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DETERMINANTS OF BRAND EQUITY TOWARDS MINERAL WATER: A CASE STUDY OF SPRITZER

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INTRODUCTION

Brands are very important to the brands owner in order to build a strong foothold in the marketplace. A successful brand is one of the most valuable terms which has been extensively discussed by both academicians and practitioners over the past decade and usually referred to the term of ‘brand equity’ (Riezebos et al., 2003).

Brand equity can be discussed in various perspectives since the meaning of brand equity have been debated in several different approaches. Brand equity is a difficult marketing term because it is hard to determine in the market by the different measurement methods of performance (Atilgan et.al., 2005). However, there is one of the well-known conceptual brand equity model which was developed by Aaker (1991). Aaker built his model of brand equity on five dimensions, which are brand awareness, brand loyalty, brand association, perceived quality, and other proprietary brand assets.

In the practical aspect, this study is important in the marketing perspective. Every company especially the brand manager must understand what the dimensions of brand equity are and how to develop a better understanding of the appropriate relationship between these dimensions. Brand equity is important in improving the efficiency of the marketing process (Motameni and Shahrokhi, 1998). Therefore, in order to build and strengthen a brand in the minds and

the hearts of consumers, they should spend a huge sum of money to define how this might be achieved by brand communication activities. (Wright and Nancarrow, 1999).

The objectives of this study were, to determine the brand equity's dimensions level (brand awareness, brand loyalty, brand association and perceived quality) of respondents towards Spritzer mineral water, to identify the most significant effect of the dimension on brand equity of Spritzer mineral water and to examine the relationship between the four dimensions of brand equity based on Aaker's well-known conceptual framework of brand equity.

LITERATURE REVIEW

Definition of Brand Equity

Brand equity can be defined from a variety of perspectives. Although there are several authors that defined and elaborated on the definition of brand equity, but according to Aaker (1996), "brand equity is a set of assets and liabilities which linked to a brand's name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/ or to that firm's customers". He states that brand equity is a set of assets that helps a company to create and enhance these assets that can create the value for the company. Each brand equity assets creates values in many different ways. Therefore, it is important to be sensitive to the ways in which strong brands will create value in order to manage and control the brand equity effectively and efficiently.

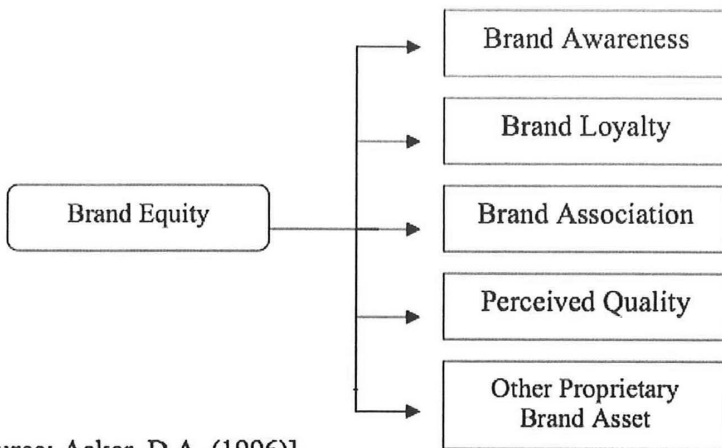
In addition, Aaker (1991) also state that brand equity is a set of assets that are valuable to an organisation in terms of financial, strategic and managerial advantages. Brand equity provides the marketers with a means to interpret their past marketing performance and design their future marketing program. Everything the firm does can help to enhance and detract from brand equity and when brand equity is correctly and objectively measured, it can be an appropriate

metric for evaluating the long-run impact of marketing decision (Keller, 2003; Simon and Sullivan, 1993).

While there are several other definitions of brand equity from different perspectives, one of the most generally accepted and most comprehensive is definition from Aaker (1996) which focused on five brand equity dimensions which are brand awareness, brand associations, brand loyalty, perceived quality, and other proprietary brand assets.

A Conceptual Framework for Brand Equity

Brand equity is a multi-dimensional concept and a complex phenomenon. There are several brand equity models that have been tested in the literature, but the most commonly cited and well-known conceptual brand equity model which was developed by Aaker (1996) that consists of five dimensions which is shown in Figure1:



[Source: Aaker, D.A. (1996)]

Figure 1: Conceptual Frameworks for Brand Equity

Brand Awareness

Brand awareness is referred to as the ability of the potential buyer to recognize or recall a brand that is in a certain product of category. Brand awareness is when people recognize your brand as yours. This does not necessarily mean they prefer your brand, expect a high value to your brand and associate any better attributes to your brand, it just means they recognize your brand and can identify it in different conditions (Aaker 1996).

As stated by Aaker (1996) and Keller (1993, 2003), brand awareness consists of both brand recognition, which is the ability of consumers to confirm that they have previously been exposed to your brand while brand recall which reflects the ability of consumers to name your brand when given the product category, category need, or some other similar cue.

Brand Loyalty

Brand loyalty comes from customers' satisfaction of a well-known brand or name. There are two reasons that cause the brand loyalty to be useful to include in brand equity. The reasons are customer loyalty creates the brand's value to a company and customer loyalty as an asset that helps to create and enhance the brand equity of a company (Aaker, 1996). This shows that a brand loyal customer can help companies to create value and generate expected sales and profit and to strengthen their relationship with the brand.

Brand Association

Brand association is anything that connects the customer to the brand. Brand association is the great part and link to the brand by how the marketing program and other factors that affect consumers' brand experiences to a brand (Aaker, 1996). Some of the criteria might be included in the brand association are products attributes, celebrity or person, product class, particular symbol, use situation, user imagery

brand personality, organisation association, and so on. Keller (2003) argues that brand association as another information nodes link to the brand node in memories and contain the meaning of the brand for the consumers. The more deeply consumers think about the product information, the stronger the resulting brand association. It can help customers to process the information, differentiate the brand of the product and help the customers to generate a reason to buy the product.

Perceived Quality

According to Aaker (1996), perceived quality influences brand association and its drive to financial performance, as a strategic trust and a measurement of brand “goodness”. Keller (2003) found that perceived quality is the customers’ perception of the quality of products and services of a company provided. Therefore, it is necessary to create customers satisfaction and value by consistently meeting the customer’s needs and preferences for quality.

METHODOLOGY

In order to meet the objectives of the study, Mean and standard deviation were used to determine the respondents level towards each dimensions on the brand equity of Spritzer mineral water and the most significant effect of the dimension while Pearson Moment Correlation was used to examine the relationship between the four dimensions of brand equity. Table 1 shows the respondents perception level according to mean score.

Questionnaires

The questionnaire of this research was divided into two parts which is Section A and Section B. Respondents are required to answer both sections, Section A which was the respondent demographic

information, and Section B questions which assess sources of brand equity of Spritzer mineral water. Likert scale was used to measure the respondents' brand loyalty, brand awareness, brand association, and also perceived quality, which required the respondents to response their degree of agreement. Likert scale which have five-point scale ranging from "strongly disagree" to "strongly agree". There are 310 sets of questionnaires which were randomly distributed to the FPPSM students. However, only 250 sets of questionnaire were accepted and returned.

Secondary Data

The secondary data reviewed in this study included online database (Emerald, Ebscohost database), e-journals, online thesis, website, articles, references books and magazines.

FINDINGS AND DISCUSSIONS

Respondent's Profile

Out of the 250 respondents, there were 104 male respondents, which represented 41.6% and female were 146 respondents or 58.4% . For the race profile, most of the respondents are Malay, which has 121 or 48.4% followed by Chinese, which had 109 respondents or 43.6%, and Indian respondents, which had only 20 respondents or 8%. For the age profile, there were 103 respondents or 41.2% were under the category of 21-22 years old and followed by the category 19-20 years old, which obtained 29.6% or 74 respondents. While it had 73 respondents or 29.2% who were aged 23-24 years old and there are no respondents being selected in the range age more than 25 years old.

For the courses profile, there were 93 respondents or 37.2% from Technology Management (SHD), followed by Marketing Management (SHF), which contains 91 respondents or 36.4% and there is only 10 respondents or 4.0% are selected from Industrial and

Organisational Psychology (SHY). Finally, for the data of year of study, 61 respondents, or 24.4% are first year students. While most of the respondents are in the second year where they consist of 115 respondents or 46%. For the third year student, 74 respondents or 29.6% participated in the survey.

i) To determine the brand equity's dimensions level (brand awareness, brand loyalty, brand association and perceived quality) of respondents towards Spritzer mineral water.

The first objective of this study is to determine the respondent's level towards each dimension that affect the brand equity of Spritzer mineral water. To achieve the first objective, mean and standard deviation were used in this study.

From the findings for the dimension of brand awareness (Table 4), respondents are having a high level of awareness on Spritzer which the average mean score 3.92. The high level of awareness among the respondents meant most of the respondents were aware and knew about the brand of Spritzer before. According to Keller (2003), brand awareness consists of brand recognition and brand recall performance. Therefore, results show that respondents can differentiate the brand of Spritzer and they can easily recognize the brand, which they had already been exposed for this brand before comparing it with other brands. However, Spritzer mineral water may not be the first brand that comes to respondent's mind when they think about mineral water. This is because there are too many different brands of mineral water in the marketplace and they might choose other brands that are available in the store when they decide to buy mineral water.

This is supported by Sipos and Toth (2006), which stated that mineral water demand is relatively elastic as there are many different brands present in the market.

For the dimension of brand loyalty (Table 5), respondents are having moderate level of loyalty towards the Spritzer mineral water, which obtained 2.84 for average mean score. According to the

variable of brand loyalty, respondents were in the moderate level in suggesting to others to buy Spritzer mineral water if they are asked for a recommendation. This is because a loyal customer has a specific bias about what and from whom to buy and when they are satisfied with the Spritzer brand, they will try to suggest or recommend to others who have a need of mineral water. Spritzer company should understand the process on growing a loyal customer base because it doesn't happen in a day, a week, a month, or even a year and it's a long, step-by-step progression (Griffin, 1995).

From the findings of brand association dimension (Table 6), the average mean score was 3.33. This demonstrated that respondents are having moderate level of association towards the Spritzer mineral water. Aaker (1996) stated that the association might include the products attributes, a celebrity spokesperson, or a particular symbol.

According to the result, respondents have high levels in association with the symbol or logo of Spritzer mineral water. This means that the logo or symbol that represents the brand of Spritzer is easy for the respondents to remember and recall when they think about the Spritzer brand. However, when discussing about Spritzer, respondents were having a moderate level in terms of associating it with advertisement, special promotion and its slogan. This is because Spritzer brand lacks in effort in promoting their products through the media such as in television programs, magazines, newspaper and they are not concentrating on advertising as a strategy. Keller (2003) stated that the more deeply consumers think about the product information, the stronger the resulting brand association. This is because it can help customers to process the relevant information, differentiate the brand of the product and help them to generate a reason to buy the product.

For the dimension of perceived quality, the result shows that average mean score was 3.52. According to Aaker (1996), who stated that perceived quality is linked to and often drives other aspects of how a brand is perceived and it is a major strategic thrust of a business. Overall, respondents have high perceived quality level towards the

Spritzer mineral water. This means that respondents consider that the Spritzer mineral water is a high quality product. Quality is a very important aspect and most of the company has turned customer-driven quality into a potent strategic weapon. (Zeithaml, 1988). Therefore, quality of a product is important criteria to influence customer's attitudes, perception, and behavior towards a brand.

ii) To identify the most significant effect of the dimension on brand equity of Spritzer mineral water.

To achieve the second objective in this study, mean score is used to identify the most significant effect of the dimension on brand equity of Spritzer mineral water. Findings in this study shows that the overall response of the four dimensions towards the brand equity of Spritzer mineral were moderate.

Among the four dimensions, brand awareness obtained the highest mean score which was 3.92. This means that brand awareness is the most significant effect on the brand equity of Spritzer mineral water. This is mostly because most of the respondents were familiar with this brand through repeated exposure, seeing, hearing, or thinking about this brand. Anything that causes respondents to experience a brand name, symbol, logo, character, design, colour can increase the familiarity and awareness of the brand elements (Aaker, 1996). The second higher mean score was perceived quality 3.52 and this is followed by brand association with the mean score of 3.33. The lowest significant effect on the brand equity of Spritzer mineral water was the dimension of brand loyalty which obtained mean score of 2.84. This is mostly because respondents feel that they are not satisfied with the Spritzer brand and Spritzer is not providing a high level of satisfaction.

Dimension	Mean Score	Standard Deviation	Level
Brand Awareness	3.92	0.8588	High
Brand Loyalty	2.84	0.8968	Moderate
Brand Association	3.33	0.8863	Moderate
Perceived Quality	3.52	0.7530	High
Average Mean Score	3.40		Moderate

Table 3: Result of Overall Respondent's Level according to the Dimensions towards Brand Equity of Spritzer Mineral Water

iii) To examine the relationship between the four dimensions of brand equity based on Aaker's well-known conceptual framework of brand equity.

To achieve the third objective, the Pearson Moment Correlation was used to examine the relationship between the four dimensions of brand equity. This is because Pearson Moment Correlation is the most appropriate method which summarizes the strength of association between two metric (interval or ratio scaled) variables and it can be used to determine whether a straight-line relationship exists between the dependent and independent variables.

According to the result, it shows that the highest correlation between dimension of brand awareness and brand association which has obtained 0.529 which are the most close to 1.0. This indicated that there is moderate relationship between these dimensions. This is supported by Aaker (1991), who stated that the dimension of brand awareness is closely related to brand association, since both dimensions arise from the consumer-brand contact. When a respondent is aware and knows of the Spritzer brand, then they will associate the Spritzer with its logo, symbol, shape and colour of the bottle, label, appearances, slogan, and so on. The second strong correlation in the moderate relationship stage was between dimension of brand

loyalty and brand association which was 0.510. The lowest strength of the relationship between the dimensions was brand awareness and perceived quality, which has only obtained 0.368 with the small relationship between these two dimensions.

CONCLUSION AND RECOMMENDATIONS

Research findings were discussed based on three objectives of this research. The three objectives include: (i) to determine the brand equity's dimensions level (brand awareness, brand loyalty, brand association and perceived quality) of respondents towards Spritzer mineral water, (ii) to identify the most significant effect of the dimension on brand equity of Spritzer mineral water and (iii) to examine the relationship between the four dimensions of brand equity based on Aaker's well-known conceptual framework of brand equity.

Based on the first objective, mean and standard deviation were used to determine the brand equity's dimensions of respondents towards Spritzer mineral water. From the result, it showed that the dimension of brand awareness and perceived quality obtained the high level which the average mean scored 3.92 and 3.52 respectively while average mean score for brand loyalty and brand association obtained 2.84 and 3.33 respectively were in the moderate level.

According to the second objective, which was to identify the most significant effect of the dimension on the brand equity, the highest mean score will be the main factor affecting the brand equity. From the findings, it shows that brand awareness obtained the highest mean score. This illustrated that respondents are more aware of this brand and brand awareness can be considered as the first dimension for a respondent linked to a brand before progress within the process of creating the brand equity on Spritzer mineral water.

Pearson Moment Correlation was used in the third objective to examine the relationship between the four dimensions of brand

equity based on Aaker's well-known conceptual framework of brand equity. The findings showing that there would be a positive correlation between the four dimensions of brand equity. But, the dimension of brand awareness and perceived quality has the strong correlation, which obtained 0.529.

Finally, Spritzer is suggested to improve some of the dimension, which had the moderate level on the brand equity. For the dimension of brand loyalty, Spritzer is recommended to focus on the elements of price and also the quality of the mineral water while for the brand association; Spritzer should increase their advertising programs and event sponsorship to increase the consumers' brand association level towards the Spritzer mineral water. In addition, recommendations for the future may be conducted by enlarging the sample size in order to obtain more reliable information and to ensure the accuracy of findings. Secondly, researcher can consider another dimension affecting the brand equity in the in the mineral water industry.

Finally, future research can be conducted by using others statistical analysis method. Researcher can use the multiple regression analysis (Stepwise Multiple Regression) to identify the most dominant effect of dimension on brand equity.

As a conclusion, the four dimensions of brand equity based on Aaker's well-known conceptual framework of brand equity are very important for a firm. The measurement of the respondent's level towards each dimension is very important for Spritzer because it will show how the dimensions will influence the brand equity of Spritzer.

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