

## Effect of brand identity in the formation of brand equity capital in the dairy industry

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### Abstract

Methods currently used in the field and collect information from the questionnaire. The main objective of the present study was to evaluate the effect of brand loyalty and brand identity development particularly in the food industry (dairy homeland). In this study there is a homeland (the company produces dairy products and beverages homeland), which are known it is in Iran. Was selected for the study. In this way, all the consumer products homeland as the research and sample population of 150 people, were considered. To analyze the data and confirm the Pearson correlation and linear regression method is used. Based on the results, a positive impact on the perceived value of the brand identity. Brand and consumer confidence and trust are also a direct impact on brand loyalty and ultimately brand loyalty positive direct impact on brand equity. In the studied variables, changing identity and brand satisfaction and brand loyalty of had the greatest impact. Based on the findings, the impact of brand identity on both the concept of brand loyalty and brand equity in the food industry was confirmed.

Keywords: brand identity, brand equity capital, dairy products.

### Introduction

Brand identity is one of the most important topics in the field of marketing that have considered in few studies. Both researchers and people who are doing the operating work have come to the conclusion the brand identity is important to differentiate the brand management process and is played a crucial role. ((brand identity as an internal structure that unilaterally stemmed from the organization- What who managers want to be brand and need to be fixed at any time, is defined)) (Aaker, 1996; kapferer, 2008). Brands by identity can be identified to customers and distinguished from other competitors. The brand managers have to develop and maintained a clear and consistent identity for brand, So that consumers are considered it as a sustainable source (Aaker, 1996; kapferer, 2008). In addition, researchers have found that a strong brand identity are provided brand development and strengthening customer loyalty and to its nature brand equity capital. In addition to this, in the present study we are sought to examine the impact brand identity on loyalty and brand equity capital, in the industry of dairy products.

In Food industry Iran due to the competitive activities and provide quality products almost the same, Built, nurture and gradation a good brand greatly has role in absorption of existing markets. Mihan Company that is manufacturer of dairy products should also consider the issue and to promote their brands must performed the necessary actions. Now the main competitors of Mihan company's in scope dairy products are Companies such as PAK and a Kalle and Iran milk industry company a few other companies that each of these companies are part of the market.

Now research helps to Mihan company gain a thorough understanding of the identity its brand of sight clients and via creation and introduction more suitable brand identity to customers increases their brand equity capital. The main objective of this research was to examine the role of social identity of brand in first grade to brand loyalty and ultimately is upgrade brand equity capital. This research examines the role of

brand identity on loyalty and brand equity capital, Mihan dairy manufacturer's company.

In addition, the results of this research, primarily for food company and finally, for all active companies in the food industry at home and abroad are applicable.

### Research hypotheses

1. Strong brand identity is effective on the perceived value of the brand.
2. Confidence of brand is effective on loyalty brand.
3. Brand loyalty is effective on brand equity capital.

### Background of the study

Hey, Lee and Harris (2011) did a Research entitled "Effects of social identity perspective on brand loyalty". In this study, they are examined the role of brand identity and brand recognition on brand loyalty through perceived value, Assurance and customer satisfaction. Firstly, direct and indirect effects brand identity and brand recognition on brand loyalty was examined. Then in the next stage of social cognition perspective of brand loyalty integrated with top view and finally the basic role of brand recognition to develop the loyalty customers to brand were confirmed.

Silveira, Lags and Simo S. (2011) A study offered with title "The concept of this brand identity in a dynamic environment." In this study, they expressed contrary to the belief managers that say brand identity should be constant over time, Because the environment is highly dynamic and constantly changing, brand identity must also be dynamic and during time developed brand identity.

Walgren Cobb and cooperators (2008) are focused in researches on the specific value of the consumer's perspective on the implications of the Aker model components they expressed hotel services has specific characteristics such as the financial and performance high risk of services; this The researchers were conducted their researches in among the top 10 brands of the United States and experimented advertising impact on customers perception and their understanding impact on brand equity

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capital Hotel brand And finally the impact on preferences and trends consumers' purchasing And the results of their research suggests that brands with higher value significantly will create preferences and trends higher purchasing.

### Research Methodology

Method This research is applicable in aspect of object, and in aspect of methodology, is statistical methods used in this research to both descriptive and inferential statistics. Collection of data through questionnaire, will be including closed questions which will be based on a five scale of Liker will be regulated. In now study for data collect is used from the central and library method.

### Findings of Research

**Brand:** Assembly (group) America Marketing defines brand "a name, term, symbol or design, or a combination of them. Its purpose is to identify products and or one seller services or group of sellers and so differentiate their products from other competitors. A brand is a product or service that adds dimensions to products and services up to products and services that are created for a kind of need is distinguished it from other products and services. This distinctions can be reasonably functional, or tangible or non-tangible and emotionally (Kotler and Keller, 2007, 274).

**Brand Concept:** For along time brand have been considered only as part of a physical product and more definitions, had a sense of brand to as a word, name or mark (Ard, 1992). Today there are more of these matters. A brand is a set of promises and commitments and refers to trust, stability and a defined set of expectations (Davis, 2000). This series promises and commitments are including characteristics that the buyer buys and the result is satisfactory. Features a brand forms may be real or unreal, rational or emotional, physical or invisible (emiler, 1992).

**Importance of Branding:** Cutler is examined brand importance from two perspectives:

**Customers:** Today, brands play a large role in improving the lives of consumers and increase value for the company. Brand is introduced by the basic and original manufacturer of a product and allows to real and legal consumers to demand accountability of manufacturers or suppliers. Sometimes customers may be valued differently two quite similar products to the way that the product will be Branding, though the more complex and busy and shortage of time lives people are faced. Brand equity capital rises due to the easier buying decision and reduce the risk of buying, brand with provide signals of quality, making easy buy decision (Kotler and Keller, 2007, 378).

**Brand Economic Value:** Customers when brands purchasing are performed two evaluations: a subjective evaluation of the material purchased and bought another and financial of the material purchased brand economic value, Non-subjective assessment utilitarian product or service is on demand. This assessment is based on the customer's perception of the benefits relative to the costs for the product or service is done (Kotler and Keller, 2007, 151).

**Brand equity capital based- financial:** Brand equity capital methods based-financial will be considered based on the evaluation of brand equity capital with financial performance.

This methodology highlighting are included prominent key financial copies and invoice results to the formula for the evaluation. Measuring brand equity capital of the financial perspective is often called brand valuation and is primarily focused to value assets brand (Goldweek, 1996). In this approach, brand appears as an asset and for accounting purposes are placed on the balance sheet (Hongboom, 2003).

Simon and Sullivan in comparison with Claire (1993) and his insights on brand equity capital, customer-oriented, provide tools to testing equity capital with financial method, this financial technical researchers based to financial market evaluations are provided shares respect to brand. This method for financial approach to expenditures advertising and research and development company market share and age (life) company and market density with the participations of dummy variables is noted. This article also confirms that the marketing event (for example, new product initiation) has significant effect on brand equity capital. The results provide evidence that brand equity compares the overall value most often company's and reinforces the idea that brands need to be managed effectively.

Although Simon and Sullivan (1993) are evaluated brand financial equity capital based on the market stock but their method relies on data that is collected solely on the company. Since many companies offer several brands to different markets. Brand equity financial method can not be appropriate for brand managers who have to advanced different brands in different product groups (Park and Srinivasan, 1994).

**Brand equity capital from Aaker's perspective:** In basis of diode definition, brand equity capital, is set of assets and obligations that are linked with name and symbols (symbols) brand and the value provided by a product or service for customers or enterprise caused to be added or subtracted. The assets and liabilities that brand equity capitals are formed based on them are different from one context to another (Aaker, 1995, p. 207).

The main assets are: 1 brand awareness, 2- brand loyalty, 3- perceived quality, brand associations (4)

**Brand awareness:** Mean of the awareness is level and presence power of the brand in the consumer's mind. There are several ways to measure awareness and brand recall having to extrapolate by the customer is criterion. From Brand recognition (have you ever seen this brand?) To call to mind the brand (or what brands of these products, are remembered?) To the top brand in the mind (the first brand to be remembered) and the dominant brand (the only brand to be remembered) (Aaker, 1996, p. 10).

**Perceived quality:** Perceived quality of the brand is a kind of brand mental association that is reached to higher level and deals with to the circumstances and how of brand assets (Aaker, 1996, p. 17) because:

- among all brand associations, just is perceived quality as financial performance driving force is considered.
- often perceived quality, if not the main force, at least a major force for any business.
- Perceived quality is relevant with other funds that are explained way of perception brand and brings them to move.

**Brand loyalty:** Brand loyalty is one of the key factors that must be considered. Because having a base of loyal customers can bring a flood of sales for the brand owner. A loyal customer

because of some unique values in the products of the brand sees that there are not in alternatives. It is also possible to obtain more money to pay them. Second, consider loyalty to as an asset will lead to the creation of programs to increase loyalty and this increase the brand equity capital (Aaker, 1996, p. 21, Jakby and Chytak, 1978).

**Brand associations:** Brand associations that is formed the brand identity is refer to anything that is directly or indirectly associated with the brand in the mind of the customer. Brand associations can be placed in the following categories (Aaker, 1995, p. 209):

- Product characteristics
- Use or application
- Product class
- Lifestyle and emotions
- Character
- Symbol

Brand associations is an asset that can provide different reasons for purchase, for feelings on a product is effected and make Foundations brand extensions some of associations with credibility and confidence to a brand influence to buying decisions. Some invocations stimulate positive feelings and then these emotions convey to the brand (Aaker, 1995, p. 209).

Is anything in memory of about the brand (Aaker, 1991) Business mark associations can be seen in every form and reflect independent product features or aspects of the product (Chen, 2001), Rio and others about the importance of brand associations to give different the advantages are emphasized. Product associations and association's organization are two important aspects of brand associations (Chen 2001).

**Benefits of brand awareness:** Types of benefits brand awareness are including (Keller, 2008, p. 51).

**The benefits of learning:** Brand awareness helps to the formation of brand associations in the minds of consumers to create a brand image. The first step in creating a brand image and generally brand equity capital. Name of brand is in the mind of the consumer. according to The communication network memory model, first must created a brand node in memory and This node can be as a basis that learning and remember attributes and associations other brand is easier.

**Attendance benefits:** increase brand awareness making probability that a brand part of the noteworthy collection consumer is enhanced. Researches have shown that consumers are rarely loyal to one brand, but in return they are loyal to a particular set of brands.

**Selective advantages:** The third advantage of awareness brand is that can be affect to the choices that consumers do to noteworthy collection. To create awareness brand can be through frequent facing consumer with brand and increase consumer familiarity with the brand, part of brand recognition will stronger.

**Brand image:** Brand image, is one of the most important concepts marketing. Although marketing managers on how measures it does not have a single view. But a comprehensive view is that brand image according to communication network memory model is perceptions of consumers in relation to a brand that it is reflected in form of brand associations in the minds of consumers. To create a favorable brand image of marketing programs is necessary that is created unique attractive

association and a brand strong in the minds of consumers. Consumers this associations are formed, as well as the influence of marketing activities, through another in his mind. Methods such as direct experience, by word of mouth, consumers judgment, brand names, logos, or through familiarity with the company, location, or specific events (Keller, 2008, p. 56).

**Brand identity:** The process of creating a brand identity is to develop a mindset that brand are going to make and ensure their recognition by linking it to a particular class of customer requirements (Keller, 2003). Brand identity is unique set of markers of 5 brands that imply to promise and contract with customers (Ghodeswar, 2008). A brand identity for this to be effective it needs to bind to its customers, apart from their competitors brand and itself organization as it wants and can be shown (Aaker and Jvchymalsr, 2000).

**The perceived value of the brand:** Sterayd is simulated brand to a kind of lens that cause to easier and more correct understanding of organization values through it (Stride , 2006) now days process of value creating has become converted to one of the most important titles of researches in the science of marketing. Although various definitions of value, such as "the difference between benefits and costs" (Khalyfa, 2004) or "brand quality relationship and its price" (Gabay et al., 2009), but in the marketing value is generally perceived value by the customer that this value is included both of economic and non-economic components, etc. (Woodside et al., 2008).

**Consumer satisfaction of the brand:** Customer overall satisfaction is the judgment evaluation process customer of the opportunity last to buy and their feedbacks with service manufacturer (Bitner & Hubert, 1994). Customer's satisfaction of brand is to assess the general feeling clients of a brand's products and services at any time have described (Anderson et al., 2004).

**Brand Trust:** Brand trust is degree of abilities and capacity of brand to fulfill the promise is that he is sied, (Doney & Cannon, 1997). Customers tend to understanding of brands identity that have a greater ability to fulfill the promises and make assurance in them have. Trust to brand of customer perspective is psychological variables that assigning a set of assumptions or speculate in relation to the validity, integrity and generosity leads to brand by customers (Gurviez & Korchia, 2002)

**Brand loyalty:** Brand loyalty is a behavioral reaction rather biased towards the purchase that a person is find brand over time and This behavior will makes the process of decision-making and evaluation of a name that have in mind, it find a particular orientation (Chaudhary and Holbrook, 2001).

## Analysis

**First hypothesis:** a strong brand identity to perceived value of the brand is effective.

To test this hypothesis after required editions on the relevant variables items was used of significant Pearson test. The results are explained as follows: between the characteristics of a strong brand identity and perceived value, there is a strong correlation, as the limit of significance obtained (Sig = 0.000) is less than R-alpha ( $\alpha = 0.05$ ) and statistically is acceptable ( $r = 0.338$ ).

So The above hypothesis is confirmed, in the sense that features brand identity swinging in the dependent variable

(perceived value) will create. The overall result is that whatever brand identity is stronger, consumer perceived value is greater. The linear correlation between two variables was linear simultaneously either increase or decrease.

**The second hypothesis:** brand assurance is effective to brand loyalty.

To test this hypothesis, then the required edition items on the relevant variables was used of significant Pearson test. The results can be explained as follows:

between the characteristics of the brand assurance and brand loyalty, there is significant correlation as the significance limit obtained (Sig = 0.000 less than the research alpha ( $\alpha = 0.05$ ), then the overall result is that certain features brand assurance is effected to loyalty brand, the correlation between two variables is a good level ( $r = 0.506$ ) and, statistically is acceptable. then the above hypothesis is confirmed, in the sense that features of swinging assurance in the dependent variable (loyalty) will create.

**The third hypothesis:** brand loyalty is effective to brand equity capital.

To test this hypothesis, then edition the required items on the relevant variables significant were used Pearson test. The results can be explained as follows:

Between characteristics of brand loyalty and brand equity, a significant correlation exists, because the obtained significant level is (Sig = 0.000 less than the alpha R ( $\alpha = 0.05$ ), then the overall result is that brand assurance have effects to loyalty brand, the correlation between two variables is placed in a good level ( $r = 0.585$ ) and, statistically is acceptable. Then above hypothesis is confirmed, in the sense that feature swinging brand assurance in the dependent variable (loyalty) will create.

## Conclusions

This study with object survey of highlighting the important concepts of marketing, brand identity, brand loyalty, consumer satisfaction, consumer confidence, brand value and brand equity capital is performed and in it effects of variable brand identity to value variables, satisfaction, assurance, loyalty brand equity capital is measured satisfaction, confidence, loyalty and. The results of the data analysis indicated a positive impact on the development of brand value, brand satisfaction, trust, loyalty and brand equity capital and confirmation hypothesis of research Brand.

The results showed it have a positive effect on the perceived value of the brand and confidence of consumers, and trust to brand also has a direct impact on brand loyalty and brand loyalty ultimately positive impact on brand equity capital. In between studied the variables, identity variable and brand satisfaction and loyalty brand had the greatest impact.

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