

# THE INFLUENCE OF BRAND IMAGE ON SALES

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## ABSTRACT

The purpose of this paper is to investigate the relationship between the sales volume of a firm and its brand image. Consecutive surveys were carried out, on a monthly basis to collect image data. Factor analysis was performed on the image attributes over time and four main image factors were attained. Using the time data series and all four image factors were found to be significant in the model. The outcome from this study concludes that brand image can positively influence customers loyalty to a market offering and possibly boost customer commitment. The study suggests that good brand image should positively impact on customers loyalty, which at long run should also influence customer perceived quality, enables customers satisfaction and should also influence to a greater degree the extent to which customers are willing to express commitment to such offering for sustainable profit.

**KEY WORDS:** Brand image, sales volume, Image Factors, customers Satisfaction, customers Loyalty.

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## INTRODUCTION

The study of marketing and consumer behavior deals with the factors that affect the purchase and use of goods and services such as availability, advertising, image, and consumer characteristics (Engel *et al.*, 1986). In situations where consumers have a choice in how they behave, their behaviors were governed by many factors. These include their needs and desires, their attitudes and expectations, their understanding of what is available, their financial resources and their decision processes (Bromley, 1993). The relationship between the consumer and the brand – consumer's perception of that brand – is the key to brand acceptance. The strength of the relationship between the consumer and the brand will reflect the fit between the consumers own physical and psychological needs and the brand's functional attributes and symbolic values, as perceived by the consumer (Hankinson and Cowking, 1993).

Brand image, which usually includes the product's name, its main physical features and appearance (including the packaging and logo), and its main function(s), is the key to answer the question of how the consumer chooses among alternative brands after information-gathering processes of buyer behavior. Alternative evaluation is how the consumer uses this information to evaluate the options and arrive at a brand choice. The perspective focusing on psychological attributes of a product of consumer behavior states that consumers often choose products, services and activities over others because they associate these attributes with a certain life-style, a self-image or an ascribed status. They attempt to preserve or enhance their self-image by buying products that they believe are congruent with that self-image and by avoiding products that are not (Sirgy, 1982). For that reason, marketing academicians and practitioners see the symbolic image of products or services as more important in their success than their physical characteristics and attributes (Aaker, 1991).

Therefore, within such a framework it seems possible to mention the direct effect of image attributes on sales figures, which would also support the statement that the role of self-concept and brand image is recognized in all elements of the marketing mix, mainly in promotional strategies (Kotler, 2006). Although some of the above mentioned studies draw conclusions about the hypothesis that *H1*: Brand image has impact on sales.

## METHODS

Numerous studies in the literature have been devoted to explaining brand/product preference (Hong and Zinkhan, 1995) brand evaluation (Graeff, 1996), purchase intention or usage

(Mehra, 1999) in terms of image congruency models. In a study where the relation between self-concept and advertising effectiveness is investigated, conclude even though the brand memory is not mediated by the extent to which advertising expressions are congruent with viewers' self-concept. Brand preference and purchase intention are found to be influenced by the self-congruency of an ad. (Sirgy, 1982) aimed to test the hypothesis that the effects of self-congruity and ideal congruity on purchase motivation are additive.

## RESULTS AND DISCUSSION

### Brand image and sales modeling

The results of the study showed that ideal congruity and self-congruity significantly influence purchase motivation. The results were confirmed by Malhotra *et al.* (1999) who investigated the effect of congruence on preference with an integrated perspective and as a result supported the hypothesis. (Graeff, 1996) concluded that consumers' evaluations of publicly consumed brands are more affected by the congruence between brand image and ideal self-image than actual self-image, whereas actual and ideal congruence have equal effects on consumers' evaluations of privately consumed brands. From a different perspective described the life cycle of a product in three stages, namely proprietary, competitive and image. According to the author, in the first stage brand is perceived as unique, then in the second stage it gets into competition with other brands on the basis of its functional characteristics. In the maturity stage the image of the product or symbolic values plays a greater role in competition and also sales.

Although some of the above mentioned studies draw conclusions about the effect of brand image and brand/self-image congruence models on sales, none of them investigates this relation directly. A recent work of (Malhotra *et al.*, 1999) also underlines the need for linking brand image strategies to market performance of the brand, like sales or market share and this paper tries to analyze brand image (perceived quality, customer satisfaction, customer loyalty and customer commitment) and how they affect sales volume. Investigation of sales figures is generally considered as part of market response models. The effects of marketing instruments and household specific characteristics on various marketing performance measures such as sales, These models are dependent on revealed preference data — also referred to as "hard data" — instead of soft (preference, satisfaction, etc) data coming from stated preferences. But this paper should be considered as a modeling approach that tries to combine revealed preference data models with primary data collected by surveys, instead of stated preference data.

In this sense, the model constructed in this paper can be considered as a purely descriptive model, concentrating on the effect of brand image on sales. Unfortunately, the model excludes the marketing mix variables because of the reasons stated in the section describing the limitations of the study. Therefore, the authors are only dealing with the relation between brand image.

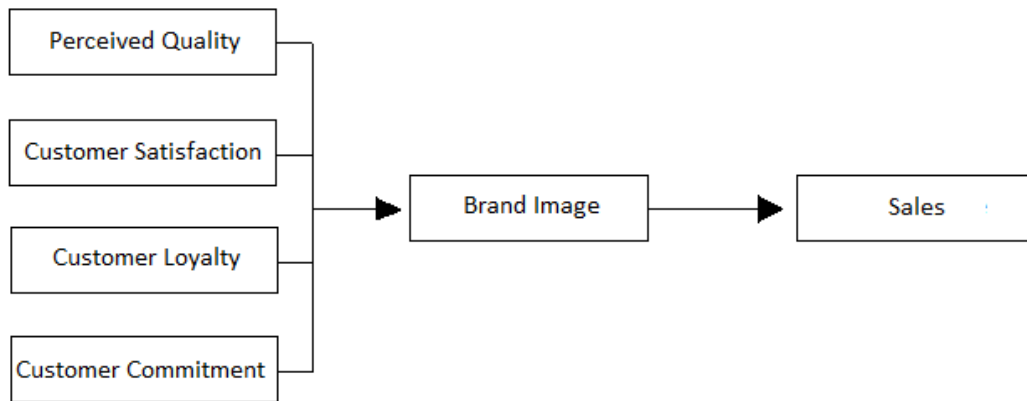
### Image congruency models

Each individual has a perceived self-image as a certain kind of person with certain traits, habits, possessions, relationships and ways of behaving. This self-concept or self-image can be defined as "the individual as perceived by that individual in a socially determined frame of reference" (London and Bitta, 1988). Preferences may actually develop for certain brands because the consumer perceives them as reflecting his/her own self-image or some brands may be desired because the consumer views them as projecting an image that he/she presently does not possess but aspires to have (Schiffman and Kanuk, 1983). So it is possible to claim that consumers' self-perception can have a strong influence on their behavior in the marketplace. Another concept is composed of multidimensional characteristics and includes physical as well as psychological attributes and interacts with the various roles a person must take on (Mehra, 1999). This leads us to a multiple component perspective of the self (London and Bitta, 1988) brought together several approaches, mainly based on work. Single component perspective depends on actual-self, the perception of oneself, as one believes he/she actually is. According to the authors the ideal-self may be defined as the perception of oneself as one would ideally like to be. Ideal-social-self the perception of oneself as she/he would like others to perceive him/her and the expressive-self were added to the single component perspective to extend the viewpoint.

Consumers tend to compare their self-image with the product images in the pre-purchase stage of the decision-making process. This kind of comparison is known as self-image/product

image congruence process. Self-image congruence models predict that products will be chosen when their attributes match some aspect of the self. The simplest form of this model can be seen in Figure 1. Many endings support the argument that consumers prefer, intend to purchase, or actually use brands with images they see as being congruent with their actual self-concept (Malhotra *et al.*, 1999).

Surely, a product that is perceived as fitting an individual's self-image has a greater probability of being selected. That is why marketers try to create images for their brands so that they are positioned to fit a distinct market segment occupied by no other brand. They strive to create a brand image that is similar to congruent with the self-image of the target consumers (Aaker and Biehl, 1993). But it cannot always be assumed that consumers will buy products whose personality characteristics match their own characteristics.



Adapted from Ike Elechi Ogba and Zhenzhen Tan (2009)

Figure 1. Correlation Analysis on Hypothesis

How a person's self-concept changes over time is another factor that has to be taken into consideration. This complicated process of self-concept development last long and hardly any changes. Psychologists argue that a person's conception of self displayed a high degree of consistency, particularly in the short term. But the idea of situational-ideal-self-image may cause fluctuation in image attributes. This can be supported by the concept of "you are what you consume" just like (Belk, 1988) postulated in his review of self-concept, "we are what we have and possess". Therefore, it is reasonable to expect variation or fluctuation in measured image attributes over time, when observations from a heterogeneous sample. Including people of different ages with different educational backgrounds and socio-economic status are aggregated. Then one might expect fluctuations in the sales of a brand in connection with the changing image perceptions. Following in the proposed model:

$$Y_t = \beta_0 + \sum_{i=1}^j \beta_i X_{it} + \varepsilon_t$$

Where  $Y_t$  is the monthly sale of the firm at the time  $t$ ;  $X_{it}$  is the  $i$ th image attribute at time  $t$  and  $\varepsilon_t$  is the random disturbance term. If there exists other dynamic effects that are not captured by the model they will show themselves in the ill-behaved error term. This is likely to occur when the fact that variation in sales figures is being explained by the fact that only variation in image attributes is considered.

The sampling technique in this study used Non Random Sampling. While the determination of the sample using purposive sampling and incidental sampling, both of which are included in the class of Non Random Sampling.

The population in this study is the owner of the shops in the area of Surabaya and Gresik (East Java- Indonesia). Characteristics of the sample used in this study are the stores that have a turnover of over Rp 100 million per month. Turnover limit is used as the limit of the turnover of the shop owners had the perception of a product and its connection with the sale.

Sample is a sub unit of the survey population or the population survey itself, which is considered to represent the target population. According to Malhotra *et al.*, (1999) the respondent

sample size can be determined at least 5-10 times the number of variables. Therefore, to further strengthen the results of the study sample size was determined by 20 respondents.

Since monthly sales, the dependent variable, is a time series, it can exhibit seasonal fluctuations, as is the case in many sales figures in the beverage industry. The authors tested the existence of seasonal fluctuation first and the existing seasonal pattern was removed from the monthly sales by seasonal adjustment process. We also calculated the three monthly moving averages of the image variables in order to get smoother movements of image attributes. This was also done to reduce the effect of possible severe fluctuations in the image attributes measured in the consecutive survey.

In this study, brand image congruency models of consumer behavior literature were examined and the hypothesis of a significant relationship between the fluctuations in image factors and the sales of the selected product was tested.

Consumers evaluate the information gathered throughout the pre-purchase decision process to decide which brand of a product to purchase. One source of this information is the comparison of perceived self-image and brand image. They tend to choose the brands whose perceived images are similar to the actual consumers, ideal- social and situational images. This means sales, from a producer's point of view. The changes in the perception of brand image may cause changes in brand preference. The reality that the variation in image attributes affects the variation in sales should be kept in mind while creating new marketing strategies. As mentioned before, a brand perceived with several image attributes is preferred because those attributes are congruent with the consumers different image reflections. If the theoretical discussion above is summarized in terms of the research hypothesis, the agreement that the brand holds those image attributes is positively related to the sales of the brand.

## Conclusion

The relationship between sales and brand image is found to be statistically significant. This ending is consistent with the expectation stating that if the perception of brand image is congruent with the actual consumers, the image factors are positive and significant.

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