

MOBILE PHONE BRAND EQUITY AND PURCHASE INTENTION: THE MEDIATING EFFECT OF BRAND PREFERENCE



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ABSTRACT

The mobile phone industry is one of the major technological-based area that the fastest growing industry in the overall world. The purpose of the research report was to find out how the brand preference effect as a mediating variable between brand equity and purchase intention. According to the study, the researcher investigated the level, relationship, and impact of those variables.

The study mainly considering the primary data and secondary data. Structured questionnaire was used as the method of data collection and there are 31 research questions. Among them five questions are consist with personal information of the respondent and other twenty-six questions are research information. The five likerts point scale was used which ranging from “strongly agree” to “strongly disagree”. It has been conducted a pilot test to test the reliability of the questionnaire and all the questions are reliable. Collected data were analyzed using SPSS computer package having the univariate and bivariate analysis. A sample of 204 respondents was selected for the study from mobile phone users in Trincomalee district Town and Gravets area. Convenience sample method used to make the sampling frame of the study and also quantitative research approach used for this study.

The finding of the study reveals that the brand equity, brand preference and purchase intention were in high level among mobile phone users in Trincomalee district Town and Gravets area. There were high positive relationship among brand equity, brand preference and purchase intention in mobile phone users in Trincomalee district Town and Gravets area. The final objective showed that the positive impact of brand equity on purchase intention, positive impact of brand equity on brand preference and purchase intention, positive impact of brand preference on purchase intention and brand equity and brand preference positively impact on purchase intention. The mediating analysis reveals partial mediation by brand preference the relationship between brand equity and purchase intention.

1. INTRODUCTION

BE is the most famous concept in field of marketing which are two in ways one can go the customer-based perspective and other is financial one. This is the power of brand that lie what exist in the minds and hearts of customers [1]. The overall BE is consist with above mention two categories. From the customer perspective is defined as incremental value added to a product which is virtue from its brand [2], [3], Customer has the overall perception about the brand that create loyalty to the organization that enhance the customer retention with the brand.

The strength of a brand's presence in consumers' minds refers to Brand awareness. The way of customer speaking about the brand indicates Brand awareness. The consumer behavior is affected by Brand awareness for marketing of a particular product [4]. When the customer have deep and specific image of the brand matter to occur Brand awareness [5]. Brand awreness can be influence on consumers' perceived risk assesment and identify their faithfulness on the decision of purchase [6], [5], refers that association toward brand is the positive attitudes or feeling about the brand and that has been attributed of brand. The strong attitudes toward brand can make sure the basis for expand the brand. [7], the attachment that the consumer has to the brand is refers to the Brand loyalty. In marketing two perspectives can be used for the study BL those are attitudinal and behavioral. Coming from the behavioral aspect that means over the period of time the extent to which an individual or household focus to purchase a particular brand within a product category. Brand Preference is one of the indicators that make the brand strength of a brand that position in the mind as well as heart of the consumer. It shows that the consumer is preferred for the particular brand despite other options available. The impact of the marketing activities is the determinant of the brand preference of the brand [8].

According to the historical data the major renovation of the mobile phone industry happened in 2002 which introducing the first colour screen mobile phone and between, 2004-2006 the industry introduced the multimedia phones to the market. In 2007 the revolution of the smart phones' happened by introducing the 'Nokia' phones to the market. The key factor of the increasing of the sales potential is that the mobile phone become a necessary technological device for our current scenarios as well as its nowadays hugely going up to as a fashionable item, show their social status and use as a symbol especially among young generation.

According to the survey data the statistic depicts the 24.43 million numbers of mobile-phone subscriptions already available in Sri Lanka in September 2019 [9]. But the current population of Sri Lanka noted that 21.32 million and we can be seen that the consumption of mobile phones is exceeding the number of population of currently live in Sri Lanka [9]. According to the survey data, the Samsung brand has 46.12% of market share, 23.25% market share for Huawei, Apple brand holding a 7.65%, Oppo could to generate the 5.92% of market share for their brand and finally the Nokia created a 4.15% of market share in the Sri Lankan competition by August 2019. Based on the above mention data we can get a decision that the above noted leading phone brands capture the 89.09% of share market out of the total market share of mobile phone in Sri Lanka.

Enhancing a strong brand for mobile phones in customers mind become as the very important scenario in market place for mobile phone industry. That effect on customers' feeling on a particular mobile phone brand that create positive Brand Preference (BP) and through them it helpful for build a strong purchase intention (PI) of the customers. For achieving that purpose, understanding and evaluating of Brand Equity (BE), Brand Preference (BP) and its impact on Purchase Intention (PI) are very important.

According to the mobile phone industry the preference of the brand is one of the major considerations that totally affect for the Purchase Intention (PI). Preference established strength of a brand in the heart and mind of the consumer. Through these neglect customers shifting among brand and keep customer bond with brand that already form intention to purchase same product or consume same service. Therefore, the Brand Preference (BP) is ultimately affected for the Brand Equity (BE) and future buying behavior termed as Purchase Intention (PI) [10].

Therefore, these studies provide an empirical evidence for hugely understanding the mobile phone Brand Equity (BE) and Purchase intention (PI): The mediating effect of Brand Preference (BP) In Sri Lankan context.

Rapid technological and design changes a majority of the young generation of mobile phone owners are forced to buy an updated version of mobile phone [11]. But through unstructured interviews with the mobile phones brands providers and customers that they revealed most of the customers do not see a different among the mobile phones brands and most of time they demand for the mobile phones brands as a general product at the market. Through that unstructured interviews, the researchers found out that most of the customers are not well-recognized the differentiate among the different kinds of mobile phones brands available in market and therefore it can be

negatively impact for the brand equity and to customer brand preference and through them finally badly impact for the purchase intention of particular brand of mobile phone. So ultimately it can be negatively impact to the increase of their mobile phones sales as well as to achieve their established marketing strategies as well.

To evaluate the Brand Equity and Purchase Intention: mediating effect of brand Preference is very important for understand what factors under Brand Equity effect for Brand Preference and that significantly impact on Purchase Intention. Thus, the research problem can be defined as,

“Examine the mediating effect of Brand Preference in the relationship between Brand Equity and Purchase Intention in Trincomalee district Town and Gravets area”

2. MATERIALS AND METHODS

In this study, researcher choose mobile phone users as a group of people to collecting and analyzing data from a few peoples and it representative of the entire group of mobile phone users in Trincomalee District, Town and Gravets area. The quantitative technique is used for the study.

The study considered Trincomalee district as the research area because the researcher got relevant research information from the customers who are using mobile phone in Trincomalee district. Within Trincomalee district Town and Gravets area there are 42 Grama Niladhari divisions and based on the area the researcher aim to get information from customers regarding mobile phone brand equity and purchase intention: the mediating effect of brand preference. The identification of the population is difficult due to the lack of accurate statistical data regarding the mobile phone users in Trincomalee district town and Gravets area. Therefore, the population in this study is unknown. Data for this investigation was collected via the convenience sampling technique. Therefore, the questionnaire was distributed among the customers who are using the mobile phone in Trincomalee town and Gravets area.

Criteria for sampling are that respondents are using mobile phone in Trincomalee district Town and Gravets area. As the equation deficits, 384 the minimum amount of questionnaire should be issued for the study. The researcher received 270 questionnaires out of 384. Among those questionnaires some are eliminated due to erase respond, doodling and etc. 204 questionnaires were utilization for the research study. There are two types of method used for the data collection such as primary data and secondary data. This study mainly concerned the primary data. For this study the researcher was used closed structured questionnaire with 31 questionnaires (5 questions on personal information and other 26 questions on research information) for information collected purposes from 204 respondents in Trincomalee Town and Gravets area. For the purpose of data collection from respondents used a well-structured questionnaire which consists with 31 question items. These 31 questions were divided into two parts. Through Part “1” focus on mobile phone user’s personal information such as Gender, Income level, Age level, Mobile phone brand and Mobile phone brand usage time duration. In second Part focus on the impact of BE on PI: mediating effect of Brand Preference.

3. RESULTS AND DISCUSSIONS

The first objective of this survey to explore the level of BE, PI and BP. According to the descriptive analysis results, mean value of Brand Equity shows as 3.94, and reveals the results of average value according to dimension PQ (M=3.93), BAW (M=3.95), BAS (M=3.93, and BL (M=3.93). The mean value of PI was as 4.05 and Brand Preference shows the 4.12 mean value for the study. Therefore, based on the decision rule, indicates there is a high level of Brand Equity, Purchase Intention and Brand Preference in mobile phone users in Trincomalee district Town and Gravets area.

The second objective of the research, which is explore the relationship among BE, PI and BP in mobile phone users in Trincomalee district Town and Gravets area. Correlation analysis was made to get results. Researcher identified following relationships. There is a high positive relationship among BE and PI ($r=0.766$, $p<0.05$) among mobile phone users in Trincomalee district Town and Gravets area. There is high positive relationship among BE and BP ($r=0.542$, $p<0.05$) among the mobile phone users, finally there is high positive relationship between BP and PI ($r=0.569$, $p<0.05$) among the mobile phone users in Trincomalee district Town and Gravets area.

According to the above derived results, 62% of variability in PI of mobile phone users is accounted by combination of BE and BP jointly. 58.7% of variability in PI of mobile phone users is accounted by BE and 32.4% of variability in PI of mobile phone users is accounted by BP individually without considering BE. At the same time, 29.4% of variability in BP of mobile phone users in Trincomalee district Town and Gravets area is accounted by BE. Finally it could be concluded that BP is playing a partial mediating role in the connection in between BE and PI of mobile phone users in Trincomalee district Town and Gravets area.

4. CONCLUSIONS AND RECOMMENDATIONS

These study based on how the Mobile phone brand equity and purchase intention effected by brand preference. Through the study using appropriate sample and sampling technique and reveals results regarding level, relationship and impact of variable using Univariate, Bivariate and mediating analysis.

As a result of this study, when increasing Brand Equity then increase Purchase Intention among mobile phone users. This also supports many studies [12]. Then based on the reveal result, the managers of Mobile Phone Company need to give their attention to increase their brand Equity to increase their Purchase Intention in the mind of the consumer in the future. For achieving those benefits Mobile phone companies have to consider about four dimensions that explain positively on Brand Equity. According to the first dimension of when the Perceived Quality increase it may positively affect for increasing Brand Equity. To increase perceived quality they can offer quality products and concerns about formulating the more service value and uniqueness based on consumer expectation. It means that companies have to offer more new technology- oriented products to their customers.

Considering the Brand awareness, the marketers of mobile phone companies should have to key on the promotional mix strategies which have more support to their strategies. To support for increase brand awareness the marketers can engage with the commercial advertisement using act of very famous stars in Sri Lanka such as cricketers, actors and actress. By the way the billboard marketing method also helps for the awareness of the brand by showing a particular brand in common location to see the brand while they are walking, visiting or driving vehicle across the road.

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CONFLICT OF INTEREST

The author have declared that no competing interests exist.

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