

# The Relationship between Brand Awareness, Brand Loyalty, Advertisement and Customer Purchase Decision among Property Purchasers in Malaysia: A Conceptual Analysis

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## Abstract

Branding is the main strategic instrument in differentiating competitive products. With many competitors in the market, organizations need to develop strong brand as an effective defensive mechanism in order to win over their competitors. In the modern days, branding is vital to all industries including property industry. Strategic communication via advertisement could assist in building a brand for an organization. Leading brands would have to instil an unforgettable brand position into their customers' minds by using innovative advertisements. Hence, this research intends to study how brand equity and advertisement could help property developers to understand their customers' purchase decision towards their products. The conceptual framework of this study used Aaker's brand equity model to guide the research. This theory provides an in depth explanation of brand equity and it is suitable in stages of marketing to improve customer loyalty and customer purchase decision. Most of the time, it is used to differentiate an organization from the others. This research provides useful insights to the property developers on how brand equity and advertisement could make their brand well known to the public and positively influence their customers' purchase decision.

**Keywords:** Brand Equity, Advertisement, Customer Purchase Decision, Property Purchasers.

## Introduction

Branding is getting more identical to our daily life that it is noticeable in all traits of our environments. The significance of branding must not be hindered. May it be from an individual, a family, a community or even an international country, branding is influencing and affecting the way we live. For instance, children now are being exposed to product branding as compared to their grandparents. Lindstrom (2003) has produced the term named "brand

child” to identify this new young generation of this era. Growing up together with brands, the “brand child” get so familiar with all the brands that they can rehearse renowned brand names better than the names of their own blood related relatives. This is a sad truth, but it is happening to the world now. This shows how powerful branding could be. To look into a global point of view, even people from a certain country are being branded by others. In a study of Anholt (2005), it highly promotes the development of a global brand by developing countries. He emphasizes that a wealthy developed country is being branded by the people. On top of that, branding is vital for commercial corporations as this often indicates as better return on profit to companies. This normally promises product sales in return. On the other hand, Patrick et al (2010) describe advertising as an activity supported by the stakeholders to inject awareness into the minds of their customers, persuading them to purchase (building brand liking and encouraging brand switching) and recapping targeted customers that the brand is on the market. Most of the time, advertising is being sponsored by individuals or organisations with the purpose to change the people’s perception towards institutions, products, services or opinions (Belch & Belch, 2003). With branding and advertising activities, it is able to convey values to the customers in terms of products and services. Values are often being emphasized in an organisation. An organisation is very particular in selecting the product that they offer owing to the perception of values provides to the customers. Thus, the achieved sales are outlined by the values of the products project to the customers. Kunde (2002) quoted that if a company that is able to create a value-oriented brands, they would be able to succeed in their industry. Branding creates a sense of identity and belonging to the customers. As human beings, everyone has the need to fulfil their sense of belonging. Everyone wants to belong to somewhere in the society. Some may surround themselves with branded goods to achieve their sense of belonging. Through buying a well-known brand, they feel that they are inevitably belong to that specific social class. Nonetheless, branding in property industry is not rare. In fact, branding in the property industry has been catching up at a very increasing speed as it is a very competitive market now in this modern world. In addition, branding of a particular property developer may affect the real estate sales agents that are helping them in the selling of the properties. However, the influence of brand equity and advertisement on customer purchase decision was least explored in the Malaysian property market whereby strategic communication through advertising, promotion, communication and packaging can assist in building a brand for a property developer. In order to consistently building a strong brand image, leading brands would have to instil an unforgettable brand position into their customers’ minds by using innovative design, creative packaging, consistent quality and outstanding advertisements. Hence, this research intends to close the gap by raising the below research objectives:

- To examine the relationship between brand awareness and customer purchase decision in purchasing a property in Malaysia?
- To examine the relationship between brand loyalty and customer purchase decision in purchasing a property in Malaysia?
- To examine the relationship between advertisement and customer purchase decision in purchasing a property in Malaysia?

**Customer Purchase Decision**

David & Albert (2002) defined that customer purchase decision is a procedure of decision-making and in this process, physical activities are involved as individuals would need to

acquire, evaluate, use or dispose of a goods and services. From here we can witness the intention of a customer as they will portray their eagerness through their decisions and it is an instant antecedent of customer purchase behaviour (Han & Kim, 2010). Customer purchase decision is said to be a subjective judgement by the customers. The customers will need to acquire information of the products or services first before they could evaluate and consider to purchase the products or services (Sidi & Sharipah, 2011). Customers' tastes and perceptions changes from time to time. Therefore, it is important for marketers to study their targeted customer preferences before introducing a new product or services. This method has indeed provided immense help to the marketers, as they will be updated with the changes and will be able to find a way to reach their targeted customers. In this research, we will look into brand awareness, brand loyalty and advertisement as independent variables and examine how they could influence customer purchase decision in purchasing a property in Malaysia.

### **Brand Awareness**

Macdonald and Sharp (2000) mentioned that despite the familiarity of the customers on the brand and the willingness of them to purchase a product, another factor of the purchase decision would be the brand awareness of the product. Customers will usually go for the brands that they are familiar with due to the increase in their consciousness. Whenever a customer wants to purchase a certain product, the first name that came out from the mind determines that the product has a greater brand awareness. Brand awareness that stands at a higher level will be able to influence the purchase decision of a customer and this has been confirmed by researchers Dodds et al (1991) and it has been proven to be true by (Grewal et al., 1998). This explains why products that have greater brand awareness will lead to higher share in market. In the business world, it is believed that the main business objective would be to maximize profit and sales. In order to achieve this aim, organizations would persuade customers to purchase their products and services. For example, an organization that managed to create a positive brand awareness shows that the products and services of the organization are highly acceptable and have a worthy name in the market (Gustafson & Chabot, 2007). Brand awareness holds a very important position in the purchase decision of a product or service. Brand awareness may have power over perceived risk evaluation of customers as it has given the customers its level of assurance about the brand and the unique product that the customers are going to purchase. When it comes to purchasing a product, the first thing that came into the mind of the customers would be the brand of the product. Generally, customers will put the brand of the product into consideration while making a purchase decision to purchase the product. If a product does not have a brand, the probability of the product not being considered by the customers is very high (Baker & Nedungadi, 1986). Hence, brand awareness creates a great memory in the mind of the customers about a certain product brand and assists in purchasing decision (Stokes, 1985). Based on the above discussion, it is proposed that:

Proposition 1: Brand awareness has a significant positive relationship with customer purchase decision.

### **Brand Loyalty**

Brand loyalty is crucial for an organization in order for them to achieve its objectives. In order to achieve the objectives, organization will always go the extra mile to make their customers satisfied and determine to resolve any issue faced by them in relation to the products or

services. Brand loyalty can be expressed as the relationship of a customer and the brand and how customers will always come back to make multiple purchases regardless of the market situation created by the competitors. An organization would usually set an objective based on the products and services that they are offering. It is based on the features, price, image, attributes and quality that would influence the customers to purchase the products. If the product is good and perform up to their expectations, they would usually repeat the purchase of it and they would spread the words to other people. This is how brand loyalty works. Brand loyalty is equally important as brand awareness in an organization. When there is an existence of brand loyalty, an organization would be able to increase their sales volume. It would be better for them to retain their present customers rather than seeking for new customers when it comes to premium product purchase. There is a major difference between repeated purchase and brand loyalty. Repeated purchase is the buying of a brand regularly and we can perceive that most of the time customer could think of the product brand. However, loyalty is the actions of the customers in spreading word of mouth to the people who are closest to them (Bloemer, 1995). Brand loyalty takes place when customers have a special connection or feeling towards certain brands and it can be expressed by the action of repeated purchase. According to Reichheld (1990), it was mentioned that customers who are loyal to certain brands will bring benefits to the organization because it makes it easier for the organization to sell the products at premium price to its customers. This may also include customers introducing the products to their friends and family members and influencing them to purchase them from the same organization. Customers who are loyal to a certain brand do not judge the product and instead, they would just purchase it assertively based on their experiences with the organization (Sidek et al., 2008). Therefore, it is proposed that:

Proposition 2: Brand loyalty has a significant positive relationship with customer purchase decision.

### **Advertisement**

Advertising is a leading impact on customer's mind as it helps to create awareness of the product's uses and their benefits (Cohen, 1988). Through advertisement, a product presentation will be made available to the customers who would want to purchase it and this may satisfy the need of a company to increase its sales. Cohen (1988) described advertising as a business process that uses creative and innovative methods to design persuasive communication in mass media. According to Katke (2007), advertising is one of the major influencing tools compared to the other marketing methods. It is mainly owing to advertising's exposure to the world is more impactful. By referring to the marketing mix that consists of product, price, place and promotion, advertising is one of the components in promotion. Advertisement is used to produce consciousness of a certain product or services to influence the customers to make purchase decision. Advertisement is used as a tool of communication by the marketers. Advertisement is different now as compared to the olden days. During the olden days, organizations would only use symbols as promotional tools to market their products or services as advertisement could not be used widely. Limited space was allocated for advertisement and therefore, it is very scarce to have advertisement back in the olden days. However, in the modern era, advertisement has been used widely and it is now a must for every organization to advertise their products. In no way a company could be a market leader without the help from advertisement. According to Hussainy et al (2008), a company would need to invest a lot in their promotional tools. The main reason of advertising

is to influence the customer purchasing behaviour. Advertising has brought an impact towards people's life by changing and strengthening people's memories about a certain brand. A person who has a memory about a brand will be associated with the brand name in his or her mind. Advertisement will leave an impact in the customer's mind when evaluating, considering and eventually making a purchase decision on the product (Romaniuk & Sharp, 2004). Based on the above discussion, it is proposed that:

Proposition 3: Advertisement has a significant positive relationship with customer purchase decision.

### Theoretical Framework

In this research, we use Aaker's Brand Equity Model to establish the theoretical framework. Aaker's Brand Equity Model provides an in depth explanation of the idea of brand equity which consists of brand awareness and brand loyalty. With the addition of advertisement, it is best to predict customer purchase decision in purchasing a property in the market. The theoretical framework is depicted in Figure 1.

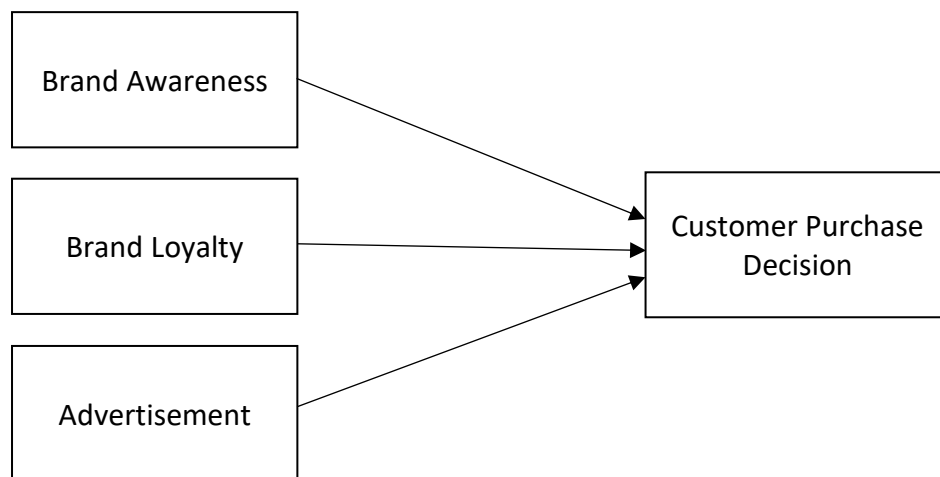


Figure 1: Proposed Theoretical Framework

### Research Implications

The purpose of this study is to explore the importance of brand awareness, brand loyalty and advertisement on customer purchase decision in the property industry. The research is expected to be useful to the property developers because it provides important information about brand equity and advertisement instead of price, location, package and amenities when they promote their properties. This study will also help property developers to identify what type of image that they would like to exhibit to the public. Thus, allowing marketers to set a direction for specific marketing campaigns that they would like to carry out to attract the buyers. From this study, property developers would be able to take the advantage to gain understandings of how important brand awareness, brand loyalty and advertisement are in increasing the chances of customer purchase decision towards a property. In order for property developers to gain their customer's attention in this competitive market, they would first need to strengthen their brand and advertising capabilities. With strong plan and strategies, property developers would be able to reach out their customer and subsequently achieve their sales target. In addition, the outcome of this study will generate new knowledge

and information specifically in the area of marketing of property development projects. The findings are expected to suggest new alternatives to the property developers in attracting the buyers to purchase new properties.

### **Conclusion**

Although past research has provided many insights into the factors that influence customer purchasing behaviour, little is known about customer purchase decision in the property development industry. If property developers would to achieve higher sales, they may need to focus on advertising strategy to create a higher brand awareness among the buyers and transform potential customers to become real customers.

The research is useful to all property developers in providing factors that customers are considering when it comes to purchasing a property. The customers do take the property developers' brand equity, reputation and the way they market themselves to the public into consideration. This study assists property developers to determine what type of image that they would like to portray to the public. Subsequently, marketers will be able to set a direction of which type of marketing campaigns that they would like to conduct to attract purchasers.

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