Exploration And Conceptualizing of Brand Value's Assessment Dimensions in Iran

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ABSTRACT

The aim of this study is to assess brand value in Iran. In recent years brand value has been considered as one of the most important areas in brand management. Brand value is considered as the net present value of the estimated future cash flows attributable to the brand. It is also referred to brand equity to direct the business society in the safe side through gaining the competitive advantage in precise brand positioning. Initially, the study was exploratory research and gradually shifted to descriptive research. This study also distributed 220 questionnaires among the respondent through simple random sampling in three cities such as Tehran, Shiraz and Kish. The questionnaire consisted of four dimensions that influence on brand value Assessment. The dimensions are *Strategic Brand Environment* (SBE), *Customer Satisfaction* (CS), *Integrated Brand Promotion* (IBP) and *Company Competitive Situation* (CCS). The data analysis was done through the combination of SPSS and Lisrel to create exploratory and confirmatory factor analysis through SEM. The result of this study revealed the important and essential dimensions of brand value assessment that enable to build the framework for Iranian companies to develop or extend their brand value in Iranian market.
KEYWORDS: Brand , Strategic , Promotion; Customer Satisfaction; Value Assessment; Competitive; Iran.

INTRODUCTION

Brands have changed over the years. At first, they were a means of dressing up products. Created and managed almost exclusively by marketers, they were a designed means to attract and retain customers, justified by the price premiums the most respected brands enjoyed[1].

Table 1. History of Branding

Brand History	
Years	*Description*
Before 1860	The original motivation for branding was for craftsmen and others to identify the fruits of their labors so that customers could easily recognize them.
Manufacturer Brands: 1860 to 1914	Many factors facilitated the development of consistent- quality consumer products that could be efficiently sold to consumers through mass market advertising campaigns.
Dominance of Mass Marketed Brands: 1915 to 1929	Increasing acceptance and even admiration of manufacturer brands by consumers.
Challenges to Manufacturer Brands: 1930 to 1945	As a notable exception, Procter & Gamble put the first brand management system into place, whereby each of their brands had a manager assigned only to that brand who was responsible for its financial success.
Establishment of Brand Management Standards: 1946 to 1985	After World War II, the pent-up demand for high-quality brands led to an explosion of sales. Personal income grew as the economy took off, and market demand intensified as the rate of population growth exploded.
Branding Becomes More Pervasive: 1986 to Now	The merger and acquisitions boom of the mid-1980s raised the interest of top executives and other board members as to the financial value of brands[2].

Branding, in one form or another, has been around for centuries. Table 1 has demonstrated the brand history before 1960 until now.

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The aim of this study is to achieve the following objectives:
1- There is an association between gender and brand value.
2- There is an association between education and brand value.
3- To understand the influential factors on brand value and draw the conceptual map.

Brand

Brand is the "name, term, design, symbol, or any other feature that identifies one seller's product distinct from those of other sellers" [3]. For consumers, brands act as a shorthand device of functional and emotional characteristics, enabling rapid recall of information in memory and speedier purchase decisions [4]. Over the past two decades, an important research focus involves factors influencing consumer judgment about brand extensions. Researchers propose many factors that may influence consumers' acceptance of extensions [5]. Brand researchers traditionally assess how consumers perceive and evaluate brands examining brand attitudes, brand evaluations, or perceived brand quality [6]. Companies successfully managing their brands with strong customer relationships can consider brand extensions as a way of introducing new products more aggressively than they might normally do otherwise [5]. Consumers likely evaluate a brand extension more favorably when specific parent brand associations or attributes are highly relevant [7]. Brand managers should develop and manage their brands from the perspective of the multi-faceted nature of the consumer relationship and not merely based on traditional assessments of consumers' perceptions about their brands [5].

Brand Equity

The added value that a brand name gives to a product is now commonly referred to as "brand equity" [8].Keller (1993)refers to brand equity as ''the differential effect of brand knowledge on customers' response to the marketing of a brand''[2]. Vasquez (2002),describe brand equity as the overall utility that the consumer associates with the use and consumption of the brand, including associations expressing both functional and symbolic attributes[9]. More Roehm state that Brand equity is a perception of belief that extends beyond mere familiarity to an extent of superiority that is not necessarily tied to specific action. Familiarity does not imply belief in superiority [10].

Brand equity is conceptually broader which encompasses brand image (e.g., perception of service quality) and brand familiarity also brand equity entails favorable disposition that may not necessarily result in purchasing behaviour. Thus behavioral intentions are one of the consequences of brand equity, rather than its component [10].

Brand Value

How exactly is brand value created? There is broad-based agreement that one of the major contributors to brand equity is advertising [11].According to Prentice as cited in Ryan (1991)[12]:"The consumer's perception of brand value comes from many sources, but essentially it is based on ideas-rational or emotional that set the brand apart from competitive brands. What kinds of marketing activities implant these ideas about a brand's uniqueness in the mind? Advertising is the most common." Advertising can influence brand equity a number of ways. It can create awareness of the brand and increase the probability that the brand is included in the consumer's evoked set [13].

IBP (Integrated Brand Promotion)

Advertising is now divers and dynamic and is part of a process called integrated brand promotion (IBP). IBP is the process of using a wide range of promotional tools from television ads to iPad broadcast, working together to create widespread brand exposure. In a different way, IBP is the use of various communication tools, including advertising, in a coordinated manner to build and maintain brand awareness, identity and preference [14].

Customer Satisfaction

While customer satisfaction has been defined in various ways, the high-level conceptualization that appears to have gained the widest acceptance states that satisfaction is a customer's post-purchase evaluation of a product or service[15]. Customer satisfaction is also generally assumed to be a significant determinant of repeat sales, positive word-of-mouth, and customer loyalty. It has also long been considered as one of the key antecedents of creating brand loyalty[16]. Satisfied customers return and buy more, and they tell other people about their experiences, both positive and negative[17].A key motivation for the increasing emphasis on customer satisfaction is that higher customer satisfaction can lead to have a stronger competitive position resulting in higher market share and profitability[18], reduced price elasticity, lower business cost, reduced failure cost, and mitigated cost of attracting new customers[19].

One concept of customer satisfaction is, Perceived Value is the perceived level of product quality relative to the price paid by customers. Perceived value is the rating of the price paid for the quality perceived and a rating of the quality perceived for the price paid[17]. Perceived value structure provides an opportunity for comparison of the firms according their price-value ratio[20]. In the model, perceived value is expected to have a positive impact on satisfaction.

Another concept of customer satisfaction is, Perceived Quality is evaluation of recent consumption experience by the market served. This construct evaluates customization and reliability of a given product or service. Customization is the degree to which a product or service meets a customer's requirements, and reliability is the degree to which firm's offering is reliable, standardized, and free from deficiencies. Perceived quality is expected to have a positive effect on customer satisfaction[17].

Table 2.   Types of Brand

Brand Types		
Brand	*Definition*	*Author*
Generic Product	It is also referred to distinguish by the absence of a brand name products (often supermarket goods).	Singh[23]
Manufacturer's Brand	The marketing effort of a manufacturer's brand is to attract customers loyal to the manufacturer's name.	Imber[24]
Captive Brand	It is also referred in-store brands that differentiate themselves based on brand versus price positioning.	Brandeo[25]
Family Brand	It is referred to group of products possesses the same brand name.	Kapferer[26]
Individual Brand	Different products having different images are put together under one major brand or parent brand and are marketed by the firm.	Singh[23]

Image is another concept of customer satisfaction. The image construct evaluates the underlying image of the company. Image refers to the brand name and the kind of associations customers obtain from the product/company [21]. Martensen (2000) [22] argue that image is an important dimension of the customer satisfaction model. Image is a consequence of being reliable, professional and innovative, having contributions to society, and adding prestige to its user. It is anticipated that image has a positive effect on customer satisfaction, customer expectations and customer loyalty. Types of brand have been shown in table 2.

MATERIALS AND METHODS

The exploratory method is applied to extract the factors influenced on brand equity. The method of data collections are survey and questionnaire. . This study was considered as cross-sectional area between March2014 to mid-June 2014, furthermore the research is studied in Tehran, Shiraz and Kish Island. The survey included questions about branding, marketing mix strategies, customer relationship management, marketing activities and demographic variables.

Data Collection

The data collection was through questionnaire in three selected cities. The random sampling method was used to collect the questionnaires among the target market. [27]The sample frame in this study comprises managers and experts in three selected cities.

Questionnaire structure

This questionnaire aims to assess the brand value, therefore the questionnaire is divided in two parts .The first part is designed to find the respondents and demographic information's and the second part tries to evaluate how people feels and thinks of brand and brand value in Iran with respect of brand value dimensions.

The first part contains of five questions about Gender, Education, Job Experiences and Professional Status. The second part contains of 35 questions assessing brand value   with their latent factors as follows branding, marketing mix strategies, customer relationship management, marketing activities and demographic variables.

The questions varies from   structured close-ended question related to Demographic questions and using Importance Likert Scale important type as the main questions that indicate 5 as Very Important, Important and 1 indicate Unimportant in this research.

Pilot Test

Before distributing total number of questionnaires to all our targets, it is better to used pilot test to evaluate the construct and content of the questionnaire, therefore the researcher distributed 54 questionnaires to understand the inter-consistency of questions and collected data. The purpose was to make sure that everyone in our sample not only understands the questions, but also understands them in the same way. After the respondent completed the questionnaire since there was not any ambiguous among the questions, it was not necessary to re conducted the pilot test again. The researcher distributed 220 questionnaires among the respondents. The research took advantage of SPSS ver19 and Lisrel ver8.8 to analysis data in this study.

Reliability

Two popular techniques are used to assess internal consistency: split-half tests and coefficient alpha (Cronbach's alpha)[27]. In this study split-half technique has been used to measure of internal consistency. In a split-half test, the scale questions are divided into half part and a host of split-half reliability coefficients were derived [28]. After completely

importing the data of our questionnaire to SPSS, the split-half technique was generated. Results show that for two divided part in split-haft, the values were acceptable. Spearman-Brown coefficient was also confirmed (SB=0.742).

RESULTS AND DISCUSSION

Total sample size was 220 of which 148 (67%) were male and rest 72 (33%) were female, in terms of profession,89 (40%) were expert, 16 (7%) were supervisor, 66 (30%) were manager, 7 (3%) were assistant and 42 (20%) had other professions. In terms of education, 4 (2%) had Diploma, 77 (35%) were graduated, 135 (61%) had Masters and 4 (2%) had PHD. In terms of age, 25 (11%) were 20-25, 78 (36%) were 25-30, 67 (31%) were 30-35, 27 (12%) were 35-40 and 23 (10%) were upper than 40.

Factor analysis is a statistical technique used to identify a relatively small number of non-observable, underlying factors that characterize underlying constructs [29]. In this study, these factors are used to represent relationships among many sets of inter-related perceptual questions about brand value.

The analysis shows that in Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy was 0.742 indicating that the data were appropriate for this analysis [30]. Bartlett's Test of Sphericity was significant [$x^2 = 2033.828, p < .000$], indicating that there was a high correlation between items within each factor. Table 3 presents the results.

Table 3. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of sampling Adequacy		0.742
Bartlett's Test of Sphericity	Approx. Chi-Square	2033.828
	df	595
	Sig.	.000

Utilizing SPSS software, the data were analyzed to extract the factors affecting brand value through SPSS factor analysis. The method of factor extraction was principal components, rotated according to a varimax solution when two or more factors emerged. To enhance interpretability, only questions loadings greater than 0.5 were selected [31]. On the first iteration, the communality for the cultural Encironmet and recreation brand were 0.497 and 0.440. Since this is less than 0..5, these indexes should be omitted from the next iteration of the principal component analysis. And principal component analysis was computed again. By doing this, the cumulative enhance from 60.138% to 62.043%. On the second iteration, the communality for the remaining indexes were greater than 0..5, furthermore the researcher applied Run test to confirm that the data distributions are normal in this study .

Hypothesis Test

The next step in our study was to examine our hypothesizes with Chi-square test and Bivariate test in SPSS. With Pearson chi-square value of 46.01 at 5% significant level we concluded that there is no association between gender and brand value as asymptotic significance was 0.671. We also calculated Pearson chi-square for brand value and education. As we found, there is an association between education and brand value (Pearson chi-square=186.488, Asymp. Sig=0.034). The contingency coefficient of brand value and education was equal to 0.667. In the next step, by using rotated component matrix four factors affecting brand value were generated.

Table 4. Defined Factors and Their Indices

Latent variable	Indices
Strategic Brand Environment (SBE)	1. Development and strategic planning 2. Manager support and investment 3. Coordination and organizational culture 4. Adaptable management system 5. Consistent brand image 6. Strategic brand management 7. Internal branding and Training 8. Competitive environment analysis
Customer Satisfaction (CS)	1. Customer loyalty management 2. Effective management of perceived quality 3. Brand image in the customer's mind 4. Effective notification 5. Customer trust 6. Advertising 7. Marketing activities 8. Customization and superior customer service
Integrated Brand Promotion (IBP)	1. Different methods of advertising 2. Rapid response to changes in competitors 3. Interaction with distributers 4. Market experience 5. Taking advantage of modem technology 6. Brand management 7. Compliance with customer requirement 8. Branding elements (name, logo, …)

Company Competitive Situation (CCS)	1. Political crisis
	2. Market share
	3. Globalized designing
	4. Customer sensitivity to price
	5. Creativity and innovation
	6. Positive brand image in customer's mind
	7. In-store performance
	8. Advertising cost
	9. Reasonable pricing without promotions

At first, the questions were divided into four categories, the first three categories composed of eight questions and fourth category contained nine questions. In each column of matrix those questions that have higher value was selected for that category. After extracting each question's topic, every factor was given a title related to its object (Table 4). Hence, Strategic Brand Environment (SBE) for first factor, Customer Satisfaction (CS) for second factor, Integrated Brand Promotion (IBP) for third factor and Company Competitive Situation (CCS) for fourth factor was defined as the factors affecting brand value. Figure 1 shows the conceptual model.
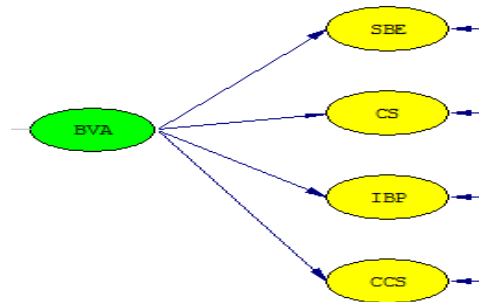

Figure 1. Brand Value Assessment Dimension Conceptual model

After that we used Bivariate test to show how Brand value is related to our defined factors in conceptual map (SBE, CS, IBP, and CCS). Table 5 represents the correlation between variables. It shows that there is a good relationship between Brand value and other factors and also between factors together.

T a b l e 5.   Correlations between variables

Variable		SBE	CS	IBP	CCS	BV
SBE	Pearson Correlation	1	0.406*	.546*	.442*	.794*
CS	Pearson Correlation	.406*	1	.410*	.386*	.688*
IBP	Pearson Correlation	.546*	.410**	1	.442*	.780*
CCS	Pearson Correlation	.442*	.386*	.442*	1	.776*
BV	Pearson Correlation	.794*	.688*	.780*	.776*	1

*.correlation is significant at the 0.01 level (2-tailed)

Validity

In current study, the evaluation of the measurement model was carried out using factor analysis, both exploratory (EFA) and confirmatory (CFA). In previous section, EFA was used as a procedure of measure purification using SPSS software, which was in this section complemented with a confirmatory assessment under the principles of structural equation modelling (SEM) using the interactive LISREL software. SEM was used as well for validating the structural model, on the validation sample, and for an analysis of alternative/rival models [32]. Validity pertains to the construct indicators' ability to measure the concept being studied accurately. Using the LISREL software allows for testing the overall fit of the model, how well all the indicators of all the constructs, taken simultaneously, satisfy the criterion validity requirement [33].

Goodness of Fit Indices

While there is no consensus on the appropriate index for assessing overall goodness of fit of a model [34], the chi-square statistic has been the most widely used fit index that measures the discrepancy between a hypothesized model and data [35]. In this context, we use additional measures of fit based on suggestions that can be found in previous studies. Four of these indices are absolute fit indices, which assess the overall model-to-data fit for structural and measurement models together [36, 37]: chi-square goodness-of-fit test (x2), ratio of x2 to degrees of freedom (x2/df), root mean squared error of approximation (RMSEA), non-normed fit index (NNFI), and comparative fit index (CFI). Table 6 represents the result of goodness-of-fit in this study. Consequently, the overall model fit statistics in LISREL are within the generally accepted thresholds and suggest an acceptable goodness-of-fit.

Table 6. Goodness-of-fit Indices

Goodness-of-fit Indices			
x^2/df	RMSEA	NNFI	CFI
1.95	0.066	0.83	0.84

In fact, although the Chi-square test is significant (x2 = 958.08, p = 0.00000), the ratio chi-square/degrees of freedom is below 3 (df = 491, x2/df = 1.95) – normally a ratio in the range of 2-1 or 3-1, is indicative of an acceptable fit [38]. In addition, the root mean square error of approximation (RMSEA=0.066) are indicating reasonable fit [32].

Convergent Validity

In first-order models, convergent validity is supported if each observable variable loads significantly (t-value > |1.96|) onto the latent variable that they are purported to measure [39]. In second-order CFA, however, an additional requirement has to be accomplished for assessing convergent validity: the relationships between the first-order factors and the second order factor must be significant [40]. Structural model assessment in table 7 shows that there is sufficient evidence of convergent validity.

Table 7. Structural Model Assessment

Parameter	Estimate	*t*-value	Results
BVA→SBE	0.82	7.12	Supported
BVA→CS	0.66	3.44	Supported
BVA→IBP	0.89	5.95	Supported
BVA→CCS	0.88	3.84	Supported

Figure 2 represents the path diagram for the first-order and second-order CFA.
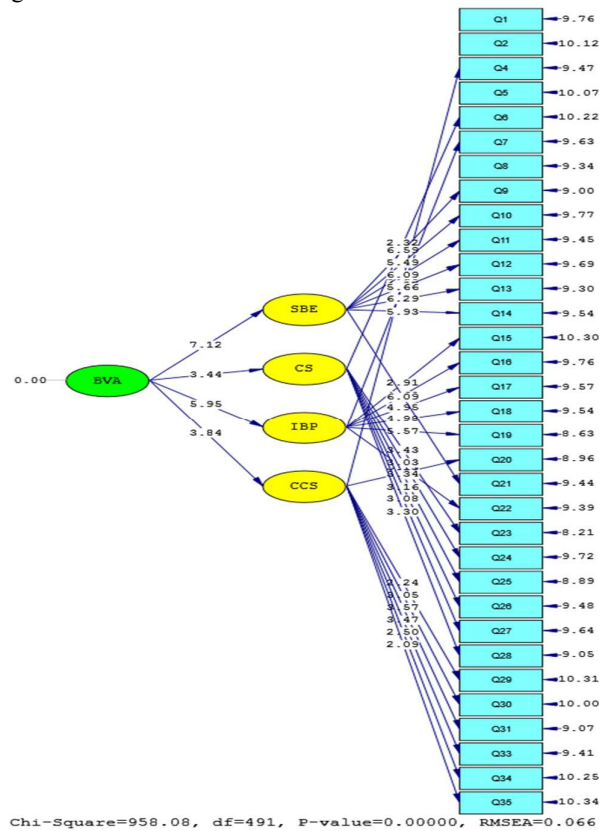
Figure 2. The path diagram for the first-order and second-order CFA in t-value measurement

CONCLUSION

An illustration that suggests itself is that brand value is considered as core area of brand equity. This can be highlighted by net present value of the estimated future cash flows attributable to the brand.

The brand value (BV) dimensions consisted of Strategic Brand Environment (SBE), Customer Satisfaction (CS), Integrated Brand Promotion (IBP) and Company Competitive Situation (CCS). It can be seen from data analysis that there is high correlation between SBE and BV and SBE and IBP, therefore the data would seem to suggest that SBE, IBP has more influence on creating the brand value in Iranian companies. From the facts we can conclude that the marketing manager should coastally improve on related attributes which are connected to SBE and IBP to introduce, create and develop the strong and powerful brand value in compared to world brand value standard. We predict to announce in world top brand equity if the Iranian company follow the framework of this study step by step.

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