Investigation of the Impact of Corporate Ability Association and Brand Awareness on Tendency to Re-purchase and Mediating Role of Perception of Product Quality and Brand Association in Purchase Decision-Making Process

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ABSTRACT

The present research tries to investigate the impact of corporate ability association and brand awareness on tendency to re-purchase and mediating role of perception of product quality and brand association in purchase decision-making process. Research conceptual model was Keller and Aakler's developed model of brand equity. In this model, factors which affect acceptance include corporate ability association, brand awareness, perception of quality, brand association, brand extension, price flexibility and tendency to re-purchase. The present research is a descriptive and applied research and was conducted on 385 students of Tehran Islamic Azad University (Sciences and Research Branch). Descriptive and inferential statistical methods including structural equations modeling were used to investigate factor(s) affecting tendency to re-purchase and purchase decision-making process using LISREL software. Results of structural equations modeling analysis revealed that there is significant relationships between "corporate ability association and perception of quality and brand extension", "brand awareness and perception of quality", perception of quality and brand association", price flexibility and tendency to re-purchase", brand association and brand extension" and the mentioned variables have considerable impact on re-purchase process.

KEYWORDS: corporate ability association, brand awareness, perception of quality, brand extension, price flexibility, tendency to re-purchase

INTRODUCTION

Brand is one of the most important concepts in commerce and businessmen can use a strong brand as a competitive advantage (Aaker, Keller, 1990). From 1980 onwards, brands played important roles in selection and purchase of products. Most brand studies come from advanced economies and globalization of economy has changed people interests and questions about products (Roth, 1995). In societies in which people are less aware of brands, global brands consumers may face problems in their purchases because few studies have been conducted on brands and consumers' knowledge about global products and brands is low. The following questions should be answered by international marketers:

Is there any difference between companies which implement branding strategies in internal and external markets? What are the requirements of branding planning in local and global scales?

The present research general goal is "to investigate the impact of corporate ability association (CAA) and brand awareness on tendency to re-purchase and mediating role of perception of product quality and brand association in purchase decision-making process". In the present research, first we investigate the influence of CAA and brand awareness on tendency to re-purchase. Then, we present a complete model which demonstrates relationships which impact on purchase decision-making. In the end, group experiment analysis revealed brand impacts on consumers.

Theoretical roots
Brand equity
Aaker (1991) classified brand equity concept into 5 sub-constructs:
Loyalty to brand, brand awareness, perceived quality, corporate brand and other private assets.

When brand equity is defined, it increases the quality of the branded product in comparison with non-branded products (Moore et al, 2002). Brand equity can be evaluated from three viewpoints: customer mind, results obtained from product market and financial market (Keller & Lahmann, 2001). Keller (1993) introduced the first conceptual model of customer-based brand equity. Other researchers also had different definitions of customers' perception of brand knowledge and marketing. Keller believes that when a consumer has a positive (negative) utility of a brand's marketing mix and other brands, the brand can have positive (negative) impact on brand equity. Customer-based

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brand equity occurs when consumers are familiar with brand and consider high utility and corporate brand. Lazer et al (1995) believed that customer-based brand equity constitutes two sub-constructs:

Brand strengths and brand value.

Brand strengths refer to corporate brand which can keep customers and brand values make a strong brand and help achieve necessary utility با. They believed that brand equity increases trust and that brand customers compare it with other brands. This trust results in customer loyalty and increases tendency to paying more. Netmayer et al (2004) suggested that brand equity is measured by three factors: value viewpoint of quality, uniqueness and tendency to higher payments.

According to Aaker and keller's brand equity concept, Yu and Dones (2001) presented corporate societal marketing conceptual model (CSM) and investigated the impact of this model on culture. They found that brand equity is made up of loyalty to brand, perceived quality and brand awareness. Aaker (1998) tried to divide relationship between customer-based brand equity model and market-based model into 5 sections:

Loyalty to brand, perceived quality, corporate brand, brand awareness, market situation (including market price, market share, coverage amount).

Corporate ability association

Corporate ability association (CAA) is in fact a company's abilities, capabilities and innovations, perceived quality, performance background and new investments of a company as secondary resources for increasing brand equity (Aaker, 2004).

Aaker (2004) mentioned 3 factors which affect CAA: way of doing tasks in company and its development, corporate innovation and global knowledge of the company. Access to marketing and general plans and brand is also effective on people. Brand awareness helps consumers with perceiving corporate efficiency. Further, new products should be produced for individuals who look for innovative products. Companies deal with innovation usually when their current products become outdated. Innovation also needs consumers' prediction and perception of needs (Aaker, 2003).

Globalization results in diversity of products, long life of companies, preparation of more resources, identification of more expectations. This leads to increasing consumers' knowledge of the company's name. Most consumers use global products and brand is the most important criterion for selection (Aaker, 2004). They tend to use brands which are better than local brands and other global brands. Therefore, international advertisements should try to increase trust in people. Brand association can be a corporate ability and includes assets, capacities and capabilities, employees, values, the state of being local and global, and performance background. Based on previous marketing studies, the present research considers the way CAA links to brand association and brand extension.

Brand awareness

Brand knowledge includes brand awareness and brand image. Brand equity refers to trust in different products knowledge produced by marketing activities (Keller, 1993). A brand can be defined as a name, a symbol or sign or a combination of them which differentiates a particular product or service of a seller or group of sellers from competitors (Kotler, 1992). Brand awareness is potential purchasers' ability to recognize (realize) and remember a brand as a special category of products. Therefore, marketers should concentrate on brand management and use strategies which link products to consumers (Hoeffler& Keller, 2002). Literature review shows that brand awareness is important in creating brand equity and increasing brand equity. For instance, Ordom and Sweet (1998) found that when consumers are used to a particular feature of a product, brands can be used as a characteristic of that product which guarantees that feature. Consumers need to differentiate between what they see and what they hear about brands. Brand remembering is related to consumers' ability to remember a brand considering primary data and products category.

Perception of quality

Chadhori and Habrouk (2001) believe that consumer's trust is the base of perceived quality and it also causes behavioral loyalty. Perceived quality can be defined as a customer's perception of general quality or supremacy of a product or service considering his/her expectations in comparison with other options. Perceived quality is an intangible and general feeling about a brand. Perceived quality is based upon key dimensions like product features (reliability, performance and brand, to some extent). Identification and measurement of perceived quality dimensions is useful but we should not forget that perceived quality is a general perception (Aaker, 1991). When relationship between brand and product quality is perceived before relationship between product features and quality, consumers will be affected by perception of quality. The risk of unreliability reduces with information

presentation and increases expected utility and price prediction. Further, brands can improve consumers' perception of product features and increase trust. Aaker and Keller (1992) investigated the way perceived quality influences on brand extension and image. A successful extension can increase quality and an unsuccessful extension may have converse effects. Keller (2003) suggested that a strong brand can facilitate brand extension ability and other products also can use that brand. A strong brand has more benefits for decision-making and has more possibility for success than weak brands (Aaker& Keller, 1990).

Brand association

It refers to the level of consumers' tendency to product purchase and how much they advise it to others (as a result of advertisement, consumers' perceived quality and so on). Association refers to relationship between brand and usage (application) and relationship between tendency to purchase and recommendation to others. It is a force that makes a brand stick to consumers' minds and is resulted from experience (keller, 2000). Brands bring meaning for products in addition to producing value (Biel, 1992). Some factors which influence on brand association include: product characteristics, customer benefits, price relationships, application (usage), users (other customers of brand), famous individuals recommendations, life style, and consumers' personality, product category, competitors, and producer country.

When an individual thinks deeply about a particular product, strong associations form in his/her mind. Factors which strengthen mental associations include relationship between brand information and life details of individuals and their consistency over time. In other words, brand recognition and loyalty depend on consumers' brand association. Tendency to re-purchase or loyalty is an important instrument for measuring brand equity (Aaker, 1996). A unique brand and stable competitive advantages are good reasons for purchasing that brand. Successful brands are brands which establish strong relationship with customers' culture (Holt, 2003).

In one sentence, brands compete for share from each culture. We assumed that brand association has a positive impact on brand extension and re-purchase.

Brand extension

Brand extension means ability to extend particular product marketing with its previous brand or differentiate brand extension from other products of the primary subset. In order to extend a brand, brand equity concept should be perceived and it is important to enable manages to correct and imagine the company's marketing plans. Brand awareness and positive image of a brand (more utility and corporate brand uniqueness) stick into a consumer's product and improves customer-based brand equity. Basically, high levels of brand awareness and brand positive image can increase brand selection possibility and loyalty and decrease vulnerability in competitive markets. As brand awareness and brand image increase, marketing relationships are more effective. Other effective aspects are commercial ads and promotions. Such factors can increase investment and reduce brand extension risk. Therefore, companies try to extend their brands in order to decrease the possibility of competitors' entrance. Products which have well-known brands are extended to new markets and new classes and this reduces marketing risk and costs (baron et al, 2000). Moreover, a strong brand is indicative of mental and objective ability. These factors include market share, advertisements and promotion costs, penetration into distribution channels.

Price flexibility

It is a sum of money which can be paid by a customer for a brand in equal conditions (packaging, size and so on).This indicator involves a part of customer's loyalty to a particular brand. Price flexibility actually refers to price elasticity. Price is one of the elements of marketing mix which produces income, contrary to other elements of marketing mix. Marketers hold prices high as far as competitive advantages allow. On the other hand, the impact of price on production volume should be considered. Product price or service price can be analyzed by customers' expectations from previous qualities and experiences.

Sometimes, consumers may think of higher prices as higher qualities. Consumers think of price as an index of quality for familiar and well-known brands. Further, researchers found that perceived quality and perceived price are combined and impact on perceived value of brand. Producer country name can also influence on consumers' beliefs and opinions (Erikson et al, 1984). Uniqueness can also influence on effective pricing. In other words, when a customer feels his/her brand is better than other competitors, he/she can pay more. If uniqueness is not understood, we cannot request a higher price.

Farkouher (1989) believes that higher perceived quality and perceived value results in brand selection and better brand association and utility. This can result in tendency to paying more money.

Tendency to re-purchase:

Loyalty refers to a long-term commitment to repeating a product purchase in future such that the brand is purchased in spite of potential attempts of competitors. Companies motivate customers to repeat their purchase. Real customers' commitment is produced only when the customers are motivated without being persuaded (Yoo&Donthu, 2001). Brand awareness refers to a brand power in a customer's mind and is one of the most important elements of brad equity. As brand awareness increases, the possibility of brand re-purchase increases. Therefore, brand awareness increase affects customers' purchase decision (Wang et al, 2008). Uniqueness of corporate brand and steady competitive advantages are good reasons for purchasing that brand. Creation of brand awareness is important only for brands which have several competitors and customers have several choices. If brand awareness increases, the brand becomes more well-known. Studies show that customers who know a brand purchase that brand in subsequent purchases (Aaker, 1991). Establishment of a good relationship with a particular brand contributes to better development and extension of products (Baron et al, 2000).

Research conceptual model:

The present research is extracted from Wang et al (2008) model. The following model was presented after some adjustments:
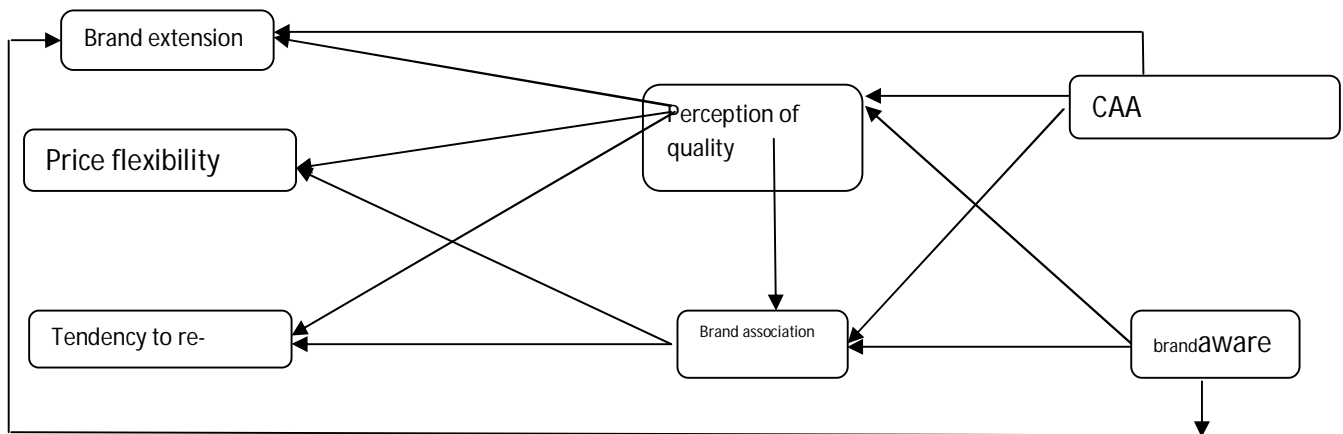
Reference: Wang et al, 2008

Considering the above discussion, the following hypotheses are presented:
1. CAA has direct impact on perception of product quality.
2. CAA has direct impact on brand association.
3. CAA has direct impact on brand extension.
4. brand awareness has direct impact on perception of product quality.
5. brand awareness has direct impact on brand association.
6. brand awareness has direct impact on brand extension.
7. Perception of product quality has direct impact on brand association.
8. Perception of product quality has direct impact on brand extension.
9. Perception of product quality has direct impact on brand price flexibility.
10. Perception of product quality has direct impact on brand re-purchase.
11. Brand association has direct impact on brand extension.
12. Brand association has direct impact on tendency to re-purchase.

RESEARCH METHODOLOGY

The present research is a descriptive and applied study because it describes a situation step by step and tries to answer an applied question: "do CAA and brand awareness impact on tendency to re-purchase and mediating role of perception of product quality and brand association in purchase decision-making process?" The present research aims to discover relationships among variables. Therefore, it is a survey study.

In the present research, mobile phone (NOKIA brand) was investigated. Research sample included 385 students of Islamic Azad University (Tehran Science and Research Branch). This number was obtained through Krejcie& Morgan Table considering statistical population and by means of stratified sampling.

Data analysis

Non-parametric statistical methods (inferential statistics) including Structural Equations modeling (SME) and LISREL software were used for analysis because constructs of variables were ordinal in the questionnaire. Because all alpha values are more than 0.7, research constructs have good reliability. Total alpha value (with 26 questions) was equal to 0.89 which is acceptable.

SEM indices values:

	Acceptable value	Evaluated value
Ratio of chi-square to df	Smaller than 3	2.78
RMSEA	Smaller than 0.8	0.07
ECVI	Considering remainder matrix between 0.5 to 0.8	0.75
GFI	Greater than 0.9	0.9
NFI	More than 0.9	0.95
NNFI	More than 0.9	0.96
AGFI	More than 0.9	0.9
PGFI	More than 0.9	0.89
N critical	Greater than 120	135

Table1: Fit indices of research model

index	Reported value
Remainders mean root(RMR)	0/17
Standardized remainders mean root(SRMR)	0/05
Goodness of fit index(GFI)	0/95
Normalized fit index (NFI)	0/92
Non-normalized fit index(NNFI)	0/94
Increasing fit index (IFI)	0/97
Comparative fit index(CFI)	0/96
Root mean square error approximation(RMSEA)	0/075

RESEARCH RESULTS

Table 2: path coefficients and significance of independent constructs of the conceptual model

From construct …	to construct …	Estimated value	T value	Significance level	Predicted variance
CAA	Perception of quality	0/281	3/38	1 percent	0/74
brand awareness	Perception of quality	0/643	8/47	one percent	
CAA	Brand association	0/111	0/76	insignificant	0/26
brand awareness	Brand association	0/152	0/92	insignificant	
CAA	Brand extension	0/195	2/01	One percent	0/21
brand awareness	Brand extension	0/004	0/021	insignificant	
Perception of quality	Brand extension	0/002	0/009	insignificant	0/21
Brand association	Brand extension	0/339	2/51	One percent	
Perception of quality	Price flexibility	0/201	2/01	One percent	0/04
Perception of quality	Tendency to re-purchase	0/298	2/53	One percent	0/104
Brand association	Tendency to re-purchase	0/04	0/45	insignificant	
Perception of quality	Brand association	0/294	2/59	One percent	0/26

Figure 1: structural model and its measurement model
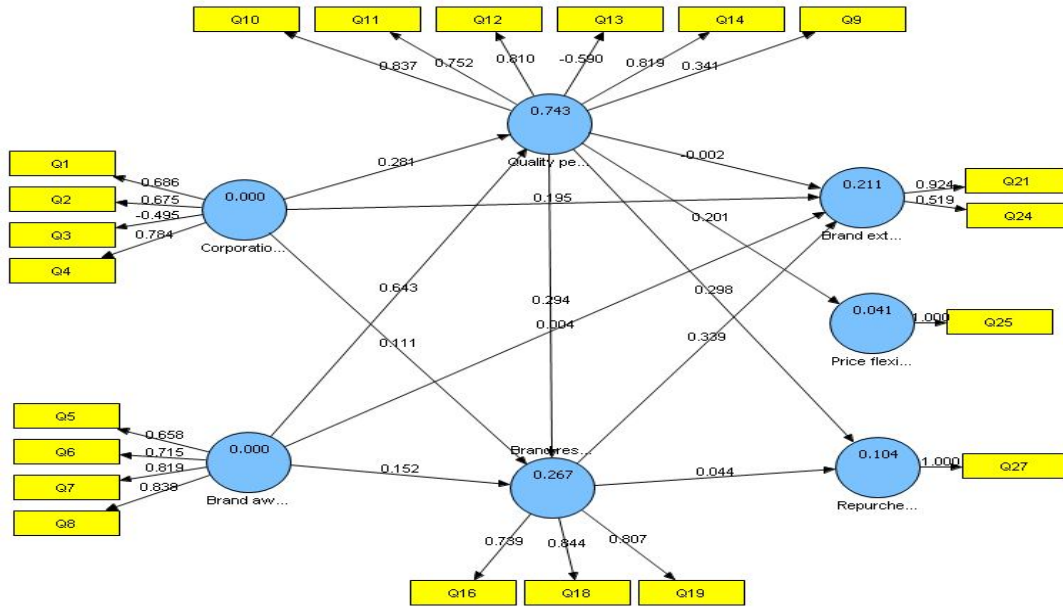
Results of hypotheses test:

1. First hypothesis: CAA has a significant impact on perception of quality. According to table 2 and the model above, path coefficient 0.281 has a t value which is greater than 2 (t=3.38). Therefore, H0 is rejected and H1 is verified. This means that CAA has a positive and significant impact on perception of quality from statistical point of view.

2. Second hypothesis: CAA has a significant and direct impact on brand association. According to table 2 and the model above, path coefficient 0.111 has a t value which is smaller than 2. Therefore, H1 is rejected and H0 is verified. This means that CAA does not have a positive and significant impact on brand association from statistical point of view.

3. Third hypothesis: CAA has a significant and direct impact on brand extension. According to table 2 and the model above, path coefficient is equal to 0.195 and has a t value which is greater than 2. Therefore, H0 is rejected and H1 is verified. This means that CAA has a positive and significant impact on brand extension from statistical point of view.

4. Fourth hypothesis: brand awareness has a significant and direct impact on perception of brand. According to table 2 and the model above, path coefficient is equal to 0.643 and has a t value which is greater than 2(t=8.47). Therefore, H0 is rejected and H1 is verified. This means that brand awareness has a positive and significant impact on perception of quality from statistical point of view.

5. Fifth hypothesis: brand awareness has a significant and direct impact on brand association. According to table 2 and the model above, path coefficient is equal to 0.152 and has a t value which is smaller than 2. Therefore, H1 is rejected and H0 is verified. This means that brand awareness does not have a positive and significant impact on brand association from statistical point of view.

6. Sixth hypothesis: brand awareness has a significant and direct impact on brand extension. According to table 2 and the model above, path coefficient is equal to 0.004 and has a t value which is smaller than 2. Therefore, H1 is rejected and H0 is verified. This means that brand awareness does not have a positive and significant impact on brand extension from statistical point of view.

7. Seventh hypothesis: perception of quality has a significant and direct impact on brand association. According to table 2 and the model above, path coefficient is equal to 0.294 and has a t value which is greater than 2. Therefore, H0 is rejected and H1 is verified. This means that perception of quality has a positive and significant impact on brand association from statistical point of view.

8. Eighth hypothesis: perception of quality has a significant and direct impact on brand extension. According to table 2 and the model above, path coefficient is equal to 0.002 and has a t value which is smaller than 2. Therefore, H1 is rejected and H0 is verified. This means that perception of quality does not have a positive and significant impact on brand extension from statistical point of view.

9. Ninth hypothesis: perception of quality has a significant and direct impact on price flexibility. According to table 2 and the model above, path coefficient is equal to 0.201 and has a t value which is greater than 2. Therefore, H0 is rejected and H1 is verified. This means that perception of quality has a positive and significant impact on price flexibility from statistical point of view.

10. Tenth hypothesis: perception of quality has a significant and direct impact on tendency to re-purchase. According to table 2 and the model above, path coefficient is equal to 0.298 and has a t value which is greater than 2. Therefore, H0 is rejected and H1 is verified. This means that perception of quality has a positive and significant impact on tendency to re-purchase from statistical point of view.

11. Eleventh hypothesis: brand association has a significant and direct impact on brand extension. According to table 2 and the model above, path coefficient is equal to 0.339 and has a t value which is greater than 2. Therefore, H0 is rejected and H1 is verified. This means that brand association has a positive and significant impact on brand extension from statistical point of view.

12. Twelfth hypothesis: brand association has a significant and direct impact on tendency to re-purchase. According to table 2 and the model above, path coefficient is equal to 0.04 and has a t value which is smaller than 2. Therefore, H1 is rejected and H0 is verified. This means that brand association does not have a positive and significant impact on tendency to re-purchase from statistical point of view.

RESEARCH RESULTS

Brand equity concept is the most important internal strategic factor in marketing in the present competitive markets (Morre et al, 2002).

Corporate ability association (CAA) is a valuable potential resource for brand equity in marketing literature. According to Keller's framework and its developed version in this study, development of global brand model study and its combination with consumer is the same as product market viewpoint.

Results of the present research revealed that customer-based brand equity is made up of 4 parts:CAA, brand awareness, perception of quality and brand association. Of course, these four elements are not the same but they are in the same level. CAA and brand awareness are in the first level (in the same level). Perception of quality is in the second level; brand association also refers to combination of levels and relationships between consumers and the brand, which includes tendency to purchase and suggesting it to others. Therefore, brand association is in the top level of the pyramid.

NOKIA cellphone was the product which was considered and investigated in the present research in Tehran Islamic Azad University. I fact, we investigated brand equity in marketing literature.

Investigations revealed that valuable brands are assets which bring success in the long run. Further, relationship between CAA, brand awareness and perception of quality refers to brand association. Results of this research showed that CAA can be used as a strategic weapon to contribute to brand structure and brand equity. Further, it results in improvement of financial (performance) evaluation of brand in global market.

Recommendations
- Companies should advertise their high-quality products and try to demonstrate them successful companies.
- Companies' success in one market or product is not a reason for brand extension in other classes. Companies should survey their customers before extending their brands to other categories products. This will help them succeed in product extension.
- Because advertisement is not conducted professionally in Iran and people also do not pay attention to advertisements, companies should advertise on a timely manner and appropriately because this improves brand association.
- Companies should increase their products quality so that they have a god image in people minds and increase their products prices considering the products quality and increase tendency to re-purchase.
- Companies cannot sell their present products with brand association and need to innovation because individuals want diversity and innovation in their lives.
- When consumers confront with a complex product, use of customer experiences will be more valuable.

Acknowledgment

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