

## EFFECT OF BRAND EQUITY ON PURCHASE INTENTION OF WOMEN CUSTOMERS TOWARDS BEAUTY CARE PRODUCTS – A THEORETICAL APPROACH

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### Abstract

Branding in modern context has always been an important aspect of marketing. Brand loyalty is considered as one of the major elements of building brand equity in this study. It is the primary factor which creates customer-based brand equity because the customers are loyal to their brand only in the case of complete satisfaction and trust. A brand mark refers to that part of brand which is not made up of words, but can be a symbol or design. A trade mark is a legal registration indicating the owner's exclusive right to use a brand or some part of brand. From the perspective of the customer-based brand equity model, brand knowledge is the key to creating brand equity, because it creates the differential effect that drives brand equity. Considering all these factors the effect of Brand Equity on Purchase Intention of Women Customers towards Beauty Care Products in Salem District of Tamil Nadu is felt important. It is taken from reports that most of the beauty care products are sold from Salem District of Tamil Nadu.

*Keywords: Brand Equity, Brand Loyalty, Brand Association*

### Introduction

Brands are the hearts of most consumer business (*Kapferer 1992*)<sup>1</sup>. As far as consumers are concerned a brand plays a significant, communicative and informative role. The brand is seen by consumers as a sign of quality and it helps them to make their purchase decision. In the new era of globalized market, brands are the key drivers of economic and market value of a business corporation. Brands are becoming most valuable assets in the changing business scenario due to its tangible and intangible nature. Brands are the basis of customer relationship and it is becoming the most precious asset which a business possesses.

### Brand Equity

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The financial approach of measuring brand equity will be helpful for the marketers to show the brand value in balance sheet and other financial statements. There is no conclusive evidence that helps to improve or retain the market potentials of a brand. Most of the current brand equity measurement approaches are having some kind of limitations such as providing measures of segment level or unavailability of sub components or based on past consumption or not based on individual components or unrealistic product profile. Hence, developing further insights into the measurement of customer based brand equity is important in the face of the prominence of branding, because branding is a powerful means of differentiation.

### **Importance of the Study**

From the marketer's point of view the brand is a value, the brand name of the product marketed by them should attain very good market share. From the customers point of view a brand which comprises of benefits in the sense of utility and service The customers are more eager in using branded commodities than unbranded commodities because by using the brand they are getting some kind of satisfaction in quality as well as service aspects. In this critical situation the marketers are supposed to create a value of their brand. But here some questions are raised, What is that value? How can create value? What are the parameters for creating value to a particular brand? This study is conducted for identifying various elements and parameters for knowing the value that is customer-based brand equity of beauty care products among the customers of Salem district.

### **Statement of the Problem**

The customer-based method is most appropriate and convenient for studying brand equity because it is directly linked with the customer behaviour and their attitude. The purpose of branding is to familiarize a brand among customers by creating brand knowledge. Moreover the branded commodities are always having superior impact among the customers because in one way a brand is a symbol of quality and reputation. It is obvious to the marketers to establish brand knowledge among customers. The brand knowledge comprises of various factors and elements which are related to product attributes and associations. Brand equity is an analytical concept depends upon brand loyalty, brand awareness and brand knowledge. It also has an empirical relationship with perceived quality and performance of brand. The study mainly concentrates on customer-based brand equity and the awareness of customers on its fundamental building blocks. Brand equity has a parallel and co-planar relationship with a period of time. The customers when they use any beauty care products are meticulous in ascertaining the characteristic features of the product as well as the brand image. They have a certain amount of unintended effects of advertisement, promotional and marketing mix strategies of the manufacturers. During the process of post purchase behaviour, the customers are highly incidental to experience the product and the total outcome of its utility and performance. The optimistic residuals of post purchase behaviour are the point of inception of brand loyalty. It is being accelerated and breaded in the psychological domain of customers of beauty care products to acquire its maximum momentum. The output of the psychological momentum unleashed in the context of brand loyalty is perfectly distributed in various dimensions like performance, awareness, knowledge and utility of the product. Hence, based on the above issues, the following questions are probed.

1. How far the various elements of brand loyalty triggers out the feeling of loyalty among the customers of beauty care products?
2. What are the factors that influenced transforming brand loyalty into based brand equity?

### **Scope of the Study**

Brand equity can be studied from several perspectives. The mostly accepted methods for studying brand equity are financial approach, brand extension approach and customer-based approach. Each perspective could suggest different parameters and methods to evaluate brand equity. The concept of customer-based brand equity has been applied in several product categories in previous researches and produced various kinds of output, but there are very limited research works in the area of beauty care products. The beauty care products market is always highly competitive due to the availability of number of alternatives and substitutes. In a highly populated country like India there is a potential market for the beauty care products. Hence, the researcher has chosen five beauty care products for the present research. The commodities chosen for the research are bathing soaps, tooth pastes, washing powders, biscuits and soft drinks. The commodities selected for the research is on the basis of products available for personal care, oral care, fabric care and food and beverages care. The emergence of profound empirical relationship for building brand equity in the restricted domains of the above mentioned factors focused the research orientation towards a particular point of research. This may open fascinating vistas for new analytical and innovative research in the area of customer-based brand equity.

### Objectives of the Study

- To find out the inter-relationship among the various components of brand equity viz., Brand loyalty, Brand knowledge, Brand awareness, Perceived quality, Brand association
- To identify the relationship between socio-economic factors and Brand equity of women consumers towards beauty care products
- To know the factors influencing the purchase intention of women customers towards beauty care products
- To build a model showing the effect of brand equity on the purchase intention of women consumers towards beauty care products.
- To discuss the strategies for increasing the purchase intention and sales of Beauty care products



### Area of the Study

The Salem District is selected for the study because of its heterogeneous characterized nature. The name 'Salem' appears to have been derived from *Sela* or *Shalya* and the term refers to the country surrounded by the hills, as in the inscriptions. Local tradition claims Salem as the birth place of Tamil poetess *Avvaiyar*. The town is surrounded by an amphitheatre of hills, the *Nagarmalai* in the north, the *Jeragamalai* in the south, the *Kanjanamalai* on the west and *Godumalai* on the east. Government of India has selected Salem City to be notified

as a Textile Export Zone. Salem is synonymous with mangoes. Salem is the National Centre for sago and starch products, 90% of sago supplies to the country through Salem. Even though the dream of a full-fledged Steel Plant is yet to be realized, the existing Steel Rolling Mill have spread the name of “Salem Steel” brand name of SAIL’S International quality stainless steel sheets far and wide.

Apart from its history, it has important locations such as *Mettur dam, Yercaud hills, Sankari fort, Tharamangalam Kailasanathar temple* and several beautiful and historic sites and above all it is located centrally and is easily accessible from Bangalore, Coimbatore, Trichy, Madurai and Chennai. Though agriculture is the main base, Salem is also an important textile center and has rich magnesite, bauxite and mineral reserves. It also has rich industrial base with the Salem Steel Plant, SISCOL, MALCO, CHEMPLAST, and with regard to power generation also, the thermal and hydel power plant at Mettur contribute towards power supply to the state.

Salem district consists of 4 revenue divisions and 9 taluks. It stands in fifth place in the state of Tamil Nadu with the total area of 94km<sup>2</sup>. It had a population of 4,012,346 as per 2021 census report which consists of 52% males and 48% of females. The literacy rate was 57.5% and the district was 46.09% urbanized.

### **Research Methodology**

This study is systematically organized and scientifically analyzed the data. Both descriptive and empirical analyses are simultaneously employed to derive results based on the objectives of the study.

#### **Pilot Study**

At the point of inception, a pilot study was conducted with a well-defined questionnaire. The main aim of the pilot study was to check the feasibility and reliability of the questionnaire which was used as a main tool for collecting the data from primary source.

The questionnaire was circulated among 100 sample customers of beauty care products in different places of Salem district. The responses obtained are systematically transformed into the data spread sheet with suitable numerical coding. Necessary modifications were incorporated after the pilot study as suggested by the sample respondents.

*The Cronbach’s Alpha* method and *Hotelling T Square* method are applied on the primary responses with Likert’s 5 point scale to identify correlation with in the groups and between the groups.

On the whole it was found that the statements regarding brand awareness, brand knowledge, perceived quality, brand association, purchase decision and post purchase behaviour are well acquainted with customers of *beauty care products at .912 Cronbach’s Alpha level*. It was further ascertained that the *Hotelling T Square value was 175.16 which was statistically significant at 5% level*.

This shows the high validity and reliability of the questionnaire circulated among the customers of beauty care products. *Besides the statements in Likert’s 5 point scale the optional questions are also tested with Gaussian distribution method*. This analysis revealed perfect formation of normal distribution of all the optional type questions with demographic profile and product details. It is concluded out of these results that the questionnaire so framed was highly suitable in ascertaining the responses from the customers of beauty care products in Salem district.

#### **Questionnaire Design**

This research entirely depends on both primary and secondary data. As established in the pilot study, the primary data is collected through the well framed questionnaire comprising optional type and Likert’s 5 point

scale type questions. The questionnaire is divided into 3 major subdivisions namely demographic details, product details and elements of brand equity. The first part consists of optional type questions to ascertain the details of demographic backgrounds of customers of beauty care products in Salem district. This section is useful in ascertaining place, gender, age, education, occupation, income, number of family members etc. The second part gives complete details about various beauty care products, their brand names, purchase outlets and various reasons for brand switching etc. This section ascertains the frequency of brands used by the customers and certain ranking questions to identify the reasons for selecting the purchase outlets and brand switching. The third part of the questionnaire deals with the various elements of brand equity like brand awareness, brand knowledge, perceived quality, brand association, purchase decision and post purchase behaviour. Likert's 5 point scaling technique was employed ranging from strongly agree to strongly disagree. In particular the following scales are assigned to quantify the responses of beauty care products customers.

- 5 – Strongly Agree
- 4 – Agree
- 3 – Neutral
- 2 – Disagree
- 1 – Strongly Disagree

### **Sampling**

A proportionate random sampling method was employed to collect various perceptions of customers of beauty care products with regard to the various elements of customer-based brand equity. The Salem district consists of 9 taluks with significant dense population. 900 respondents have been chosen proportionately covering all the 9 taluks ( $9 \times 100 = 900$ ) of Salem District. The exact sample size of the study is restricted with 900.

### **Hypothesis**

The following specific hypotheses are assumed to answer the research questions posed in the section stay print of the problems. Though the study is exploratory and analysis covers almost all possible outcomes of the research, certain important aspects are justified to assume the following hypotheses.

Ho1: Brand awareness, brand knowledge, perceived quality, brand association, purchase decision and post purchase behaviour are not essential in building brand loyalty.

H1: Brand awareness, brand knowledge, perceived quality, brand association, purchase decision and post purchase behaviour are essential in building brand loyalty.

Ho2: Brand loyalty has not any direct impact in constructing brand equity among the customers of beauty care products.

H2: Brand loyalty has any direct impact in constructing brand equity among the customers of beauty care products.

### **Limitations of the Study**

- This study is restricted to Salem district with 9 taluks. This comprises the Corporation, Municipalities and other local bodies.
- The Salem district consists of customers with maximum semi urban and rural background. The results derived from the analysis may or may not be suitable for the Metropolitan cities.

- Money and time constraints impose major limitations to the study and forced to restrict the respondents with in a stipulated time.
- The study covers only some selected items of beauty care products. The results obtained from the study may or may not be applicable for other type of commodities.
- The information provided by the respondents is purely based on their memory only. The quality and reliability of the data collected are depending upon the memory recall of the respondents.

### Review of Literature

*Pappu, Quester and Cooksey (2006)*<sup>2</sup> examined the impact of the country of origin of a brand on its consumer-based equity. Brand equity was conceptualized in this paper as a combination of brand awareness, brand associations, perceived quality and attitudinal brand loyalty. Multivariate analysis of variance of the data indicated that consumer-based brand equity varied according to the country of origin of the brand and product category. This impact of country of origin on brand equity occurred where consumers perceived substantive differences between the countries in terms of their product category-country associations.

*Kayaman and Arasli (2007)*<sup>3</sup> aimed to explore interrelations of the four brand equity components; brand awareness, brand loyalty, perceived quality and brand image in hotel industry and improve the conceptualization of customer-based hotel brand equity. The findings supported the three-dimensional model of customer-based brand equity in hotel industry. Brand awareness dimension was not found significant in the tested model for hotels. The study contributed to the understanding of customer-based brand equity measurement by examining the dimensionality of this construct.

### Brands Versus Products

It is important to contrast a brand and product. According to Phillip Kotler, a product is anything that can be offered to a market for attention acquisition, use or consumption that might satisfy a need or want. Thus a product may be a physical good (cereal), service (airline), retail store (department store), person (professional), organization (trade organization), place (a city) or idea (political or social cause). A brand is a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need. These differences may be rational and tangible – related to product performance of the brand – or more symbolic, emotional, and intangible – related to what the brand represents. From that point of view, a branded product may be a physical good (Kellogg's Corn flake), service (Indian Airlines), retail store (Spencers), person (Sachin Tendulkar), organization (American Marketing Association), place (Agra), or idea (free trade). Hence, a product is a physical entity that lives in the real world. A brand is a perceptual entity that lives in the consumer's mind. The brand is a set of differentiating promises that links a product to its customers. The brand assures the customers of consistent quality plus superior value for which the customer is willing to give loyalty and pay a price that results in a reasonable return to the brand. Accordingly, the brand does not reside on the shelf even if the product does, but rather, in the mind of the consumer. Brands today are seen not as a source of identification but as

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<sup>2</sup> Ravi Pappu, Pascale G. Quester, Ray W. Cooksey (2006), "Consumer-Based Brand Equity and Country-of origin Relationship: Some Empirical Evidence", *European Journal of Marketing*, Vol. 40 (5/6), pp. 696 – 717.

<sup>3</sup> Ruçhan Kayaman, Huseyin Arasli (2007), "Customer Based Brand Equity: Evidence from the Hotel Industry", *Managing Service Quality*, Vol. 17 (1), pp. 92 – 109.

strategic assets which are a source of competitive advantage. An unbranded product is a commodity that does not have identities.

### **Brand Loyalty**

This is a major component of brand equity. Brand loyalty, a long and central construct in marketing, is a measure of the attachment that a customer has to brand. The customers continue to purchase one particular brand even in the face of competitors with superior features, price and convenience where we can find the brand loyalty. It reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features. It is one indicator of brand equity which is demonstrably linked to future profits. Brand loyalty is qualitatively different from the other major dimensions of brand equity in that it is tied more closely to the use of experience. Brand loyalty cannot exist without prior purchase and use experience.

### **Brand Association**

A brand association is any mental linkage to the brand. Brand associations may include product attributes, customer benefits, uses, life-styles, product classes, competitors and countries of origins. The association not only exists but also has a level of strength. The brand position is based upon associations and how they differ from the competition. An association can affect the processing and recall of information, provide a point of differentiation, provide a reason to buy, create positive attitudes and feelings and serve as the basis of extensions. The associations that a well-established brand name provides can influence purchase behaviour and affect user satisfaction. Even when the associations are not important to brand choices, they can reassure, reducing the incentive to try other brands.

Brand associations may take different forms. One way to distinguish among brand associations is the level of abstraction, that is, how much information is summarized or subsumed in the association. Within this dimension, the types of brand associations can be classified into three major types of increasing scope such as attributes, benefits, and attitudes.

### **Observations**

- Higher brand awareness among women customers in Salem District can lead to increased purchase intention for beauty care products. Brands that are well-known and recognized are often perceived as more trustworthy and reliable, influencing consumers' willingness to purchase.
- The perception of quality plays a crucial role in purchase decisions. Women customers are likely to have a higher purchase intention towards beauty care products from brands that are perceived to offer superior quality, efficacy, and safety.
- Positive associations with a brand, such as eco-friendliness, natural ingredients, cruelty-free practices, or endorsements from influencers or celebrities, can positively impact purchase intention. Understanding the specific brand associations that resonate with women customers in Salem District can be valuable for marketers.
- Building brand loyalty through loyalty programs, personalized experiences, and consistent communication can lead to repeat purchases and higher purchase intention among women customers.

- The perceived value and affordability of beauty care products relative to their benefits and quality also influence purchase intention. Brands that offer competitive pricing strategies aligned with customer preferences and budgets are likely to attract more purchases.
- In today's digital age, an online presence and digital marketing strategies play a significant role in influencing purchase intention. Women customers may be more inclined to purchase from brands with a strong online presence, positive reviews, and engaging social media content.
- Consider the cultural and regional factors specific to Salem District that may impact women's preferences and purchase behaviors in the beauty care industry. Tailoring marketing strategies to align with local preferences and cultural norms can enhance brand equity and purchase intention.

### **Recommendations**

To study the effect of brand equity on purchase intention of women customers towards beauty care products in Salem District effectively, the following recommendations were considered for the study;

- ✓ The researcher should clearly define the specific objectives of the study, such as understanding which components of brand equity (e.g., brand awareness, perceived quality, brand loyalty) have the most significant impact on women's purchase intention in Salem District.
- ✓ Identify and segment the target audience of women customers in Salem District based on demographics, psychographics, beauty preferences, and purchasing behaviors. This segmentation will help tailor your research and analysis to specific consumer groups.
- ✓ Develop a comprehensive survey or questionnaire to gather data from women customers in Salem District. Include questions related to their awareness of beauty care brands, perceptions of brand quality, loyalty towards specific brands, purchase frequency, factors influencing purchase decisions, and preferred marketing channels.
- ✓ Conduct in-depth interviews or focus groups with a subset of women customers to gain qualitative insights into their attitudes, beliefs, and motivations regarding beauty care products and brands. This qualitative data can complement the quantitative survey findings.
- ✓ Use established scales or measures to assess different components of brand equity such as brand awareness, brand associations, perceived quality, brand loyalty, and brand image among women customers

### **Conclusion**

Before going for analytical study the researcher felt that to study on theoretical approach is very important. To study the effectiveness of Brand Equity on Purchase Intention of Women Customers towards Beauty Care Products it is unique to study on brand equity, brand knowledge, brand loyalty, brand image and brand associations. Thus, it is concluded that to check on brand equity the above mentioned attributes are to be considered.



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