CUSTOMER BASED BRAND EQUITY: A LITERATURE REVIEW

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ABSTRACT
Brand equity is a concept born in 1980s. It has aroused intense interest among business strategists from a wide variety of industries as brand equity is closely related with brand loyalty and brand extensions. More recently, brand equity has increasingly been defined in customer-based contexts. The customer-based brand equity refers to the consumer response to a brand name. Customer-based brand equity measurement studies are constructed mainly on four dimensions of brand equity namely, brand awareness, brand associations, perceived quality and brand loyalty. The aim of the study is to review the dimensions of customer based brand equity by drawing various literature and empirical studies made within the area of customer based brand equity. A conceptual framework for measuring customer based brand equity is developed to provide a more integrative conceptualization of brand equity.

KEYWORDS: Brand Equity, Brand Awareness, Brand Association, Perceived Quality, Brand Loyalty.

1. INTRODUCTION
The concept of brand equity was first introduced in the marketing literature in the 1980’s. During the 90’s, this received significant attention from both scientists and marketing practice, which related in a large articles and books on the subjects (e.g. Aaker and Keller, 1990; Aaker, 1991; Keller and Aaker, 1992; Aaker and Biel, 1993; Keller, 1993; Aaker, 1996; Agarwal and Rao, 1996; Kapferer, 1998; Keller, 1998). The interest in brand equity is still active (e.g. Yoo et al., 2000; van Osselaer and Alba, 2000; Dillon et al., 2001; Keller, 2001; Yoo and Donthu, 2001; Moore et al., 2002).

Early research centered on measuring a brand’s equity with the use of a variety of financial technique (Farquhar et al. 1991, Simon & Sullivan 1990, Swait et al.1993, Kapferer 1997). More recently, brand equity has increasingly been defined in customer based contexts (keller 1993) and extended to include effects on brand preferences, purchase intent (Cobb-Walgren et al.1995, Van Osselaer & Alba 2000), and brand alliances (Rao et al. 1994).
This paper reviews the definitions and dimensions of brand equity from the perspective of customer based from various literature and empirical studies made. The paper consists of two parts. The first part reviews the literature on brand equity and the second part focused on the frame work of brand equity, which includes the dimensions of brand equity.

2. Definitions of Customer based Brand Equity
Reviewing the current literature on brand equity, there is a plethora of brand equity definitions and dimensions of the same.

<table>
<thead>
<tr>
<th>Author</th>
<th>Definition of Brand Equity</th>
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<tbody>
<tr>
<td>Srinivasan (1979)</td>
<td>&quot;brand-specific effect&quot; is the component of a brand's overall preference that is not explained by the multi attribute model</td>
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<td>The Marketing Science Institute (Leuthesser 1988)</td>
<td>The set of associations and behaviors on the part of the brand’s consumers, channel members, and parent corporation that permits the brand to earn greater volume or greater margins than it would without the brand name and that gives the brand a strong, sustainable, and differentiated advantage over competitors.</td>
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<td>Aaker (1991)</td>
<td>The value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality, brand loyalty and other proprietary brand asset.</td>
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<td>Swait et al (1993)</td>
<td>The consumer’s implicit valuation of the brand in a market with differentiated brands relative to a market with no brand differentiation. Brands act as a signal or cue regarding the nature of product and service quality and reliability and image/status.</td>
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<td>Kamakura &amp; Russell 1993 (Lassar et al.1995)</td>
<td>Customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in the memory.</td>
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<tr>
<td>Keller 1993</td>
<td>The differential effect of brand knowledge on consumer response to the marketing of the brand. Brand knowledge is the full set of brand associations linked to the brand in long-term consumer memory</td>
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<td>Lassar et al.(1995)</td>
<td>The consumers’ perception of the overall superiority of a product carrying that brand name when compared to other brands. Five perceptual dimension of brand equity includes performance, social image, value, trustworthiness and attachment.</td>
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<td>Aaker (1996)</td>
<td>Brand equity is: (1) Loyalty (brand’s real or potential price premium), (2) loyalty (customer satisfaction based), (3) perceived comparative quality, (4) perceived brand leadership, (5) perceived brand value (brand’s functional benefits), (6) brand personality, (7) consumers perception of organization (trusted, admired or credible), (8) perceived differentiation to competing brands, (9) brand awareness (recognition &amp; recall), (10) market position (market share), prices and distribution coverage.</td>
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<td>Yoo &amp; Donthu (2001)</td>
<td>consumers’ different response between a focal brand and an unbranded product when both have the same level of marketing stimuli and product attributes</td>
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and parent corporation that enables a brand to earn greater volume or
greater margins than it could without the brand name and, in
addition, provides a strong, sustainable and differential advantage

<table>
<thead>
<tr>
<th>Source</th>
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<tr>
<td>Netemeyer et al (2004)</td>
<td>from Keller: CBBE occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique associations in memory</td>
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<td>Pappu et al (2005)</td>
<td>value endowed by the brand to the product</td>
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<tr>
<td>Buil et al (2008)</td>
<td>from Aaker: 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</td>
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<tr>
<td>Boo et al (2009)</td>
<td>from de Chernatony &amp; McDonald 2003: overall utility that customers place in a brand compared to its competitors</td>
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<tr>
<td>Atilgan et al (2009)</td>
<td>from Yoo &amp; Donthu 2001: difference in consumer choice between the focal branded product and an unbranded product given the same level of product features and Keller 2003: brand with equity provide an ownable, trustworthy, relevant, distinctive promise to consumers</td>
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3. Dimensions of Customer based Brand Equity

In brand equity literature, there are two important theoretical views that provide valuable insights into the body of customer based brand equity (see Figure 1). Aaker (1991) defined four basic dimensions of customer-based brand equity: perceived quality, brand awareness, brand associations, and brand loyalty. These dimensions are reviewed in more detail in the following parts of this article.

Another important theoretical conceptualization is Keller’s (1993) customer-based brand equity model. The basic premise of Keller’s (1993) customer-based brand equity model is that “the power of a brand lies in what customers have learned, felt, seen, and heard about the brand as a result of their experiences over time” (Keller, 2003, p. 59). His model is an insightful way to represent how brand knowledge is the key to creating brand equity. Keller (1993) viewed customer-based brand equity as “the differential effect of brand knowledge on consumer response to the marketing of the brand” (p. 2). He conceptualized the sources of brand knowledge as brand awareness and brand image. In brief, the customer-based brand equity dimensions of both Aaker’s (1991) and Keller’s (1993) models are strictly intersecting. What Keller (1993) left out from Aaker’s framework in defining the customer-based brand equity is the brand loyalty dimension?

Yoo et al. (2000) extend Aaker’s (1991) model by placing brand equity as a separate construct between the dimensions of brand equity and the value for the customer and the firm. They also add price, store image, distribution intensity, advertising spending, and price deals as antecedents of brand equity with their significant effects on the dimensions of brand equity. In their model, brand awareness and brand associations dimensions have emerged as a
single dimension, whereas perceived quality and brand loyalty are retained as separate dimensions. Yoo and Donthu (2001) also developed and validated a cross-culturally invariant multidimensional consumer-based brand equity scale containing these dimensions.

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<tr>
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<tr>
<td>Keller (1993)</td>
<td>Brand awareness, brand image</td>
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<tr>
<td>Park and Srinivasan (1994)</td>
<td>Brand associations (Attribute-based and non-attribute-based component of brand equity)</td>
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<td>Lane and Jacobson (1995)</td>
<td>Brand attitude, brand name familiarity</td>
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<td>Cobb-Walgren, Ruble, and Donthu (1995)</td>
<td>Perceived quality, brand awareness, brand associations, advertising awareness</td>
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<td>Aaker (1996)</td>
<td>Brand loyalty, perceived quality, brand awareness, brand associations</td>
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<tr>
<td>Yoo, Donthu, and Lee (2000)</td>
<td>Brand loyalty, perceived quality, brand awareness/associations</td>
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<tr>
<td>Berry (2000)</td>
<td>Brand awareness, brand meaning (customer’s dominant perceptions)</td>
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<tr>
<td>Yoo and Donthu (2001)</td>
<td>Brand loyalty, perceived quality, brand awareness/associations</td>
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<tr>
<td>Netemeyer et al (2004)</td>
<td>perceived quality, perceived value for the cost, uniqueness, and the willingness to pay a price premium for a brand</td>
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<tr>
<td>Pappu et al (2005)</td>
<td>brand awareness, brand associations (including brand personality), perceived quality, and brand loyalty</td>
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<tr>
<td>Christodoulides et al (2006)</td>
<td>emotional connection, online experience, responsive service nature, trust, and fulfillment</td>
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<tr>
<td>Buil et al (2008)</td>
<td>Brand awareness, perceived quality, brand loyalty, and brand associations (perceived value, brand personality and organizational associations</td>
</tr>
<tr>
<td>Guizani et al (2009)</td>
<td>brand loyalty, perceived brand quality, brand knowledge (brand recognition and brand awareness), and social value (related to consumption of the brand)</td>
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A framework for measuring customer-based brand equity based on Aaker’s theory

Recently, brand equity has increasingly been defined in customer-based contexts, which defines brand equity as the value of a brand to the customer (Aaker, 1991; Keller, 1993; Cobb-Walgren et al., 1995; van Osselaer and Alba, 2000). Aaker (1991) defines brand equity as “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 firms’ customers." Brand awareness, brand associations, perceived quality, brand loyalty and other proprietary assets were the five assets of brand equity.

A conceptual framework for measuring customer-based brand equity is developed by using the conceptualization of Aaker’s dimensions of brand equity (Framework 1)
4. Aaker’s Four Dimensions of Brand Equity

A. Brand Awareness
Brand awareness “relates to the likelihood that a brand name will come to mind and the ease with which it does so” (Keller, 1993, p. 3). It is based on both brand recognition and recall (Aaker, 1991; Keller, 1993). Brand awareness is a key determinant of brand equity (Aaker, 1996; Keller, 2003; Yoo and Donthu, 2001; Washburn and Plank, 2002; Pappu et al., 2005). It is defined as an individual's ability to recall and recognize a brand (Aaker, 1996; Keller, 2003). Top-of-mind and brand dominance is other levels of awareness included by Aaker (1996) in measuring awareness. Awareness can affect customers’ perceptions, which lead to different brand choice and even loyalty (Aaker, 1996). A brand with strong brand recall (unaided awareness) and top of mind can affect customers’ perceptions, which lead to different customer choice inside a product category (Aaker, 1996).

B. Brand Association
Aaker (1996) conceptualizes brand awareness that must precede brand associations. That is where a consumer must first be aware of the brand in order to develop a set of associations (Washburn and Plank, 2002). Brand association contains the meaning of the brand for consumers (Keller, 1993). It is anything linked in memory to a brand (Aaker, 1991). Brand associations are mostly grouped into a product-related attribute like brand performance and nonproduct related attributes like brand personality and organizational associations (Aaker, 1996; Chen, 2001; Keller, 2003; Netemeyer et al., 2004; Pappu et al., 2005). Customers evaluate a product not merely by whether the product can perform the functions for which it is designed for but the reasons to buy this brand over the competitors (Aaker, 1996) such as brand’s fault-free and long-lasting physical operation and flawlessness in the product’s physical construction (Lassar et al., 1995).

C. Brand personalities
Brand personalities include symbolic attributes (Aaker, 1996; Keller, 1993; Chen, 1996) which are the intangible features that meet consumers’ needs for social approval, personal expression or self-esteem (Keller, 1993; Hankinson and Cowking, 1995). The symbolic attributes that are commonly linked to a brand are:
1. Social Image:
Lassar et al. (1995) limit the reference of the image dimension to the social dimension, calling it social image as social image contributes more to brand equity. Social image is defined as the consumer’s perception of the esteem in which the consumer’s social group holds the brand. It includes the attributions a consumer makes and a consumer thinks that others make to the typical user of the brand.

2. Perceived value:
Value appeared in several brand equity models (Feldwick 1996, Martin and Brown 1991, Lassar et al. 1995). Lassar et al. (1995) define perceived value as the perceived brand utility relative to its costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it. Consumer choice of a brand depends on a perceived balance between the price of a product and all its utilities (Lassar et al. 1995). A consumer is willing to pay premium prices due to the higher brand equity.

3. Trustworthiness:
Brand equity models (Martin and Brown 1991, Lassar et al. 1995) regard trustworthiness of a product as an important attribute in assessing the strengths of a brand. Lassar et al. (1995) define trustworthiness as the confidence a consumer places in the firm and the firm’s communications and as to whether the firm’s actions would be in the consumer’s interest. Consumers place high value in the brands that they trust.

4. Country-of-origin:
Thakor and Kohli (1996) argue that brand country of origin must also be considered. He defines brand origin as “the place, region or country to which the brand is perceived to belong by its customers” (p. 27). Country of origin is known to lead to associations in the minds of consumers (Aaker, 1991, Keller, 1993). The country of origin of a product is an extrinsic cue (Thorelli et al. 1989), which, similar to brand name, is known to influence consumers’ perceptions. Country of origin refers to the country of origin of a firm or a product (Johansson et al. 1985, Ozsomer and Cavusgil 1991), or the country where the product is manufactured or assembled (Bilkey and Nes 1982, Han and Terpstra 1988). Thakor and Kohli (2003) state that less concern should be given to the place where brands manufacture their products, and more to the place where people perceive the brand’s country.
of origin to be. Therefore, country of origin in the proposed framework referred to the brand’s country of origin.

Organizational associations include corporate ability associations, which are those associations related to the company’s expertise in producing and delivering its outputs and corporate social responsibility associations, which include organization’s activities with respect to its perceived societal obligations (Chen 2001).

According to Aaker (1996), consumers consider the organization that is the people, values, and programs that lies behind the brand. Brand-as-organization can be particularly helpful when brands are similar with respect to attributes, when the organization is visible (as in a durable goods or service business), or when a corporate brand is involved.

Corporate social responsibility (CSR) must be mentioned as another concept that is influencing the development of brands nowadays, especially corporate brands as the public wants to know what, where, and how much brands are giving back to society. Both branding and CSR have become crucially important now that the organizations have recognized how these strategies can add or detract from their value (Blumenthal and Bergstrom 2003). CSR can be defined in terms of legitimate ethics or from an instrumentalist perspective where corporate image is the prime concern (McAdam and Leonard 2003).

5. Perceived Quality

Perceived quality is the customer’s judgment about a product’s overall excellence or superiority that is different from objective quality (Zeithaml 1988, pp. 3 and 4). Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls. High objective quality does not necessarily contribute to brand equity (Anselmsson et al. 2007). Since it’s impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality (Olson and Jacoby 1972, Zeithaml 1988, Ophuis and Van Trijp 1995, Richardson et al. 1994; Acebro’n and Dopico 2000). Perceived quality is hence formed to judge the overall quality of a product/service. Boulding and other researchers (1993) argued that quality is directly influenced by perceptions. Consumers use the quality attributes to ‘infer’ quality of an unfamiliar product. It is therefore important to understand the relevant quality attributes are with regard to brand equity.

Zeithaml (1988) and Steenkamp (1997) classify the perception of perceived quality in two groups of factors that are intrinsic attributes and extrinsic attributes. The intrinsic attributes
are related to the physical aspects of a product (e.g. colour, flavour, form and appearance); on the other hand, extrinsic attributes are related to the product, but not in the physical part of this one (e.g. brand name, stamp of quality, price, store, packaging and production information (Bernue’s et al, 2003). It’s difficult to generalize attributes as they are specific to product categories (Olson and Jacoby 1972, Anselmsson et al. 2007). Thus, there is a general consensus that perceived quality is among the fundamental constructs of brand equity.

6. Brand Loyalty
The concept is examined mainly from two broad aspects, which are behavioral (or purchase) loyalty (Agrawal, 1996; Chaudhuri & Holbrook, 2001) and attitudinal loyalty (Chaudhuri & Holbrook, 2001).

Grembler and Brown (1996) describe different levels of loyalty. Behavioural loyalty is linked to consumer behaviour in the marketplace that can be indicated by number of repeated purchases (Keller 1998) or commitment to rebuy the brand as a primary choice (Oliver 1997, 1999). Cognitive loyalty which means that a brand comes up first in a consumers’ mind, when the need to make a purchase decision arises, that is the consumers’ first choice. The cognitive loyalty is closely linked to the highest level of awareness (top-of-mind), where the matter of interest also is the brand, in a given category, which the consumers recall first. Thus, a brand should be able to become the respondents’ first choices (cognitive loyalty) and is therefore purchased repeatedly (behavioural loyalty) (Keller 1998).

Chaudhuri & Holbrook (2001) state that brand loyalty is directly related to brand price. Aaker (1996) identify price premium as the basic indicator of loyalty. Price premium is defined as the amount a customer will pay for the brand in comparison with another brand offering similar benefits and it may be high or low and positive or negative depending on the two brands involved in the comparison.
7. Conclusion
This review stressed on the dimensions of customer based brand equity from academic literature and provides necessary understanding of customer based brand equity and its measures. To differentiate a product or service from its competitors it is important to know how much equity a brand commands in the market for building strong brand equity (Aaker 1991). Though brand equity cannot built in short term, it can built in long term through carefully designing marketing activities such as developing effective advertising campaign, effective sales promotional schemes and so on.

More empirical studies need to be done on the dimensions of the brand equity. Brand equity have interactive effect from the different dimensions, some dimensions act an antecedents to the other dimensions. Though the literature derived so many models to measure the customer based brand equity, yet it is a challenge to develop holistic perspectives towards brand equity that will encompass the full range of all the information. The proposed frame work...
established a full range of all the different kinds of information involved on these dimensions helps in measuring brand equity.

References

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