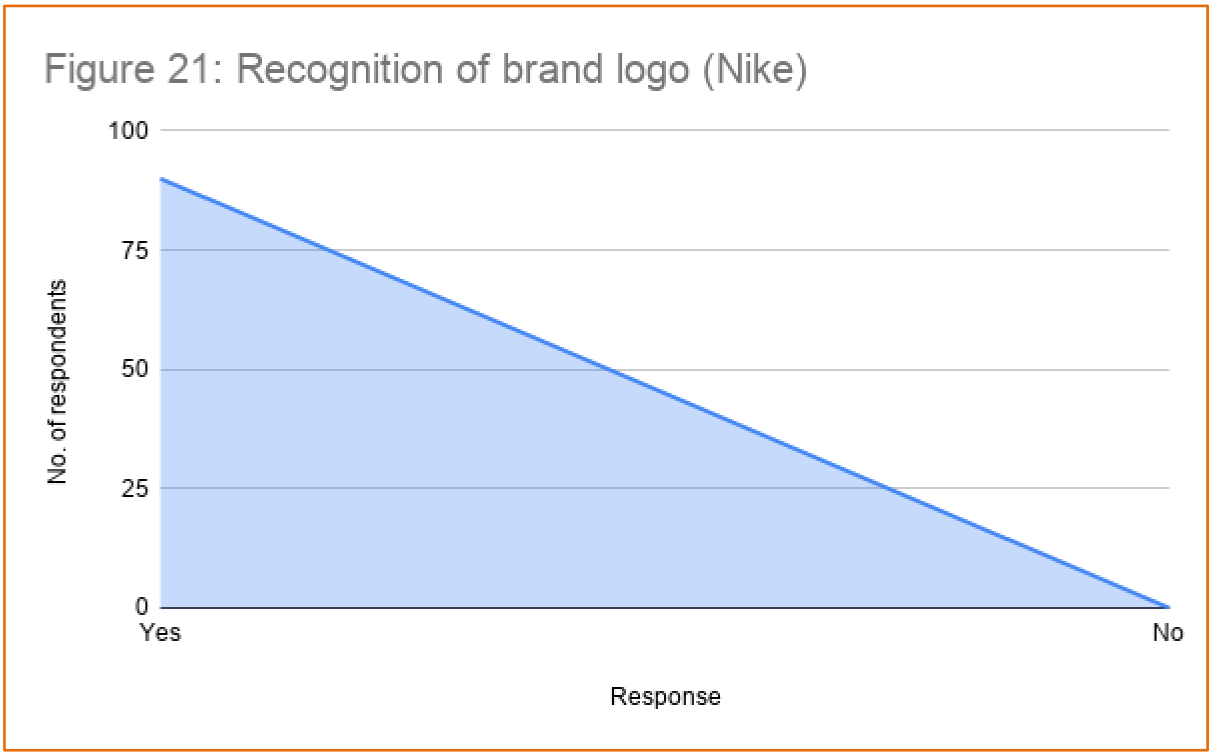
It can be observed from the above graph and table that majority of the respondents have selected 'Internet' with 83.3 per cent of the total as the mode of advertising that influences their buying decision followed by billboards, television, magazine and newspapers.

Brand recognition and brand awareness

20. Do you recognize the logo of this particular brand?

Questions 20 and 21 were asked in order to compare the logos of two brands namely Nike and Brooks. One brand with a higher brand equity (as per the secondary research) whereas the other one with a comparatively lower brand equity.

Figure 21: Recognition of brand logo	
Yes	90
No	0

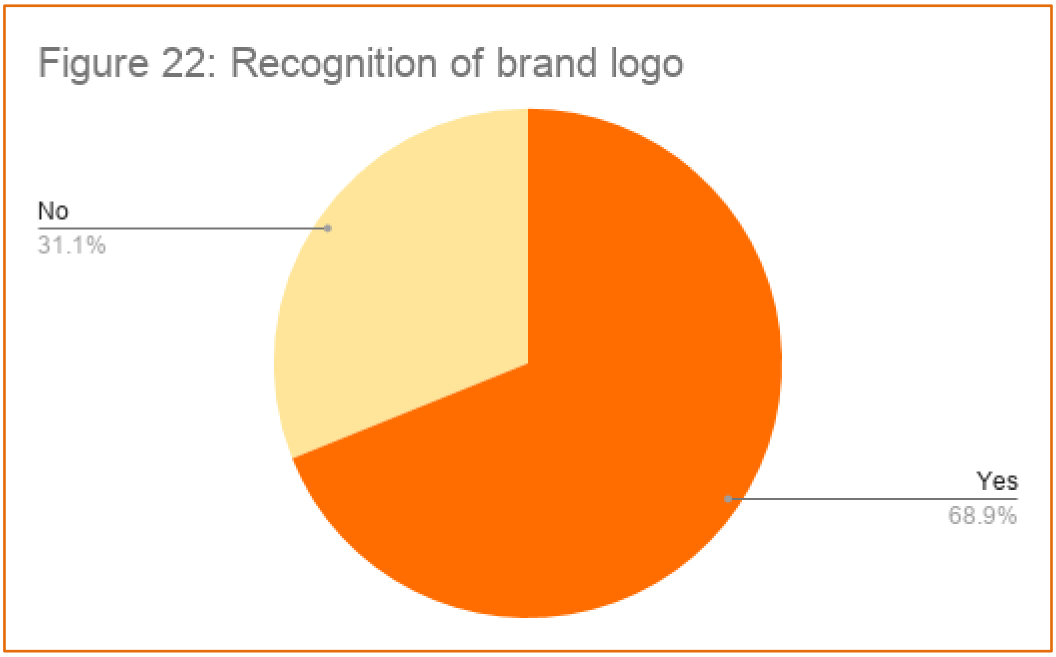


It can be observed from the above graph that 100 per cent of the respondents were familiar with the logo of Nike and were able to recognise it. This is an indication of the positive position of Nike as a brand in the market.

21. Do you recognize the logo of this particular brand?

Questions 20 and 21 were asked in order to compare the logos of two brands namely Nike and Brooks. One brand with a higher brand equity (as per the secondary research) whereas the other one with a comparatively lower brand equity.

Figure 22: Recognition of brand logo	
Yes	62
No	28



It can be observed from the above graph that 68.9 per cent of the respondents were familiar with the logo of Brooks and were able to recognise it. This is an indication that even though people are familiar with the logo of Brooks the level of recognition is lower compared to that of Nike. It depicts the position of both the brands in the market.

SECONDARY DATA ANALYSIS OF BRAND EQUITY

Under this section of secondary analysis the data related to the brands preferred by the respondents in the primary research were studied to understand the positive relation between the answers obtained in primary research and brand equity of the selected brands.

- **Brand Equity of Nike**

Nike has a well-established and strong brand identity with a well-recognized and distinguished brand name and brand logo, the swoosh. The brand name as well as the logo is easily memorized by customers. Through the primary research conducted it can be seen in figure 21 that the entire sets of respondents were able to recognise the logo of Nike.

Brand association:

The core of building the brand equity for Nike brand equity is brand association. Core associations for Nike include: innovative technology, high quality/stylish products, joy and celebration of sports, maximum performance, self-empowerment and inspiring, locally and regionally involved, and globally responsible. What has to be mentioned is that Nike is associating its brand with famous athletic celebrities that have similar personality as the brand; they are achievers, winners, determinant, and accomplishment oriented, non-traditional The most famous example for brand association ever was the collaboration between Nike and Jordan, the association that personified Nike as a superior, achiever, successful and amazing top performing brand.

As per figure 19 majority of the people associated Nike with their personal comfort and usage.

Brand awareness:

Sponsorships, advertising and experience focused retailing (Nike town) are three vivid channels that Nike has applied to enhance its brand image and awareness. Among these strategies, athlete endorsements could be considered as the most significant success of Nike brand. Nike has been invested millions of dollars to associate their brand names with easily recognizable athletes with the aim of brand image building. For example, since Tiger Woods and Nike cooperated, annual sales for Nike Golf have exceeded to nearly $500 million dollars with an estimated 24 per cent growth per year in the first five years of the agreement

Perceived quality:

In addition, one of the most important sources of Nike brand equity is the high perceived quality of the brand not only among athletes but also between the public. Although most of Nike's market was the public that used their shoes just for walking around yet Nike was committed to design their shoes according to the high standards of professional competition. They listened to athletes and designed shoes that satisfy their needs for high performance and durability. Seeing a winning athlete wearing a Nike shoes in a professional competition authenticated the quality perception in the minds of the customers about the Nike brand. Besides they didn't follow the trends of other shoe maker like Rebook who used garments in the fabrication of their shoes instead of leather because it is more fashionable although it is less durable, Nike didn't do so and they stick to using leather fulfilling their commitment to quality.

Brand loyalty:

Nike built a good relationship with consumers. A relationship that started with the beginning of the company when Knight used to speak to athletes using their language and listen to their feedback. He used to meet them in tracks, in high school and in colleges. This strategy created a lot of attachment of athletes to the brand, some sort of brand loyalty. When the company expanded they used a “Finger on the pulse strategy” where Nike have some of its employees hitting the street finding out what is in the minds of their consumers and following their needs and tracking their brand perception. As for now, Nike’s website is a great way to create a two-way conversation with consumers. The customers get something that helps them with their fitness regime and helps them interact with friends, while Nike gets valuable information about how customers are using its products.

As per figure 11 it can be observed that the respondents have been using the brand Nike for a period of 7 years or more. This is an indicator of the positive brand loyalty element of brand equity as stated above.

- **Brand Equity of Apple**

A brand with what seems like untouchably good brand equity is Apple. Their brand awareness is so wide that it is reckoned by statistic that the value of the Apple brand is around **300 billion US dollars**. It’s indisputable that their brand identity is one of excellence in build quality, and the package they offer customers.

To take the example of the smartphone market, Apple did not release the first touchscreen smartphone, but they did release what has become by far the global market leader, the iPhone. This took what people liked about their breakthrough handheld product, the iPod, and put it into a package with a big screen that could be tilted to landscape, a body that was reasonably resilient but still a slim, light, attractive design, and a camera that was, at the time, among the best on the market.

It can be seen again with the current trend for experimentation in the smartphone market: Apple is not averse to trying new things — in fact, they are known for it — but they’re **rarely the first** to try something. This is because they believe that it’s better to let other manufacturers try out design solutions that may or may not work, see what the flaws and successes are, and then build their own version that works well enough to preserve their reputation.

For Apple, brand equity comes in offering customers a product that works well straight out of the box, and has good reliability. It also comes in providing design that is clean, simple, and yet has enough unique identifiers that it seems desirable to consumers, meaning owners of it feel they have a certain social capital from using the product. If Apple released a poor-quality product, its brand equity would suffer; the key to maintaining brand equity is in keeping product quality high, bringing customer satisfaction.

The value of Apple (at this time) is $703.5 B, and the value of the brand $234 B, so 30% of the total value of the company comes from the Apple brand and all their sub-brands (iPhone, Mac, iCloud, etc.)

Apple has developed its brand through advertising as well as delivering consumer-focused solutions for decades. Most of their goodwill comes from the positive experiences customers have with their products. Many people will not consider buying products from the competitors of Apple.

As per figure 9 majorities of the respondents (48.88 per cent) chose Apple as the preferred brand over its competitors when purchasing a mobile phone. They were seen as loyal towards the brand with only a few willing to switch the brand due to changes in price and other factors.

Granted, it would be hard to separate the Apple brand from the rest of the company. Brand equity is entwined with every other component of a company's value. Companies are gestalt; they are their complete whole, inherently indivisible. The intertwined nature of brands doesn't stop companies from licensing their brand, which can have good and bad consequences.

It's also interesting to note that Apple spends $1.8 B a year in advertising majority on the internet. That may seem like a large number, but it is not that much consider the brand is worth $234 B, only 0.8%

The majority of the respondents chose Internet as the preferred mode of advertising that motivated them to purchase the product. With internet being the major platform for the promotion of Apple products it has played a big role in attracting the consumers and capturing the market.

- **<u>Brand Equity of McDonalds</u>**

<u>Brand Awareness</u>

Currently, McDonalds ranked on the 6th position as world's most important brand and observed as the most visited fast food restaurants. As being a global fast food chain, it creates awareness in every country according to the traditions or cultures. For example, it introduces different products in different countries, as in India, it introduced "potato Patty" burger. It creates awareness by sponsoring many sports event and entertainment events.

<u>Brand Association</u>

McDonalds is heavily associated with its brand because of its product category: fast food, fries and burger, etc. it has high score in terms of branded products items name, like big mac. French fires and many others. It is associated as cheap meals, affordable for the consumers. McDonalds offer "Make your own meal which has become the positive gaining point for it and many consumers started to shift to McDonalds. It offerings for toys for children is the best strategy they have come across, as many kids only prefer McDonalds because of toys they get.

<u>Brand Loyalty</u>

McDonalds is successful in gaining strong brand loyalty from its customers, as in all over the world its fries and kid’s meals are famous, and as its kids are its main customers. Moreover, people who do not willing to change their taste and do not want to switch on other burgers, they prefer burgers. Moreover, for retaining its customers McDonalds, also introduced fried chicken and other flavours of burgers so that customers could enjoy new meals

<u>Brand Asset</u>

McDonalds is one of the most powerful brands in the world, with million in United States. Its employees and secret recipe of their sauces and burger patties, shakes has much preference of people. Moreover, its 3 times of meals has gained enough attention of people who prefer McDonald's for different timings. McDonald's says improvements in consumer perceptions of the brand have helped it post its best sales figures in six years. Sales were up 5.5% year on year in the fourth quarter, marking its 10th consecutive quarter of growth. And full-year sales were up 0.3% – the company's best performance in six years.

- **Brand Equity of Coca Cola**

With a brand value in the ballpark of $80 billion, Coca Cola has often rated the best soda brand in the world. This has grown from $68 billion in 2009. However, the brand itself represents more than just the products—it's symbolic of positive experiences, a proud history.

Also recognized for its unique marketing campaigns, the Coca-Cola Corporation has made a global impact on its consumer engagement. According to Fortune, Coca-Cola is the 12th most admired company in the world. Among beverage companies, they rank no. 1. For the Fortune 500 rankings, Coca-Cola comes in at no. 100.

Brand awareness

Coco cola is one brand which is recognized by everyone around the globe. It is available in every country except Cuba and North Korea and has a product portfolio of over 3,500 brands. In 2011 it had a market value of about $74 billion, which is more than Budweiser, Starbucks, Red Bull and Pepsi combined. From 1993 until 2006 Coca Cola spent $ 26.7 billion on advertising and it is one of the first companies ever to spend more money on marketing than on the product itself. Another factor is its authenticity. Its strong self-belief and consistent identity also helped achieve its position in the market. Coca Cola has shown great flexibility and innovativeness, they adapted their drink to the various markets around the world and thereby achieved to satisfy the different tastes of the consumers. Coca Cola is also a very aesthetic product. The design of the curvaceous glass bottle design and the red-and-white branding of the cans is recognized all over the world.

Perceived quality

Coca-Cola's' brand personality reflects the positioning of its brand. Many people see 'Coca-Cola' as a part of their daily life. This similarity between the brand and the consumer leads to a high degree of loyalty and makes the purchasing decision easier. A recent Coca-Cola annual report reported that the second most recognized expression in the world after "ok?" is "Coca-Cola." There could be hardly any person around the world that hasn't heard the name Coca Cola. Ever since its beginning as world's leading name in cold drinks, it has created a strong brand image irrespective of age, sex and geographical locations. Coca Cola, ever since its inception has been the leader in soft drink market.

Brand loyalty

Brand loyalty for Coke is strong. Coke changes its cans, but consumers are still loyal. Coke has never been shy about making changes and sometimes the company plays with the designs on its cans. One winter, Coke joined forces with the World Wildlife Fund (WWF) to fundraise on behalf of polar bears, a Coca-Cola mascot since the 1920s. Specially designed cans of Coke are decorated with polar bears to call attention to the Arctic Home initiative. Seasonal cans of Diet Coke will show up in silver with snowflake designs. Some loyal Coke fans seem to be okay with that, however, other Coke fans love red and are unhappy with the change to white cans, even for the holidays. Seems like some soft drink consumers forget that the holidays are not just about celebrating, but also about caring and socially responsible charitable giving.

Brand association

Brand Associations are not benefits, but are images and symbols associated with a brand or a brand benefit. Brand association is anything which is deep seated in customer's mind about the brand. Brand should be associated with something positive so that the customers relate the brand to being positive. Coke has had various celebrities in their advertisements such as Taylor Swift, Aamir Khan, Deepika Padukone, Aishwarya Rai, and Imran Khan.etc. They also come up with many marketing strategies in the form of campaigns such as 'Open Happiness', ‘Hello Happiness’ etc. Coke is sold at a reasonable price all over the world which can be afforded by all. This product caters to all class who wants to enjoy a drink. • They also associate with various events which boost their promotion and publicity such as Olympics, concerts, shows etc.

- **Brand Equity of Cadbury**

Cadbury Dairy Milk even though a foreign brand, has wonderfully understood the Indian Chocolate Industry as a unique mix with extreme consumption patterns, attitudes, beliefs, income level and spending of the money. Understanding consumer preferences and need is the key to growth in this industry. Economic distribution using proper supply chain is necessary and so is maintaining a high brand loyalty. Cadbury Dairy Milk has scored on all these parameters and therefore has maintained its position on Global Market as No 1 Chocolate.

Creating a positive brand image takes marketing programmes that link strong, favourable, and unique associations to the brand in memory. Cadbury has no doubt built a very successful brand image. from how they communicate their brand identity through the packaging with the Cadbury "glass and a half" corporate purple and swirling chocolate image to the consistency of their brand attributes in terms of TV advertisements and other advertising campaigns, and of course most importantly, they have successfully built their brand image of being the "family brand and a chocolate to be shared for every occasion" as well as being the creative brand. Honestly, Cadbury has never failed to amaze me (and all their customers) with their creativity in their advertisements as well as their product packaging’s. Cadbury fans have not only developed a liking for Cadbury, they have also built strong associations with the brand.

Performance:

Cadbury rates very highly in the brand performance category. With a long history of chocolate manufacturing, Cadbury has always been synonymous with quality and richness in chocolate. Despite facing minor issues with quality and packaging in the past, Cadbury has been swift in its approach to eradicate all such problems.

Cadbury has a very loyal customer group base with customers who children as well as the senior citizens. In some countries it is also thought of as a substitute for dessert. There is also a strong and loyal customer base consisting of families in India where it is marketed as a loving and caring family member.

Cadbury has high brand and product quality. It has been around since the early 1900s and has built itself a good reputation over a strong heritage. Consumers trust the brand and feel secure to buy the product for not only themselves but also their family and friends. In early 2007, Cadbury announced the recall of a range of products due to a labelling error. The products were produced in a factory handling nuts and potential allergens, but this was not made clear on the packaging. As a precaution, all items were recalled. Customers are well aware about the quality controls that Cadbury exercises over its products. Cadbury also has high credibility. One of its products e.g. Dairy Milk is the third largest chocolate brand globally with retail sales of $2 billion.

CHAPTER: 5 FINDINGS, SUGGESTIONS AND CONCLUSION

Gender and age of the respondents. The results indicate that about 44.44 percent of the consumers of the goods are males and the rest of 55.56 per cent of the consumers of the goods are females. The results show that about 66.67 percent of the consumers of the goods belong to the age group of 20 years and below followed by 21-40 years (30 percent), 40-60 years (3.33 per cent)

Occupation of the respondents from the results, it is apparent that 74.44 per cent of the consumers of the mentioned goods/services are students followed by salaried (16.67 per cent), professional (6.67 per cent) and homemaker (2.2 per cent).

Place of residence it is observed that about 52 per cent of the consumers of the goods reside in metro areas followed by non-metro (48 per cent)

Elements of Brand Equity

Brand Preference

As per Figure 6 Nike is the most preferred brand (57.78 percent) when it comes to shoes. In accordance with this result the secondary analysis (case study on Nike) also indicated the similar results depicting a positive brand equity of the same.

As per Figure 7 Cadbury is the most preferred brand (71.11 percent) in the category of chocolates. In accordance with this result the secondary analysis (case study on Cadbury) also indicated the similar results depicting the brand equity of Cadbury on the higher side.

As per Figure 8 Coca Cola is the most preferred brand (57.78 percent) when it comes to soft drinks. In accordance with this result the secondary analysis (case study on Coca Cola) conducted also indicated the similar results depicting a positive brand equity of the same.

As per Figure 9 Apple is the most preferred brand (48.88 percent) in the category of mobile phones. In accordance with this result the secondary analysis (case study on Apple) also indicated the similar results depicting the brand equity of Apple on the higher side.

As per Figure 10 McDonalds is the most preferred brand (50 percent) when it comes to fast food chains. In accordance with this result the secondary analysis (case study on McDonalds) conducted also indicated the similar results depicting positive brand equity of the same.

Brand Loyalty

As per the primary research shown in Figure 11 the brand loyalty of the selected brands was observed as 7 years or more with the highest percentage (41.1 per cent). According to the secondary analysis the consumers were seen as loyal to the brands they were currently using namely Nike, Apple, Cadbury, McDonalds and Coca Cola.

As per figure 12 it can be observed that there was a mixed response among the respondents regarding the willingness to switch the brands they are currently using. For shoes, mobile phones and fast food more people are willing to switch the brands. However, for chocolates and soft drinks lesser number of people are inclined towards adapting a new brand. The brand loyalty of consumers for shoes, mobile phones and fast food is on the lower side compared to products such as chocolates and soft drinks.

Brand Awareness

From Figure 13, 14, 15, 16 and 17 it can be analysed that the brands with the maximum level of familiarity are Shoes- Nike

Chocolates- Cadbury

Mobile phone- Apple

Soft drink- Coca Cola

Fast food- McDonalds

This means that these brands have the highest degree of awareness among the consumers fulfilling the brand awareness element. As per the secondary data the case study on the above stated brands indicated similar results having its consumers being fully aware of the different aspects related to the brand.

Purchase Decision

As per Figure 18 it can be observed that majority of the respondents have selected ‘Brand Image’ with 30.2 per cent of the total as an important factor that influences their buying decision followed by price of the product/service (26.3 per cent) provided.

It can be understood that the brand image of the product plays a major role thus helping in the progression of sales.

In accordance with the secondary data all the brands taken into consideration have had a positive brand image over the past years thus improving their overall financial performance.

There is a positive relation between the primary and secondary analysis when it comes towards understanding the brand image of a particular product/service.

Brand Association

According to Figure 19 it can be observed the factor with which the respondents associate the most is personal comfort and usage with 74 respondents opting for the same. The brands taken into consideration under secondary research have been known for developing products that fulfil the comfort and usage requirement of the consumers. Hence a positive relation can be seen between the secondary and primary research.

Mode of Advertising

Figure 20 indicates that the majority of the respondents have selected ‘Internet’ with 83.3 percent of the total as the mode of advertising that influences their buying decision followed by billboards, television, magazine and newspapers. In accordance with the secondary data Nike, Apple, Cadbury, Coca Cola and McDonalds have spent a major chunk of their marketing and advertising budget for promotional activities over the internet. Thus a positive relation between the data obtained through primary and secondary research can be seen.

Brand recognition and brand awareness

In Figure 21 and 22 a comparison between the logos of two brands namely Nike and Brooks was conducted. One brand with a higher brand equity (as per the secondary research) whereas the other one with a comparatively lower brand equity. It can be observed that 100 per cent of the respondents were familiar with the logo of Nike and were able to recognise it. This is an indication of the positive position of Nike as a brand in the market. Whereas for Brooks only 68.9 percent of the respondents were familiar with the logo.

FINANCIAL IMPACT OF BRAND EQUITY

The brand equity of a company is directly related to an improved financial performance. From the findings above it can be observed that there was a positive relation between the primary research conducted to find out about the preferred brands and the elements related to their brand equity. Through secondary research it can be seen that the results obtained by the survey are the brands that are also performing well in the market financially.

Since the brand equity of Nike, Apple, Cadbury, McDonalds and Coca Cola are positively inclined towards improved performance their respective brand equity helps them in the following ways financially-

- **Customers are willing to pay more**

Consumers gravitate toward products with great reputations. Brands with strong positive brand equity can **generate a premium** when compared to a generic equivalent. Customers are more willing to **pay a higher price**—even if they can get a comparable product or service from a competitor for less.
This is how Apple can charge so much for an iPhone when a comparable alternative can cost less than half the price, yet Apple's legions of loyal fans will queue outside the store to buy the latest phone on release. If a customer attaches elevated levels of quality or status to a brand, they perceive it as being worth more than alternatives.

- **Improved financial ratios:**

  The impact of brand performance on financial ratios is also significant. Liquidity ratios such as current ratio and quick ratio, which measures a company's ability to meet cash needs as they arise, are better for strong brands. The strong brand portfolio also outperforms benchmark groups in leverage ratios such as times interest earned – a measure of the extent of a firm's debt relative to equity and its ability to cover interest and charges.

  Most importantly however, strong brands demonstrate greater return on equity. Profitability ratios, such as gross profit margin, operating profit margin, net profit margin and return on equity all indicate higher overall performance and greater efficiency in managing assets and liabilities.

- **Stock market performance:** There is a definite linkage between branding and shareholder value creation. After adjusting for risk, companies with strong brands outperform the market on several financial dimensions. An investment portfolio of companies with strong brands, for example, yields an average monthly return of more than 1 percent higher than a benchmark selection of companies from major stock exchanges. Measures of risk determined by volatility and vulnerability of cash flows compared to the market average are also lower for the strong brand portfolio. Not only do strong brands outperform the market, they do so with less risk.

- **Increasing the value of the company:** Brand value is one of the main reasons why the market capitalization of a company often exceeds its book value in mergers, acquisitions, licensing, joint ventures and other financing negotiations.

  An examination of stock exchanges demonstrates that a large proportion of a company's value is derived from the value of their brand. For example, intangible assets are known to account for 50–75 percent or even higher of the market capitalization of listed companies. Other studies have found more than 70 percent of the market values of Fortune 500 companies are composed of intangible assets.

- **Higher profit margins** because businesses with high brand equity can charge more, but do not incur a higher expense to produce the product or service. According to income statements of 1,500 Standard & Poor's companies, an average product price increase of 1 percent generates an 8 percent increase in operating profits – a 50 percent greater impact than a 1 percent decrease in variable costs and more than three times greater than a 1 percent increase in sales volume. Therefore, it matters financially for companies to think about enhancing the revenues instead of only focusing on reducing the cost side. This is where branding and brands play an important role in order to command a price premium.

- The **brand is more recognizable and trusted**; therefore there is **increased demand** by customers which results in <u>higher sales volumes</u>. **Brands are more easily extendable**, which means the parent brand can develop a preference and favorable impressions towards their new products or services with their customers.

- The target market more **readily accepts marketing communications** due to your existing positive reputation.

- A **reduction in new product failure rates** and **launching costs are lower** due to a higher level of brand awareness and trust with their target market.

- Due to the brand reputation of delivering a certain level of quality, **customer retention and loyalty is high** as **consumers like to reduce their risk and simplify their choice**.

- A **reduction in marketing costs** to achieve the same volume as it costs more to acquire new customers than it does to retain existing customers.

- **Higher resilience to competitors' actions** as customers is loyal and unlikely to switch. This creates entry barriers to the marketplace for competitors as it is not a profitable market segment for their brand to target.

- A strong brand provides **strategic support to a business strategy** that will add **long-term value** to the organization.

- Brands with high equity can have **higher marketing budgets** to invest back into marketing through their higher profit margins. This helps ensure brand equity remains strong.

SUGGESTIONS

Brand awareness is reached through a company's marketing communications efforts towards brand equity. Perceive advertising and spending money on favourable conditions affect brand awareness. In fact, brand recognition and awareness can imply a rise in the level of confidence regarding the product's expected performance. When buying durable goods, it is normal to look for a recognised brand with a high level of brand awareness to reinforce the purchase.

The associations that consumers make regarding a brand and its image are configured by their own experience, the non-formalised information they receive about the product and also by the information transmitted by the companies with regard to their product's quality and excellence. Hence, it is recommended that the effective communication strategies should be formulated and implemented effectively in order to make brand awareness and familiarity of the durable goods among the different segments of the consumers of durable goods.

The different brand equity dimensions contribute to overall brand equity in different ways, and that an order exists among the five dimensions. Since marketing/brand managers often have limited resources (e.g. money, time, and manpower) to implement branding strategies, these findings can help them prioritize and allocate resources across the dimensions.

The managers should concentrate their efforts primarily on brand loyalty and brand image, which have high importance in the construct of brand equity. In the highly competitive durable goods industry, the key is to create a unique, favourable and strong brand image to provide consumers with a reason to buy the brand, then work to keep their loyalty and gain their repeat business.

Celebrity/star endorsements, event sponsorships, advertising across different media, and non-price promotion are potentially effective marketing strategies to build a strong brand image and brand loyalty of durable goods further. It is also suggested that when concentrating on creating brand association and brand loyalty, managers should not undervalue the effects of perceived quality and brand awareness.
Promotions for favourite brands have a strong impact on the probability to respond to a promotion (the relative probability to respond is multiplied with at least a factor. Furthermore, the promotional quantity purchased is bigger for favorite brands. This seems to stress that promotions mainly result in purchases by consumers that would have bought the brand anyway.

The establishment of effective linkages between companies and agencies is recommended in order to improve market competitiveness in the long run.This competitiveness in the market helps in the financial growth of the company. Lastly, establishing effective price strategies in providing different levels of quality and various types of attribute experiences can be recommended for developing a durable market as a competitive business. It can be said that marketers stand to benefit from favorable consumer attitudes, as reflected in the consistency of consumer behaviours with respect to their brand, brand loyalty and positive word-of-mouth about brands of durable goods.

CONCLUSION

The research work contributed to the society on the impact of the consumer behaviour and brand equity on durable products. Research is exploring the knowledge of consumer purchase and brand choices behaviour of certain products. The result from this study contributes to understanding of consumer behaviour and brand equity and its effects on consumer durable products and the financial performance of the company. Positive correlation between the primary research, secondary research and the financial performance of a particular brand was observed.

The brands taken into consideration namely Nike, Apple, McDonalds, Cadbury and Coca Cola for the secondary research are the brands that were preferred by respondents in the primary research as well.

The brand awareness, brand image and brand loyalty have positive impact on overall brand equity of durable products and the brand awareness, brand image and perceived quality have positive impact on consumer's buying behaviour of durable products. The brand awareness, brand image, perceived quality, brand association and brand loyalty are directly and positively influence the overall brand equity of durable goods. The study is useful in gaining an understanding about consumer behaviour and brand equity on purchase of durable products.

Branding is not a luxury – it is a necessity for local, regional and global companies that aspire to compete successfully in the future. Brands are becoming major assets for companies, so brand equity and management are therefore key aspects to successful business strategies on a broader scale, and to **long-term competitiveness and profitability.**

Measuring a brand's value now provides companies with an internal framework for strategic management when it comes to mergers & acquisitions, licensing, joint ventures, alliances, collateral for debt and other applications. Measuring brand equity provides a more accurate understanding of how brands are driving customer demand and influencing long-term loyalty and profitability. Measuring the return on marketing investments without restricting measurement to purely financial metrics is an important step towards solving marketing productivity.

In all the consumer behavioural aspects success and failure of brand equity elements alone decides the marketing prominence of any product. The study concluded that the measure of brand loyalty is indispensable to identify the trait prominence of a brand as well as its volume of sales. In this context the customer based brand equity is vital in the study as a powerful estimator to predict the effects of brand equity.
Strong brands have higher gross margins, stock market performance and financial stability among many other leading financial metrics, so CEOs, CFOs and CMOs are actively using brands as drivers of company value.

In the field of brand management, financial brand valuation is a relatively new development. For the most part, marketers throughout marketing history were not able to fully justify the financial implications of marketing and branding related expenses – though everyone acknowledged that brands were important and did contribute significantly to business performance and financial outcomes.

Together, more effective measurement of financial brand value, brand equity and marketing activities should enable corporate boardrooms with the strategic tools necessary to enhance long-term customer loyalty, brand equity and shareholder value.

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APPENDIX

QUESTIONNAIRE

1. Name
2. Age
3. Gender
4. Occupation
5. City
6. When you think of shoes which brand comes to your mind?
7. When you think of chocolates which brand comes to your mind?
8. When you think of soft drinks which brand comes to your mind?
9. When you think of mobile phones which brand comes to your mind?
10. When you think of fast food which brand comes to your mind?
11. How long have you been using the brands mentioned in the above question?
    - 3 years
    - 3-5 years
    - 5-7 years
    - More than 7 years
12. Out of the brands chosen above will you be willing to switch the brand due to change in price, availability etc.?
    - Yes
    - No
    - Maybe
13. How familiar are you on a scale of 1-3 with the following brands of shoes? (3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)
    - Nike
    - Adidas
    - Asics
    - Brooks

14. How familiar are you on a scale of 1-3 with the following brands of chocolates?(3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)
    - Cadbury
    - Nestle
    - Godiva
    - Lindt
15. How familiar are you on a scale of 1-3 with the following brands of soft drinks?(3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)
    - Coca cola
    - Dr. Pepper
    - Pepsi
    - Slice
16. How familiar are you on a scale of 1-3 with the following brands of mobile phones?(3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)
    - iPhone
    - One Plus
    - Karbonn
    - Motorola
17. How familiar are you on a scale of 1-3 with the following brands of fast food?(3- Extremely familiar, 2- Moderately familiar, 1- Not familiar at all)
    - McDonald’s
    - KFC
    - Subway
    - Dominoes
18. Which of the following factors influence your purchasing decisions?
    - Price
    - Advertisement
    - Brand Image
    - Word of mouth
    - Availability
    - Others

19. With regard to the brands preferred choose the particulars with which you associate the most?
    - The advertisements and other promotional activities of the brands I use very much attracts and impress me
    - So many memorable things are associated with the brands I use
    - The information provided by the manufactures of the product are consistent and relevant
    - My brand is associated with my personal comfort and usage
    - More brand association is due to the utility of the brand
20. Which of these modes of advertising affect your buying behaviour?
    - Billboards
    - Magazines
    - Internet
    - Television
    - Newspaper
21. Do you recognize the logo of this particular brand?

22. Do you recognize the logo of this particular brand?