



## Brand Equity Relationship with Brand Loyalty and Image on Customers

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### Abstract

The purpose of this research is to investigate the relationship between brand equity and brand loyalty and brand image on customers in Kourosh chain stores, which is descriptive-survey and applied research method. Data collection is done field by questionnaire. Be the statistical population of this research consists of all buyers of goods in Neai and Majid sports stores, which is about 4500 people. According to Morgan's table, the number of samples is 350, which was selected by random sampling. Pearson correlation coefficient was used to explain the research hypotheses and multivariate regression analysis was used to predict the simultaneous effect of the independent variable on the dependent variable. According to the research findings, there is a significant relationship between brand image and brand equity ( $r = 0.81$ ). Also, there is a significant relationship between customer loyalty and brand equity ( $r = 0.87$ ). The results of the research showed that in terms of the size of the total impact, brand image and customer loyalty are a key factor in creating brand equity. Therefore, customers must understand the company's willingness to conquer their feelings and the company's regularity in all matters so that the brand image and customer loyalty are accepted to them, ultimately, the company's special brand value, which is an intangible asset and determines the Value Company is increasing.

**Keywords:** brand image, brand equity, customer loyalty

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### Introduction

The intensity of competition in markets and the importance of maintaining customers for organizations have led them to take steps towards establishing and maintaining long-term relationships with customers. Leading and learner organizations are moving towards maintaining their customers and their loyalty, but the competition is also increasing in the same way and the cost of attracting new customers has also increased significantly. Therefore maintaining customer and loyalty is vital to continuing business (Cutler & Armstrong, 1999). In the present era, sport with its various functions plays an important role in

the development of various societies. Nowadays sport is one of the most effective factors in the growth of the national economy and the most productive industries in the 21st century (Hosseini, 2013). In fact, in today's world, the main capital of many organizations is the brand (name) of that organization. Over the past decades, the value of a company was measured by real estate, then tangible assets, factories and equipment. However, today, researchers in economics and management have come to the conclusion that the true value of a company is somewhere outside of it, in the minds of potential buyers. In other words, at the moment, this intangible asset, the brand of organization or product and sports services, is important. Brand equity is one of the most famous and most important marketing concepts that is widely discussed today by researchers and marketing experts. For reasons of this importance, the strategic role of brand equity is in managing decisions and creating competitive advantage for organizations and customers (Gilani Nia and Mousavian, 2010). The brand's special value enables organizations to pay more for their brand in addition to retaining their market share (Lee, 2009). Indeed, brand equity boosts the effectiveness of marketing plans, reduces the costs and expenses of promotional activities, and creates a platform for its development through brand development. Brand equity can even increase market share and increase profitability and create cash flow for organizations (Boyle, 2008).

The concept of brand equity that emerged from the early 1980s has attracted marketers' attention (Bravo, 2007). From Clare's point of view, brand equity boosts consumer preferences and intentions (Papu, 2005). Marketers can also gain competitive advantage by having successful brands (Wang, 2008). Brand equity is an intangible asset. Which has a financial and psychological value for money, and added value added to products and services, in the way the customer is thinking, feeling and respecting the brand, the price, market share and the profit that a brand owns (Cutler, 2007). Brand equity value: 1) Consumer satisfaction for payment of bonus prices; 2) Bachelor's license; 3) Marketing communication efficiency; 4) Store satisfaction for participation and support; 5) Stretching consumers to lower prices; 6) Lack of consumer striving to raise prices. Increases the vulnerability of the company to competitive marketing activities and their vulnerability to crises (Simon, 2000, and Park, 1999). The value of a brand is a source of competitive advantage (Hoffman, 2000). In addition to this brand, it plays a special role in service companies as it increases the strong brand credibility of intangible products and enables customers to better understand and recognize them (Bir, 2000). Trademarks, Security Risks, Social Security, and Finance. Reducing services that hinders the evaluation of a service before purchase. Also, the higher level of brand value increases customer satisfaction, re-purchases, and loyalty (Qiang, 2007).

Foxwell and Gold Smith (1994) state that survival firms have developed a degree of loyalty in their customers, and have developed a group of customers to re-buy a brand, or encourage Invest in the brand again. The customer relationship marketing activities are central to customer focus on the priority of all companies. In the current situation, only organizations in the field of competition are in a good position, whose main focus is to meet the demands of customers and satisfy their needs (quoted by Kzazi). This is also true in the sports industry. The variety of motivations and excitement existing in sporting activities, along with the sense of competition or replication, has always attracted a large part of sport users to consuming sports products (goods, services, newspapers, competitions and events). ...) drags. Michelle and Michel reported that Americans spent \$ 213 billion on sports (Sajadi et al., 2012). Maintaining and sustaining these communications can lead to loyalty. Brand loyalty (product, product, event or organization) is a profound commitment to re-purchasing or re-purchasing a product or service that is preferred in the future. While situational and commercial influences attempt to change behavior, loyalty redeems the same brand (Bahram Fard, 2014). Customer loyalty has an important impact on the financial success and survival of the organization or product, and the first step in shaping customer loyalty is to establish a relationship between brand attitude (Ebrahimi, 2013). According to Kim and Hamar Nash (Kim, 2008), brand attitudes and brand are different from brand loyalty, although they ultimately lead to loyalty to the brand. Attitudes towards the brand of emotion, and the customer's intention to behave towards a particular brand. The customer's desire to buy only one brand in a product class shows high

brand loyalty to that brand, but multiple loyalty or loyalty to more than one brand is a low level loyalty. Chaudhry in his study (Chadori, 1995) showed that brand attitude is one of the most important predictors of brand equity. He has also confirmed the role of brand loyalty between brand attitude and its special value. According to Taylor (Taylor, 2007), brand image is the same customer perception of a brand that reflects the mental associations accumulated in its memory. Bravo (Bravo, 2007) believes that brand equity dimensions are closely related to the image of the brand.

Today, sports enthusiasts buy from stores that sell all goods (clothing, sports equipment, etc.). Facing a bunch of products that are identical, the decision to buy consumption, in terms of quality and the makers, regardless of their product characteristics, brings to the brand. In competitive conditions, today's market is gaining an appropriate place in the minds of the consumer in a way that a loyal consumer of the company is important. Among the factors that are effective in achieving such a position in the minds of customers is the company's brand equity value. A brand equity value is like an asset for a company that increases the turnover of a business (Simon, 1993). Review of past research has shown that, despite the importance of this issue, no special research has been done on sports brands in Iran. Therefore, statistical surveys are needed to test the relationship between brand equity with consumer loyalty and consumer image over brand and the effect that a particular value can have on a customer's mental image and loyalty in the sports industry. In order to determine the effect of marketing activities, including activities affecting the brand equity in the sport sector, research should be conducted to examine the direct and indirect effects of brand equity factors on the customer's image and loyalty. If the relationship between these elements and customer loyalty and brand image and especially its dimensions can be gained, company decision makers can easily decide on how to use value-based marketing to maximize the company's sustainable profitability. To find Therefore, the results of this research in planning for the management of sales and distribution of sporting goods and the effectiveness of advertising costs for manufacturers and distributors of sport goods is important and necessary for research.

### **Research Methodology**

According to the purpose of this research, the method has descriptive-survey method and is a type of applied research that collects data field by questionnaire. The statistical population of this research includes all buyers of sporting goods in Ney and Majid stores in Tehran. Approximately the open weekly view is about 4500 people. According to Morgan's table, the sample size is 350 people who were selected by random sampling method. The tool for this research was to assess the brand value of the brand equity standard questionnaire of the Acer model, which was designed in 1991, which has 32 rows, and five dimensions of brand loyalty, perceived quality, brand association, brand advertisement, tendency to accept broad brand. The reliability of the questionnaire was calculated to be 0.84. In this research, the mental image questionnaire of Hosseini et al. (2010) with 9 items was used with a reliability of 0.78. To measure the loyalty variable, the customer loyalty questionnaire by Randall-Till (2005), consisting of 26 items and 5 subscale of Attitude Attitude (6 items), complaint behavior (7 items), loyalty (4 questions), resistance the competitive bidding (6 questions) and positional loyalty (3 questions) were used to measure the loyalty of customers. The reliability of the research was 0.86 and approved. To determine the internal reliability of the questionnaires, Cronbach's alpha test was used. Then, in order to evaluate the normal distribution of data, the normal distribution of data (slip-stretch test) was used. Also, Pearson correlation coefficient (due to data normalization) was used to explain the research hypotheses. The multivariate regression analysis was used to predict the simultaneous effect of the independent variable on the dependent variable.

### **Research findings**

Descriptive findings show that over 58% of the sexes are men and about 42% are women. In terms of marriage, more than 76 percent are single people. In terms of age, more than 68% of people are under 30 years of age, and less than 23% of them have university education.

To determine the normalization or non-normalization of the sample, a skew and elongation test was performed. The reason for using this test is to test that the sample size is less than and less than 5000, the test of slip and elongation is more appropriate than the Kolmogorov-Smirnov test (Hir, 2009). In general, if the sloping and elongation are not within the range (2, 2), the data is far from normal distribution and should be corrected before any tests that they have to assume to be normal for the data. (Of course, some statisticians may consider this interval smaller or larger). The observed skid value for the variables studied is in the interval (2, 2). In other words, the variables in the research are normal and their distribution is symmetric. The amount of elongation of the variables is also in the interval (2, 2).

Table 1: describes the variables of research and the normalization of data

	some	average	variance	cholegi		elongation	
				size	error	size	error
Special value Phantasm customer commitment	350	3.4258	.54909	.396	.136	-1.227	.271
	350	2.7682	1.15165	.287	.131	-1.397	.260
	350	3.3535	.65349	.469	.130	-1.470	.260

Regarding the normality of the data, Pearson correlation coefficient test was used to examine the relationship between variables.

Brand equity is related to the brand image of the brand.

Table 2: The Relationship between Brand Value and Mental Image

meaningful	The correlation coefficient	variable
0.001	0.841	The relationship between brand equity with the mental image

According to the results of Table 2, there is a significant positive correlation between brand image with brand equity (sig = 0/001). Therefore, the zero assumption is rejected and the assumption of the research is confirmed.

Brand equity is linked to customer loyalty.

Table 3. Relationship between brand equity with customer loyalty

meaningful	The correlation coefficient	variable
0.001	0.877	The relationship between brand equity with the mental image

According to the results of Table 3, there is a significant positive correlation between brand equity with customer loyalty (sig = 0.001). Therefore, the zero assumption is rejected and the assumption of the research is confirmed.

Table 4: Watson camera test result

Watson Camera	Standard deviation	Squared R Adjusted	Squared r	Model
1.830	0.298	0.707	0.841 a	1

For the purpose of self-correlation, the remainder of the regression was used for the purpose of whether the remainder was independent in the regression. The Watson camera test was used. According to Table 4, the value of the camera-Watson (830/1) statistic is located between 1.5 and 2.5, so the assumption of the independence of the errors is accepted. It also validates the histogram of the regression test.

To test the hypothesis, simple linear regression was used. The brand image and customer loyalty variables, which have a meaningful relationship with brand equity increase, were used in this test. The result of this test is reported in Table 5.

Table 5: Regression results using simple linear method

		statistics	is the coefficient of determination <sup>2</sup>	Multiple correlation coefficient R	Predictive variable	Criterion variable
F	BRegression coefficients	The significance level				
772.198	B=0.398 t =27.788 0.001	0.001	0.707	0.841 a	Brand value	Brand image and customer loyalty

As shown in Table 5, the simple correlation coefficient of the variable of the brand image and the customer's fidelity, the brand special value increase is 0.841 and the coefficient of determination, that is, the percentage of the variance of the criterion variable explained by the predictor variables, is explained in this. The ratio is equal to 707%. Therefore, the variable of brand image and customer loyalty predict 0.770% of brand variance enhancement variable under the influence of mediating variable of sport marketing mix. Also, the regression equation was significant with  $F = 772.198/$  and the significance level of 001, which is smaller than 0.05, is significant.

The results of regression analysis using simple linear method show that the regression coefficient for  $B = 39.88$  and the significance test statistic of regression coefficient were  $t = 27.7788$  and its significance level was 0.001 which was less than 0.05 And meaningful. Therefore, taking into account the regression coefficient of the brand image and customer satisfaction, and the fixed value of 298/2, the regression equation is obtained as follows:

$$y' = bX + a$$

**2.298 (Brand image and consumer fidelity) 0.398 = Special value  
 Standard error 0.023**

### Discussion and conclusion

According to the results, there is a significant relationship between brand image and brand equity ( $r = 0.81$ ) and between brand loyalty and brand equity ( $r = 0.87$ ). Therefore, it can be expected that by increasing the perception of the image and loyalty of customers about the brand, brand value will also increase. Therefore, manufacturers should be encouraged to focus on quality, create a sense of pleasure in the customer, they are interested in exercising, and creating a sense of belonging to the brand by a brand that is proud to be a customer of a particular consumer brand, a mental image. Create a good brand

and thereby increase brand equity. The results of this research are consistent with the results of Moradi (2011), Rafiei et al (2012), Fuelanloo (2014) and Darvishi (2014).

Today's brand is a strategic requirement for organizations to help them achieve value for their customers and create sustainable competitive advantage. Creating a strong brand on the market is the key to many organizations; because a strong brand can increase the trust of customers when purchasing goods and services and help them better understand intangible factors. In other words, a strong brand is a valuable asset to the company. A consumer's perception of a brand can also help to sell a product or service and can be seen as a barrier to sales. The assumption about brand image is that customers are not the only buyer of a product or service, but also acquire brand image associations (such as power, wealth, and skill), and most importantly, identity and association with other consumers or brand customers. he does. In today's customer-oriented world, people tend to introduce themselves through their own. Generally, good brand imagery leads to a strong sense of emotion in people immediately. Such ideas are positive and often include amongst other unique rival brands, as well as brand equity, brand strength and brand value. Brand strength is a set of associations and behaviors that affects brand customers, channel members, and Mother Company (parent), which allows the brand to benefit from different competitive advantages.

The brand's special value is the financial result of management's ability to apply brand strength through tactical and strategic actions, with higher current and future profits and fewer risks. A brand-specific value increases the chances of brand choices and leads to customer loyalty to a particular brand. One of the benefits of brand equity is the possibility of brand extension to other product categories. Generally speaking, branding is defined as the use of an existing brand name to enter a new product class. When new brand names are compared, we see brand genres, lower promotional costs, and higher sales. Brand successful generalizations play a role in raising brand equity more than brand equity, and unsuccessful brand extensions may reduce the brand's specific brand equity. Brand equity is a source of sustainable competitive advantage. Brands are managed as long-term assets. Brand management should be strategic and general. The blend of marketing must be in a way that protects the brand message. Mixed marketing elements affect the value of consumer perceptions relative to brands. Firms with higher budgets distorting sales promotions attract more customers that have more favorable attitudes and brand equity than any other, and are as high as the market, and profits are also rising. They find

The results of the research showed that in terms of the size of the total impact, brand image and customer loyalty are a key factor in creating brand equity. One of the main uses of this finding is that managers need to emphasize the brand image of customer loyalty in evaluating, developing and building brand value. In order to ensure that the image of the brand is acceptable among customers, companies must, by questioning and constantly challenging competitors, induce their willingness to dominate the market in the minds of customers, and by providing a permanent product of new products, the company as an innovator to customers. To know, Customers must also understand the company's willingness to conquer their feelings and the firm's regularity in all matters so that the brand image of the company is considered acceptable to them, ultimately, the company's special brand value, which is an intangible asset and determines the value of the company , Increase.

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