Journal of Promotion Management

Publication details, including instructions for authors and
subscription information:
http://www.tandfonline.com/loi/wjpm20

Role of Advertising and Promotion in Brand Equity Creation

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Published online: 27 Feb 2015.

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Role of Advertising and Promotion in Brand Equity Creation

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This article surveys the effects of the individual's attitude toward advertising and nonmonetary promotions besides other subjects, namely advertising cost and monetary promotions on brand equity. It has been surveyed on 392 consumers in Iran. Its results prove the effective role of the individual's attitude toward advertising in promoting the brand equity. The deficiency of advertising in affecting the perceived quality and brand association, and the inefficacy of nonmonetary promotions on brand equity are the fascinating ramifications. In addition, the findings show that businesses can improve the process of the brand equity management by contemplating the relations between the dimensions of the brand equity.

KEYWORDS advertising, sales promotion, brand equity

INTRODUCTION

According to Keller and Lehmann (2006), every scientist and researcher is aware of the importance of brand equity as a significant concept these days. As stated by Reynolds and Phillips (2005), dimensions of brand equity play a positive role in a customer's perception and cause the customer to go through the shopping process again. As Keller (2007) states, in order to enhance such a positive effect and in order to manage brands properly, the corporations need to employ the strategies which are designed to reinforce

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and enhance the brand equity. Recognizing the key factors in brand equity and conducting research and surveys on them has always been considered as one of the main priorities of researchers and marketing managers (Kim & Hyun, 2011; Valette-Florence, Guizani, & Merunka, 2011).

Previous research shows the importance of marketing mix elements as fundamental variables in creating brand equity (Yoo, Donthu, & Lee, 2000) One of the main challenges of marketers is determining the most appropriate marketing budget in order to achieve a dominant influence over the target market (Soberman, 2009) and brand (Ataman, van Heerde, & Mela, 2010). Despite the fact that considerable investigations have revealed the effectiveness of marketing mix elements in brand equity, Keller and Lehmann (2006) state that these investigations have not revealed all the dimensions of brand equity, specifically and extensively. Limited research and investigations have revealed the effectiveness and influence of marketing mix elements in consumer-based brand equity. Yoo et al. conducted a limited study that explored the influence of marketing mix elements on consumer-based brand equity. While their research demonstrates new procedures for influencing brand equity through marketing activities, they insist on conducting additional research and surveys on the impact of marketing mix elements.

Two marketing mix elements, which were of particular interest to this study, are advertising and sales promotion. By comparing different marketing activities, we concluded that advertising spend and sales promotion are higher than other activities, and that they comprise 1.5% of the gross domestic product (West & Prendergast, 2009). Despite their importance, the share of advertising and sales promotion is still not clear in brand equity, and researchers insist on conducting additional research in this field (Chu and Keh, 2006; Netemeyer et al., 2004). On one hand, most of the research conducted in the field of brand equity have considered the impact of advertising spend and price promotion (Bravo, Fraj, & Martínez, 2007; Valette-Florence et al., 2011; Yoo et al., 2000). On the other hand, according to some researchers, other advertising specifications such as the individuals' attitude toward the advertisement play an important role in enhancing the brand equity as well (Bravo et al.; Keller & Lehmann, 2003, 2006).

The recent literature regarding sales promotion (Chandon, Wansink, & Laurent, 2000) insists on the distinction between the monetary and nonmonetary promotion, whereas, surprisingly, we perceived a limited number of scientific research on the impacts of nonmonetary promotion on brand equity. While various researchers have surveyed the significance of every single dimension of the brand equity and the impact of each dimension on brand equity (Keller & Lehmann, 2003; Kim & Hyun, 2011; Yoo & Donthu, 2001), a few studies have surveyed the relations between the brand equity dimensions.

As a result, the model, which has been presented in this research, can be considered as an innovative aspect of this survey. It is due to the fact that in

addition to considering the advertising spend and the monetary promotion, nonmonetary promotion, and their effects on the brand equity have been considered as well. Another notable point in this model is surveying the reciprocity between the different dimensions of brand equity.

LITERATURE REVIEW

Brand Equity

Brand equity is a core subject in marketing. Despite the fact that it has attracted a lot of attention, no mutual agreement has been reached (Keller & Lehmann, 2003; Kim & Hyun, 2011). One of the reasons is that there are different opinions and explanations regarding the measurement of this concept (Christodoulides & de Chernatony, 2010). This concept can be discussed and surveyed from the viewpoint of a producer, retailer, or customer. While the producers and retailers lean toward strategic functions of brand equity, the investors are interested in the financial aspect of it (Cobb-Walgren, Ruble, & Donthu, 1995).

The financial view proponents define brand equity as the total value of the brand that is a discrete asset when it is sold or is added to the balance sheet (Feldwick, 1996). However, consumer-based brand equity's definitions are closer to consumer's viewpoints, whether the consumer is a person or an organization. They claim that a brand has value when it is considered valuable in its consumer's view (Leone et al., 2006). For this reason and with the psychological approach, brand equity denotes the added value endowed by the brand to the product (Farquhar, 1989). One of the most common and general definitions of brand equity is: "A set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" (Aaker, 1991). Keller (1993) has provided a similar definition: "The differential effect of brand knowledge on consumer response to the marketing of the brand." In fact, from his point of view, brand equity depends on brand knowledge and its comparison with a similar unknown product.

It is clear that most surveys have been conducted around these two viewpoints. It is worth mentioning that these two viewpoints have been combined in a comprehensive model. According to Aaker (1991), brand equity includes five dimensions: 1) brand awareness; 2) brand perceived quality; 3) brand association; 4) brand loyalty; and 5) other assets such as patent and franchise. He sees these five dimensions as the base to measure the brand equity. Keller (1993) insists on two main elements in brand equity: 1) consumer's knowledge; and 2) consumer's reaction. Consumer's knowledge is defined as the knowledge toward the brand and the brand image while the consumer's reaction is defined as customer's perception,

brand's excellence, and consumer's behavior toward brand marketing mix activities. Keller has subsequently categorized various brand associations.

Marketing Mix Elements

Marketing mix means a set of controllable marketing variables which the enterprise combines in the target market to create its needed reaction. This combination includes any course of action that lets the enterprise influence the demand for its product (Kotler & Armstrong, 1997). It includes product, price, distribution intensity, sales promotion, and shop's image (Yoo & Donthu, 2001).

Marketing mix elements are influential in the consumer's perception toward brand equity. These elements are significant not only because of their influence on brand equity, but also because of being under the enterprise's control, and they let the marketers improve the brand equity via marketing activities (Herrmann, Huber, Shao, & Bao, 2007; Keller, 1993; Kim & Hyun, 2011). For instance, price is a sign of quality; therefore, the brands that offer products with higher prices are considered to be better brands than the ones that provide cheaper products (Gil, Andre's, & Salinas, 2007). In addition, price reward is a criterion that shows the brand's ability to offer higher prices than the ones without a known brand (Aaker, 1991). Managers' attitude toward the distribution system is of a great importance because when the distributers are chosen, their mental image causes them to influence the brand image, which ultimately influences the brand equity (Kim & Hyun).

In the dynamic field of marketing, several studies have surveyed the short-term and long-term effects of marketing activities and proceedings, such as advertisements and promotion, with the help of different approaches (Ataman et al., 2010; Buil, Chernatony, & Martínez 2011; Kim & Hyun, 2011). Yoo et al. (2000) showed that advertising spend, price, distribution via retailers, and shop's image have had a direct and positive effect on brand equity, and can help this concept to form and develop tremendously. On the contrary, continual monetary promotion can impair brand equity. In addition, Vilargo and Sanchez (2005) have surveyed the effects of advertising spend and monetary promotion in their studies, whereas Bravo et al. (2007) have added the price effect to their survey as well.

This study surveys the role of advertising and sales promotion, which are two central marketing elements. These two marketing elements comprise 25% of Britain's marketing budget (Chartered Institute of Marketing, 2009), whereas their significance and influence in brand equity is not clear yet (Netemeyer et al., 2004; Chu & Keh, 2006). This research answers this question by surveying their effect on consumer-based brand equity.

The following sections are summarized surveys of each aforementioned category.

RESEARCH HYPOTHESES

Advertising

Advertising is any kind of introduction and promotion of ideas, products, or services that an advertising agency, a person, or an institution does that requires cost payment (Kotler & Armstrong, 1997). Advertising is one of the most obvious and noticeable activities of marketing. Overall, the researchers believe that advertising can have an effective role in creating brand equity, when it maintains continuity and shows general specifications of the product (Wang, Zhang, & Ouyang, 2009). In any case, the effect of advertising depends on investment and the method of communication (Martínez, Montaner, & Pina, 2009).

Advertising spend can affect brand equity in several ways. The customer judges the quality of the products from their internal and external marks and symbols (Rao & Monroe, 1989). The perception of advertising spend is one of the external factors to perceive the quality of the product (Kirmani & Rao, 2000). By means of conducted surveys, several studies have proven the positive correlation between customer's perception of advertising cost and perceived quality (Kirmani, 1997; Moorthy & Hawkins, 2005; Yoo et al., 2000). These results are also obvious when working in shopping centers (Moorthy & Zhao, 2000). Therefore, customers consider the brands with more advertising to have products with higher quality (Yoo et al.; Bravo et al., 2007).

Likewise, more advertising investment can play an effective role in brand recognition. More adverting investment causes the scope to broaden and the advertising to continue and raises more awareness regarding the brand (Chu & Keh, 2006; Keller, 2007). At the end, advertising can create strong, unique, and desirable brand associations (Cobb-Walgren et al., 1995; Keller, 2007). Similar to brand awareness, brand association is also created through the customers' relationship with brand. Advertising can affect the creation, alteration, and reinforcement of brand association by developing a relation with the consumer. Therefore, higher advertising spend results in more associations and stronger ones for brand in the consumers' mind (Bravo et al., 2007). All of these discussions lead to this hypothesis:

> *H1*: Consumers' perception of a brand's advertising spend have a positive influence on: a) perceived quality, b) brand awareness, and c) brand association.

What causes a consumer to buy a product with a certain brand is his/her viewpoint on that product. This viewpoint is considered as the consumers' general assessment of a brand, and it often establishes a base for their behavior (Keller, 1993). The researchers believe that people's viewpoint of advertising plays a significant role in affecting brand equity (Cobb-Walgren et al.,

1995; Keller & Lehmann, 2003, 2006; Bravo et al., 2007). Nevertheless, this subject has not been taken into consideration as much as it was supposed to be considered in brand equity research.

The effectiveness of this means of communication is determined by considering its concept, the execution style, the message transmission medium, and the number of times when the message is exhibited to the customer (Kotler, 2000). As previously mentioned, advertising leads to brand awareness; creates strong, desirable,and unique links of brand association in the consumers' mind; and causes a positive felling and a positive grasp of brand in the consumers' mind (Keller, 2007).

In order to reach these conclusions, advertising needs an appropriate plan and execution. One of the main worries over devising advertising strategies relates to developing creative strategies in this field. Organizations can draw costumers' attention more to themselves through original, creative, and innovative strategies. In fact, customers' attention to advertising can result in more brand awareness and their perception of product quality. It can also help strong, desirable, and unique associations to be created (Aaker 1991; Villarejo, 2002).

The following hypothesis is the combination of the aforementioned matters:

> *H2*: People's viewpoint of brand advertising has a positive influence on:
> a) perceived quality, b) brand awareness, and c) brand association.

Sales Promotion

Sales promotion is one of the key factors of marketing in communicating plans in order to influence brand equity (Valette-Florence et al., 2011). Sales promotion can be based on price, monetary, and nonmonetary promotion (Kotler, 2000). It can have different impacts on sales, profitability, and brand equity (Kim & Hyun, 2011). In price promotion, more privilege is offered to the customers with a drop in prices or increase in the quantity of products, and it is offered to a specific area or a particular group of customers for a period. The most important privilege for this promotion is that it can affect the customers' shopping process while shopping (Kotler, 2000). In addition, it can affect sales for a short time period, which is due to the fact that sales promotions are the most appealing for passing and disloyal customers (Dawes, 2004).

Sales promotion, especially monetary promotion such as discounts, coupons, and refunds, notwithstanding their short-term profit, cause the brand equity to be analyzed during time. Sales promotion may not be a desirable method for creating brand equity because it can easily be copied (Aaker, 1991). It improves the function of the enterprise only for a short

time by huge sales (Gupta, 1988). In the long term, sales advancement may conjure up a low quality mental image. In addition, constant monetary promotion may jeopardize brands in the long term. They cause the customers to be bewildered and to have an unstable qualitative mental image because of unexpected differences between the customers' desired prices and observed prices (Kim & Hyun, 2011). Martins and colleagues (2007) and Montaner and Pina (2008) have come to a conclusion in their research that monetary promotion has a negative effect on brand image.

By surveying the effects of monetary promotion on brand equity, it is highly possible that they will have a negative effect on perceived quality and brand equity. The consumers employ the price as an external factor to evaluate the quality of the product (Kim & Hyun, 2011; Rao & Monroe, 1989). In this way, the monetary promotion, which meets the customers' expectations, can lead to the wrong evaluation of the quality of the product (Kim & Hyun; DelVecchio, Henard, & Freling, 2006).

To summarize, the constant use of monetary promotion has a negative effect on perceived quality and brand equity. It is because the price is solely the base for competition, it neutralizes any kind of differentiation and has a negative effect on brand equity. As a result, the third hypothesis was formed:

H3: Consumers' perception of monetary promotion has a negative effect on: a) perceived quality, and b) brand equity.

Nonmonetary promotion such as premiums, free samples, draws, and contests are increasingly becoming an important promotion strategy (Palazón-Vidal and Delgado-Ballester, 2009). Surprisingly, there has been minimal scientific research regarding the effects of nonmonetary promotion. Recent studies show that nonmonetary promotion can help reinforce brand equity (Montaner & Pina, 2008).

Despite the monetary promotion, these promotions do not affect the costumers' expected prices (Campbell & Diamond, 1990). Therefore, it is less probable that they negatively affect the perceived quality. While the monetary promotions are advantageous for the buyers, nonmonetary promotions are for the welfare and joy of the consumers (Chandon et al., 2000). As a result, the nonmonetary promotion can lead to more associations regarding the character of the brand and joyful experiences, as well as arousing positive feelings regarding the product; these factors lead to brand association. Consequently, the nonmonetary promotion can reinforce the brand equity and can have a positive effect on perceived quality and brand association. According to the aforementioned subjects, the fourth theory was formed:

H4: Customers' perception of the nonmonetary promotion has a positive effect on: a) perceived quality, and b) brand association.

Relation Between the Dimensions of Brand Equity

Customer-based brand equity is a multidimensional structure that includes a theoretical aspect: brand association, brand awareness, and perceived quality; as well as a behavioral aspect: being loyal to the brand. David Aaker (1991) presents the effective factors in determining the brand equity in a model by combining the theoretical and behavioral aspects. According to the theory of reasoned action, we can consider this model as a hierarchy of standard learning (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). This theory is proposed by Fishbein and Ajzen (1975) in the book *Belief, Attitudes, Intentions and Behavior: An Introduction to Theory and Research*. It is based on the hypothesis that people act logically. They collect all the accessible information regarding the target behavior and evaluate it in a regular manner. In addition, they regard the effect and consequence of the acts and then decide to perform an action, or not, based on their rationale (Buil et al., 2011). This theory shows that people's attitudes and mental norms affect their shopping intentions, which itself affects the customers' shopping behaviors. In making a decision to buy a product as a problem solving process, this model shows that the customers' beliefs about a product are formed by following the information about the specifications of that product. Customers evaluate their beliefs regarding a product and show their feeling regarding the product by shopping or denying that brand (Solomon, Bamossy, Askegaard, & Hogg, 2006).

The process of creating the brand equity starts with an increase in customers' awareness of the brand. Consumers possess a set of associations toward the brand by the brand awareness (Aaker, 1991). Brand awareness affects the creation and reinforcement of brand association, and the perceived quality as well (Keller 1993; Keller & Lehmann 2003). Therefore, brand awareness has considerable importance as a background for brand association, and the costumers' perception of the quality of the product (Keller & Lehman, 2003).

When the consumers gain positive perception of the brand, the brand awareness, and the perceived quality, as previously mentioned, it causes the customers to be loyal to the brand. Consequently, a high level of perception of the perceived quality and positive associations can cause the loyalty of customers to increase (Keller, 1993; Keller & Lehmann, 2003; Kim & Hyun, 2011; Pappu, Quester, & Cooksey, 2005). The following hypotheses are the summary of the aforementioned rationales:

H5: Brand awareness has a positive effect on perceived quality.

H6: Brand awareness has a positive effect on brand association.

H7: Perceived quality has a positive effect on brand loyalty.

H8: Brand association has a positive effect on brand loyalty.
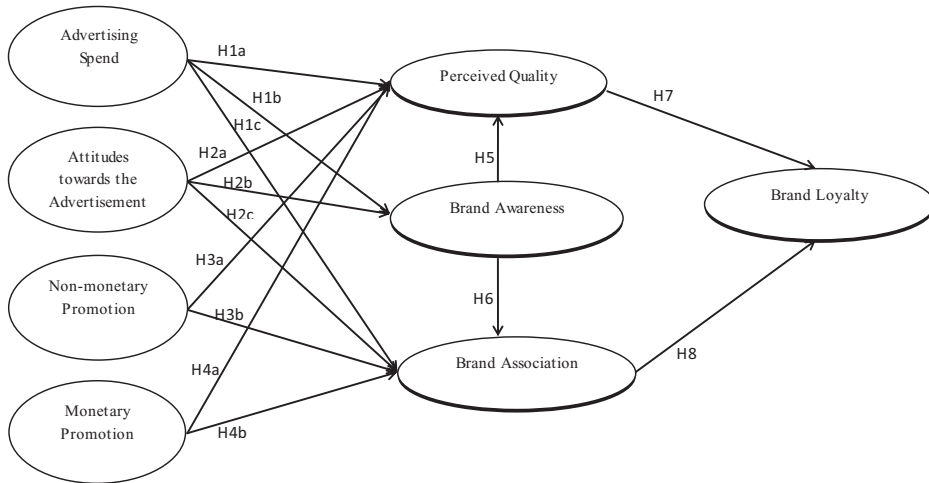
FIGURE 1 Conceptual model.

RESEARCH CONCEPTUAL MODEL

According to the research literature and the mentioned relation between the variables, we can draw the conceptual model of the research as shown in Figure 1. This research shows how the advertising spend and the individuals' attitude toward advertising spend influence the brand equity. In addition, this research surveys two different kinds of monetary and nonmonetary promotion.

RESEARCH METHODOLOGY

According to the previously conducted surveys in this field, the products and brands chosen were widely available for the customers and which the customers fully recognized (Netemeyer et al., 2004). This enables the consumers to provide more valid and reliable responses and assure the reliability of the scales (Parameswaran & Yaprak, 1987). The population for this research is the consumers of LG and Samsung products. In order to choose a sample from this population, the cluster sampling method was used. Eight LG representatives and six Samsung representatives, and four branches from each were chosen. Four hundred and thirty-eight questionnaires were handed out among the customers out of which three hundred and ninety-two were fit for use. The selected brands are popular brands among Iranians which is a significant factor to understand the brand equity (Krishnan, 1996).

The data were gathered on different days and during different times of the day in order to have more validity. The specifications of the sample represent the population: 41.1% of the repliers were between the ages of 18

to 29, 35.7% were between the ages of 30 to 39, 16.6% were between the ages of 40 to 49, and 6.6% are over 50.

The aim of the research is to determine the causal relations among the advertising, promotion, and brand equity dimensions. Therefore, the objective of the research is functional; its information is descriptive and of a causal correlation type. The research is clearly based on a structural equation model. A questionnaire was used to collect data that were collected on the basis of research literature. The respondents assessed all items on 5-point Likert-type scales ranging from 1 (strongly disagree) to 5 (strongly agree).

Given that consumers have minimal knowledge of actual marketing efforts, measures of marketing communications rely on perceived marketing efforts (Yoo et al., 2000). These measures also link more directly with consumer psychology (Yoo et al.; Valette-Florence et al., 2011). This study measures perceived advertising spend by adopting the scale proposed by Yoo et al. To measure individuals' attitudes toward the advertisements, this research proposes a three-item scale. The brand equity literature recognizes that the degree to which consumers perceive advertising as creative, original and different from other competing brands are important success factors for advertising (Kapferer, 2004; Keller, 2007). Interviews with experts also supported this view. Previous scales, however, did not include these three characteristics (e.g., Henthorne, LaTour, & Nataraaja, 1993). Therefore, the three-item scale used to measure individuals' attitudes toward the advertisements takes into account insights from the brand equity literature and experts' opinion. To measure the perceived monetary and nonmonetary promotion intensities the study employs and adapts the three-item scale of Yoo et al. Specifically, price discounts and gifts were used as they are increasingly important in promotional strategies (Palazón & Delgado-Ballester, 2009; Buil et al., 2011).

The measurement of brand equity is consistent with the multidimensional conceptualization proposed within the consumer-based perspective. Drawing from the literature (Netemeyer et al., 2004; Pappu et al., 2005; Yoo et al., 2000), this research uses five items to measure brand awareness, four items to assess perceived quality, eight items to gauge brand associations, and three items to measure brand loyalty.

RESULTS

Validity and Reliability

Cronbach's Alpha was used in order to assess the reliability of the research. Its results are shown in Table 1. The numbers prove the reliability of this research.

In order to assess the validity of the questions the factorial validity has been used. Factorial validity is a form of construct validity gained through

TABLE 1 Reliability Coefficient of the Research Variables

Variable	Number of questions	Reliability coefficient
Advertising spend	3	0.787
Attitudes towards the advertisement	3	0.792
Non-monetary Promotion	3	0.812
Monetary Promotion	3	0.847
Perceived Quality	4	0.872
Brand Awareness	5	0.773
Brand Association	8	0.861
Brand Loyalty	3	0.886
Total of the Questionnaire	32	0.931

factorial analysis. In fact, it is necessary to use factorial analysis in the fields in which questionnaires and tests are used, and in which the variables are the latent ones (Bentler & Bonett, 1980).

Before entering the process of hypotheses testing and conceptual models of the research, it is important to make sure whether the modules of the exogenous and endogenous variables are valid or not. Therefore, the modules for these two variables, which have been performed by confirmatory factor analysis, will be shown in sequence. In confirmatory factor analysis, we try to find out whether the questions of this variable have the required capability and competence to evaluate this construct or not? The results of factor analysis are shown in Table 2.

The results for the conformity factor analysis of the endogenous variables showed that the module of the endogenous variables is suitable, and all the numbers and parameters of the model are meaningful. If the significant figure is bigger than 1.96 or smaller than –1.96, it makes the question approvable. The question will be rejected, if the significant figure is between 1.96 and –1.96. As it is observable in Table 2, the eighth question has the most validity among the exogenous variables. It is because of the fact that its standard coefficient equals 0.84. On the other hand, the nineteenth question has the most validity among the endogenous variables.

Findings

According to the gathered information: 67% of the answerers are men and 33% are women; 87% of the participants have associate's degree, and 46% of the participants are postgraduates; and 70% of the participants earn more than $86 monthly (45% of these people earn more than $172 each month).

We used the path analysis in order to survey the research hypotheses. Our standard and scale for approving or refuting the research hypotheses are the *t*-value (significant figures). If a significant figure is related to a hypothesis bigger than 1.96 or smaller than –1.96, that hypothesis will be approved; and,

TABLE 2 Results of Conformity Factor Analysis

Variables	Constructs	Scale items	Standard coefficients	Significance values
Exogenous Variables	Advertising spend	ADS_1	0.80	16.59
		ADS_2	0.69	14.02
		ADS_3	0.73	14.93
	Attitudes towards the advertisement	ATA_1	0.73	14.99
		ATA_2	0.80	16.88
		ATA_3	0.72	14.73
	Monetary Promotion	MPR_1	0.77	16.94
		MPR_2	0.84	18.99
		MPR_3	0.81	18.06
	Non-monetary Promotion	$NMPR_1$	0.82	17.58
		$NMPR_2$	0.72	15.07
		$NMPR_3$	0.77	16.32
Endogenous Variables	Brand Awareness	AWA_1	0.48	9.31
		AWA_2	0.70	14.68
		AWA_3	0.76	16.23
		AWA_4	0.58	11.48
		AWA_5	0.60	12.19
	Perceived Quality	PQ_1	0.80	18.59
		PQ_2	0.77	17.53
		PQ_3	0.82	19.22
		PQ_4	0.78	17.60
	Brand Association	ASS_1	0.44	8.78
		ASS_2	0.64	13.63
		ASS_3	0.67	14.58
		ASS_4	0.64	13.74
		ASS_5	0.69	15.17
		ASS_6	0.79	18.18
		ASS_7	0.77	14.47
		ASS_8	0.64	13.65
	Brand Loyalty	LOY_1	0.84	20.00
		LOY_2	0.87	21.03
		LOY_3	0.84	19.72

the hypothesis will be rejected, if the significant figure is between 1.96 and −1.96 (Lavee, 1988).

Figure 2 and Figure 3 show the structural equation model relating the research hypotheses in the formats of standard solution, and *t*-value (significant figures).

As it is observed in the aforementioned figures, fourteen hypotheses were constructed of which six hypotheses were approved because the *t*-value (significant figures) relating these hypotheses were more than 1.96. Table 3 shows the research hypotheses results in brief.

Fit Index of the Model

Fit means the degree in which a model is compatible with the relevant data. Weak fit indexes in a model prove that there is no compatibility between the

Chi -Square=955 . 86, df=444, P-value=0 . 00000, RMSEA=0 . 054
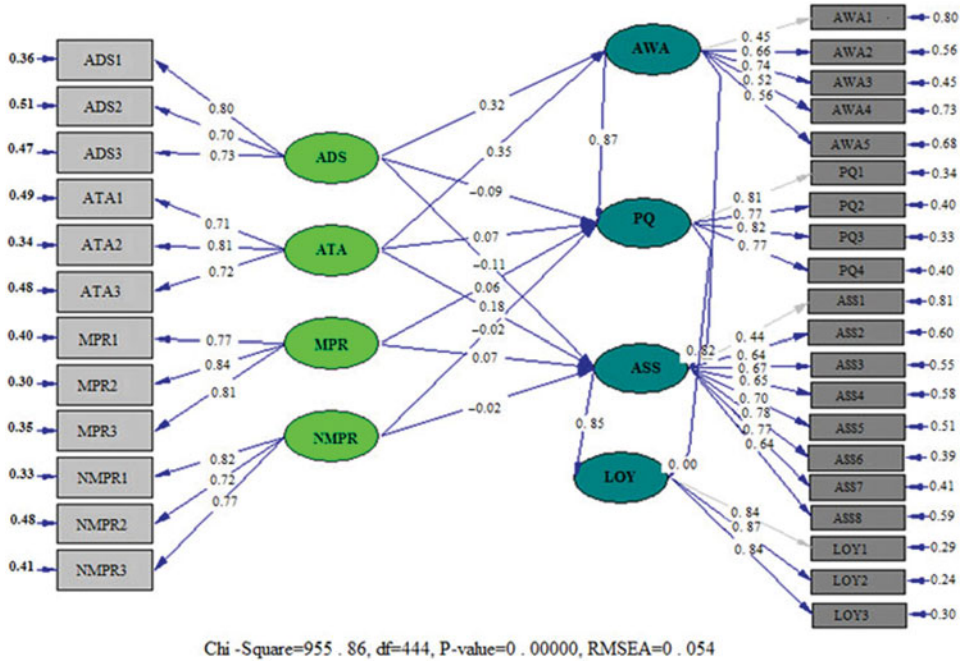
FIGURE 2 Path analysis relating to the research hypotheses in the standard solution format.

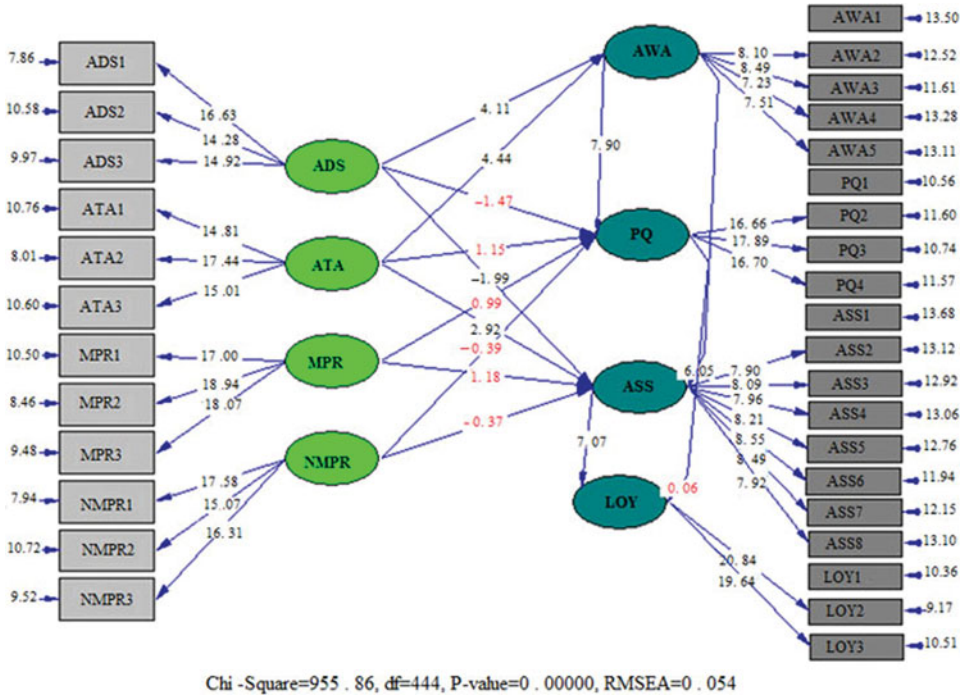Chi -Square=955 . 86, df=444, P-value=0 . 00000, RMSEA=0 . 054

FIGURE 3 Path analysis relating to the research hypotheses in *t*-value (significant figures) format.

TABLE 3 Summary of the Research Hypotheses Results

Relation		Standard Coefficient	T-value (significant figures)	Result
Advertising Spend	Perceived Quality	−0.09	−1.47	Rejected
	Brand Awareness	0.32	4.11	Approved
	Brand Association	−0.11	−1.99	Rejected
Attitudes Toward The Advertisement	Perceived Quality	0.07	1.15	Rejected
	Brand Awareness	0.35	4.44	Approved
	Brand Association	0.18	2.92	Approved
Non-Monetary Promotion	Perceived Quality	0.06	−0.39	Rejected
	Brand Association	0.07	−0.37	Rejected
Monetary Promotion	Perceived Quality	−0.02	0.99	Rejected
	Brand Association	−0.02	1.18	Rejected
Brand Awareness	Perceived Quality	0.87	7.90	Approved
	Brand Association	0.82	6.15	Approved
Perceived Quality	Brand Loyalty	0.00	0.06	Rejected
Brand Association	Brand Loyalty	0.85	7.07	Approved

model and the data; that is, the data do not support the model. It is worth mentioning that the fitness of the model must be assessed through other criteria and methods in order to be able to study it in various dimensions (Bentler & Bonett, 1980). In order to determine the goodness of fit index of the conceptual model, eight common indexes were used along with an acceptable amount of each suggested index in the previous researches (Hair, Anderson, Tatham, & Black, 1998). We can conclude from Table 4 that the conceptual model of the present research has a suitable proportion with the gathered data.

TABLE 4 Indexes of the Fit of the Model

Index of the fit	The statistic of the main hypotheses model	Favorable criteria
X2/df	2.150	<5
RMSEA	0.054	<0.06 (Joreskong & Sorbom, 1996)
RMR	0.057	<0.08 (Bentler, 1990)
NFI	0.950	>0.90 (Fornel & Larcker, 1981)
NNFI	0.970	>0.90 (Bagozzi & Yi, 1988)
CFI	0.980	>0.90 (Joreskong & Sorbom, 1996)
GFI	0.870	>0.90 (Bagozzi & Yi, 1988)
AGF	0.850	>0.80 (Etezadi-Amoli & Farhoomand, 1996)

DISCUSSION, CONCLUSION, AND SUGGESTIONS

According to the effect of the customers' perception of the advertising spend on perceived quality, brand awareness, and brand association, the results only supports the effect of the advertising spend on brand awareness. Therefore, the more advertising spend, the more customers' awareness of the brand (Vilargo & Sanchez, 2005; Buil et al., 2011). One of the considerable findings of this research is that the advertising spend does not support the perceived quality and brand association that is incompatible with the findings of Yoo et al. (2000) and Kim and Hyun (2011).

It seems that the individual's attitude toward advertisement plays a significant role in the dimensions of the brand equity. While the results show that the individual's attitude toward advertisement has a positive effect on brand awareness and brand association, surprisingly it does not have any effects on the perceived quality by the customers. The latter can be one of the considerable results of this research.

These findings refute the negative effects of the monetary promotion (such as discounts) on perceived quality. It disagrees with the previous findings of this field to some extent (Aaker, 1991; Yoo et al., 2000). The findings show a lack of meaningful relationship between the monetary promotion and brand association, as well, which complies with research performed by Aaker (1991), Ramos & Franco (2005) and Yoo et al. who have emphasized the lack of relationship between these two categories. One important point regarding this research is the lack of positive and meaningful relationship between the nonmonetary promotion and perceived quality, and in addition the customers' association of the brand. High prices and lack of adequate promotions in comparison with the price of the product, and sporadic promotions as well, can be considered as influencing factors in this result.

The results show that there is a positive and meaningful relation between the brand awareness and perceived quality, and the brand awareness and brand association as well. On the contrary, the relation between perceived quality and brand loyalty is negative; as a result, the seventh hypothesis is rejected. The result gained here is at odds with the research of Keller and Lehmann (2003), Pappu et al. (2005), and Kim and Hyun (2011). The reason for this matter is due to high inflation, imported products, devaluation of the Rial against the U.S. dollar, and lower incomes which all together influence the brand loyalty for high-quality products with high prices in a negative way. As a result, the eighth hypothesis proves a positive and meaningful relationship, accepted by the research findings, between the brand association and brand loyalty, which is compatible with the findings of Keller (1993), Yoo et al. (2000), and Kim and Hyun findings.

According to the quantitative researches in the subject of the individual's attitude toward advertising, the research results show that it affects the customers' awareness and association; as a result, it plays a significant role in

creating and reinforcing the brand equity. The findings show that enterprises can enhance customers' awareness of the brand, and the brand association as well by using different creative advertising strategies.

According to the results, there was not a meaningful relationship between the perceived quality and the individual's attitude toward the advertisement due to the development level of the countries, which results in producing products with different qualities. For instance, advertising for poor quality products eventually causes the customers not only to lose trust in the product quality, but also to generalize this matter about the other levels of that product or even top quality products.

This research also shows that the costumers' perception of the advertising spend has a positive effect on the brand; however, advertising investments do not necessarily cause the perceived quality, and the brand association to enhance. Several factors can define these considerable findings. First, the advertising spend may reach a saturation point; exceeding that point will not have a role in creating brand equity (Chu & Keh, 2006). As per this fact, Wang et al. (2009) came to a conclusion that there is a negative relationship between the advertising spend and brand equity. In addition to this, Keller and Lehmann (2003) concluded from their research that more investment in marketing does not necessarily cause the brand equity to grow and improve. On the contrary, they stated that the key factor in increasing the brand equity is concealed in the quantitative aspects of the marketing programs. Therefore, when the advertising quantity excels the advertising quality, our advertising strategies will not be efficient enough (Eastlack & Rao, 1989). As a result, the research shows that the individual's attitude toward the advertisement has a key role in affecting the perceived quality, brand awareness, and brand association.

As it was mentioned in the research literature, the effect of sales promotion on brand equity differs from one promotion method to another. As the results show, there is not a meaningful relation between the nonmonetary promotion, brand association, and perceived quality. Moreover, the negative relation between the monetary promotion and the mentioned dimensions was rejected; that is, considering the political and economical conditions of the society and high-priced products, as well as the unproportional promotion methods regardless of the high prices, it can be inferred that the lower prices are the main priority of the costumers in choosing a product.

As a result, the findings show that the brand awareness has a positive effect on the perceived quality, and the brand association that affects the brand loyalty. Contrary to predictions, the perceived quality does not play a positive role in affecting the brand equity, and, as a result, it does not cause the customer loyalty to increase. The results obtained in this case are similar to the results obtained in the previous research (e.g., Bravo et al., 2007; Buil et al., 2011). They show that the quality does not guarantee the success of a brand; that is, some customers may not be loyal to a trustworthy product

with a higher quality due to some personal reasons such as the price of that product or the difficulty in using it, or they may be loyal to a product with a lower quality.

We can make some managerial points from the mentioned instances. First, advertising is one of the most important means of marketing in affecting the brand equity dimensions. The more a customers' perception of advertising spend increases, the more brand awareness increases. However, investing in advertising spend in order to have a positive brand association is not sufficient. Enterprises should pay more attention to their advertising activities, and they should make sure whether the advertising is novel, creative, and innovative.

Second, advertising managers ought to consider the effects of the promotion activities on the customers' perception of brand equity. As it is common to use monetary promotion, the results of this survey also reject the negative relation between this kind of promotion and the perceived quality, and the brand awareness as well; nonetheless, considering the previous studies, and the mentioned results in the research literature, the marketing managers should be conscientious regarding this kind of promotion. It is worth mentioning that the positive relationship between the nonmonetary promotion and the dimensions of the brand equity was not acceptable, which makes it necessary to conduct more surveys in light of the political and economical situations of the countries, along with the proportion of the promotion, and the price of the product.

Finally, the results of the research show that managers ought to consider the relation between the dimensions of the brand equity. Managers should develop the brand awareness in the first place because it has a significant role in creating the brand association and the customers' perception of the quality of the product. Then, they should concentrate on the brand association and the perceived quality, as well, in order to create more loyalty.

As there are some limitations on every research, future research can help us better recognize the process of the creation of the brand equity by conducting more surveys on the background of the customer-based brand equity. They can also obtain more useful results in this field by combining and surveying other practical and theoretical aspects of the marketing mix elements. Ultimately, this research can be conducted on other products with various specifications, and future research ought to consider the functional probability of these results in other countries and cultures.

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