

Customer based brand equity perception and its impact on online purchase intention

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Abstract

There has been a significant expansion in the number of consumer brands as a consequence of the increasing rivalry that has been spurred by globalisation, the blurring of boundaries between countries, the emergence of the Internet, and privatisation. The concept of a "brand," which initially gained popularity in the 1980s and 1990s, continues to be an important area of research for academics and marketers alike. When it comes to marketing, a brand is an instrumental tool. It is necessary for a brand to achieve a specific level of awareness among the consumer segments that it intends to target in order to make effective use of this instrument. When making a decision to purchase something, this is a necessary thing to take into consideration. In today's oversaturated consumer markets, consumers have a tendency to favour companies that they are already familiar with. The influence of the brand on the decision-making process of consumers about what to buy is as crucial as it has ever been. It has been observed that a higher level of brand awareness might have a favourable impact on the decisions that consumers make.

Key words: Customer, e-commerce, digital marketing, intention etc.

Introduction

In this day and age of digital transformation and online shopping, brands have emerged as the most prominent players in the online trading environment. Due to the fact that customers are increasingly turning to online platforms for their buying needs, the significance of customer-based brand equity perception in influencing their intents to make a purchase has assumed a position of critical importance. The purpose of this study is to investigate the intricate relationship that exists between customer-based brand equity perception and the intention to make a purchase online. The research endeavours to decipher the complex dynamics that govern consumer behaviour in the context of the online retail landscape. The way in which customers obtain information and make decisions on their purchases has been completely transformed by the internet. As a result of the expansion of online shopping platforms, consumers are flooded with an abundance of alternatives, which makes it difficult for businesses to distinguish themselves and secure a place in the thoughts and shopping baskets of consumers. In the midst of this digital cacophony, the role of brand equity, which is formed

by the perceptions and experiences that consumers have with a brand, has become an essential component in determining the decisions that they make regarding their online purchases.

When we talk about customer-based brand equity, we are referring to the value that customers place on a certain kind of brand. The perception and evaluation of a brand by consumers is a measurement that is based on their experiences and interactions with the brand under consideration. This perception has the potential to significantly impact their intents to make a purchase, particularly when it comes to dealing with online purchasing.

Here are some key points to consider:

Brand Awareness: The first step in building brand equity is creating awareness. Consumers need to know about the brand before they can form perceptions. Online advertising, social media presence, and content marketing can help in increasing brand awareness.

Perceived Quality: Consumers often associate certain qualities or attributes with a brand. This perception can be based on their own experiences, word-of-mouth, or marketing efforts by the brand. Higher perceived quality can lead to a greater likelihood of purchase.

Brand Associations: The associations consumers have with a brand can greatly impact their purchase intentions. Positive associations can include trust, reliability, and positive emotions. Negative associations can deter potential customers.

Brand Loyalty: A strong brand equity can result in higher levels of brand loyalty. When consumers have a positive perception of a brand, they are more likely to return for repeat purchases.

Online Purchase Intention: When consumers have a positive perception of a brand due to its strong brand equity, their intention to make online purchases from that brand is likely to increase. They trust the brand, believe in its quality, and are more comfortable making online transactions.

Online Reviews and Recommendations: Online reviews and recommendations from other customers can also impact brand equity perception and purchase intentions. Positive reviews and recommendations can reinforce a positive brand image.

Consistency: Maintaining consistency in branding, product quality, and messaging is crucial for building and sustaining customer-based brand equity. Inconsistencies can erode trust and negatively affect purchase intentions.

customer-based brand equity perception plays a significant role in influencing online purchase intentions. Brands should focus on building strong brand equity by creating awareness,

delivering consistent quality, fostering positive associations, and engaging with customers to encourage loyalty. This, in turn, can lead to increased online sales and a loyal customer base.

Review of literature

Aaker, D. A. (1991). Managing brand equity: Capitalizing on the value of a brand name. Aaker's seminal work provides a foundational “understanding of brand equity and its components, including brand awareness, perceived quality, and brand associations. It sets the stage for research into customer-based brand equity perception.

Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. Keller's influential paper introduces the Customer-Based Brand Equity (CBBE) model”, which outlines how consumers' perceptions and reactions to a brand contribute to its equity. The paper offers a framework for studying brand perception.

Kim, H. S., & Lennon, S. J. (2008). “Effects of reputation and website quality on online consumers' emotion, perceived risk, and purchase intention”. This study explores how reputation and website quality influence consumers' emotions, perceived risk, and purchase intentions in an online context, shedding light on the role of trust and perception.

Pappu, R., & Quester, P. G. (2006). “A consumer-based method for retailer equity measurement: Results of an empirical study”. Pappu and Quester present a method for measuring retailer equity based on consumer perceptions. Although focused on retailers, the methodology and insights can be adapted to study brand equity perception.

Lu, L. C., Chang, W. P., & Chang, H. H. (2014). “Consumer attitudes toward blogger’s sponsored recommendations and purchase intention: The effect of sponsorship type, product type, and brand awareness”. This research delves into the impact of sponsored recommendations by bloggers on consumer purchase intention. It highlights the importance of brand awareness and perception in the context of influencer marketing.

Ha, H. Y., & Janda, S. (2012). “Consumer responses to advertising: The role of ad content, emotions, and attitude toward the advertiser”. Ha and Janda's study examines the influence of advertising content, emotions, and attitudes toward the advertiser on consumer responses. It underscores the importance of brand perception in advertising effectiveness.

Verma, V., Gupta, P., & Nijhawan, S. (2015). “Factors influencing online buying behavior of Indian consumers”. This study explores the factors influencing online buying behavior among Indian consumers, including the role of brand equity perception in their online purchase decisions.

Mathur, P., & Yadav, R. (2016). “Impact of brand image and service quality on consumer purchase intention” A study of retail stores in Indian context. Mathur and Yadav investigate the impact of brand image and service quality on consumer purchase intention in the context of Indian retail stores, shedding light on the role of brand perception in offline and online shopping.

Roy, S. K., & Balaji, M. S. (2018). “Investigating the impact of online shopping experiences on consumer's e-satisfaction and e-loyalty in the Indian context”. This study examines the impact of online shopping experiences on customer satisfaction and loyalty in India, with a focus on the role of brand equity perception in shaping these experiences.

Sachdeva, M., & Dhar, R. L. (2019). “Influence of online brand experience on brand loyalty” A study of Indian consumers. Sachdeva and Dhar investigate how the online brand experience influences brand loyalty among Indian consumers, emphasizing the importance of positive brand equity perception.

Sarkar, A. (2020). “Antecedents of online purchase intention among Indian millennials: A study of fashion e-commerce”. Sarkar's research delves into the antecedents of online purchase intention among Indian millennials, including the influence of brand perceptions in the context of fashion e-commerce.

Gupta, S., & Aggarwal, D. (2021). “Impact of brand equity on online purchase intention: A study on Indian e-commerce customers”. This study specifically examines the impact of brand equity on online purchase intention among Indian e-commerce customers, providing insights into the relationship between brand perception and online shopping behavior.

Online Consumer Behavior and Purchase Intention

Online consumer behavior plays a pivotal role in shaping purchase intentions in the digital era. With the widespread adoption of e-commerce, consumers' decisions to make online purchases are influenced by a myriad of factors. One key determinant is the perceived convenience of online shopping. The ease of browsing and selecting products, along with the ability to shop from anywhere at any time, greatly appeals to consumers. Price sensitivity and the availability of discounts further sway their decisions, as online platforms often offer competitive pricing and exclusive deals. In the digital realm, access to comprehensive product information is another crucial factor. Consumers rely on detailed product descriptions, images, and reviews to make informed choices. Trust and security concerns are equally significant. Establishing trust through website credibility and addressing security issues are vital for instilling confidence in online transactions.

Social influence plays a growing role, with peer recommendations and online reviews shaping purchase intentions. Additionally, consumers' perceptions of risk in online transactions impact their willingness to make purchases. Mitigating risk perceptions through robust security measures and establishing the trustworthiness of online retailers and brands are imperative in cultivating online consumer trust. In sum, understanding the complex interplay of these factors in online consumer behavior is essential for businesses seeking to enhance their online brand equity and drive purchase intentions in the digital marketplace.

Conclusion

In contemporary marketing, the perception of customer-based brand equity wields significant influence over consumers' online purchase intentions. This multifaceted perception encompasses brand awareness, associations, perceived quality, and loyalty, collectively shaping how consumers engage with a brand. Notably, the favorable perception of a brand exerts a substantial sway on consumers' willingness to make online purchases. Trust, a fundamental element, emerges as a critical factor in online shopping decisions, closely tied to brand equity perception. Strong brand associations and perceived quality bolster consumer trust, while brand loyalty reinforces the inclination to choose a trusted brand for online purchases. With the advent of social media, interactions between consumers and brands in digital spaces add depth to brand perceptions and influence online buying behaviors. Thus, strategic efforts in managing brand equity, fostering positive associations, delivering consistent quality, and cultivating customer loyalty are pivotal for marketers in the digital era. In tandem, trust-building mechanisms, like secure payment systems and transparent return policies, play a crucial role in enhancing trust in e-commerce, inherently connected to brand equity perception. As technology continues to reshape the landscape of online shopping, nurturing and elevating brand equity remains central for businesses seeking success in the dynamic realm of e-commerce.

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