

AFFIRMATIVE STRATEGIC ASSOCIATION OF BRAND IMAGE, BRAND LOYALTY AND BRAND EQUITY: A CONCLUSIVE PERCEPTUAL CONFIRMATION OF THE TOP MANAGEMENT

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ABSTRACT

The paper is associated with the conclusive perceptual confirmation of the top management regarding the rational and congruous association between brand image, brand loyalty and brand equity. For establishing an affirmative and realistic conclusion of the research work 285 data has been unruffled from the applicable top management in the manufacturing segment in Bangladesh. Recognized simple random sampling method was used as an instrument for exploring the articulate result and the data analysis has employed confirmatory factor analysis and structural equation modeling method to conclude promising and considerable result. Both brand image and brand loyalty has made a positive alliance and integration with the brand equity according to the perceptual anticipation of the top management and comprehend that undoubtedly helps to consolidate and incessant market growth and market competitiveness.

Keywords: Brand Loyalty, Brand Image, Brand Equity, Confirmatory Factor Analysis, Structural Equation Modeling, Simple Random Sampling, Market Competitiveness, Market Growth.

INTRODUCTION

Economic emancipation and countries' advancement in large extent depends on the business entities. Firms always face the multifarious entanglement uncertainties and challenges to expand market share. These challenges may generate somehow from the external along with the internal environment. For mitigating the indecipherable and unimaginable challenges, the commensurate and rational business strategies need to determine and adopted by the respective top management for ensuring the sustainable competitiveness over their arch rivalries. Because of the transition of business and economic function, the top management has the propensity to amplify the managerial capabilities and explore its potential market across the border. Due to the ascendancy of the globalization and market-based economy, the top management has established a considerable and propellant consequence on their enterprise and the environment (Aldrich & Martinez, 2003). Market advancement and explore the existing and potential opportunities that are embedded with manifold challenges, proactive measures, and rational strategic action need to construct to enlarge its market growth. The success of an enterprise large extent depends on the appropriate way of branding because brands provide both quantitative and qualitative sources for

economic action. When the question of economic value both brand image (Juntunen et al., 2009) and brand loyalty (Mohd Yasin et al., 2007) has made a significant and apropos impact on brand equity. So the top managers have to make an actionable strategy for accelerating capacities, competences, resources acquisition and explore and exploit the market opportunities and also require strengthening and considerable approach for enterprising it's the pertinent brand image and brand loyalty because that assists to furnish the concept of brand equity (Tong & Hawley, 2009; Thakor, 1996).

LITERATURE REVIEW

The brand has been denoted the most promising and ineluctable ingredients and most considerable assets for a firm after the customers (Doyle, 2001). Brand assists to accelerate customer engagement. An affirmative experiences, senses, and observation along with the positive perception and understanding about a specific product surely augmenting and profuse the market superiority. The worth of brand equity has been a considerable issue when the brand has meaning to the individual and vice versa (Keller, 1993; Cobb-Walgren et al., 1995; Belen del Rio et al., 2001). Brand equity is associated with the brand assets, brand name awareness, brand loyalty, perceived brand quality and essentially brand associations (Pride & Ferrell, 2003; Aaker & Equity, 1991). Brand equity is a key marketing asset (Ambler 2003; Davis 2000; Kotler & Armstrong, 2010), which can engender a unique and welcoming relationship differentiating the bonds between the firm and its stakeholders (Hunt & Morgan, 1995) and nurturing long term buying behavior. Brand equity is incorporate with the major dimension: perceived quality, brand loyalty and brand image (Ipogah, 2008; Ansary & Hashim, 2018; Chang & Liu, 2009). This research work is mainly concern with the two inevitable elements of brand loyalty and brand images.

Brand Image and Brand Equity

Brand image has assists the consumer in identifying their pertinent needs and recognizing the appropriate mechanism where the satisfaction has been accomplishing through the brand (Hsieh et al., 2004). There is a positive association between brand equity and brand image (Faircloth et al., 2001; Batra & Homer, 2004; Ataman & Ülengin, 2003; Belen del Rio et al., 2001; Kwun & Oh, 2007; Kim et al., 2003). Manifold prudent market researcher has explored that brand image has a direct impact on brand equity (Faircloth et al., 2001). Long term restless success and sustainability can be optimized with the propitious brand images (Park et al., 1986) and differentiate between various competitors since the image of a brand plays an integral role in building long-term brand equity (Aaker, 1996; Keller et al., 2011).

H₁ Brand image has a positive effect on brand equity.

Brand Loyalty and Brand Equity

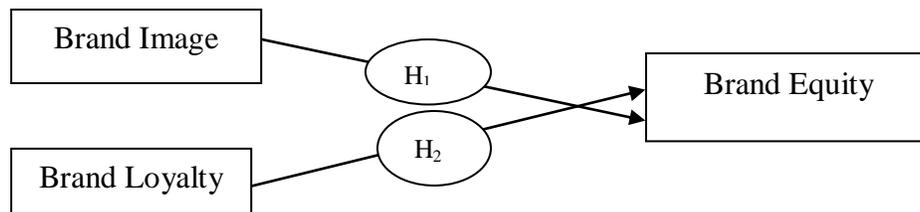
Considering the long term sustainable competitiveness in a specific industry brand loyalty has been enlisted as a considerable commensurate element on brand equity (Subramaniam et al., 2014). Brand loyalty is referring to a major component of brand equity (Rios & Riquelme 2008; Rauyruen et al., 2009). Brand loyalty has explored a predominant influential factor on brand equity and noted that it helps to proliferate the brand equity in a competitive market. In the case of loyalty the respective consumer is willing to pay at a given

price and containing tower switching cost to other brands, and accentuate on that ground the firms need to foster the competitiveness and strengthening its attributes that facilitate the brand loyalty and sharpening its brand equity (Mishra & Datta, 2011; Oliver Richard, 1997).

H₂ Brand loyalty has a positive effect on brand equity.

RESEARCH FRAMEWORK

This research is mainly incorporate with determining the affirmative relations among the variable like brand image, brand loyalty, and brand equity and this relevant work is mainly accentuated on the judgment of the top management (Figure 1). For accomplishing the tasks we accumulate the data from the top managers in the manufacturing firms. The research framework has mentioned in the following Figure 2. The target population of this study is the 285 to management in the different manufacturing sectors who explore the new opportunities and strengthening their market competitiveness in the global market with the conception of true branding. For exploring the result, the Random sampling method has used in the sample selection method. The study is mainly comprised of the primary data that was collected by using a questionnaire. The questionnaire has used both open and closed-ended questions. For the closed-ended questions, the study has adopted a five-point Likert scale where the target respondents indicate the extent of their agreement/disagreement with each statement.



Source: Authors' Compilation.

**FIGURE 1
THE AFFIRMATIVE RELATIONS AMONG THE VARIABLES**

RESULTS AND DISCUSSION

From Table 1 it has exposed that the mean value of brand loyalty is 19.491 and this is the highest mean score with a standard deviation 2.389, whereas the brand image is the second highest mean value and value is 17.282 with a standard deviation 2.168. On the other hand brand equity is the third-highest mean value with a score of 17.688 and the standard deviation is 2.117.

| Table 1 DESCRIPTIVE ANALYSIS | | |
|---|-------------------|---------------------------|
| Factor | Mean Value | Standard Deviation |
| Brand loyalty | 19.491 | 2.389 |
| Brand Image | 17.282 | 2.168 |
| Brand Equity | 17.688 | 2.117 |

Source: Estimated.

From Table 2 it has observed that brand image; brand loyalty and brand equity has a positive correlation.

| | Brand Image | Brand Loyalty | Brand Equity |
|----------------------|--------------------|----------------------|---------------------|
| Brand Image | 1 | | |
| Brand Loyalty | 0.217** | 1 | |
| Brand Equity | 0.262** | 0.331** | 1 |

Source: Estimated.

Confirmatory Factor Analysis

From the analysis it has showed χ^2 (df = 119) = 4.102, (p<0.000) good fit index (GFI) = 0.952; comparative fit index (CFI) = 0.936, incremental fit index (IFI) = 0.931, Tucker Lewis index (TLI) = 0.942, normed fit index (NFI) = 0.948; and a root mean square error of approximately (RMSEA) = 0.074. The values of such as GFI, CFI, IFI, TLI and NFI has achieved the value from zero to one, a good fit data is close to one and the value has reached higher than 0.90 is acceptable. RMSEA reached a close fit value with the value between .04 and .08 and the SRMR value is (Standardized RMR) =0.0721 which is acceptable.

From Table 3, we have observed that construct reliability (CR) higher than 0.75 and reaching from 0.768 to 0.791. The value of the average variance extracted (AVE) extends 0.50 and reaching from 0.829 to 0.857. The value of JoresKog's Rho extends 0.80 and reaching from 0.827 to 0.844 and from the Cronbach, it has observed that value range 0.801 to 0.845 which is acceptable.

| Variable | Indicator | Standard Factor Loading | Error Variance | SMR | CR | AVE | α Cronbach | JoresKog's Rho |
|-----------------|------------------|--------------------------------|-----------------------|------------|-----------|------------|-------------------------------------|-----------------------|
| Brand Image | BI1 | 0.884 | 0.412 | 0.715 | 0.773 | 0.857 | 0.801 | 0.832 |
| | BI2 | 0.891 | 0.440 | 0.697 | | | | |
| | BI3 | 0.887 | 0.437 | 0.729 | | | | |
| | BI4 | 0.856 | 0.458 | 0.722 | | | | |
| | BI5 | 0.844 | 0.415 | 0.737 | | | | |
| | BI6 | 0.853 | 0.429 | 0.718 | | | | |
| Brand Loyalty | BL1 | 0.895 | 0.433 | 0.697 | 0.791 | 0.838 | 0.816 | 0.844 |
| | BL2 | 0.887 | 0.418 | 0.704 | | | | |
| | BL3 | 0.853 | 0.411 | 0.711 | | | | |
| | BL4 | 0.855 | 0.428 | 0.724 | | | | |
| | BL5 | 0.862 | 0.429 | 0.737 | | | | |
| Brand Equity | BE1 | 0.859 | 0.422 | 0.715 | 0.768 | 0.829 | 0.845 | 0.827 |
| | BE2 | 0.866 | 0.438 | 0.704 | | | | |
| | BE3 | 0.854 | 0.428 | 0.711 | | | | |
| | BE4 | 0.870 | 0.417 | 0.723 | | | | |
| | BE5 | 0.863 | 0.427 | 0.703 | | | | |
| | BE6 | 0.884 | 0.429 | 0.712 | | | | |

Source: Estimated.

Structural Model Analysis

From the analysis it has observed that the model fit with Chi- Square = 409.225, Chi-square/ (df =113) = 3.886, ($p <.001$), RMSEA (Root Mean Square Error of Approximation) = 0.072; GFI=0.944; NFI (Normed fit index) = 0.956; IFI (Incremental fit index) =0.952; TLI = 0.948; CFI (Comparative Fit Index) =0.956. The values of CFI, IFI, TLI, and NFI were close to 1.00 and greater than 0.90, fulfilling the criteria of model fit. Moreover, RMSEA reached a close fit value with the value between .04 and .08 and the SRMR value is (Standardized RMR) =0.0729 which is acceptable. The result of construct and item reliability, standard factor loading, error variance, SMR, CR, Cronbach, AVE and Joreskog’s Rho the value that has gathered has fulfilled the criteria. The construct reliability (CR) is higher than 0.75 reaching from 0.768 to 0.794. The value of the average variance extracted (AVE) extends 0.50 and reaching from 0.821 to 0.866. The value of JoresKog’s Rho extends 0.80 and reaching from 0.815 to 0.859 and from the Cronbach, it has observed that value range 0.810 to 0.842 which is also acceptable.

The result (Table 4) has shown that the relationship between brand image and brand equity has accepted. The effect is significant and positive (estimate=0.792, t-value=3.883, $p=0.000$). Therefore, H1 has accepted. The relationship between brand loyalty and brand equity has accepted. The effect is also explore significant and positive (estimate=0.803, t-value=3.729, $p=0.000$). Therefore, H2 has accepted.

| Table 4 | | | | |
|---------------------------|-----------------|------------|-----------|---------------|
| HYPOTHESIS TESTING | | | | |
| Hypothesis | Estimate | C.R | Pv | Result |
| H1 | 0.792 | 3.883 | 0.000 | Accepted |
| H2 | 0.803 | 3.729 | 0.000 | Accepted |

Source: Estimated.

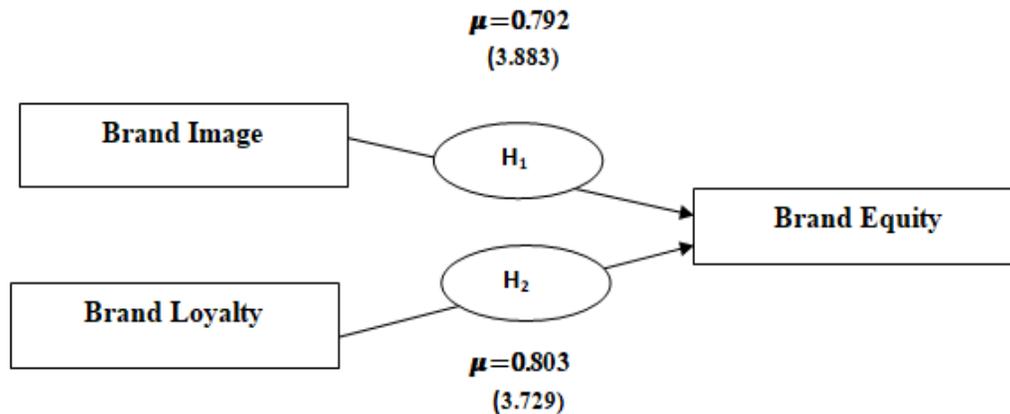


FIGURE 2
AFFIRMATIVE ASSOCIATION BETWEEN BRAND IMAGE, BRAND LOYALTY AND BRAND EQUITY

CONCLUSIONS

It has evidence that there is an affirmative association between brand image, brand loyalty and brand equity. For ensuring the unremitting market growth and sustainable competitiveness the top managers have the conviction that they have to make an actionable strategy and distinctive transformation in formulating their marketing process, especially in branding relevant kinds of stuff. Considering brand loyalty that has incorporated with essential benefits, it obviously helps for augmenting the market share and exploits new customers, supporting brand prolongation, alleviating marketing costs, and increasing the absorbing capacity and decelerates the manifold threats from their competitors (Alhaddad, 2014) and also the brand image that facilitate with pertinent attributes of the brand and views as consumer mental picture of a brand in the mind of consumer that is linked to an offering (Cretu & Brodie, 2007; Padgett & Allen, 1997). Both Brand loyalty and brand image makes a significant impact on the brand equity and the policymaker needs to consider to strengthen the long term affinity with the customer by offering the distinctive quality product and helps to consolidate the brand loyalty and establishing confirmatory brand image for ensuring the future financial remuneration and sustainable competitiveness from their existing rivals.

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