

Analyzing the Impact of Brand Equity and Advertisement on Customers' Loyalty in Isfahan City

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Abstract

The objective of this study was to analyze the impact of advertisement and brand equity on customers' loyalty in Isfahan city. literature review on advertising, brand equity, customer loyalty research model was presented. A standard questionnaire was used as data collection instrument. To measure SNOWA Corporation brand equity, Keller's brand equity model was used with six dimensions of brand's salience, performance, image, judgments, feelings and resonance.

Face validity was used to verify the questionnaire validity. Also, Cronbach's alpha coefficient was used to determine the reliability of the test which its value for the entire questionnaire obtained to be 0.87. Structural equation modeling was used to test the hypotheses. The results of the data analysis showed that combining research model's factors provide complete model for evaluating the impact of advertisement and brand equity on customers' loyalty. The results showed that the brand equity of SNOWA Company has an impact on its customer loyalty. Also, all dimensions of Keller's brand equity model which were salience, performance, image, judgments, feelings and resonance have had a significant and positive impact on its customer loyalty.

Keywords: Brand Equity, Advertisement, Loyalty, SEM

Introduction:

One of the challenges that managers have faced is counter the plans and strategies of the organization Including: Non-alignment and related marketing programs plus brand

management, which are directly related to product sales and consumer. lack of advertising managers attention to this subject that how much the advertising method has positive or negative effect on brand equity of the product or products has caused spending the huge cost of advertising by organizations and failure to obtain the desired results. However, by advertising they may obtain their short-term goals to introduce product to the customers and also raise the product sale, but is not it better to spend money in order to enhance the brand value of the organization? Such strategy will definitely have a positive impact in the long run.. Brand equity and brand value means that it will look at different aspects of from a client perspective Increase the value to the customer and make a positive impact, but the long term.(Rundle-Thiele and Bennett,2001).

On the other hand as an important factor in advertising, marketing organizations can play an effective role in creating and raise the brand equity. Because of this evaluation and analysis of this subject is so important which marketing and advertising program intended extent of impact on brand equity. The Subject of increase customer loyalty for companies that are concerned with the preservation and development of their competitive position in the market has been challenge as a strategic. for understanding this concept and achieving practical approaches and strengthening it many cost is spend. One of the capabilities or competencies necessary to succeed in the competitive field of economic institutions , is to have knowledge and marketing skills. This study analyzes the impact of advertising on brand equity and customer loyalty deals Snowa products.

Therefore the main research question is how much the extent of advertising effected on brand equity and customer loyalty? In order to answer this question is used a model for measuring brand equity and chlorine are both attitudinal.

Keller model measures brand equity from the customer perspective and defines common time to create a strong brand. In this hierarchy, creating a strong brand, successful achievement of each step depends on the previous step. it means from the identity brand to concept of the brand the response to the brand and brand communications. These steps are composed six creating templates include prominent the brand, performance, imagery, judgments, feelings and conformity of brand. Since the company Snowa is one of the biggest producers of home appliances discussions related to brand equity and customer loyalty for the company has enjoyed considerable importance. Therefore, in this study we analyzed the effect of brand equity on customer loyalty are paid advertising value.

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Research hypotheses:

After review and approval model to test the hypothesis of a significant part of the critical value of P is used. The critical value, which is obtained by dividing the "Estimated regression coefficients" on the "standard error" is calculated. Based on a significance level of 05/0 the critical value must be more 1.96 . Less than this amount, the relevant parameters in the model are not considered important. also a smaller amount of 0.05 P values indicate a significant difference from the calculated regression weights with a zero value at 0.95. Hypotheses with partial regression coefficients and the values of the parameters associated with each hypothesis are presented in Table 1 and figure 1 and 2.

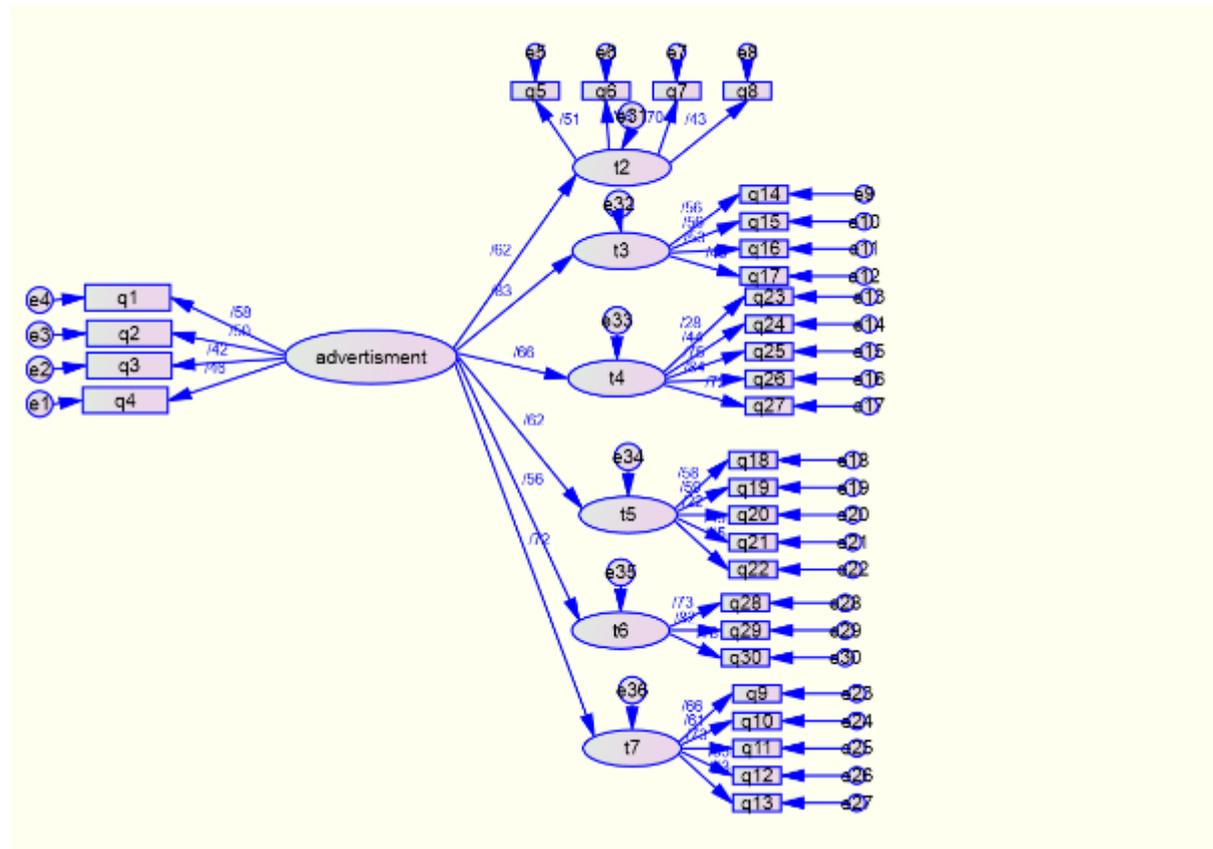


figure 1: AMOS output

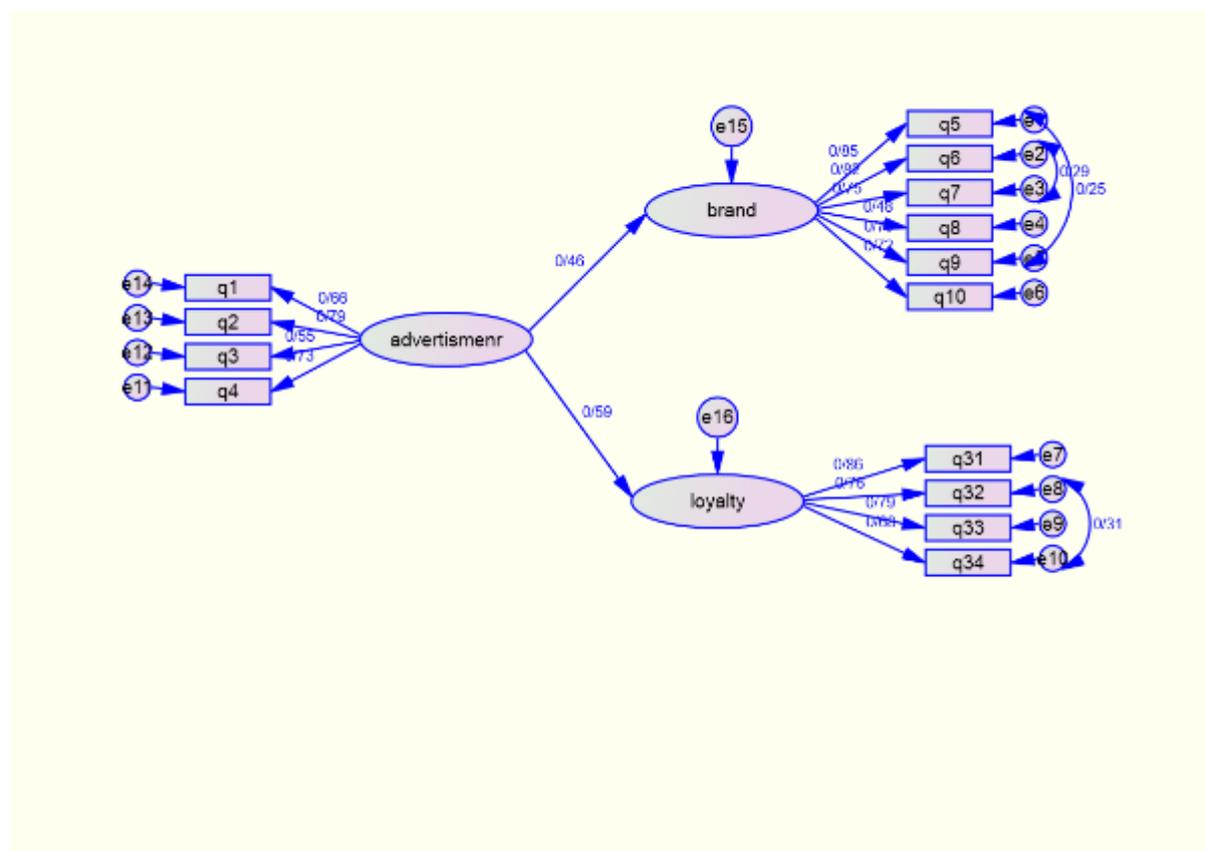


figure 2: AMOS output

table 1: result of hypothesis

Result	P	critical value	Loading factor	hypothesis	
approved	0.002	7.89	0.59	loyalty← advertising	1
approved	0.000	6.933	0.46	value← advertising	2
approved	0.000	10.76	0.62	brand prominence← advertising	3
approved	0.000	10.98	0.62	performance← advertising	4
approved	0.000	11.64	0.66	Feeling of brand← advertising	5
approved	0.000	11.85	0.72	Imagery of brand← advertising	6
approved	0.000	12.34	0.83	Judgment of brand← advertising	7
approved	0.000	7.42	0.56	Conformity to the brand← advertising	8

Finding of research:

The first hypothesis : advertising has an effect on customer loyalty Snowa products.

Standardized regression coefficients for the hypothesis is “0.59 “ and the P value of the regression coefficient must be less than 05/0. It can conclude that this hypothesis with a 0.95 is verified. In other words it could say advertising has a 0.95 effect on customer loyalty.

The results of the present study was similar to results of other research, for example, it can refer to the research results by Chords (1993), and Keller (2008).

Also these results, the findings of Baladof and colleagues (2003), which works to increase awareness and brand loyalty are consider a strong brand ,and Migmarson and Chen (2012)

that the positive relationship between brand equity and brand loyalty in the telecommunication services industry have shown are aligned.

Because the brand equity on Keller model induced six factors (relief, body image, behavior, feelings and judgments and conformity with the brand), and confirm the effects of these factors is on the brand equity with higher values of 0/50, and also higher than the mean of each factor of three, it is obvious that this relationship is confirmed.

Second hypothesis: the effect of advertising on brand equity Snowa products to customers.

the regression coefficients associated with the assumption is 0.46, that indicating that this hypothesis was not rejected. The P value associated with the hypothesis of less than 0.5, which is another proof of this hypothesis is not rejected. Therefore, we can say that the advertising effect 0.95 on brand equity.

Third hypothesis: the advertising effect on prominence products of brand "Snowa".

For this hypothesis, the impact factor is 0.62. The results of this hypothesis with the results of other studies of Keller (2003) is consistent that the first step is creating customer loyalty and brand prominence. Prominence by creating a brand in customers' minds, they pay more attention on the set of situations that will consider purchasing and capacity to allocate more details and nature of their loyalty to the brand will be added. The results of this hypothesis is consistent, with the research results Aker (1993), and Huang and Sarygola (2011).

Ads can be created to began a brand in customers' minds prominence, they are more concerned on the set of situations that will consider purchasing more, that is allocated to data capacity.

The fourth hypothesis: advertising has an effect on performance Snowa Products Brands.

This finding results) is consistent with result of Aker (1993), and Hung and Sarygola (2011) researches. In fact, with a brand performance improvements, customers will get a value added, and attains unique and desirable locations in the customer's mind.

This finding is consistence with the Webster (2000) which one of the benefits of increased performance, is increasing customer loyalty and brand. In fact, with improved performance, there is more value added to customer and create the unique and favorable position in the minds of customers that it can influence customer loyalty towards the brand.

Fifth hypothesis: advertising effect on emotions products of Snowa brand.

The results this study is consistent with and Kayamn (2007). The results of this study corresponded with the result of Carool and Ayva (2006), they have expressed the advertising leading to emotion to the brand and Loy (2006) which have confirmed the relationship between emotion and loyalty.

The sixth hypothesis: advertising effect on imagery of product brand Snowa.

The results of this hypothesis corresponded with the results of Zandans (2005), which leads to increased customer loyalty and brand image also it corresponded with the views of Bauer (2008) include the advertising is a factor affecting on image customers.

In fact, despite the unique image of a brand in the minds of customers, customer awareness of the brand were more and In fact, despite the unique image of a brand in the minds of customers, customer awareness of the brand has been further, and examined in a series that will buy them focus more on brand and thus the number of times purchase of a brand increases.

Seventh hypothesis: advertising has an effect on judgment towards the Snowa products the results of these researches is consistent with findings of Lecric (1996) and Dai (1996). Favorable judgment are actually a result of its good performance and brand image

which can result in the customer being forced to take more care when evaluating different brands and prefer it to other brands.

Hypothesis VIII: advertisements effective on alignment toward products of brand Snowa

The results corresponding with the results of Keller (2008) which knows the final step is to create with the brand loyalty conformance .the findings of Walker (1993), and Hong and Sarigola (2011) have consistence with advertising effective steps to creating a successful.

Conclusions:

- 1) To consider the effectiveness of the relief campaign brand products of Snowa are recommended the company customers Perceptual mapping products from different aspects to determine the actual status of these products compared to other competitors in the industry. Communication programs and marketing and advertising strategy in mind will provide the occasion.
- 2) Considering to confirm the second hypothesis is suggested that the functional aspects of commercial products, aesthetic factors (size, shape, color, etc) should also be considered. In addition, we can design products that fully to satisfy customer needs and wants.
- 3) According to the approved mental impact of advertising on consumer Snowa products are recommended. In the area of promotion, the company should provide the promote long-term planning, including an integrated television advertising, internet advertising and to avoid the cross sectional motion of the long-term status of these products can harm the clients , also to introduce the distinctive features of these products to customers may be used compared to other products. Finally, demographic variables such as gender, age and income levels in these areas should be considered.
- 4) With the approval of the impact of advertising on consumer sentiment from consumer products to focus Snowa suggest that companies - has the people, experience the product, the quality advantage of the ideal organizational and communication distinct organizational change talks shows. company also have the dimensions of relaxation, fun, passion and excitement, a sense of confidence and peace of mind and a sense of social acceptance and self-respect of publicity and other activities in the promotion and communications to pay more attention.
- 5) Regarding the fifth hypothesis was confirmed based on judgments regarding the impact of advertising on brand products of Snowa are recommended ,the innovation and attractive goods in advertisements to be displayed ,also to be addressed aspects in product design company that will lead to the differentiation of the products of competitors. appropriate measures should also be marketing these products to attract customers in the long term.
- 6) confirmed the impact of advertising on consumer conformity Snowa products recommended and advertising program is running and by creating a strong sense of belonging to a group of this product, customers are able to create a better views and concepts in the field of brand.
- 7) Due to the effect of advertising on brand equity of products supported by Snowa is recommended that in addition to the items mentioned in the previous paragraphs which lead to improved brand equity products, all points of contact between the company and its products with customers and identify suitable programs to improve these areas should be provided.on the other hand it is noteworthy that the main source of brand value creation (both for the organization and the customer) lies in the minds of potential and current customers. therefore, the improvement of brand somewhere other than focusing on customers' minds, something would be wrong, therefore, in this respect, the causal

relationship between perceptions of functional benefits and non-functional are generated from the interaction activities to be further investigated and there should to create more favorable concepts to customers in field of brand .

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