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THE SIGNIFICANCE OF BRAND EQUITY IN INFLUENCING CONSUMER CHOICE THROUGH CORPORATE BRANDING AND BRAND IMAGE

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ABSTRACT: Empirical studies indicate that brand equity plays a crucial role in the marketing mix since it has a notable impact on important factors like customer preference. The goal of this research is to determine how brand equity and customer preference are related. Many independent factors, including corporate branding and brand image, can have an impact on brand equity. Consumers tend to preserve their favorable perceptions of a business, its brand, and the pleasant associations they have with it, as well as its goods and services. Consumers are given the option to select among the company's offerings, and brand equity is also developed concurrently. In a mediating link between brand equity and other independent factors, this research creates a model that elucidates the relationship between corporate branding, brand image, and consumer choice as a dependent variable. A study involving 105 individuals with different kinds of smartphones was conducted in Saudi Arabia. The path analysis results showed that while brand image did not affect brand equity, it did appear to have a greater beneficial impact on the corporate brand. The study found that customers' purchase decisions were positively impacted by brand equity.

Keywords: brand image, corporate branding, brand equity, consumer choice

1.INTRODUCTION

According to Cagla Hirschman (1995), customer choice models come to life when previous purchases are included in. Both theory and facts support the premise that past choices, at least in respect to specific products, might have a considerable influence on present choices. People often have a brand preference and frequently purchase in marketplaces for necessities. When making a purchase, people consider brand equity. According to past research, brand equity influences customer choice; however, Njuguna et al. (2014) emphasized that these studies neglected the specific contributions of geography and sector in favor of a more general set of factors. The study's driving force is an understanding of the connection between brand equity, corporate branding, and customer choice.

Problem Statement

Even though the research has been thoroughly analyzed, there are still a lot of holes that need to be filled. Previously, researchers used naturally classified features to focus in on more particular aspects of customer preferences. Overall, our findings indicate to a hybrid model that incorporates four distinct schools of thinking. Many studies have been conducted to investigate how various aspects of public perception of a company's brand interact with one another. Servi et al. (2013), Chang et al. (2009), and Njuguna et al. (2014) are some examples of similar investigations. This suggests that the three models included in the study were not all assessed in the same way. The study's goal of merging four distinct models into a single coherent framework, as well as its location in a developing country, are both noteworthy contributions.

2.LITERATURE REVIEW

To maintain a competitive edge, businesses can invest in their brands and continuously adapt to match client demands. Businesses can enhance consumer perceptions by boosting the perceived

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value of their brands, so empowering customers to make more informed decisions. In order to maintain a competitive edge, firms must exhibit ingenuity and uniqueness in their approach to fulfilling client demands. According to Njuguna et al. (2014), supermarkets and other businesses utilize branding as a strategy to both attract and retain customers. This study aims to evaluate the correlation between brand equity and consumer choice by examining the impacts of independent variables, such as corporate branding and brand image. We do a comprehensive investigation of these issues to alleviate any concerns you may have.

Brand Image

According to Keller (1993), customers' perceptions of brands are influenced by their memories and experiences with such brands. As stated by Roy and Banerjee (2007), a brand's image encompasses the perceptions that consumers have about the brand. Aaker (1991) defines brand image as the collection of significant connections that clients establish with the firm. The well-established literature by Park and Arinivasan (1994) and Bearden and Etzel (1982) confirms the correlation between a product's distinctive selling attributes and consumers' perceptions of the brand. Hsieh and Li (2008) found that advertising messages featuring brands that consumers have a positive association with are more efficacious than those featuring competitor brands. The purchasing decisions of consumers are influenced by their opinion of a brand (Burmann et al., 2008). According to Richardson et al. (1994), people tend to consider products associated with well-known brands as having a higher value. The study conducted by Jacoby et al. (1971) demonstrated that brand impression exerted a significant influence on customers' evaluations of value and quality.

Corporate Branding

Most of the literature on branding focuses on research at the product level, which analyze how people perceive the brand of a product. Marketing academics are placing increased emphasis on corporate branding due to customers' growing awareness of issues such as social responsibility, community engagement, and labor conditions in relation to products and companies. Chang et al. (2009) state that the objective of corporate branding is to establish and sustain a favorable perception of a company's brand among both internal and external stakeholders.

Corporate branding activities aim to enhance a company's reputation, image, and character (Melewar & Karaosmanoglu, 2006; Van den Bosch, Elving, & de Jong, 2006; Abratt & Mofokeng, 2001). An effective approach to enhance brand equity is to foster more association between individuals and the company's name. That is, in contrast to the traditional responsibility of the marketing department in terms of product branding (Melewar et al., 2012).

The influence of firm branding is determined by two categories of corporate identity: one pertaining to internal stakeholders and the other linked with external stakeholders (Hulberg, 2006). The field of organizational theory encompasses various concepts such as brand leadership, training, interdepartmental coordination, internal branding, punjaisri & Wilson, and brand communication. These concepts have been extensively studied by researchers such as Vallaster & de Chernatony (2006), Roper & Davies (2010), de Chernatony (1999), and Balmer (2001). The study of consumer intents (Goldsmith et al., 2000) and customer assessments (Brown & Dacin, 1997) enables a marketing theory-driven analysis of firm branding (Keller & Aaker, 1998).

An organization's branding strategy include intangible attributes such as employee relations, social responsibility, and trust, in addition to its product line. The target audiences of a company's brand encompass many groups such as the general public, shareholders, consumers, and government organizations, among others. Corporate branding covers a company's reputation, societal attitudes and actions, personal connections, and shared product characteristics and benefits. Keller (1998) highlights that it encompasses more than just one product.

3.BRAND EQUITY

In marketing management, brand equity is king, according to Severi et al. (2013). One of the first to describe brand equity as something that raises a product's value was Farquhar (1989, p. 24). Providing products and services that assist customers in some way can boost a company's brand equity.

A product or service's brand equity, which includes its reputation, logo, and any related resources and obligations, establishes its worth to a company and its clients.

The concept of brand equity was first developed by Srinivasan (1979), who focused on the "brand-specific effect." The author claims this effect helps to explain why certain consumers have a preference for certain brands over others that cannot be explained by the brands' quantifiable attributes. According to Aaker (1991, p. 15), "brand equity" is the combination of a brand's concrete and intangible attributes that decide the value that a good or service offers to both a business and its customers.

There is still no consensus on the precise definition of brand equity, despite much discussion and research (Vazquez et al., 2002; Keller, 2003). Scholars and experts alike are stressing how critical it is to build and maintain brand equity (Chahal et al., 2010). One of the first to describe brand equity as something that raises a product's value was Farquhar (1989, p. 24). Companies often use offerings that create value, either directly or indirectly, as a means of creating equity (Kapferer, 2005; Keller, 2003).

Brand equity, as defined by Pride and Ferrell (2003), is the monetary and promotional worth of a well-known brand. This includes tangible assets, brand connotations, customer loyalty, perceptions of the company's grandeur, and name recognition. Lassar, Mittal, and Arun (1995) suggested methods for assessing brand equity based on consumer and financial factors. Financial metrics are frequently employed in the evaluation of a business's brand value. By focusing marketing decisions on customers' perceptions of the brand, the customer viewpoint analyzes brand equity (Kim, Kim, and An, 2003). The main ideas regarding brand equity that were discussed in the current literature review are compiled in Table 1. This essay will employ Aaker's (1991) paradigm to analyze how consumers assess a brand's value. Aaker (1996) defined a company's brand equity as the sum of its assets less its liabilities. The foundation of Aaker's (1996) concept of brand equity is comprised of five elements: perceived quality, brand awareness, loyalty, affiliation, and proprietary assets.

Table 1. The main concepts of brand equity

Major Contributors Concepts of Brand Equity

Priority was provided to our clientele. The level of information that a brand's target audience has about it is an accurate indication of its worth.

Customers' mental processes while purchasing a product, according to Farquhar (1989), may influence how they regard the brand and how much they value it.

According to Aaker (1991), the three pillars of brand equity are association, brand loyalty, and perceived quality.

Keller's 1993 study presents two approaches for assessing customer-based brand equity: indirect and direct evaluations. These approaches' principal goals are to improve brand identification and enhance brand perception.

Serve as the key source of information for our investigation.

Customers' opinions of a brand's marketing mix components have an effect on the brand's equity, which distinguishes it from unknown or suspect competitors in the same category (Keller, 1993).

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According to Keller (1993), the development of brand equity occurs in two stages. The selection of a company's name and logo is critical in this strategy since they represent the essence of the business. As a result, advertising efforts that complement and incorporate their identities are necessary. According to Aaker and Biel (1993, p. 17), "brand equity" is the value that customers place on a physical commodity or service because of the corporation behind it. According to Aaker (1991), brand equity is composed of five distinct categories of assets: associations, perceived quality, loyalty, awareness, and other differentiating assets.

Consumer Choice

Consumer research and international marketing literature have extensively studied the effect of a product's location of origin on consumer decision behavior (Dmitrovi et al., 2007). Concerns regarding consumer choice policies and decisions are shared by government officials, agriculturalists, and customers alike. In her 2014 study, Miyoung Oh... Cagla Hirschman (1995) argues that habit building helps to curb this desire for novelty. Instead of welcoming change, some people prefer to stay put. This includes purchase feedback as one component. Roy, Chintagunta, and Haidar (1996) state that this proves the "influence of observed past experience (through actual purchases) with a brand, on current choice probabilities." As Cagla Hirschman (1995) points out, individuals could exhibit unexpected variability or odd preferences for their preferred versions. It is possible that all of these aspects of customer behavior can connect a brand's previous purchases to their potential future purchases (or non-purchases).

Current consumer choice restrictions and decisions are a source of concern for the government, the agricultural sector, and consumers themselves (Oh Miyoung 2014). To begin tackling these connected issues, it could be helpful to look more thoroughly at consumer decisions regarding mobile phone brands.

There has been tremendous growth and development throughout many industries in the 21st century, especially in the realms of information and communication technology. Consumers may struggle to select the optimal option from the vast array of products and services offered nowadays. Numerous studies have examined customer preferences for different distribution routes; for instance, Ghose et al. (2012) and Black et al. (2002) compared imported and domestic commodities.

The primary goal of this survey is to find out which smartphone models are most beloved by Saudi consumers.

The Relationship between Brand Image and Corporate Branding with Brand Equity

Severi et al. (2013) cite the Marketing Science Institute (2002), which states that determining the level of brand equity is an important goal of marketing research.

Many individuals and organizations can influence brand equity within the framework of corporate branding (Abratt & Kleyn, 2012; Melewar et al., 2012). Research conducted by Chang et al. (2015) indicates that corporate branding positively impacts brand equity.

Many individuals and organizations can influence brand equity within the framework of corporate branding (Abratt & Kleyn, 2012; Melewar et al., 2012). Strategic branding is an effective method for increasing a company's value, whether used internally or in public (Balmer, 2001). Leitch and Richardson (2003) state that corporations can improve the public's impression of their corporate brand through customer-facing branding tactics that encourage the development of brand equity. According to Muzellec and Lambkin (2006), effective branding consists of consumer signaling, concise communication, and purposeful symbolism, all of which contribute to a positive reputation for a company. Based on research from Sen & Bhattacharya (2001), Schultz & Schultz

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(2003), Holdsch & Schultz (2003), Harris & de Chernatony (2001), and Sen & Bhattacharya (2001), a company can achieve its desired reputation, image, and identity through a well-executed corporate branding strategy. Firms can gather information, ideas, and insights regarding their corporate brands from a variety of sources, including consumers and members of the trade, through interactive procedures (Leitch & Richardson, 2003). Brand communities also show how invested and involved customers are, according to McAlexander, Scheuten, and Koenig (2002). According to Keller (1993), a stakeholder-driven corporate branding strategy can help improve brand assessments and resonance. According to Bhattacharya and Sen (2003), customers are more likely to form an emotional connection to a brand if they link it with positive qualities. Our findings suggest that a corporate branding plan, when carried out correctly, can improve a company's standing in the eyes of its target audience. Servi et al. (2013) investigated the link between brand image and equity and discovered that the former influences the latter in a positive way.

The Relationship between Brand Equity and Consumer's Choice

Recognizing the importance of brand equity is crucial in marketing. Companies need to have strong brand experiences and essential competencies in order to impact consumer decision-making processes (Yasin & Zahari, 2011).

There has been a lack of extensive research on the relationship between the characteristics of brand equity and customer preference. The literature review aimed to discover many studies that establish a correlation between the two variables being examined. It is worth mentioning that Njuguna et al. (2014) and Erdem et al. (2006) discovered that brand equity had a favorable influence on consumer choice.

Although there is a lot of media attention given to fast-moving consumer goods and services, customers frequently feel unsure about which products or services to buy. Furthermore, particularly in the Saudi context, the influence of exclusive brand assets, customer loyalty, perceived excellence, and brand recognition is rather limited. Furthermore, studies undertaken in Saudi Arabia have failed to establish the importance of brand equity qualities or how they influence customer decision-making.

The Proposed Framework and Hypotheses

What follows is a theoretical framework for making sure that, in a brand equity-mediated relationship, consumer choice is affected by corporate branding and brand image, which are independent variables.

The investigation will use the structure shown in Figure 1 and three hypotheses derived from the aforementioned literature review.

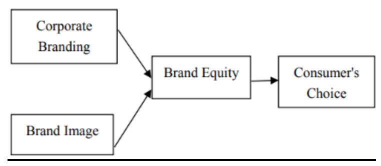

Figure 1. Conceptual framework of the study

H1. Brand equity is positively correlated with company branding.

H2. When it comes to brand equity and image, there's a favorable association.

H3. There is a favorable relationship between customer preference and brand equity.

Research Methodology

Sampling

Sekaran (2008) defines sampling as the process of selecting a representative subset from a population in order to infer information about the full population based on the characteristics of the subset. Residents of Jeddah City who utilize a range of mobile devices, including smartphones. Most of these individuals have utilized insurance services during the past two years. The study's participants were selected randomly from the

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intended population. Out of the 120 questionnaires given to participants, 25 were considered ineffective because they included missing or insufficient data. This section provides the findings of an analysis conducted on 105 questionnaires.

Variable Measurement

The survey included a five-point Likert scale to evaluate brand equity, corporate branding, brand image, and customer choice. A score of five indicates consensus, whereas a score of one signifies substantial divergence. The measures employed in this study were adapted from previous studies to align with the specific requirements of the present inquiry. To ascertain client preferences, we employed three inquiries from Enthoven et al.'s (2001) investigation. Three variables were selected from Kim and Kim's (2005) study to evaluate the brand's reputation. In their study, Chang et al. (2015) performed research that led to the creation of a 20-item evaluation tool for quantifying organizational identity. The study conducted by Yoo et al. (2001) included four specific questions to determine the brand equity.

Results

Respondents' Background

The age distribution of the 105 study participants is as follows: The participants' age distribution was as follows: 66.7% were in their twenties, 31.34% were in their thirties, and 1.9% were in their forties. Additionally, 78.1% of the participants were single. The marital rate stood at 21.9%. It is advisable to take into account the duration of gadget usage. Over 50% of those who own smartphones, namely 40.7%, 40%, and 13.3%, maintained possession of their devices for a minimum of two years following their initial purchase.

Multiple Regression Analysis

numerous regression analysis, as described by Hair et al. (1998), is a statistical technique used to examine the association between a dependent variable (the criteria) and numerous independent variables (the predictors). An important discovery (with a correlation coefficient of 0.96 and a p-value greater than 0.01) provides evidence for the assertion that corporate branding has an impact on brand equity. The absence of a correlation between brand equity and the brand image variable in Table 2 substantiates the dismissal of H2, hence confirming the acceptance of H1.

Table 2. Multiple regression analyses: the relationship between brand image, corporate branding and brand equity

Brand Equity	**Beta**	**t-test**	**Sig**	**VIF**	**tolerance**
Brand Image	-.089*	-2.6	.012	1.0643	.941
Corporate Branding	.96**	27.7	.000	1.0643	.941
R^2	.88				
Adjusted R Square	.88				
F Value	392. 8				

Simple Regression Analysis

Simple regression analysis is the statistical method used to investigate the relationship between a single independent (predictor) variable and a single dependent (criterion) variable. Brand equity, according to H3, influences how customers make decisions. According to Table 3, brand equity (0.065) accounted for the variation in consumer preferences (R2=0.065). Customer preference and brand equity were revealed to have a significant and robust positive association (=0.26, p.01). As a result, H3, which argued that brand equity effects customer choice, is accepted.

Consumer Choice	**Beta**	**t-test**	**Sig**	**VIF**	**tolerance**
Path c					
Brand Equity	.78**	2.86	.009	1.000	1.000
R^2	0.065				
Adjusted R Square	.056				
F Value	7.2				

Discussion and Implications

The goals of the research are to ascertain how corporate branding and brand image affect brand equity and what role brand equity plays in consumers' decision-making processes. Although brand image did not significantly affect brand equity, corporate branding was discovered to have a positive effect on brand equity. With this information, managers may advise their teams on how to strengthen their company's brand through strategic branding. There is a strong relationship between corporate branding and brand equity, as

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seen by the positive correlation between the two. Corporate branding also aids in advancing reputational and social responsibility-based brand ideals. However, the results indicated that in the mobile phone industry, brand equity was unaffected by brand image. Because of this, marketing executives should give more weight to the brand image variable in future analyses, even though it seems to have no bearing on brand equity. In addition, the study appears to contradict earlier research (e.g., Njuguna et al., 2014; Erdem et al., 2006) that examined the effect of brand equity on customer decisions.

4.CONCLUSIONS

The effects of corporate branding and brand image on brand equity and brand equity on consumer purchase decisions were the focus of this research. The results give light on Saudi consumer behavior, which is crucial for practitioners to know. Therefore, in order to boost the impact of brand values on consumer decision-making, concrete suggestions for the strategic implementation of corporate branding are formulated.

In the context of Saudi Arabian smartphone sales, this research set out to examine the nature of the bond between brand equity and customer preference. Additionally, it looked at how corporate branding and brand image impact brand equity. Companies selling smartphones and associated services should adopt the idea of corporate branding, as suggested by the study.

Recommendation

So far, we have seen enough evidence to suggest that corporate branding does affect brand equity. Moreover, studies have demonstrated that client decision-making is significantly impacted by brand equity. To boost their brand value and attract loyal customers, Saudi Arabian smartphone manufacturers had little choice but to put increased emphasis on corporate branding. Businesses can reap the benefits of corporate branding and brand image strategies in the long run, despite the fact that it may be challenging at first. Those in charge of marketing within organizations will find this study very helpful.

Limitation and Future Research

The study aims to shed light on areas that need additional exploration and offer policymakers with the information they need, considering the substantial impact that corporate branding has on marketing brand equity. Having said that, this research does have certain drawbacks. For instance, it would be a stretch to apply the study's findings to all Saudi consumers given the small sample size of only 105 people. Researchers utilized a cross-sectional approach to gather data for the study. However, because brand credibility is ever-changing, a longitudinal strategy is needed for constant development and monitoring. In addition, the study could have broadened its scope to include other companies that cultivate long-term client connections, such as hotels and insurance, rather than focusing solely on smartphones. Lastly, Saudi Arabia, a developing nation, was the site of the study.

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