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RESEARCH ARTICLE

IMPACT OF BRAND EQUITY AND LOYALTY ON CONSUMER BEHAVIOR FOR CLOTHING INDUSTRY IN SRI LANKA

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ABSTRACT

The brand equity concept is used by many companies worldwide. Having brand equity within the organization will help to produce better competition in the market and also the sensitivity of the consumer will change, so through brand equity functions the company is hoping to gain brand loyalty. This study attempts to link a positive relationship between Brand Equity and purchase intention. In south Asian developing countries Sri Lanka has been the first to have an open economy policy. A study shows that developed countries customers prefer domestic products whereas developing countries prefer foreign products rather than the domestic products.(Bilkey and Nes,1982). With this situation Sri Lankan has had a very high competition for good international products. Therefore a product with high brand equity can have a big market share and high level of brand loyalty for its brand. A brand has been defined in many different terms. "a name, term, sign, symbol or design, or a combination of them" that can be useful to identify the goods from supplier in view of differentiating those suppliers from their competitors (Kotler and Keller, 2006). Further explanations, a powerful brand influence attitudes of customers and makes a strong product association through the brand (Ukperbor and Ipogah, 2008).

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INTRODUCTION

From the ancient time human being used different materials to protect their body from the elements and can enhance safety during hazardous activities such as hunting, hiking and cooking. It protects the wearer from rough surfaces, rash-causing plants, insect bites, splinters, thorns and prickles by providing a barrier between the skin and the environment. They used parts from the trees and animal's skin more frequently which can insulate against cold or hot conditions. Further, they can provide a hygienic barrier, keeping infectious and toxic materials away from the body. With the transformation of the man kind and the revolution of the technology all the materials and trend changed to more advance and fashionable. Then start calling them as clothes or Clothing known as clothes and attire) is a collective term for garments. The wearing of clothing is mostly restricted to human beings and is a feature of all human societies. The amount and type of clothing worn depend on body type, social, and geographic considerations. Some clothing can be gender-specific. In most cultures, gender differentiation of clothing is considered appropriate. The differences are in styles, colors, and fabrics.

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In Western societies, skirts, dresses and high-heeled shoes are usually seen as women's clothing, while neckties are usually seen as men's clothing. Trousers were once seen as exclusively male clothing, but can nowadays be worn by both genders. Male clothes are often more practical (that is, they can function well under a wide variety of situations), but a wider range of clothing styles are available for females. Males are typically allowed to bare their chests in a greater variety of public places. It is generally more or less acceptable for a woman to wear clothing perceived as masculine, while the opposite is seen as unusual. In some cultures, sumptuary laws regulate what men and women are required to wear. Islam requires women to wear more modest forms of attire, usually hijab. What qualifies as "modest" varies in different Muslim societies. However, women are usually required to cover more of their bodies than men are. Articles of clothing Muslim women wear for modesty range from the head-scarf to the burqa. Men may sometimes choose to wear men's skirts such as togas or kilts, especially on ceremonial occasions. Such garments were (in previous times) often worn as normal daily clothing by men. Clothing designed to be worn by either sex is called unisex clothing. Unisex clothes, such as T-shirts, tends to be cut straighter to fit a wider variety of bodies. The majority of unisex clothing styles have started out as menswear, but some articles, like the fedora, were originally worn by women.

Sri Lanka Branded Clothing Industry: Global is considered as local, and local is considered as global was the slightly cryptic and curiously spelled mantra heading a New Year’s greeting from Tadashi Yanai — chairman, president and chief executive of Fast Retailing, parent company of Uniqlo. (Fashion, 2018). As above quote now loads of International clothing brands are crossing the borders from their mother countries to serve the international markets in the every corner of the world. With 21.2 million population and the per capita GDP of about \$4,085 (PPP) have to consider that, does Sri Lanka willing to cater and afford world well known clothing brands. The domestic industry has grown 10 percent from the last year. If you take the time of 10 years, there are lot of new domestic brands has come to the market like Kelly Felder, Avirate, Amante and GFlock. Hameedias, Reborn, Avirate and Amante are among the few brands that have started expanding abroad. This indicates that need of international brands and trends to the local market.

Company Background: Identifying the potential of the demand and the niche market in the country mainly in the western province ABC (pvt) Ltd started to introduce international clothing brands to the local market in 2009. ABC (Pvt) Ltd is the subsidiary of the one of best and biggest holding company in the country. Its commenced operation in 1991 as a software development company later they expand to most of the sectors such as ICT, Healthcare, Retail, Financial Services, Automobiles and Leisure. The Group now provides employment to over 8,000 individuals generating a turnover of more than USD300 mn. The Group’s representations and strategic alliances with reputed global institutions and large multinational corporations confirm its unparalleled local stature. During 2009 to 2014 ABC (pvt) Ltd.’s had franchisees of Levi’s, Nike, Mango and Charles & Keith, Giordano, Dockers and Fossil. In 2015 acquisition of another local department store, ABC (pvt) Ltd became country’s biggest retail fashion chain who caters world’s best international clothing brands and local brands under one roof.

Research Problem

With outstanding performance and the rapid growth and almost 90% of market share for international brands ABC (pvt) Ltd is flying high in the fashion industry of Sri Lanka. But despite the silent crisis situation occurred in last two to three years in the country though the revenue increased there is decrease in the number of consumers enter in to the stores. Sales and consumers foot falls for the financial year of 2016 and 2017 is a best proof is for the less foot falls in the stores.

	2016		2017	
Stores	Sale	Foot Falls	Sale	Foot Falls
A	25253304	7846	26434967	7750
B	20934362	1591	24576292	1906
C	23068926	5993	19697539	4654

This situation will affect the company’s long term growth. One of reason is the company’s sales growth is during the first quarter of the 2017 company decided to increase the prices of some brands. And that might cause the consumers to put back. In this study researcher intend to investigate the Factors Affecting for consumer behavior for branded clothing in ABC (pvt) Ltd.

Objectives

The objectives of this study as follows,

- To identifying the factors affecting the consumer behavior for branded clothing in ABC (pvt) Ltd.
- To analyze factors affecting consumer behavior for braded clothing.
- To provide recommendation pertaining to the findings.

Significance

Practical Significance

- Research insights will help to management for the decision making and introduce the more brands to the consumers while satisfying their needs.

Academic Significanc: Finding of this research can be used as a reference to the further researchers.

LITERATUREREVIEW

Brand Equity: The concept of brand equity emerged in the early 1990s. It was not defined precisely, but in practical terms it meant that brands are financial assets and should be recognized as such by top management and the financial markets. Brand equity includes not only the value of the brand, but also implicitly the value of proprietary technologies, patents, trademarks, and other intangibles such as manufacturing know-how. Although a company’s stock price represents more than brand equity, when one of a company’s brands gets into trouble, a change in brand equity can significantly affect the stock price. (Aaker 1996; Keegan – Moriarty – Duncan 1995, 325; Kerin – Sethuraman 1998; 260–261)

The financial value of a brand depends on its brand strength. It can be strengthened by investing in product quality and in advertising. In contrast, price promotions produce short-term increases in sales but do nothing to build long-term brand equity. (Barwise 1993, 94–95)Brand equity can be defined in several ways and it has value both to a branding company and to a brand’s user. An important characteristic of virtually all definitions of brand equity is that they focus on the incremental effect of the brand compared with some concept of what the customer response would be to the same product or service, if it were unbranded. (Barwise 1993, 99–100). Elements of brand equity are identified from Aaker’s model of brand equity. Which are identified as Brand Loyalty, Brand awareness, perceived quality and brand association. (Aaker 1996) for the present study only 3 eliments are taken into consideration, They are Brand awareness, perceived quality and brand association.

Brand Awareness

The fundamental definition for the brand equityis given by Aaker (1991). As per Aaker brand equity can be expresses as ability where a customer can recognize a brand under a specific product category. Moreover brand equityalso linked towards the product class.

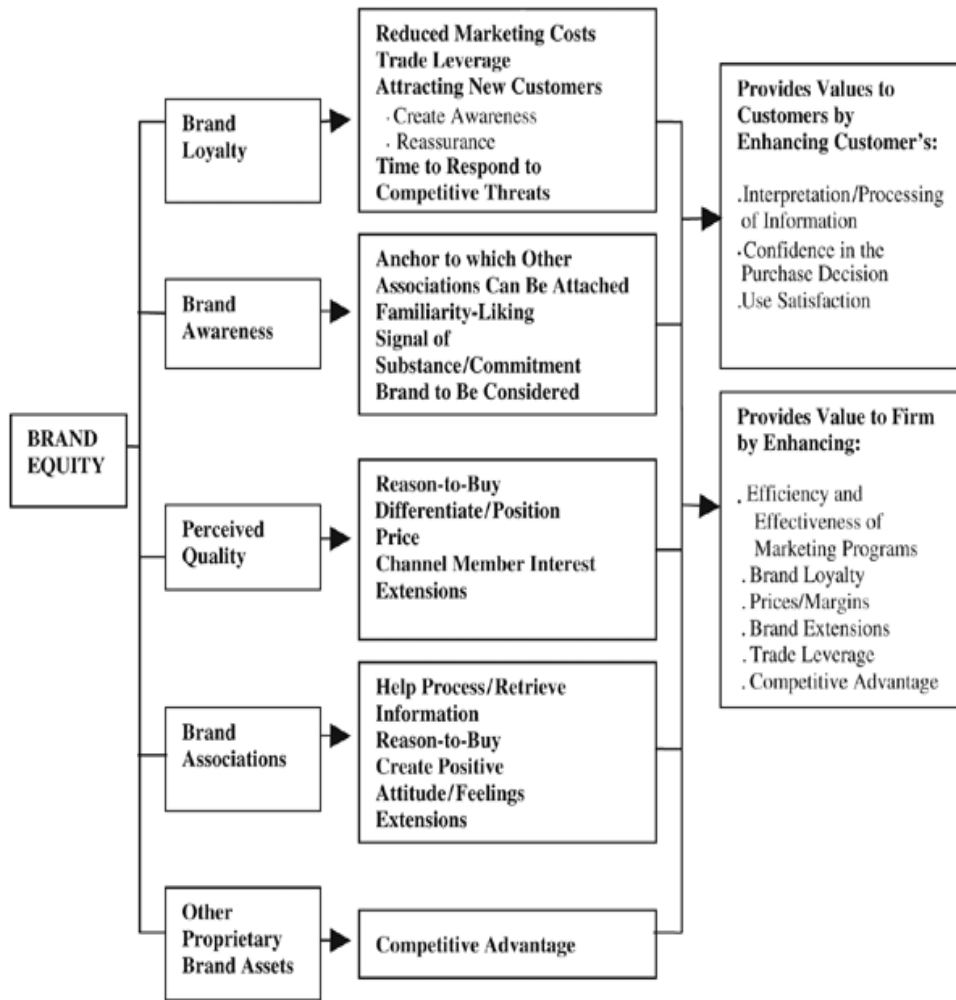


Figure 1. Aaker's Model for Brand equity

As an example if a balloon with the name Levis is used to market the Levis brand will give an impact to be more salient, but it won't help much to improve brand awareness. To make sense of this, if a balloon can be designed as a jean with the word Levis, it will provide a link towards the product and the creativeness will also enhance the equity of the product. Therefore while marketing a certain product it is always add value to generate equity among the society when that particular marketing strategy is able to generate a meaning of the product towards the consumer. Brand equity is a key determinant recognized in more or less all brand equity models (Aaker, 1991; Kapferer, 1991; Agrwal and Rao, 1996; Krishnan, 1996; Marshall and Keller, 1999; Machay, 2001). Brand knowledge is the full set of brand association linked to the brand (Keller 1993).

Brand Association

A brand association is the most accepted aspect of brand equity (Aaker, 1992). It represents the basis for purchase decisions and brand loyalty (Aaker 1991, p.109). Brand association consist of all brand related thoughts, images, perception, experiences and attitudes (Kotler and Keller, 2006). As per Aaker's view brand association is anything linked in memory to the brand (Tang & Hawley, 2009) and most acknowledged features of brand equity (Fayrene and Lee, 2011). It also can be seen in all forms and reflects the features of the product or aspects independent of the product itself (Chen, 2001).

Other researchers have identified other types of associations that contribute to brand equity (Farquhar & Herr 1993, Chen 1996, Brown and Dacin 1997, Biel 1992). Within brand association two types have been found, product association and organizational association (Chen, 2001).

Perceived Quality: It was claimed that perceived quality can be defined as the consumer's judgment about a product's overall excellence or superiority (Zeithaml, 1998). Perceived quality is viewed as a dimension of brand equity (Aaker, 1991; Kapferer, 1991; Kamakura and Russell, 1991; Martin and Brown, 1991; Feldwick, 1996), rather than as a part of the overall brand association (Keller, 1992; Gordon, Benedetto and Calantone, 1994). When the objective quality of a product is hard to justify, buyers would take more intangible signals such as brand name as the key consideration. In the customers mind perceived quality defines perception, product quality and superiority. One brand name is regarded as one of many possible extrinsic indications of product quality (Bristow *et al.*, 2002). Objective quality refers to the technical, measurable and verifiable nature of products, processes and quality control. High objective quality does not necessarily contribute to brand equity (Anselmsson *et al.*, 2007). It is a very difficult job for the consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality (Olson and Jacoby 1972, Zeithaml 1988, Ophuis and Van Trijp 1995, Richardson *et al.* 1994; Acebro'n and Dopico 2000). Hence perceived quality is formed to judge the overall quality of the product. Some researches argued that

perceived quality is directly influenced by perception. Consumers use the quality attributes to “infer” quality of an unfamiliar product. (Boulding and other researches, 1993).

Purchase Intention and Brand Equity: Brand equity is the extent to which consumers recognize a particular brand as per the Yadin (2002). A comprehensive classification on brand equity was declared by Aaker (1996). “He said that brand equity is measured according to different ways in which consumers remember a brand such as follows: brand recognition – when consumers have prior exposure to a brand; brand recall – when consumers recall brands that meet a category need; top of mind – when consumers recall the first brand; dominant – when consumers recall the only brand.” Yadin (2002) defined the brand equity as the ability of a brand to achieve the level of pre-planned recognition and awareness. Keller (1998) regarded brand recognition and brand recall as two main constructs of brand awareness. Brand recognition only deals with consumers’ past exposure to a brand and not the details about the place or the reason of the exposure as stated by Aaker (1996). He further told that remembering prior exposure is the only important issue in this respect. As per the Aaker (1996) research has proven that there is a tendency among people about anything they have a prior experience with. This is in his regards recognition, which turns out to be a positive and constructive force, even when some concepts that are seemingly nonsense are at work. Aaker (2011) stated that a given brand plays the role of a stimulus and the need stands as the response when defining brand recall. “He said that brands must specify themselves to specific category needs but not several ones, since consumers in such cases are unable to associate their needs to several category needs but one.” Brand equity actually the same as advertising equity and it arises from advertising equity and is (Romaniuk *et al.*, 2004). In fact, brand advertising can increase both the scope and the frequency of brand appearance, thereby empowering brand equity (Chiaravalle and Schenck, 2007; Buil *et al.*, 2011).

Conceptual framework & Hypothesis testing

The conceptual frame work is the “foundation on which the entire research project is based on (Sekaran, 2004). And another have defined as “this framework must have a logical justification based on the literature review and theoretical characteristics (Page and Meyer, 2000). It provides the foundation on which the relationship between the independent variable and dependent variable can be established. Following main hypothesis implications are incorporated into the variable testing using each variable content.

- H10** There is no relationship between brand association and purchase intention in Clothing customers of ABC Ltd of Sri Lanka
- H11** There is a positive relationship between brand association and purchase intention in Clothing customers of ABC Ltd of Sri Lanka
- H20** There is no relationship between perceived quality and purchase intention in Clothing customers of ABC Ltd of Sri Lanka
- H21** There is a positive relationship between perceived quality and purchase intention in Clothing customers of ABC Ltd of Sri Lanka
- H30** There is no relationship between brand awareness and purchase intention in Clothing customers of ABC Ltd of Sri Lanka

- H31** There is a positive relationship between brand awareness and purchase intention in Clothing customers of ABC Ltd of Sri Lanka.

RESEARCH METHODOLOGY

Further the researcher has used the quantitative method for testing. The main reasons for selecting the quantitative approach was, firstly survey involves a well-structured and per-designed questionnaire that is effective in eliciting specific and primary information from the respondents (Malhotra *et al.*, 2008). Secondly, using the survey method facilitates examination of factors and relationships that are not directly measurable (Hair *et al.*, 2003). Finally, prior researchers have used this approach in their studies that also have examined factors affecting customer behavior and purchase intention of ABC branded clothing pvt ltd (e.g., Brodie *et al.*, 2009; Chaudhuri and Holbrook, 2001; Sirdeshmukh *et al.*, 2002).

Sampling Procedure and sample size: In simple words sampling can be defined as a selected group from a much bigger group that is similar in its characteristics distribution of the large population. There are three main categories in sampling known as Probability sampling, non-probability sampling and Judgmental sampling. There are several sub categories under probability sampling. The most commonly used are random sampling, stratified sampling, cluster sampling. Out of these methods for this researcher will use the sub sampling technique ‘stratified random sampling’ which can be seen under probability sampling. Meaning of stratified random sampling is, a group taken out from a population that reflects accurately on a certain segment of a population. When choosing this type of sampling it is important for the researcher to select a sample controlled to ensure that characteristics are accurately represented.

Type of sample	Number
Marketing Executive	50
Marketing Non executive	50

Data Collection Procedure: The process of collecting data and measuring information based on the variables of interest are established carefully so it can answer research questions, test hypothesis and evaluate outcomes. All data that is collected should ensure its accurate and honest information. The accuracy of the data is a must in order to maintain the standards of the study. The researcher used a survey which is the standardized questionnaire given the target populations in order to collect the information for the study.

Data Analysis & Presentation

Hypothesis testing: Correlation between brand association and purchase intention in Clothing customers of ABC Ltd of Sri Lanka.

In par with the hypothesis one it can be stated that nearly .821 degree of correlation positive is being stated from the correspondent’s data results that were obtained. As a result it can be noted that the correspondents confirmed that there is a fairly strong positive relationship between the independent variable and the dependent variable. This means to say that with a significance level of .046 the respondents confirmed that the two variables are significantly connected as the independent variable of brand association effects on purchase

Correlation between brand association and purchase intention in Clothing customers of ABC Ltd of Sri Lanka

Correlations			
brand association	Pearson Correlation	brand association	purchase intention in Clothing customers of ABC Ltd of Sri Lanka
	Sig. (2-tailed)	1	.821
	N	100	.046
purchase intention in Clothing customers of ABC Ltd of Sri Lanka	Pearson Correlation	.821	1
	Sig. (2-tailed)	.046	
	N	100	100

** . Correlation is significant at the 0.05 level (2-tailed)

Correlation between perceived quality and purchase intention in Clothing customers of ABC Ltd of Sri Lanka

Correlations			
perceived quality	Pearson Correlation	perceived quality	purchase intention
	Sig. (2-tailed)	1	.856
	N	100	.032
purchase intention	Pearson Correlation	.856	1
	Sig. (2-tailed)	.032	
	N	100	100

** . Correlation is significant at the 0.05 level (2-tailed).

Correlation between brand awareness and purchase intention in Clothing customers of ABC Ltd of Sri Lanka

Correlations			
brand awareness	Pearson Correlation	brand awareness	purchase intention in Clothing customers of ABC Ltd of Sri Lanka
	Sig. (2-tailed)	1	.927
	N	100	.033
purchase intention in Clothing customers of ABC Ltd of Sri Lanka	Pearson Correlation	.927	1
	Sig. (2-tailed)	.033	
	N	100	100

** . Correlation is significant at the 0.05 level (2-tailed).

intention in Clothing customers of ABC Ltd of Sri Lanka as the dependent variable. Since the correlation is .821 it can be stated that the null hypothesis is rejected and the alternative hypothesis is accepted as there is a positive relationship between the two variables that are being subjected to the test. In par with the hypothesis one it can be stated that nearly .856 degree of correlation positive is being stated from the correspondent's data results that were obtained. As a result it can be noted that the correspondents confirmed the fact that there is a fairly strong positive relationship between perceived quality and purchase intention in Clothing customers of ABC Ltd of Sri Lanka. This means to say that with a significance level of .032 the respondents confirmed that the two variables are connected with regards the development of purchase intention in Clothing customers of ABC Ltd of Sri Lanka. Since the correlation is .856 it can be stated that the null hypothesis is rejected and the alternative hypothesis is accepted as there is a positive relationship between the two variables that are being subjected to the test.

In par with the hypothesis one it can be stated that nearly .927 degree of correlation positive is being stated from the correspondent's data results that were obtained. As a result it can be noted that the correspondents confirmed the fact that there is a fairly strong positive relationship between brand awareness and purchase intention in Clothing customers of ABC Ltd of Sri Lanka. This means to say that with a significance level of .033 the respondents confirmed that the two variables are connected with regards the development of purchase intention in Clothing customers of ABC Ltd of Sri Lanka. Correlation is .927 it can be stated that the null hypothesis is rejected and the alternative hypothesis is accepted as there is a positive relationship between the two variables that are being subjected to the test.

Key Findings

The results of the research based on the correlation test that was carried out for brand association showed a positive relationship with purchase intention. Therefore the researcher draws to conclusion that a significant association exists between Brand Association and purchase intention. Another factor considered when finding the relationship between perceived quality and purchase intention, perceived quality showed a positive relationship with purchase intention. Therefore the researcher draws to conclusion that a significant association exists between perceived quality and purchase intention in the Sri Lankan context. Another factor considered when finding the relationship between brand awareness and purchase intention, Brand Awareness showed a positive relationship with purchase intention. Therefore it can be concluded that a significant association exists between brand awareness and purchase intention.

Conclusion

The objective of this study was to recognize the level of both Brand equity and Brand Loyalty in terms of purchase intention towards the Clothing based garment manufacturing industry of Sri Lanka, the level of relationship between the dimensions of brand equity and purchase intention and to find the Brand Equity elements impact on purchase intention towards the garment manufacturing industry of Sri Lanka. Through a complete literature review done, the researcher recognized three well-known components of brand equity which is, Brand Association, Brand Loyalty, Perceived Quality and Brand Awareness. Hypotheses were developed by the researcher and were tested accordingly. Brand Awareness, Perceived Quality

and Brand Association showed a positive relationship with the purchase intention.

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