Analysis the Relation between Marketing Mix Elements and Brand equity from the customer’s perspective in Eram Hyper star stores of Tehran, Iran

Author Name: Dr. Azam Rahimi Nik¹, Sara Karimi²*

¹ Assistant professor of Business Management, Islamic Azad University Central Tehran Branch, Tehran, Iran
² MSc student of Executive Management, Islamic Azad University Central Tehran Branch, Tehran, Iran

Abstract
Brands are particularly important in the services sector, since customers buying services encounter more complex problems than in other sectors. In order to, the aim of current paper is Analysis the Relation between Marketing Mix Elements and Brand equity from the customer’s perspective in Eram Hyper star stores of Tehran. Present research has a descriptive-analytical method that is of applied kind. Its theory foundations are based on attribution and desk studies and field visits of related organizations. Results show that 57.1% of customers with the highest frequency to realize the price in hyper star stores is so appropriate. 45.3% have stated that they have selected Eram hyper star for their shopping due to its special discounts. About 89% of them have stated that provided goods are close to date of production and so far have never seen outdated products on the shelves. Also other indicators have a similar situation.

Key words: Marketing Mix, Brand equity, Customer’s Perspective, Tehran

Introduction
Marketing is the social and management process by which the people and groups via exchanging the goods and values meet their demands (Kotler & Armstrong, 2000). The concept of brand value was first introduced in marketing literature in the 1980’s. During the 90’s this topic received significant attention from both scientists and marketing practice, which resulted in a large number of articles and books on the subject (Aaker & Keller, 1990). Bharadwaj et al. (1993) believe that brands are particularly important in the services sector, since customers buying services encounter more complex problems than in other sectors. Customers often have difficulty in assessing the content and quality of services, before, during and after use (Krishnan & Hartline, 2001). Hence, a risk arises from the purchase and use of services. However, this risk may be reduced considerably through the use of brands (Bharadwaj & et al., 1993), because they optimize the ability of consumers to process service characteristics cognitively (Onkvist & Shaw, 1989). In other words, branding increases the tangibility of services. With the 2008 global recession, corporate profits have declined that has resulted from less consumer spending. Unemployment increased, and many who continued as employed earned less income. Between 2007 and 2009, household income declined 4.1 percent (Brackey, Williams & Maines, 2010). The consequences has been more price-sensitive consumers who once shopped at upscale retail stores and purchased luxury products, but has switched to discount, low-priced retail stores, e.g., Wal-Mart. During the first year of the recession, Wal-Mart experienced a 9.8 percent increase in profits and a 7.5 percent rise in revenues (Bustillo & Zimmerman, 2008).

It is required to evaluate the marketing mix dimensions and specific value of the brand and ranking of the branches inside the organization by which besides creating competition between the branches to identify the branches that used marketing mix dimension and created the specific value of their brand. However, to help the branches which were unable to use marketing mix achieves their successful brand. To increase the brand value, the need to being informed of the bank services, developing the cities, wide covering the audiences, reflecting the evaluation of the customers of the services, keeping the existing customers and absorbing new customers are the factors emphasizing on the importance of marketing (Heydari, 2013). Draker (1974) considered two main duties of business management as innovation and marketing. The marketing is the device the organization happiness is dependent upon it. An organization cannot be successful by imitating...
others. This organization is not successful without any plan or market effectiveness (Rusta, 1998). According to Philip Kotler (2001), the most prominent theorists in this field, marketing is human activity to fulfill the demands via exchange process. The current business environment is encountered by increasing complexities, rapid changes of the markets. The selection of the target markets is a basis for choosing the enterprise to meet the demands and achieving the goals and they believe that to achieve these goals, suitable marketing mix plays an important role to fulfill the strategies of the enterprise market (Ismaelpour, 2005). The research results indicate that brand managers should be very careful when applying price deals as a marketing mix element. Even though price deals may lead to certain short-term financial gains resulting from a short-term sales increase, in the long run a frequent use of this marketing mix element may cause a reduction in brand equity. In consumer marketing, brands often provide the primary points of differentiation between competitive offerings, and as such they can be critical to the success of companies. Hence, it is important that the management of brands is approached strategically. However, the lack of an effective dialogue between functions that are disparate in philosophy and do not have a common and compatible use of terminology may be a barrier to strategic management within organizations. No more is this evident than between the functions of marketing and accounting. This article seeks to establish the relationships between the constructs and concepts of branding, and to provide a framework and vocabulary that aids effective communication between the functions of accounting and marketing. The assumption in the article is that good communication between functions within organizations aids strategic management. A model for the management of brand equity is also offered.

The following discussion focuses on the concepts of brand equity and added value as they relate to the brand construct itself (Wood, 2000). Brand description is distinct because it would not be expected to be quantified, whereas brand strength and brand value are considered quantifiable (though the methods of quantification are not covered by this article). Brand value may be thought to be distinct as it refers to an actual, or notional business transaction, while the other two focus on the consumer. There is an assumed relationship between the interpretations of brand equity.

**Background**

Branding and brand management can no longer be considered the exclusive domain of consumer marketing. A recent overview of the world’s 100 strongest brands not only lists Coca Cola, McDonald’s and Disney, but also includes many renowned industrial brands such as Boeing, SAP, Xerox, Siemens, and GE (Interbrand, 2003). One of the reasons for the increasingly important role of industrial branding is the commoditization of many industrial products. Another reason is the growing importance of B2B buying and selling via the Internet. There is evidence that online buyers will use cues like the brand to reduce the risks involved in purchasing decisions (Hunter, Kasouf, Celuch, & Curry, 2004). Despite these developments, and the total value of transactions in the B2B market, little empirical research has been conducted in the domain of industrial branding (Gordon & et al., 1993; Low & Blois, 2002). Brand loyalty, although often viewed as a source, dimension or indicator of brand equity (Aaker, 1991; Keller, 1993), will be conceptualized as a desired outcome of brand equity. Brand loyalty refers to the tendency to be loyal to a brand, demonstrated by the intention to buy the brand as primary choice (Yoo & Donthu, 2001). Brand loyalty can be defined in either behavioral or attitudinal terms. Behavioral or purchase loyalty consists of repeated purchases of the brand. Attitudinal loyalty refers to the degree of dispositional commitment in terms of some unique value associated with the brand (Chaudhuri & Holbrook, 2001). Effects on loyalty and purchasing intentions of two related, though separable categories of brand equity can generally be investigated in an industrial context. Industrial products are often individually branded, i.e. the product brand is distinct from the corporate brand. Brand equity is one of the most important concepts in business practice as well as in academic research. This is because successful brands can allow marketers to gain competitive advantage (Lassar et
al., 1995), including the opportunity for successful extensions, resilience against competitors' promotional pressures, and the ability to create barriers to competitive entry (Farquhar, 1989). Branding plays a special role in service firms because strong brands increase trust in intangible products (Berry, 2000), enabling customers to better visualize and understand them. They reduce customers' perceived monetary, social, or safety risks in buying services, which is an obstacle to evaluating a service correctly before purchase. Also, a high level of brand equity increases consumer satisfaction, repurchasing intent, and degree of loyalty. Research in this area includes Kohli et al.'s (2001) study of reliability and brand equity, Pappu and Quester's (2006) study of satisfaction and brand equity, and Ross-Wooldridge et al.'s (2004) study of brand equity and brand image.

Jacoby & et al. (1974) stated that brand loyalty differs from brand attitude and habit, although the latter can indicate brand loyalty. Brand attitude is a consumer's feelings or behavior toward a brand. Jacoby & et al found that brand loyalty can be a separate construct from brand attitude, but that multi-loyality, or loyalty toward more than one brand, involves attitudes that can be more comprehensive. A high level of brand loyalty indicates a tendency to buy only a signal brand in a product category, not a multi-loyalty purchase intention. Aaker (1991) proposes measuring brand equity through price premiums, brand loyalty, perceived quality, and brand awareness. Past research does not investigate fully the question of how to build and enhance brand awareness. While most research focuses on advertising's impact, or distribution's intensity on brand awareness, only two studies consider price promotion; but they produce inconsistent findings. The current study explores how to build and enhance brand value through marketing mix elements in Eram Hyper star of Tehran in Iran. A key element in creating an effective marketing strategy is the choice of target market. A target market consists of a group of potential customers with similar characteristics that a company has chosen to serve. The means by which it serves each target market is through its marketing mix. Although the creation of satisfaction among a group of potential customers involves making dozens of decisions, marketing decision making can usefully be categorized into four strategies: product, promotion, pricing and place.

From the organization’s perspective, the value of any business should be greater than the disposal value of its assets to justify its continued existence. Since customers are the sole source of positive cash inflows (other than borrowings or new equity), without them a business has no value. Therefore, that the value of any business is primarily dependent on its ability to acquire, continue to acquire, and retain customers. The simplest way to conceptualize organizational brand equity, then, is as a summary measure of the entity’s ability to perform these roles of acquisition and retention. This perspective does not constrain the entity to its currently offered portfolio of products and services. Indeed, one of the major contributions of the brand equity concept is that it both admits and endorses the notion that the brand may have customer-attracting properties in its own right, over and above any particular product or set of products to which it is currently attached. Customer brand equity focuses on the individual customer’s willingness to pay a price more than some benchmark for the branded product; total organizational brand equity is concerned with the number of customers willing to pay that price. In many categories, one product may have high customer brand equity but low total organizational brand equity whereas another product may have low customer brand equity but high total organizational brand equity. A bottle of fine French wine can be said to have high customer brand equity (sufficient customers are willing to pay at least the high offering price) but low total organizational brand equity (relatively low volume). Conversely, a supermarket wine has low customer brand equity (consumers are unwilling to pay more than the low price) but high total organizational brand equity (extremely high volume).
Methodology
Present research has a descriptive-analytical method that is of applied kind. Its theory foundations is based on attribution and desk studies and field visits of related organizations. There are different research methods that use any of these methods is recommended depending on the changing nature of work and study. In the behavioral sciences, research methodology has been recognized by different criteria such the purpose of research, method of data collection and method of implement. This research with attention to below scientific ways, try to access to a correctly answer to each of research hypotheses:
1. Review of similar studies;
2. Scientific studies on the subject by the books and articles in Persian and Latin;
3. Determine the Research Methodology and determination of sample size;
4. Questionnaire prepared based on literature review;
5. Data collection;
6. Statistical analysis using SPSS software;
7. Conclusions and presentation of appropriate recommendations.
Results

**Analysis of goods price in Eram hyper star**

Society investigated in term of gender are consist of 50% of women’s and 50% of men’s. In term of respondent’s age, more than 47 percent of the age group 20 to 30% and 44% between 31 to 40 years, and the rest are in the age group over 40 years. About 73 percent have less than a bachelor's degree and the rest have bachelor or higher degree. More than 67 percent of those surveyed believe that often hyper star stores take into special discount for their goods. About 45 percent have stated that they are selected hyper star stores due to special discounts and offers to purchase.

Table 1
Based on below table and graph, 57.1% of customers with the highest frequency to realize the price in hyper star stores is so appropriate. 45.3% have stated that they have selected Eram hyper star for their shopping due to its special discounts.

**Table 2**

<table>
<thead>
<tr>
<th>Shop Image and customers in Eram hyper star</th>
</tr>
</thead>
<tbody>
<tr>
<td>In this section, we have preparation some questions and distributed their between sample size society and we ask them to ranking it based on Likert type test. Some of these question consist of:</td>
</tr>
<tr>
<td>B5. hyper star store appearance is a desired shop.</td>
</tr>
<tr>
<td>B6. Hyper star store is a modern and fine shop.</td>
</tr>
<tr>
<td>B7. I enjoy the time which I spent to buy in hyper star stores.</td>
</tr>
<tr>
<td>B8. the treated of vendors and employees in hyper star stores is so desirable.</td>
</tr>
<tr>
<td>B9. When I hear the name of hyper star shop, I remember some good features of this shop quickly.</td>
</tr>
</tbody>
</table>

Source: Authors, 2013.
Based on above table, 95.3% of customers with the highest frequency have stated that Eram hyper star shop has a suitable appearance. 98.8% of customers have stated that Eram shop is a modern and fine shopping center. Also 71.8% have expressed that they enjoy the times which must be spent for shopping in Eram hyper market of Tehran. 66.5% of respondents believed that the deal of vendors and employees in hyper star stores is so desirable and suitable and 62.3% of customers every time hear about Eram hyper market star, remember some good features of this shop quickly.

**Indicators related to the size distribution**

Responses of investigated individuals to variable size distribution shows, about 89% of them have stated that provided goods are close to date of production and so far have never seen outdated products on the shelves and the lowest responses with 43% is related to this item that high quality products offered by this shop led to always buy from this shop. Some these question consist of:

B10. Sale rate of famous brands in Eram hyper star stores is high.

B11. Provided goods are close to date of production and so far I have not seen outdated products on the shelves.

B12. The high quality of offered products causes I always want to buy from this shop.

B13. Goods variety deepen to the extent that approximately "shall meet all requirements of the purchase for me."

**Table 2**

Distribution of respondents with regard to the size distribution

<table>
<thead>
<tr>
<th></th>
<th>Quite opposite</th>
<th>opposite</th>
<th>Without opinion</th>
<th>Agree</th>
<th>Quite agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>B10</td>
<td>13</td>
<td>40</td>
<td>86</td>
<td>170</td>
<td>77</td>
<td>170</td>
</tr>
<tr>
<td>Percent</td>
<td>3.5%</td>
<td>10.6%</td>
<td>21.5%</td>
<td>44.1%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>B11</td>
<td>0</td>
<td>7</td>
<td>36</td>
<td>234</td>
<td>88</td>
<td>384</td>
</tr>
<tr>
<td>Percent</td>
<td>0%</td>
<td>1.8%</td>
<td>9.4%</td>
<td>65.9%</td>
<td>22.9%</td>
<td>100%</td>
</tr>
<tr>
<td>B12</td>
<td>16</td>
<td>88</td>
<td>113</td>
<td>110</td>
<td>57</td>
<td>384</td>
</tr>
<tr>
<td>Percent</td>
<td>4.1%</td>
<td>22.9%</td>
<td>29.4%</td>
<td>28.8%</td>
<td>14.7%</td>
<td>100%</td>
</tr>
<tr>
<td>B13</td>
<td>0</td>
<td>40</td>
<td>5</td>
<td>221</td>
<td>117</td>
<td>383</td>
</tr>
<tr>
<td>Percent</td>
<td>0%</td>
<td>10.6%</td>
<td>1.2%</td>
<td>57.6%</td>
<td>30.6%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Authors, 2013.

**Indicators related to advertising rate**

Advertising rate is one of the other dependent variables in the research which survey of responses shows the highest rate of frequency with approximately 62% is related to this alternative that Eram hyper star advertisements is little and is not extensive and the average frequency of response, it was related to this item that Eram hyper star does not have enough advertisement. We design some questions in framework of questionnaires and disturbed them in between of research sample size.

B14: It seems the hyper star shop don’t spent lot of money on advertising.

B15: I see a lot of advertising that are related to hyper star shop and it is very extensive.

B16: Hyper star stores advertisements are very attractive and effective.

B17. Hyper star stores advertisements encouraged me to purchase from this shop.
Fig. 3. Advertising rate in Eram hyper star.
Source: Authors, 2013.

With attention to above figure, 42.9% of customers have stated that they were against to spending a lot of money in Eram hyper star shop for advertising. 61.7% of responses have this idea that hyper star shop advertisement has restricted range and it isn’t so extensive. 42.9% of citizens don’t have any idea about interest rates and the impact of advertising in hyper star shop. 53.6% have announced their disagreed with encouraging of propaganda to buy from this shop. Thus the average 49.3% of responders were believed that Eram hyper star shop doesn’t has enough Advertising.

Table 3
Results of Kolmogorov - Smirnov test for normality of research variables

<table>
<thead>
<tr>
<th></th>
<th>Size distribution</th>
<th>Commodity price</th>
<th>Image Shop</th>
<th>Brand equity</th>
<th>Advertising rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>385</td>
<td>385</td>
<td>385</td>
<td>385</td>
<td>385</td>
</tr>
<tr>
<td>Average</td>
<td>3.3789</td>
<td>4.0071</td>
<td>3.0216</td>
<td>3.3672</td>
<td>2.6426</td>
</tr>
<tr>
<td>SD</td>
<td>.58119</td>
<td>.48254</td>
<td>.83807</td>
<td>.47575</td>
<td>.74323</td>
</tr>
<tr>
<td>Absolute</td>
<td>.109</td>
<td>.142</td>
<td>.153</td>
<td>.120</td>
<td>.143</td>
</tr>
<tr>
<td>Positive</td>
<td>.84</td>
<td>.142</td>
<td>.153</td>
<td>.120</td>
<td>.130</td>
</tr>
<tr>
<td>Negative</td>
<td>-.109</td>
<td>-.110</td>
<td>-.131</td>
<td>-.063</td>
<td>-1.43</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td>1.421</td>
<td>1.848</td>
<td>1.996</td>
<td>1.568</td>
<td>1.871</td>
</tr>
<tr>
<td>Significant level</td>
<td>.035</td>
<td>.002</td>
<td>.001</td>
<td>.015</td>
<td>.002</td>
</tr>
</tbody>
</table>

Source: Authors, 2013.

According to significant level of Kolmogorov - Smirnov test that in all above variables are less than 0.05 we conclude that based on the assumption of normally distributed variables, the null hypothesis is rejected and the opposite is confirmed. In other words, the distribution of all variables is not normal.

Table 4
The results of multiple correlation coefficients in the regression model

<table>
<thead>
<tr>
<th>Model</th>
<th>Multiple correlation coefficient</th>
<th>R²</th>
<th>Standardized coefficient of multiple determination</th>
<th>Error standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.869 (a)</td>
<td>.775</td>
<td>.754</td>
<td>.23596</td>
</tr>
<tr>
<td>2</td>
<td>.919 (b)</td>
<td>.845</td>
<td>.843</td>
<td>.18869</td>
</tr>
<tr>
<td>3</td>
<td>.944 (c)</td>
<td>.891</td>
<td>.889</td>
<td>.15874</td>
</tr>
<tr>
<td>4</td>
<td>.966 (d)</td>
<td>.933</td>
<td>.931</td>
<td>.12486</td>
</tr>
<tr>
<td>5</td>
<td>.981 (e)</td>
<td>.962</td>
<td>.960</td>
<td>.09468</td>
</tr>
</tbody>
</table>

a Predictors: Image shop.
b Predictors: size distribution, Image shop
Conclusion
In consumer marketing, brands often provide the primary points of differentiation between competitive offerings, and as such they can be critical to the success of companies. Hence, it is important that the management of brands is approached strategically. However, the lack of an effective dialogue between functions that are disparate in philosophy and do not have a common and compatible use of terminology may be a barrier to strategic management within organizations. No more is this evident than between the functions of marketing and accounting. In term of respondent’s age, more than 47 percent of the age group 20 to 30% and 44% between 31 to 40 years, and the rest are in the age group over 40 years. About 73 percent have less than a bachelor’s degree and the rest have bachelor or higher degree. More than 67 percent of those surveyed believe that often hyper star stores take into special discount for their goods. About 45 percent have stated that they are selected hyper star stores due to special discounts and offers to purchase. Responses of investigated individuals to variable size distribution shows, about 89% of them have stated that provided goods are close to date of production and so far have never seen outdated products on the shelves and the lowest responses with 43% is related to this item that high quality products offered by this shop led to always buy from this shop.

Suggestions
- As possible should be avoided changes in the rate of increase in prices of products.
- Use of discounts in the event of product sales and special occasions that it will add to the amount of loyalty and increase brand value.
- using the suitable setups and modern decoration in the shop and goes special attention to display mode of products.
- Use of trained staff in terms of treatment, cover, explains procedure products that it increase the brand value.
- providing the facilities for the support and maintenance of the product as well as customer leads to increased loyalty range.
- using of appropriate promotional techniques to increase brand value such as television advertising and other media.

References


