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Perceptual components of brand equity: Configuring the Symmetrical and Asymmetrical Paths to brand loyalty and brand purchase intention

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ABSTRACT

This research investigates the impact of brand perception on brand loyalty and brand purchase intention using the lenses of complexity theory. First, the study conceptualizes and operationalizes perceptual and behavioral components of brand equity. It then examines the dimensions of brand perception, and by assessing the consequences of favorable brand perception, the study enables a better understanding regarding whether a brand marketing approach helps to improve marketing performance. The research was conducted using a mixed methodology, beginning with interviews in order to gain a better understanding of the relationship between the dimensions of brand perception. These were followed by a questionnaire survey, and the resulting data were analyzed through content analysis and fuzzy-set qualitative comparative analysis (fsQCA). The results indicate that brand awareness, perceived quality, brand association, brand fondness, brand image, and product country image have a strong impact on the management of brand perception. The finding illustrates that it is the combinations of various perceptual elements of brand equity rather than any single factor that have strong impacts on brand loyalty and brand purchasing intention. The results support the importance of brand perception for the fashion industry, which needs to be more interactive in order to increase their customers' brand loyalty and brand purchasing intention.

1. Introduction

Perceptual and behavioral components of brand equity are significant elements of branding and have been extensively discussed in the marketing domain (Ailawadi, Neslin, & Gedenk, 2001; Cobb-Walgren, Rubel, & Donthu, 1995; Keller & Lehmann, 2006). Some of these authors have based their arguments on functional and symbolic attributes and responsibilities of a brand (Aaker, 1991; Keller, 1993; Yasin, Nasser Noor, & Mohamad, 2007), and refer to the way consumers perceive a brand and the benefits they receive from consuming it. Studies like Cobb-Walgren et al. (1995) reviewed the categories that were similar in physical attributes but varied significantly in the advertising support used by them to create psychological differences. The elements of brands considered by Cobb-Walgren et al. (1995) were not similar in respect of functional and financial risk to the elements that had an impact on brand equity. Brand perception is also considered as the added value given by current and potential consumers to the brand name, symbols and personality (Cornwell, Pappu, & Spry, 2011). The management of brand perception is a significant marketing strategy,

which can position a brand uniquely in consumers' minds, and often results in sales, margins, profitability, and ongoing interest from stakeholders (Jung & Sung, 2008; Yoo & Donthu, 2001).

Brand equity has been explained as the added value that a brand name gives to a product; it is considered to be directly related to marketing concepts and is multi-dimensional in nature (Cobb-Walgren et al., 1995; Huang & Sarigöllü, 2012; Jung & Sung, 2008; Yasin et al., 2007). Although brand equity has been defined in a unique manner for each of its stakeholder groups by previous studies (Aaker, 1991; Cobb-Walgren et al., 1995; Delassus & Descotes, 2012), we have adopted the six elements of brand perception given in the literature, which are brand awareness, perceived quality, brand association, brand fondness, brand image, and product country image. However, there is limited study of the perceptual and behavioral components of brand equity, specifically in the retail setting in a less explored context such as Latin America. Given the importance of brand perception, it is desirable to investigate it in different markets to add to previous studies. In addition, the novelty of this study is the combination of in-depth interviews and a fuzzy-set theoretic approach.

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This research uses definitions of Cobb-Walgren et al. (1995), builds on complexity theory, and aims to achieve three objectives: (i) explore previous literature to assess the import of brand perception, (ii) identify dimensions that build brand perception and are most likely to exert influence upon it, and (iii) develop and assess a conceptual framework concerning relationships between brand perception, its dimensions, and its consequences. In order to achieve these objectives, two research questions are: (i) what are the configuration factors that influence brand behavior favorably? and (ii) what are the main influences of brand perception on behavior elements of brand equity, such as brand loyalty and brand purchasing intention? The researchers conducted in-depth interviews and a survey to collect data from consumers of an international brand in Latin America, and this study used content analysis and fuzzy-set qualitative comparative analysis (fsQCA) (Ragin, 2006, 2008) to analyze data. fsQCA has received increased attention as it gives an opportunity to the researchers to gain a deeper and richer perspective on the data, together with complexity theory (Foroudi, Jin, Gupta, Melewar, & Foroudi, 2016; Gupta, Malhotra, Czinkota, & Foroudi, 2016; Leischnig & Kasper-Brauer, 2015; Mikalef, Pateli, Batenburg, & Wetering, 2015; Ordanini, Parasuraman, & Rubera, 2013; Woodside, 2014; Wu, Yeh, & Woodside, 2014).

This study calls on managers to consider the role of brand perception on (re)shaping consumers' decision making. More specifically, it provides practitioners with a better understanding of brand perception within retail settings, specifically in a Latin American setting. The benefits from this study that managers can bring to a company translate into actual accurate and measurable business benefits. This study helps managers to expand their opportunities, and to facilitate a company's long-term development and expansion into new market places and geographies. In addition, managers can use our study as a guideline to improve their negotiation power with vendors, distributors, and manufacturers. For instance, when suppliers identify that customers are loyal, are willingly looking to purchase products, and become more interested to work with the company, then the company will be in an enviable bargaining position. In addition, the results of our study enable the managers to understand the benefits of perceptual and behavioral components of brand equity to produce a higher margin on sales and reduce marketing, branding, and advertising costs.

Mexico, Latin America, is one of the greatest open economies in the world, and this has created a suitable arena for retailing to grow. The analysis of this study could offer understandings beyond those of earlier studies, where most of the studies' samples are from developed economies (Martin & Javalgi, 2016). This investigation fills a gap of the under-investigated area of literature surrounding perceptual and behavioral components of brand equity from Latin America. Therefore, by examining these components of brand equity in Latin America, specifically in Mexico, this investigation offers a distinctive setting for the better understanding of the main configuration factors that favorably influence brand behavior.

This paper is structured as follows. The existing literature on customer brand perception is revised. The conceptual framework and research tenets are presented. Then, method and methodology employed in this study are explained, followed by the empirical findings and discussion of the results. Finally, the conclusions of this study highlight the theoretical and practical implications.

2. Customer brand perception: the construct

Significant attention has been devoted to this subject. Consumers prefer the products corresponding with their image, and they express their personality or characteristics through the products corresponding with their self-image (Foroudi, Dinnie, Kitchen, Melewar, & Foroudi, 2017; Sirgy, 1982). When the consumers perceive that the brand is of high quality, they have increasing fondness and associate with the brand and consequently, the formation of loyalty increases. Brand perception factors are highly related with self-concept, and brand

perception rests on consumers' perception of the brand (and its associated utility) rather than any objective indicators (Cobb-Walgren et al., 1995; Voorhees, White, McCall, & Randhawa, 2015). Several authors who have discussed this are broadly in line with Aaker's (1991) generalizable definition that brand equity is "the group of features and responsibilities related to a brand" (p. 15). Other authors (Broyles, Foster, Ross, & Thaweephan, 2010; Cornwell et al., 2011) used Aaker's (1991, 2009) definition as a reference point for their own incremental definitions. It has to be said that most definitions are markedly similar. There are two branches of brand perception to analyze: the perspectives of retailers or producers, and the consumer perspective.

According to Broyles et al. (2010), for the retailer or producer (seller), brand perception management is an opportunity to add value to the product and then to generate higher revenues or profit margins. Consumer-based perception is studied from the customer's ideals, perceptions and attitudes, appealing to which will make the customer more likely to choose a particular brand over a competitor's or pay a premium price. These branches are linked; high equity from a consumer perspective will generate positive reactions to the brand, and therefore, positive financial results. Brand equity has both tangible and intangible qualities. According to Chang and Hung (2013), a combination of diverse marketing activities can influence a consumer's perception towards the image of the brand, thus impacting on the consumer's perception of the degree of brand equity. Delassus and Descotes (2012) point out that brand equity is composed of two essential aspects: the symbolic and the functional. The symbolic aspect comprises the non-physical aspects such as brand image, perceived quality, brand associations, and brand awareness. The functional aspect comprises the physical aspects and consumer satisfaction, that is, whether the product fulfils consumer needs or not.

Marketing activities can generate perceptual and behavioral components of brand equity. Researchers note a wide variety of factors that build perceptual components of brand equity. Nevertheless, all concur that a common factor in achieving positive brand perception is the marketing communication plan. It has been stated that high brand perception is the result of effective marketing strategies (Delassus & Descotes, 2012; Tuominen, 1999), and that marketers are responsible for building brand dimensionality. Marketers also contribute in building brands' beliefs and ideals, thus generating positive associations in consumers' minds and creating a positive attitude towards the brand.

2.1. Perceptual components of brand equity

Brand association - is an important ingredient of brand perception, and a perceptual component of brand equity (Aaker, 2009; Chen, 2001; Keller, 1993). There is a strong connection between awareness and association; some argue that the former precedes the latter (Dew & Kwon, 2010). Aaker (1991) and Keller (1993) agree that brand association refers to all the thoughts in consumers' minds related to a brand. Brand association also refers to the intangible characteristics of a product, for instance, its distinctiveness among a variety of brands, innovation, participation of the brand in the market, and prestige (Yasin et al., 2007). Brand associations arise from brand knowledge and brand image (Cheng-Hsui, 2001; Cobb-Walgren et al., 1995). Keller (1993) argues that brand knowledge is like a collection of pieces in the consumers' minds that activate and generate associations. Associations can be divided into three types: associations with emotional attributes, associations with functional attributes of a product, and attitudinal associations. So, establishing the brand association and brand relationship quality requires consideration of brand fondness, which represents feelings that can be associated with the act of liking.

Perceived quality - is an important element of brand perception. It refers to intangible perceptions, judgments, thoughts, and beliefs about the quality of a product (Ramaseshan & Tsao, 2007). According to Lassar, Mittal, and Sharma (1995), brand perception is

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